

Home of Ingenuity.



SINGER

Singer (Sri Lanka) PLC | Annual Report 2021/22



Home of Ingenuity.

Your home is a safe heaven of love and loyalty. For over 145 years, we at Singer have shared your vision of loyalty, creating possibilities for you to thrive on. Today, with a formidable presence across the nation, Singer has built a reputation as the home of ingenuity; driven by the future of innovation at the pace of your dreams. Today, Singer has embarked upon a vibrant chapter in its journey, centred on a brand promise which curates unique experiences to make your home a reflection of your ingenuity.

Forward in thinking and clever in their approach, our team has navigated the past year with noteworthy resilience. As we reshape our perspective of the future upon the foundation of our recently launched values, we are well positioned to leverage our fresh brand qualities and strengths in pursuit of enhanced growth to consolidate our presence within each industry in which we operate. The collective efforts of our smart and vibrant team have contributed towards an outstanding year, providing a platform from which we are poised to soar into the future.

Today, we pride ourselves on being the home of ingenuity, because your home is at our heart.

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Our **Vision**

To be the market leader
in elevating and enriching
lives in Sri Lanka.



Our **Mission**

Improving the quality of life,
creating lifelong partnerships
with our customers by providing
comforts, services and
convenience at great value.

Our **Values**



Lead with Respect



Demonstrate responsibility
and integrity



Improve and innovate
passionately



Collaborate for success



Respond with agility



Drive sustainability



ABOUT THIS REPORT

Welcome to our 1st Integrated Report

This year, we mark a key milestone in our corporate reporting journey as we embrace the principles of Integrated Reporting, to produce Singer (Sri Lanka) PLC's 1st Integrated Annual Report. This Report represents our primary publication to shareholders and aims to provide a balanced and concise overview of how the Group directed its strategy in creating stakeholder value over the short, medium and long-term. The Report also includes information on the Group's operating environment, corporate governance and risk management practices and the way forward.



Reporting Frameworks and Assurance



Financial statements and information:

Sri Lanka Financial Reporting Standards and external assurance provided by Messrs. KPMG



Narrative report:

Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). External assurance on Integrated Reporting provided by Messrs. Ernst & Young



Sustainability Reporting:

Report has been prepared in accordance with the GRI Standards 2021, with external assurance obtained from Messrs. Ernst & Young. We have also adopted the Sustainability Accounting Standards Board Standard for Multi-line and Specialty Retailers & Distributors



Gender Reporting:

Gender Parity Reporting Framework issued by the Institute of Chartered Accountants of Sri Lanka



Corporate Governance:

Listing requirements of the Colombo Stock Exchange and Code of Best Practice on Corporate Governance issued by CA Sri Lanka

Report profile

Reporting period for financial and sustainability reporting:

Financial year ended 31st March 2022

Period of the most recent previous report:
Financial year ended 31st March 2021

Frequency: **Annual**

Applying <IR> Principles

Strategic focus

Dedicated Chapter on strategic progress with links to relevant sections across report

 **Page 37**

Connectivity

Interrelatedness and dependencies shown through navigation icons and signposting

 **Page 03**

Stakeholder relationships

Chapter on stakeholder engagement, concerns and responses

 **Page 28**

Materiality

Systematic materiality assessment process

 **Page 33**

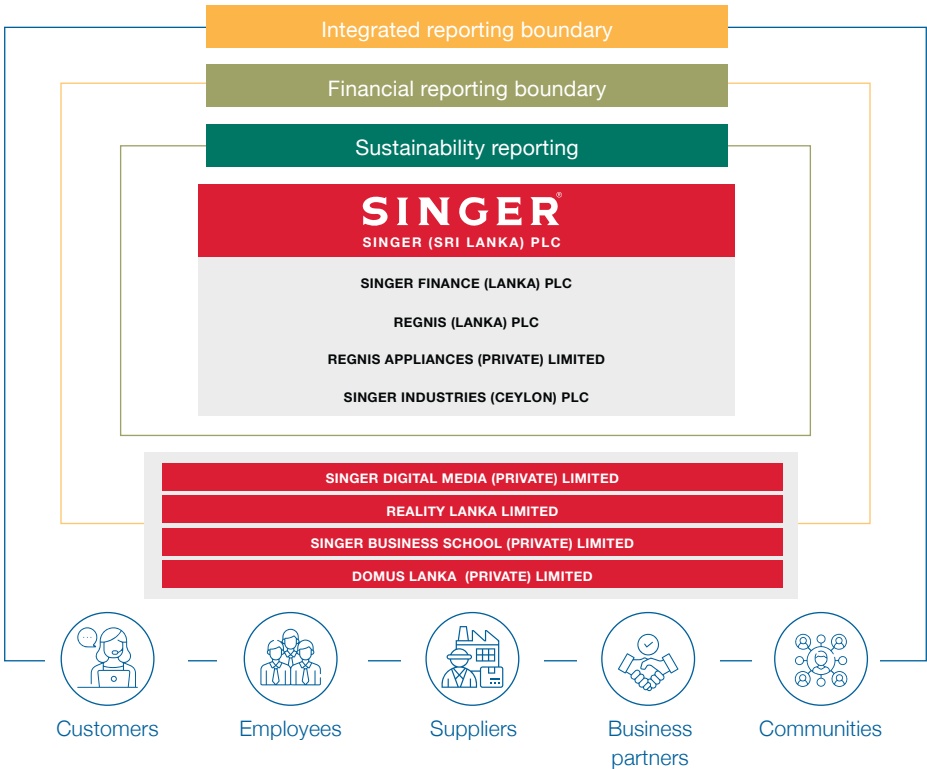
Consistency and comparability

Comparable information for the previous year provided wherever relevant

ABOUT THIS REPORT

Reporting boundary

The financial reporting included in this Report represents the Singer Group (comprising Singer (Sri Lanka) PLC or the “Company”) and 8 subsidiaries as illustrated below. The boundary for sustainability reporting is limited to the Company and 4 key subsidiaries, which collectively account for over 95% of consolidated assets. The reporting boundary remains unchanged compared to the previous year and there are no major restatements of information provided in previous reports. The Group’s operations are solely in Sri Lanka.



Materiality

The leadership team have identified the issues that could have the most significant impact on the Group’s ability to create value. In determining these issues, we have considered the industry landscape, the concerns of our stakeholders and our strategic aspirations. The process used to determine material issues and the list of topics for the year are given on pages 33 to 36 of this Report.

Reporting improvements

- Adoption of the Integrated Reporting Framework
- Adoption of SASB Standards
- Early adoption of the updated GRI Standards 2021
- Adoption of the Gender Parity Reporting Framework issued by Institute of Chartered Accountants of Sri Lanka
- Content selected, prioritised and disclosed following a comprehensive materiality assessment
- Report restructured for improved clarity and readability
- Increased connectivity of information through the use of navigation icons

Capital Inputs



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship Capital



Natural Capital

Statement of Responsibility

Singer (Sri Lanka) PLC’s Board of Directors is ultimately responsible for ensuring the accuracy of this Report. We hereby confirm that the 2021/22 Report addresses all relevant material matters and fairly represents the Group’s integrated performance. We also confirm that the Report has been prepared in line with the guidance provided in the Integrated Reporting Framework of the International Integrated Reporting Council.

Signed on behalf of the Board.

Mahesh Wijewardene
Group Chief Executive Officer

Feedback

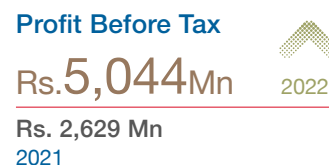
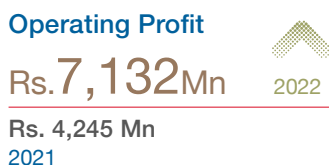
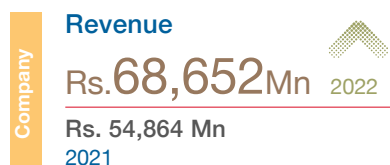
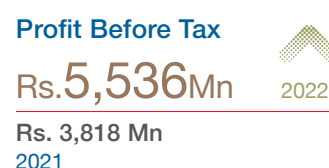
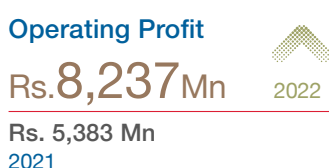
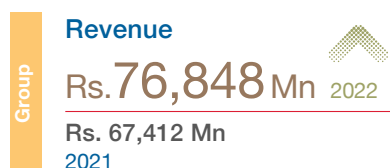
We are committed to consistently improving the quality and readability of our corporate reporting and welcome your feedback and suggestions on our Annual Report. Please direct your feedback to,

Finance Director,

Singer (Sri Lanka) PLC,
112, Havelock Road,
Colombo 5

FINANCIAL HIGHLIGHTS

For the year ended 31st March	Group			Company		
	2022	2021	Increased/ (Decreased)	2022	2021	Increased/ (Decreased)
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue - Net	76,847,842	67,412,239	14.0	68,652,290	54,863,686	25.1
Gross Profit	22,191,504	18,511,352	19.9	18,561,891	14,967,093	24.0
Operating Profit	8,237,352	5,382,601	53.0	7,131,998	4,244,716	68.0
Net Finance Cost	2,320,221	1,272,107	82.4	1,994,123	1,535,867	29.8
Profit Before Tax	5,535,560	3,818,007	45.0	5,043,875	2,629,049	91.9
Profit for the Year	4,109,791	2,607,521	57.6	3,908,641	1,749,176	>100
Total Comprehensive Income for the Year (Net of Tax)	4,554,012	2,809,992	62.1	4,001,150	1,802,806	>100
Stated Capital	626,048	626,048	0.0	626,048	626,048	0.0
Revenue Reserves	9,080,204	6,416,501	41.5	5,919,944	3,277,635	80.6
Capital Reserves	1,635,092	1,232,580	32.7	1,291,762	1,170,908	10.3
Statutory Reserves	223,763	198,939	12.5	-	-	-
Non-Controlling Interests	1,971,082	1,778,543	10.8	-	-	-
Total Equity	13,540,625	10,258,638	32.0	7,842,191	5,080,616	54.4
Property, Plant and Equipment - Net	7,521,444	6,805,750	10.5	3,807,243	3,578,266	6.4
Other Investments	22,900	24,990	(8.4)	22,858	24,948	(8.4)
Net-Current Assets	9,399,654	2,352,145	>100	7,501,792	1,773,635	>100
Gross Dividends	N/A	N/A	-	1,239,575	713,695	73.7
Dividend per Share - Rs.	N/A	N/A	-	1.10	0.63	74.6
Dividend Payout Ratio - %	N/A	N/A	-	31.70	40.65	(22.0)
Dividend Yield - %	N/A	N/A	-	7.9	3.6	4.2
Earnings per Share - Rs.	3.51	2.18	61.0	3.47	1.55	>100
Price Earnings Ratio - Times	N/A	N/A	-	4.03	11.23	(64.1)
Net Assets per Share - Rs.	10.27	7.53	36.4	6.96	4.51	54.3
Market Price per Share - Rs.	N/A	N/A	-	14.00	17.40	(19.5)
Gross Profit Margin - %	28.88	27.46	1.4	27.04	27.28	(0.2)
Operating Profit Margin - %	10.72	7.98	34.3	10.39	7.74	34.2
Net Profit Margin - %	5.35	3.87	38.2	5.69	3.19	78.6
Net Income to Net Revenue - %	5.35	3.87	38.2	5.69	3.19	78.4
Return on Average Equity - %	34.57	28.27	22.2	60.49	38.56	56.9
Return on Capital Employed - %	12.73	11.54	1.2	21.56	19.34	2.2
Equity Assets Ratio	15.15	14.80	2.4	14.49	12.03	20.4
Debt Ratio - %	84.85	85.20	(0.4)	85.51	87.97	(2.8)
Debt to Equity - Times	3.56	3.37	18.8	3.00	3.17	(5.4)
Gearing Ratio - Times	0.78	0.78	-	0.75	0.76	(1.3)
Interest Cover - Times	3.39	4.00	(15.3)	3.53	2.71	30.2
Dividend Cover - Times	N/A	N/A	-	3.15	2.46	28.6
Current Ratio - Times	1.18	1.06	11.3	1.22	1.06	15.5
Quick Assets Ratio - Times	0.75	0.63	19.0	0.61	0.49	24.6



NON-FINANCIAL HIGHLIGHTS



MANUFACTURED CAPITAL

431

Customer touch points across all 25 districts in the country

4

Manufacturing facilities in Sri Lanka

3

Distribution Centres with a storage capacity of 50,000 CBM

Rs. 7,521 Million

Property, Plant and Equipment with Rs. 769 million investment in 2021/22



INTELLECTUAL CAPITAL

SINGER BRAND RELAUNCH

Including retail rebranding, visual identity change and relaunch of brand proposition

>145 YEARS

Established track record in Sri Lanka

12 AWARDS

Including

PEOPLE'S BRAND OF THE YEAR 2022

at SLIM-KANTAR People's Awards for the 16th consecutive year

TOP 10 STRONGEST SRI LANKAN BRANDS

Brand Finance

3,154

Employees

17%

Female representation rate

Rs. 3,549 Million

Salaries to Employees



HUMAN CAPITAL

CERTIFIED AS A "GREAT PLACE TO WORK"



100,474

Training hours

5.84

Average training hours/employee

96%

Retention rate



SOCIAL & RELATIONSHIP CAPITAL

5.7 Million

Customer base

79%

Net Promoter Score

83%

Satisfaction rate (Customer Contact Centre)

16+ Million

All Social media reach

Rs. 6.4 Million

CSR investment

60+

International business partners

370+

Service Franchise Agents



NATURAL CAPITAL

Adoption of Hayleys Lifecode
Group's comprehensive ESG Roadmap

7%

Emission intensity reduction

146,035 kg

E-waste collected

28%

Reduction in water withdrawal

97,092 kg

Styrofoam packing replaced with paper pulp

“

REVIEW OF

2021/22

Despite unprecedented challenges, the Group delivered a year of record growth and profitability, consolidating its market leadership position and setting the foundation in place to drive the next phase of evolution and growth.

- Demand remained resilient to pandemic-led disruptions, although **escalating macro-economic stress** towards the latter part of the year led to significant challenges in importing products.
- Over the last 2 years, strategic focus was placed on evolving and future-proofing the business for its next decade of growth. Through focus on eight **Must-Win-Battles**, considerable progress was made in enhancing brand visibility leveraging technology, driving customer-centricity and achieving operational excellence.
- During the year, the **brand portfolio has been expanded** with the addition of ZTE, TCL mobile, Panasonic, Braun, BOSE, EPSON, BROTHER, BLACK & DECKER
- **Expansion of e-commerce platform**, with sales increasing by 135% and accounting for 2.1 Billion of total revenue.
- **Digitalisation of processes have been increased**, including IFS App 10 implementation, workflow systems and BI dashboards.
- **People strategy** centred on creating an enabling environment, developing capabilities and supporting the physical and mental well-being of employees.
- Unveiled all **new brand proposition** to propel into the future.
- Won “**Retail Brand of the Year**” for the 2nd consecutive time at Global Banking and Finance Review Awards 2021 and won “**People’s Brand of the Year**” for 16th consecutive time at SLIM – KANTAR People’s Choice Awards.
- Won 1st place as “**Best Presented Annual Report**” under Service Category at the 25th Best Presented Annual Report of **SAFA awards 2020** and Won the Trading category **Gold award** at the 56th **CA Annual Report awards 2021** which was hosted by CA Sri Lanka.
- Launched the **Values Framework** of Singer Sri Lanka.
- **Signature Concept Centre** was opened in Colombo.
- Launched **Interactive Flat Panel Smartboards**.
- **The partnership between HNB and Singer Sri Lanka** accelerates digitalisation of payment ecosystem.

OUR PANDEMIC RESPONSE

Continued focus on the well-being of our team through stringent safety measures to minimise the risk of cross infection

Leverage Digital capabilities and re-align Route to market to ensure continuity of operations

Catalyst in supporting unprecedented digital adoption through access to electronic devices

Efforts to address customers’ increasing price sensitivity through expanding our value-for-money offerings and payment flexibility

“

OUTLOOK FOR

2022/23

STRATEGIC DIRECTION

Building a world-class brand proposition by being a,

- Respected Corporate Brand
- Trusted Consumer Brand
- Loved Employer Brand

AWARDS AND ACCOLADES



1

People's Brand of the Year 2022

2

People's Durable Brand of the Year 2022

3

People's Youth Brand of the Year 2022

Singer fortified its position as one the country's best-loved brands, winning the "SLIM Kantar People's Brand of the Year" for the 16th consecutive year during the year. Singer also won the coveted "SLIM KANTAR People's Durables Brand of the Year" and the "SLIM KANTAR People's Youth Choice Brand of the Year" attesting to the success of its renewed focus on the youth. With these accolades, Singer has reiterated its position as Sri Lanka's leading brand in consumer durables.



Retail Brand of the Year Sri Lanka 2021

Global Banking and Finance Review Awards 2021



Distributor of the Year : Client Solutions (Commercial) - Sri Lanka and Maldives

Dell Partner Awards 2022



BRONZE DIGIS is awarded to "Singer - 12 Days of Christmas" Retail (Fashion/Consumer Electronics) - Online & Offline

SLIM DIGIS 2.1



Winner – Consumer and Retail Category

Hayleys Chairman's Awards, 2021



Gold Award - Trading category

CA Sri Lanka 56th Annual Report Awards 2021



Great Place to work in Sri Lanka 2021

Great Place to work® Sri Lanka



Best Distributor of the Year and Best Regional Distributor of the Year

Sri Lanka Awards at Dell Technologies South Asia CSB Partner Connect event for the year 2021



Winner Service Category (Excluding Financial Services & Communication & IT Sector) -

Best Presented Annual Report Awards, Integrated Reporting Award and SAARC Anniversary Award for Corporate Governance Disclosures 2020 - South Asian Federation of Accountants (SAFA)

CHAIRMAN'S MESSAGE



Dear Shareholder,

In the Singer Group's 145-year history, we have faced and overcome numerous challenges, driven by a deeply rooted 'can-do' attitude that has enabled the Group to deliver results, even in times of great uncertainty. The year under review, presented a scale of volatility that we haven't witnessed in decades, and the Group relied on its characteristic resilience to adapt and thrive, delivering record-breaking financial and operational performance. Against this backdrop, it gives me great pleasure to present our Integrated Annual Report and Financial Statements for the year ending 31st March 2022.

Operating Environment

The pandemic has brought to focus, deep rooted structural issues and imbalances in Sri Lanka's economy. The ongoing economic crisis reflects a weakening of the country's external sector, on the back of pandemic-led slowdown in tourism earnings and workers' remittances. This, coupled with international debt servicing during the year led to a gradual depletion of the country's foreign exchange reserves and dollar illiquidity in the banking system. As the crisis deepened in the first quarter of the calendar year 2022, businesses faced considerable difficulties in importing products while the country also faced shortages in essential supplies. In March 2022, the Central Bank of Sri Lanka allowed the free float of the exchange rate, which resulted in steep depreciation of Sri Lankan Rupee. The depreciation of the Rupee, together with the rise in global commodity prices also led to escalating inflationary pressures, with year-on-year inflation, measured by National Consumer Price Index increasing to 21.5% in March 2022. As Sri Lanka faces the socio-economic scarring of the crisis, the need for more inclusive, accountable, and sustainable economic policy has never been more pressing.

The implications of the ongoing crisis on the Consumer Durables industry had been multi-pronged. In a bid to curtail the outflow of foreign exchange, the Central Bank of Sri Lanka took various measures to discourage imports, which will lead to inevitable supply constraints in the short-to-medium term. The depreciation of Sri Lankan Rupee has necessitated significant price increases across our product portfolio, which, given the high inflationary environment and discretionary

nature of our products is likely to lead to a slowdown in demand. While the Group benefits from its local manufacturing capabilities, the shortage of foreign currency is expected to pose challenges towards ensuring uninterrupted supply of inputs materials.

Delivering on our shareholder commitments

As described in further detail in the Group Chief Executive Officer's Review on pages 14 to 16 of this Report, the Group delivered strong growth and profitability in the first half of the year. The Group's ability to leverage learnings obtained during the first wave of the pandemic in 2020 to adapt and evolve its operating model and ensure uninterrupted operations has been nothing short of remarkable, and a true testament to the spirit and resilience of our team. With the prevalent economic issues gradually overshadowing the pandemic during the latter part of the year, supply side challenges had an inevitable impact on performance. As these developments significantly impacted visibility and predictability, the Group immediately sought to stabilise the business through tactical measures aimed at preserving liquidity, effectively managing supply chain dynamics and optimising remaining inventory to ensure continued cash flow generation. This proactive and strategic response, coupled with a strong first half enabled the Group to demonstrate incredible resilience during the year. Consolidated Profit After Tax increased by 58% to Rs.4.11 billion during the year- the highest profitability in the Group's operating history. Resultantly, Earnings per Share (EPS) also increased to Rs.3.51, from Rs. 2.18 in the previous year. Final dividend of Rs. 0.20 per share has been declared by the Directors for the financial year ended 31st March 2022, for payment on 07th June 2022 in addition to three interim dividends of Rs. 0.85, bringing the total dividend per share to Rs. 1.05 for the financial year 2021/22.

Preserving value

In times of crisis, sound governance structures are more important than ever. The Group's fit-for-purpose governance framework and practices support strong alignment between the Board and executives, which is critical in an environment which requires swift and effective decision-making. Accordingly, The Board proactively supported the executive leadership team in rapidly activating a holistic response plan which aimed to protect the business and

its stakeholders from the immediate impacts of the crisis while also looking beyond the current landscape to the future we want to create. Key areas of Board focus during the year included monitoring the emerging economic and policy developments and assessing the impact on the Group's performance, financial position, and supply chain, strengthening risk management and supporting both the physical and mental well-being of our employees in these trying times.

Integrating ESG into our business

The pandemic has brought into sharp focus, the inherent connectivity and interdependencies that exist between communities, the environment and economic activity. With the world seeing the escalating implications of climate change and widening socio-economic disparities, I am a firm believer that it is incumbent on businesses to be a part of the change we want to see. To this end, the Singer Group committed to the Hayleys Lifecode during the year, a holistic Environmental (E), Social (S) and Governance (G) Framework which was launched in January 2022. The Hayleys Lifecode seeks to harmonise ESG integration across all Group entities and sets out the Group's long-term ESG aspirations and action plans in achieving these objectives. In line with the Hayleys Group's aspirations, Singer has also committed to drive consistent reductions in its carbon footprint, build resilient distribution networks and supply chains and nurture an inclusive and dynamic work environment in which all employees can thrive. The progress made against these priorities are discussed in further detail in ensuing sections of this Report. In aligning our corporate reporting with the integrated approach to how we manage our business and in line with international best practices, the Group also adopted the principles of Integrated Reporting during the year and this Annual Report marks the Group's first Integrated Annual Report.

Outlook and Plans

Challenges over the short-term remain inevitable given the present macro-economic landscape which is encircled by the diminishing foreign exchange liquidity, Rupee depreciation, runaway inflation, interruptions to essential supplies and the anticipated slowdown in consumer demand. The sharp increase in domestic interest rates in recent months and

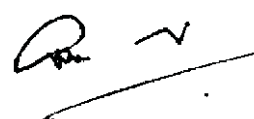
concerns on rupee liquidity are also likely to impact the Group's short-term investment plans, as we defer some non-business critical capital expenditure to preserve liquidity and brace ourselves for the impending challenges. Through our engagement with the leadership team, the Board is confident that the management is on top of these trends and has carried out detailed work to ensure that the business adapts and evolves to withstand these challenges.

Despite the short-term pressures, I remain optimistic that Sri Lanka's characteristic resilience will see us through this crisis over the medium- term. The appropriate monetary and fiscal policy response which includes much-needed structural reforms and an IMF Extended Fund Facility (EFF) could signal the country's economic recovery, paving the way for a new market equilibrium in which the country's macro-economic fundamentals are stable and sustainable. Against this backdrop, the Group's medium to long-term aspirations are ambitious and aligned to the national agenda of driving local value addition; as such we remain committed to strengthening local manufacturing capabilities, building local supply chains and leveraging our portfolio to ensure continued accessibility of world-class innovation and convenience to the Sri Lankan consumer.

Acknowledgements

I would like to take this opportunity to express my gratitude and appreciation to Co-Chairman, Mr. Dhammika Perera and all other colleagues on the Board for their guidance and counsel in what has been an extraordinarily challenging year. The continued commitment, passion and strength of the Singer Team has been nothing short of remarkable and I place on record my congratulations and appreciation to the leadership team and each and every employee, for their tireless efforts. I also take this opportunity to thank all our customers, suppliers and all other stakeholders who have partnered us in our journey of growth.

Thank you.



Mohan Pandithage
Chairman

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



In a key achievement during the year, the Group unveiled its all-new brand proposition- “Home at our Heart”, setting the wheels in motion for evolving Singer to a customer-centric, future-ready business. The relaunch entailed a holistic program featuring renewal of the vision and values, upgrade of the branches and the new brand proposition.

Dear Stakeholder,

As we enter 2022/23, I can say with confidence that the Singer Group has re-imagined itself to respond effectively to the challenges that are inevitable in the short-term and secure its sustainability for the long-term. The Group's ability to prevail in the face of extraordinary pressure was clearly demonstrated during the year under review, where despite working under highly volatile and stressful conditions, the team rallied together to remain consistently excellent. The Group's record-breaking operational and financial performance attests to this unique mindset and nimble execution of its strategy, which cushioned the impacts of macro-economic headwinds. I am proud to Report that the Group delivered 58% growth in profit-after-tax to Rs. 4.11 billion during the year, achieving the highest profitability in its operating history.

While the economic scarring of COVID-19 was lighter in its second year, the pandemic exposed and exacerbated underlying fragilities in Sri Lanka's economy, sharpening focus on the critical need for structural reforms. Given the conditions that prevailed, it was easy to

be preoccupied with the immediate difficulties facing the Group; however, we challenged ourselves to look beyond the current crisis, rethinking and re-strategising our business, in positioning it to thrive in the long-term. Our plans will, as always remain dynamic to the risks posed by the external environment, which are particularly acute at the moment. However, we are confident that the transformation we have achieved over the past 2 years, have aptly positioned the Group for long-term success as it sets sights on becoming a world-class retailer of consumer durables.

Performance Overview

The Group's Revenue increased by 14% to Rs. 76.85 billion during the year, driven by strong growth in most of the categories with the exception of digital products which moderated following steep growth in the previous financial year. Revenue expansion together with ongoing focus on driving operational excellence, proactive margin management and digitalisation resulted in the Group's operating profit increasing by 53% to Rs. 8.24 billion, while the operating profit margin widened to 11% from 8% the previous year. Net finance cost increased to Rs. 2.32 billion (from Rs. 1.27 billion the previous year) driven by the expansion in working capital base. Overall, the Group's pre-tax-profit increased by 45% to a record-high of Rs. 5.54 billion.

The Group's total assets increased by 29% to Rs. 89.35 billion, reflecting higher operating activity experienced during the year under review. Borrowings recorded a parallel increase, amounting to Rs. 33.35 billion by end-March 2022, compared to Rs. 19.21 billion the previous year.

Executing our Strategy

The Group's strategy during the year was consistent with our efforts over the last 2 years in which we have focused on evolving and future-proofing the business for its next decade of growth. Accordingly, our strategy centred on eight Must-Win-Battles, a holistic and clear blueprint for strengthening all critical functional areas including branding, marketing, operational excellence, customer care and people management among others. Detailed information on these strategic actions and the progress made during the year are discussed

in further detail in other sections of this Annual Report, while a high-level overview is presented below.

In addressing supply related challenges, particularly towards the second half of the year, the Group adopted proactive measures to ensure product availability across the network through inventory optimisation, ongoing engagement with suppliers and strengthening the effectiveness of distribution and logistics. We also continued to expand our portfolio through the launch of mobile phone brands - TCL and ZTE in addition to strengthening our home appliance range with the addition of globally renowned Panasonic brand. Introduction of metal body washing machines supported refreshing our range of locally manufactured refrigerators. Digitalisation continued to be a key focus, and we made significant progress in automating processes and leveraging big data to obtain rich insights on customer buying behaviour. The Group also achieved a customer satisfaction rate of 91% in after-sales-service, supported by the deployment of dedicated teams at each service centre, increased engagement through the Singer Care App and incentivising service excellence across centres and franchise agents.

The Group benefits from its extensive local manufacturing footprint, which enabled it to acquire market share from competitors which rely primarily on imported goods. While sourcing imported raw material for production remained a key challenge during the year, the Group worked closely with its suppliers and banking partners to ensure security of its supply. We also made significant progress in driving operational excellence through optimising warehousing processes, automating route planning and optimising inventory.

Refreshing the brand

In a key achievement during the year, the Group unveiled its all-new brand proposition- "Home at our Heart", setting the wheels in motion for evolving Singer to a customer-centric, future-ready business. The relaunch entailed a holistic program featuring renewal of the vision and values, upgrade of the branches and the new brand proposition. During the year, 62 Singer Mega and Singer showrooms

were rebranded and renovated in line with the new retail outlook, offering a more curated and interactive experience for customers through a modern and unique exterior and interior design. We are confident that this rebranding will drive the brand's longevity, by combining the brand's strong legacy with its ability to evolve in line with changing customer preferences and market dynamics. The brand continued to be recognised as one of Sri Lanka's most loved brands, winning the SLIM-Kantar People's Brand Year 2022 for the 16th consecutive year.

The strength of our team

I am deeply aware that the past year has been extremely challenging for our team, as periodic lockdowns, remote working and general anxiety regarding the country's future have impacted their well-being. In addressing this, we placed emphasis on employees' physical and mental health through awareness program, ongoing communication and a range of engagement activities, some of which were conducted virtually. We also strengthened the Group's performance management system during the year, thereby striving towards nurturing an enabling and performance-driven culture. The Group also continued to invest in developing its employees, with investments in a range of programmes including leadership development, field sales staff development and customer service skills. As a result of these initiatives, the Group's engagement scores remained elevated during the year, with the Group successfully receiving the Great Place to Work certification and ranking among Sri Lanka's 40 best workplaces. In line with Singer's renewed vision, the Group also relaunched its core values to employees, which includes passionately pursuing ways to improve its offerings to customers, demonstrating responsibility and integrity in all interactions and collaborating for success.

Shared value creation

The pandemic has accentuated socio-economic disparities highlighting the need for concerted and collective efforts towards supporting vulnerable communities. As an organisation which is entrenched in the socio-economic fabric of Sri Lanka, Singer is committed to adopting a shared approach to value creation ensuring that the value

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

we create supports the empowerment of deserving communities across the country. The depth and breadth of our operations places us in a strong position to do so, and we have been a catalyst in driving socio-economic progress through our 400+ network of showrooms, 300+ service centres and the Singer Training Academy which offers young aspiring entrepreneurs an opportunity to develop their skills at an affordable cost. As we move forward, we will be committed to live by our sustainability purpose which encompasses energy, environment, humanity and wining pillars.

Way forward

We are acutely aware of the inevitable challenges stemming from the country's current economic crisis. Our immediate-term outlook is hampered by government-imposed restrictions on imports, which is amplified by the shortage in foreign currency, continued depreciation of the exchange rate and escalating inflation which renders the immediate outlook extremely difficult to predict. Increasing inflationary pressures is also likely to result in a slowdown in demand for our products which are largely discretionary in nature. Against this backdrop, we will focus on optimising the inventory we hold at present to ensure continued cash flow generation, while actively pursuing means of expanding our local manufacturing capacities and capabilities as we seek to effectively capture opportunities arising from the vacuum created by slow-down in imports.

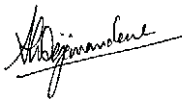
Despite these short-term challenges, the Group remains optimistic on Sri Lanka's medium to long-term recovery. We note that developments in recent months have offered cause for optimism and continued commitment to fiscal discipline, structural reforms as well as international support to bridge immediate funding needs could position the country for long-term macro-economic stability. We are excited by the opportunities presented by such

dynamics, as we seek to evolve our offering for the next stage of growth. Our medium-term aspiration is to transform Singer to a world-class retailer, imbuing international best practice across all spheres of our operations including showrooms, product range, customer service and digital infrastructure. To this end, the Group will focus on enhancing the three pillars of Customer centricity, Growth and profitability and Employee value proposition over the medium term.

Acknowledgements

As we look to the next year with characteristic optimism, I would like to extend my appreciation and gratitude to the Chairman, Co-Chairman and Board of Directors for their continued guidance and valuable counsel in persistently difficult operating conditions. Team Singer's resilience and spirit in these trying times has been nothing short of extraordinary, and I thank each and every one of you for inspiring me every day. Finally, I wish to thank all our loyal customers, suppliers, business partners and other stakeholders who have partnered us in our journey of growth and look forward to collaborating with you in the future.

Thank you,



Mahesh Wijewardene

Group Chief Executive Officer

**A FOUNDATION BUILT
ON ABUNDANCE ...**



SINGER AT A GLANCE

Who we are

Singer is the market leader in Sri Lanka's consumer durables industry, with an unmatched reach of over 5.7 million customers and a penetration of nearly 30% of the country's population. Underpinned by an established track record of over 145 years, the Group has nurtured a strong reputation for trust, quality and reliability with the Singer brand frequently recognised as one of Sri Lanka's most loved brands. Through partnerships with over 60 international brands, Singer has been instrumental in offering Sri Lankan consumers the world's best solutions in electronic items and home appliances. Singer also has an extensive local manufacturing footprint through its subsidiaries Regnis (Lanka) PLC, Regnis Appliances (Private) Limited and Singer Industries (Ceylon) PLC and Singer (Sri Lanka) PLC - Furniture Factory, which manufacture a range of high-quality refrigerators, washing machines, sewing machines, furniture and other components. The Group is a subsidiary of Hayleys PLC- one of Sri Lanka's most diversified and respected conglomerates.

Through partnerships with over 60 international brands, Singer has been instrumental in offering Sri Lankan consumers the world's best solutions in electronic items and home appliances.



Vision

To be the market leader in elevating and enriching lives in Sri Lanka

Our Values

-  Lead with Respect
-  Demonstrate responsibility and integrity.
-  Improve and innovate passionately
-  Collaborate for success
-  Respond with agility
-  Drive sustainability



Mission

Improving the quality of life, creating lifelong partnerships with our customers by providing comforts, services and convenience at great value

Strength of Our Brand

Singer is one of Sri Lanka's best loved brands, having been ranked as the People's Brand of the Year at the SLIM-Kantar People's Choice Awards for

16
consecutive years.

Customer Reach

The Group operates an extensive network of customer touch points across multiple channels which have aided increased penetration

431 Singer showrooms
1,350+ Dealer Network
370+ Service Franchise Agents

Extensive Product Portfolio

Array of electronic products, home appliances and furniture offered across varying price points

600+ Electronic items
1,200+ Home appliances
60+ International brands

Local Manufacturing

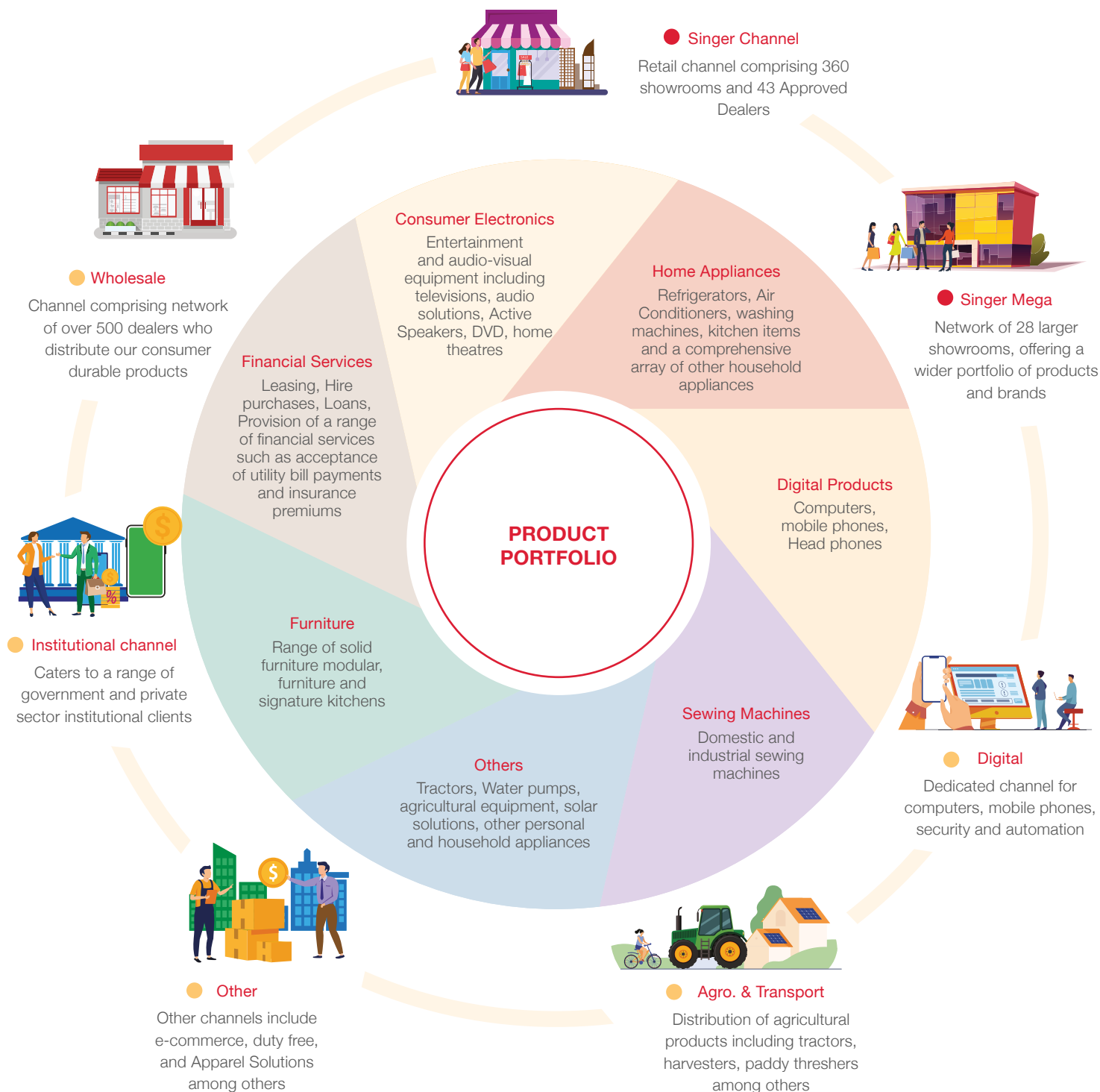
Capabilities

The Group's manufacturing capabilities comprise of

- 4** factories.
- Regnis (Lanka) PLC
 - Regnis Appliances (Private) Limited
 - Singer Industries (Ceylon) PLC
 - Singer (Sri Lanka) PLC - Furniture Factory

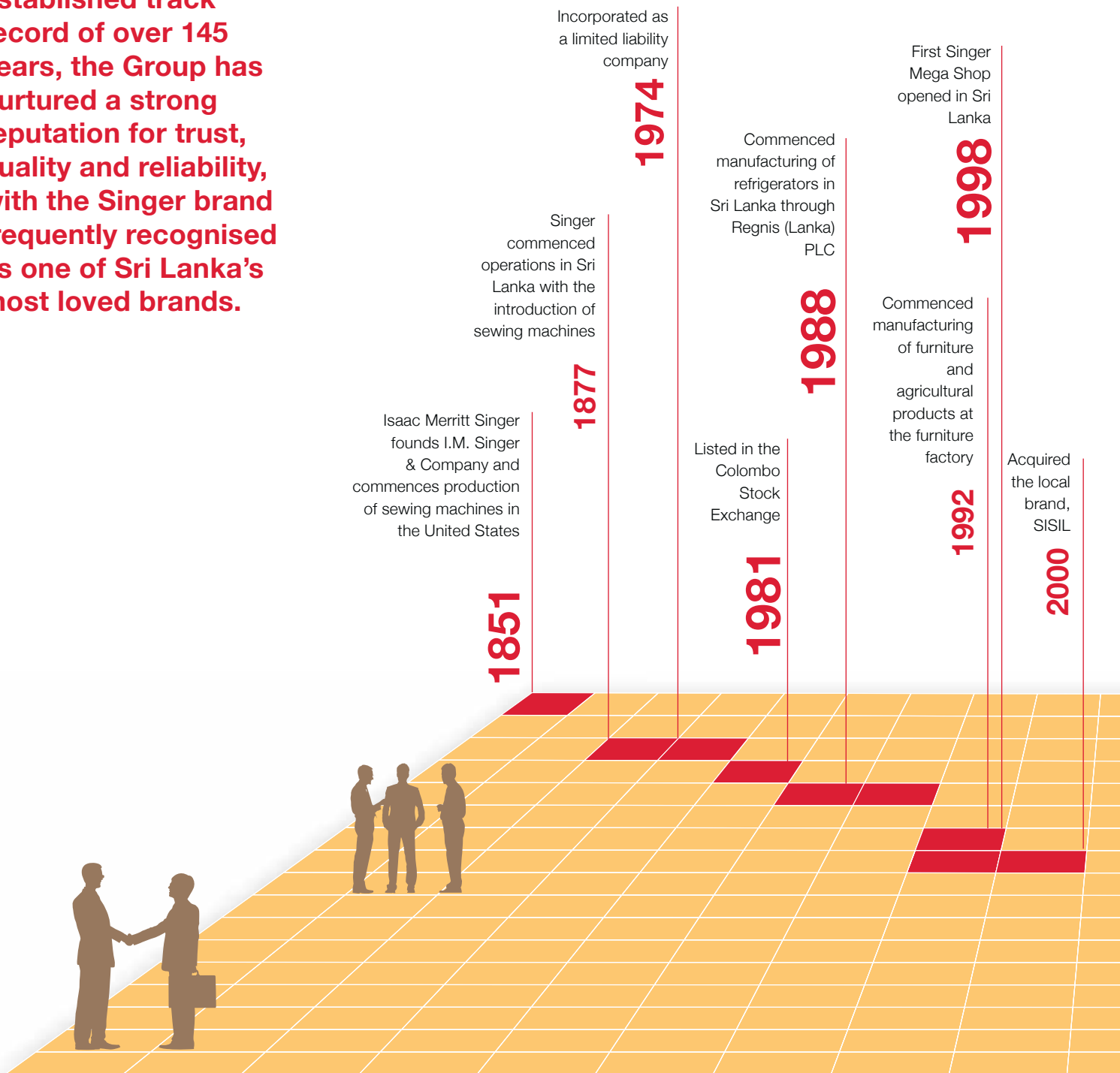
What we offer

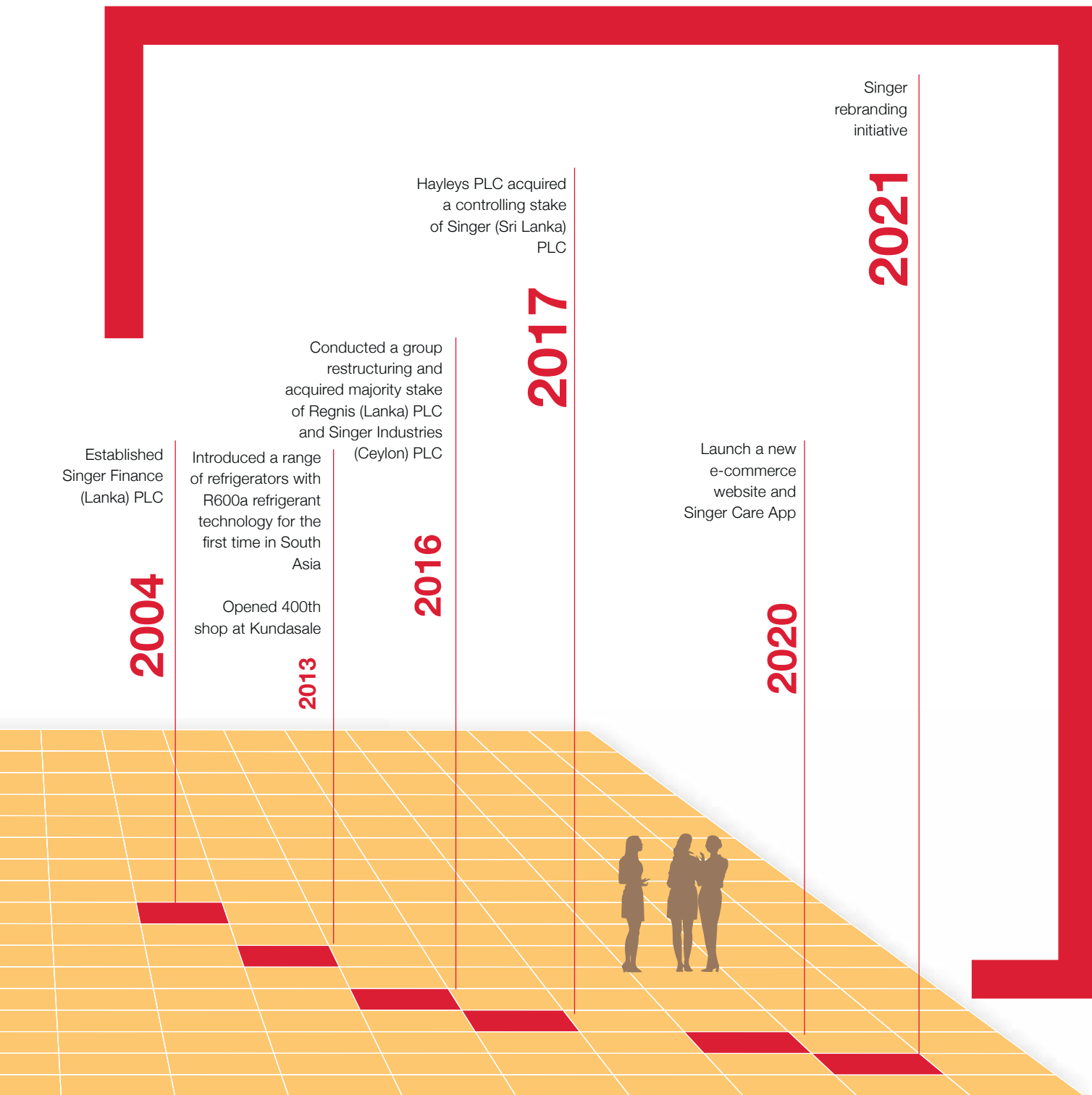
The Group's extensive product offering is designed to cater to diverse and evolving customer needs, and reflects increasing customer sophistication and propensity towards convenience, comfort and connectivity. Our offerings are distributed through several channels, enabling the Group to penetrate diverse customer segments, geographies and industry sectors.



OUR JOURNEY

Underpinned by an established track record of over 145 years, the Group has nurtured a strong reputation for trust, quality and reliability, with the Singer brand frequently recognised as one of Sri Lanka's most loved brands.





GROUP STRUCTURE



SINGER (SRI LANKA) PLC



79.9%

Leasing, hire purchasing, lending and accepting deposits financing, gold loan, financing of consumer durables under loan scheme and granting loans, factoring, authorised foreign currency dealer and mobilising fixed deposits and savings



REGNIS (LANKA) PLC

58.3%

Manufacturing of Refrigerators



REGNIS APPLIANCES (PRIVATE) LIMITED

58.3%

Manufacturing Washing Machines



87.7%

Manufacturing
Assembling sewing machines



92.2%

Investment on properties



Digital Media (Private) Limited

100%

Marketing mobile phones.



100%

Providing of educational services.



100%

Designing, manufacturing and trading furniture.

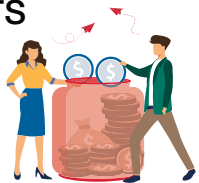
(No Commercial operations have been commenced as of the reporting period)

SOCIO-ECONOMIC IMPACT

Our Impacts

The Group's extensive customer footprint, geographical reach, product portfolio and operating model have enabled it to be a catalyst in driving socio-economic progress. Through its supply and distribution chains, the Group supports an eco-system of nearly 10,000 families across the island contributing towards skill development, economic empowerment and job creation. The Group's holistic socio-economic and environmental impacts are summarised below:

ECONOMIC IMPACTS



2,700+

Indirect employees through entrepreneurial branch model

Rs. 40 Bn

Payments to suppliers

45%

Employment outside Western Province

1,350+

Dealers

Category	Twelve Months ended 31st March 2022 Rs. '000	%	Twelve Months ended 31st March 2021 Rs. '000	%
Group Turnover – Gross	80,039,226		69,839,519	
Other Income	262,197		220,853	
Less – Cost of Material and Services	57,778,805		54,767,612	
Value Added	22,522,618	100.0	15,292,760	100.0
Distribution of Value Added to Employees and Dealers				
Salaries, Commissions and Other Benefits	4,302,685	19.1	4,037,466	26.4
To Government				
Income Taxes, Turnover Taxes, Value Added Tax and Other Taxes	9,786,117	43.4	6,304,479	41.2
To Banks, Deposit Holders and Other Lenders				
Interest and Bank Charges on Borrowings and Customer Deposits	2,320,221	10.3	1,272,107	8.3
To Suppliers of Capital				
Dividends to Shareholders	1,239,575	5.5	713,695	4.7
Retained for Reinvestment and Future Growth				
Depreciation, Amortisation and Impairment	784,674	3.5	675,126	4.4
Retained Profits	4,089,346	18.2	2,289,887	15.0
Value Distributed	22,522,617	100.0	15,292,760	100.0

SOCIAL IMPACTS



Rs. 3,549 million

Payments to employees

431

Customer touch points

100,474

Training hours

Extensive product portfolio offering better quality of life

5,400 +

Students enrolled in Singer Fashion Academy

ENVIRONMENTAL IMPACTS



E-waste collection

12,275

TVs

462

Other products

2,073

Washing Machines

97,092 kg

Styrofoam packing replaced with paper pulp

2,913

Refrigerators

15,571 tCO2

Total carbon footprint





GENERATIONS OF POSSIBILITY

Management Discussion and Analysis

Value Creation Model	26
Product Portfolio	26
Stakeholder Relationships	28
Operating landscape.....	30
Determining materiality	33
Our Strategy	37
Sustainability Reporting at Singer	40

VALUE CREATION MODEL

The Group's operations involve the procurement, manufacture and retailing of a range of consumer durables through multiple distribution channels. In executing this business model, the Group relies on several key resources and relationships (as illustrated alongside) which are transformed through implementation of a holistic strategy across different business activities and processes.

CAPITAL INPUTS

Financial Capital



Funding and financial resources available to the Group (Pg. 46-57)

Shareholders' funds:
Rs. 11,570 million
Borrowings:
Rs. 33,524 million

Manufactured Capital



Physical infrastructure and manufacturing capabilities (Pg. 76-80)

4 manufacturing facilities
Property, plant and equipment:
Rs. 7,521 million

Intellectual Capital



Capabilities, skills and industry knowledge of our 3,154 strong employees (Pg. 81-83)

Human Capital



Organisational capital, brands, systems and processes (Pg. 58-66)

CAPITAL TRANSFORMATION

Vision: To be the market leader in elevating and enriching lives in Sri Lanka

Our Mission: Improving the quality of life, creating lifelong partnerships with our customers by providing comforts, services and convenience at great value.



Continuous Top Line Growth & ROI



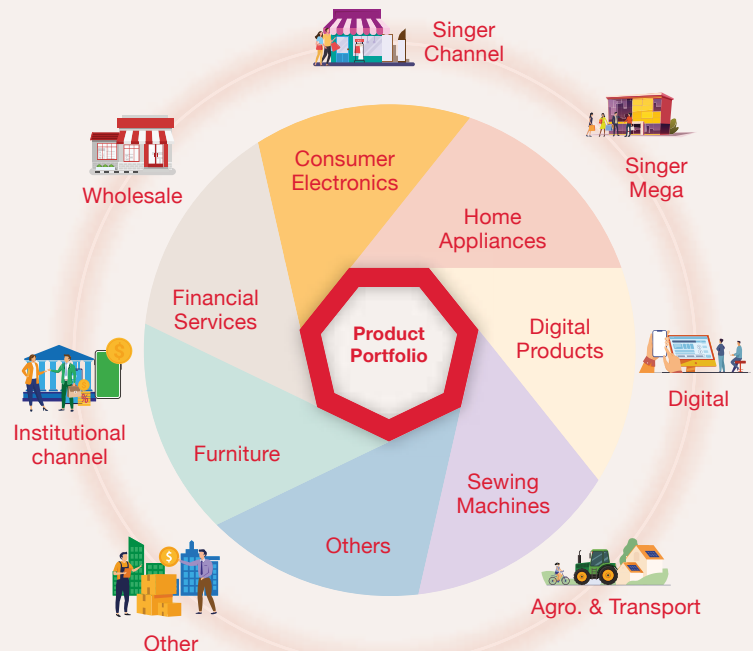
Digitalisation & Big Data into Opportunities



To Be The Foremost After-Sales Service



Elevate Customer Care



Corporate Governance
Page 103



Risk Management
Page 116



Planning and Budgeting

External Environment

This transformation results in the creation of value for the Group's stakeholders including shareholders, employees, customers, supplier/principals, other business partners and Government.

Social & Relationship Capital

Relationships which facilitate continuity of operations (Pg. 67-75)

5.7 Mn Customers
250+ Suppliers
1,350+ Dealers



Natural Capital

Cognisant of our responsibility in mitigating adverse environmental impacts. (Pg. 84-91)

8%
reduction in energy intensity
7%
reduction in emission intensity



OUTPUTS

Rs. 76,848Mn

Revenue generated

Rs 3.51

EPS

124,797

Refrigerators
manufactured

60,803

Washing machines
manufactured

45,981

Water pumps

23,550

Sewing machines
manufactured

Rs 4,200Mn

Revenue from
Furniture

1500+

Employees > 5 Years
Service period

200+

New Product Models

8%

energy intensity
reduction

7%

emission intensity
reduction

OUTCOMES/IMPACTS



Financial capital

- + Profit-after-tax: Rs. 4,110 million (+58%)
- + Earnings per share: Rs. 3.51 (+61%)
- + Dividends per share: Rs. 1.10 (+74%)
- + Net assets per share: Rs. 10.27 (+36%)



Manufactured Capital

- + Capital expenditure: Rs. 769 million
- + Stores rebranded: 24
- + Stores renovated: 38
- + Enhancing manufacturing technology



Intellectual Capital

- + Completion of rebranding initiative
- + Increased digitalisation of processes
- + Successful upgrade of IFS App 10



Human Capital

- + Payments to employees: Rs. 3,549 million
- + Investment in training: Rs. 27 million
- + Female representation: 17%
- + Employee retention: 96%



Social & Relationship Capital

- + Increased in loyalty customer base +11%
- + Net promoter score: 79%
- + Investment in CSR: Rs. 6.4 million
- + Payments to suppliers: Rs. 40 billion
- + Customer satisfaction rate: 83%



Natural Capital

- + Energy consumption: 66,454 GJ (+5%)
- + Water consumption: 100,701,301 litres
- + Renewable input material used: 49%
- + E-waste collected: 146,035 kg
- + Carbon footprint: 15,571 tCO₂

Our Values: Lead with Respect, Demonstrating Responsibility and Integrity, Improve and Innovate Passionately, Collaborate for Success, Respond with Agility, Drive Sustainability



SINGER



Create World Class Talent Management

Singer - Retail Re-Branding

Manufacturing and Supply Chain Excellence

Deliver Operational Efficiencies



Information
technology



Supply chain
management

STAKEHOLDER RELATIONSHIPS

The Group's extensive customer reach and partnerships with local and international suppliers and business partners is vital to its value creation process. Understanding and responding to the needs of these diverse stakeholders is therefore essential in maintaining mutually value adding relationships and the Group has established a range of formal and informal engagement platforms to interact with its stakeholders. In determining which stakeholders to

Our stakeholder universe



Customers

- We maintain ongoing engagement with our customers through,
- Branch network
 - Customer satisfaction surveys
 - After-sales service
 - Field programs
 - Advertising and promotions



Employees

- Multi-level staff meetings (ongoing)
- Performance appraisals (annual)
- Engagement via digital platforms (ongoing)
- Open door policy (ongoing)



Shareholders

- Annual General Meeting
- Annual Report
- Publication of quarterly results
- One-to-one engagement (when required)
- Board participation of majority shareholder (ongoing)

Concerns raised

- Product availability
- Affordability of products
- Customer service
- Quality and reliability
- Financing options
- Health and safety at showrooms
- After-sales service

- Safety and wellbeing
- Attractive remuneration and benefits
- Effective performance management schemes
- Job security
- Opportunities for training and development
- Career progression

- Return commensurate with risk undertaken
- Implications of pandemic and macro-economic conditions on performance and stability
- Transparency of communication
- Corporate governance and risk management practices
- Preservation of the brand

Our response and link to Must - Win - Battles

The Group ensured continued availability of products by leveraging partnerships across supply and distribution channels. We also focused on increased accessibility and convenience through offering an omni-channel experience while placing strategic emphasis on enhancing customer service through ongoing employee training. (Refer to page 69)

Elevate Customer Care

Retail Rebranding

To Be The Foremost After-Sales Service

Our people strategy centred on creating a climate for success and we focused on aligning the Group's Must-Win-Battles to departmental and individual goals, thereby driving goal congruence. We also focused on enhancing capabilities and effectively managing talent. (Refer to page 58 to 66)

Create world-class talent management

We maintained ongoing and transparent relationships with our shareholders. The focused implementation of our corporate strategy (through the Must Win Battles), enabled the Group to achieve record growth and profitability during the year under review, thereby delivering its shareholder commitments

Continuous top line growth and ROI

Deliver operational excellence



Strength of relationship

Strong

Net promoter score: 79%







Strong

Obtained the Great Place to Work accreditation

Strong

Growth on Earning per Share: 61%

engage with, the Group considers individuals/entities which could have the most significant impact on the Group's ability to create value over the short, medium and long-term. The Group's stakeholder engagement during the year is summarised below:

 Suppliers/Principals	 Dealers/distributors	 Government/regulator
<ul style="list-style-type: none"> ➤ Supplier visits (periodic) ➤ Consultations and workshops (periodic) ➤ Ongoing engagement through procurement team 	<ul style="list-style-type: none"> ➤ Ongoing engagement through the indirect channels ➤ Regular meetings ➤ Dealer Conventions (annual) 	<ul style="list-style-type: none"> ➤ Engagement through industry associations and forums (ongoing) ➤ Direct engagement with relevant regulatory authorities (ongoing)
<ul style="list-style-type: none"> ➤ Timely settlement of dues given the country's foreign currency shortage ➤ Opportunities for mutual growth ➤ Sharing market insights 	<ul style="list-style-type: none"> ➤ Pandemic-led disruptions to distribution channels ➤ Flexible repayment and credit terms ➤ Opportunities for mutual growth ➤ Long-term contracts 	<ul style="list-style-type: none"> ➤ Compliance to all relevant regulations and guidelines, particularly given recent restrictions in importing products ➤ Job creation and economic value creation ➤ Timely payment of taxes ➤ Responsible corporate citizenry
<p>We enhanced engagement with international suppliers in obtaining favourable credit and repayment terms given the conditions that prevailed during the year. We also sought to strengthen and expand our local procurement, particularly in packaging materials, given import restrictions and challenges in opening letters of credit.</p> <p>Manufacturing and Supply Chain Excellence.</p>	<p>Focus on streamlining the distribution channels to optimise resources. We also strengthened internal controls and credit policies to ensure effective management of credit.</p> <p>Elevate Customer Care Retail Rebranding To Be The Foremost After-Sales Service</p>	<p>We maintained full compliance to all relevant regulations and guidelines and maintained proactive engagement with all relevant authorities in supporting the Government's short-to-medium term economic agenda.</p> <p>Continuous top line growth and ROI</p>
 <p>Good</p> <p>Introduction of new products models: 200+</p>	 <p>Good</p> <p>Increased penetration through the indirect channels</p>	 <p>Good</p> <p>Fully compliant to all relevant regulations, laws and guidelines</p>

OPERATING LANDSCAPE

The unprecedented challenges that prevailed during the year, necessitated proactive assessment and management of emerging trends in the operating landscape. During the year, we identified the following developments as having the most significant impact on the Group's ability to create value. These dynamics have been presented through a PESTEL analysis with the risks and opportunities arising from these complexities and impact on our strategy summarised below:

Political/Legal



Developments in 2021/22

- Given the prevalent shortage in foreign reserves, the regulator implemented several measures from time to time in order to curtail foreign currency outflows from the country. This included limitations on forward rate contracts, mandatory conversion of export proceeds and requirement of 100% cash margin on selected imports.
- In March 2022, the Department of Import and Export Control restricted the importation of 367 'non-essential imports'. Several of Singer's products including televisions, refrigerators, washing machines and kitchen appliances were categorised as non-essential imports through this Gazette.
- As pressure on the Sri Lankan Rupee intensified, the Government sought to float the currency, which led to a sharp depreciation of the Rupee against the US Dollar. Resultantly, the Rupee was significantly fallen during the year of 2022, closing the financial year at Rs. 298.99 per USD.

Opportunities and risks



- Challenges in ensuring continued supply of products
- Increased price and margin volatility
- Significant resources required in applying and obtaining licenses
- Increased focus on local manufacturing
- Growth in the informal sector given increased currency flows through informal channels

Strategic response



Manufacturing and supply chain excellence

The Group has placed strategic focus on effectively managing inventories to optimise available resources. Emphasis is also being placed on ensuring the right pricing of products to mitigate future foreign exchange transaction risks and carefully managing overheads to preserve margins. We are also exploring avenues to further strengthen our local manufacturing and sourcing footprint.

Technology



Developments in 2021/22

- Technologies such as big data and business intelligence analytics have offered companies significant benefits in assessing and predicting customer behaviour, including how, what and when they will purchase specific goods.
- Workflow solutions have also enabled the optimisation of resources and increased efficiency of key processes.
- Overall, organisations with access to extensive customer data can sharpen their competitive edge through leveraging data technologies to provide better insights for decision making.

Opportunities and risks



- Leverage emerging technologies for better decision making and enhancing the customer experience
- Exposure to cybersecurity risks
- Increased efficiency through automation and cost rationalisation

Strategic response



Digitalisation and big data into opportunities

Increased focus on digitalising key processes, implementation of workflow systems and BI dashboards.

Economic



Developments in 2021/22

- Sri Lanka's economy grew by 3.7% in 2021, compared to a contraction of 3.6% in 2020 owing to pandemic led challenges. Although the economy rebounded strongly during the early part of the year, resurgence of COVID-19 infections together with the foreign exchange crisis led to a slowdown in GDP during the second half of the year. These challenges intensified during the first quarter of 2022.
- The foreign exchange crisis presents the most significant risk to the country's economy over the short-to-medium term, particularly given challenges in procuring essential energy, food and medicinal supplies.
- The sharp depreciation of the Rupee coupled with disruptions to supply chains and an increase in money supply led to escalating inflationary pressures. Resultantly, NCPI and CCPI increased by a respective 16.8% 14.2% YoY respectively in January 2022.
- Monetary policy was tightened towards the latter part of the year, in a bid to arrest inflationary pressures. Following the increase in SDFR, SLFR, SRR and Bank rate, market interest rates increased gradually and is likely to continue this trend over the short-to-medium term.



Opportunities and risks



- The impacts of macro-economic stress on disposable income and demand
- Escalation in product cost given the sharp depreciation of the Rupee and general inflationary pressure
- Increase in borrowing costs and liquidity pressure
- Increased opportunities in the value-for-money segment

Strategic response



Continuous top line growth and ROI



Drive operational efficiencies

The Group will leverage its extensive product portfolio across varying price points to pursue opportunities across market segments. Profitability will also be supported by ongoing focus on operational excellence, automation, cost management and productivity improvements.

Environmental



Developments in 2021/22

- As implications of climate change continue to intensify across the world, organisations are under increasing pressure to contribute towards addressing critical environmental issues facing the world today.
- In the consumer durables industry, key areas of focus include designing and manufacturing low carbon products, enhancing energy efficiency within operations, driving reductions in both direct and customers' carbon footprint and use of sustainable packaging material among others.
- Ethical and sustainability considerations are fast emerging as a key purchasing decision, with consumers opting for brands and organisations that engage in strong social and environmental practices. In embracing more sustainable lifestyles, consumers are moving away from single-use plastics, opting for energy efficient and low carbon products and switching to renewable energy
- As a Group with a strong rural presence, disposable income of individuals in the agricultural community is directly correlated to our sales volumes. As such, erratic weather patterns and prolonged droughts impact agricultural crops and productivity, which in turn directly impact the Group's performance and growth.



Opportunities and risks



- Opportunity to drive reductions in customers' carbon footprint through offering energy-efficient products
- Strengthen resilience of business model through identifying and responding to environmental risks

Strategic response



Manufacturing and supply chain excellence

Adoption of the Hayleys Group Lifecode which sets out Group environmental targets, aspirations and action plans

OPERATING LANDSCAPE

Social



Developments in 2021/22

- Household consumption expenditure remained resilient for most part of 2021, reflecting the release of pent-up demand, reduced expenditure on travel and out-of-home consumption and relatively low interest rates.

Key trends impacting demand in the consumer durables industry during the year are listed below



Unprecedented shift to digital

The pandemic has led to permanent changes in the way people work, study and entertain themselves, which in turn resulted in a surge in a demand for mobile phones and laptops

Affordability considerations

Rising inflationary pressures and the overall weakening of the macro-economy will see increased prevalence towards more affordable and value for money offerings

Preference for omni-channel experience

Customers have demonstrated increased preference towards online shopping and other digital platforms, particularly given an escalation in health and safety concerns



Opportunities and risks

- Increased price consciousness of customers
- Surge in demand for ICT products
- Increased traffic on e-commerce platform
- Adverse implications on margins and profitability



Strategic response



Digitalisation and big data into opportunities

Pursued increased growth through the e-commerce channel, driving targeting marketing and increasing conversion levels.

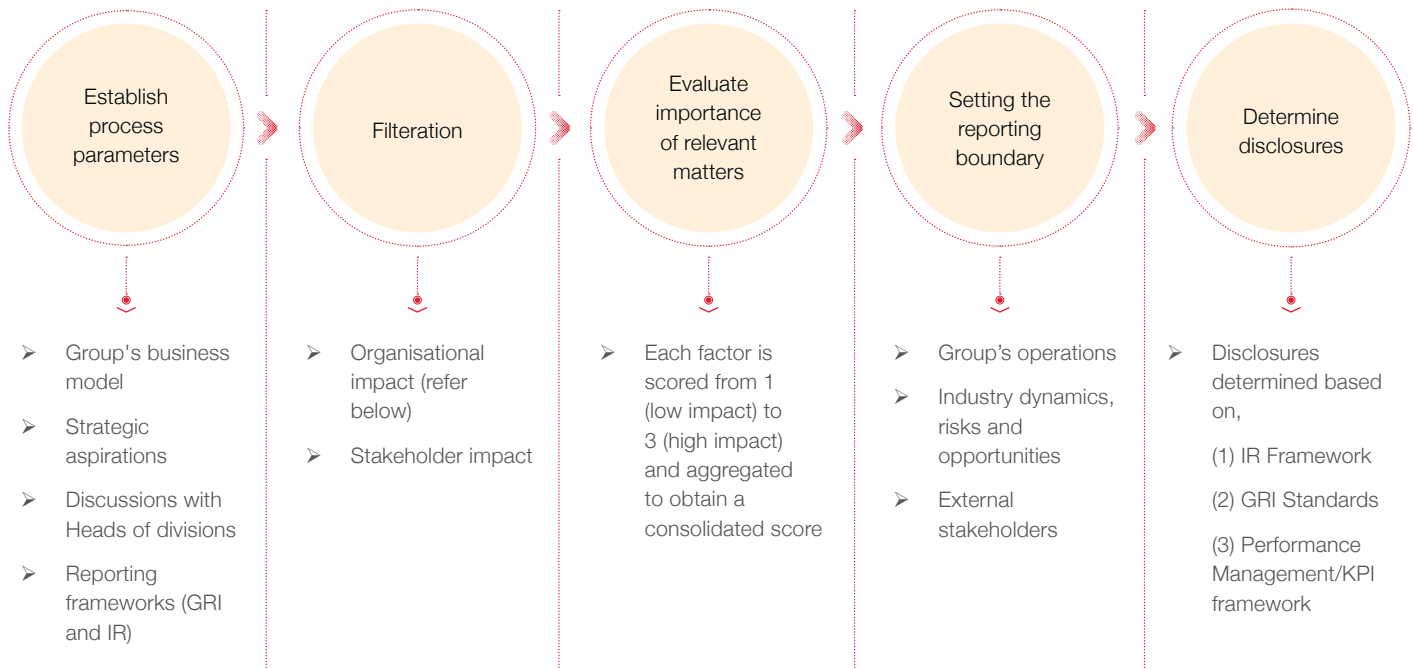


Continuous top line growth and ROI

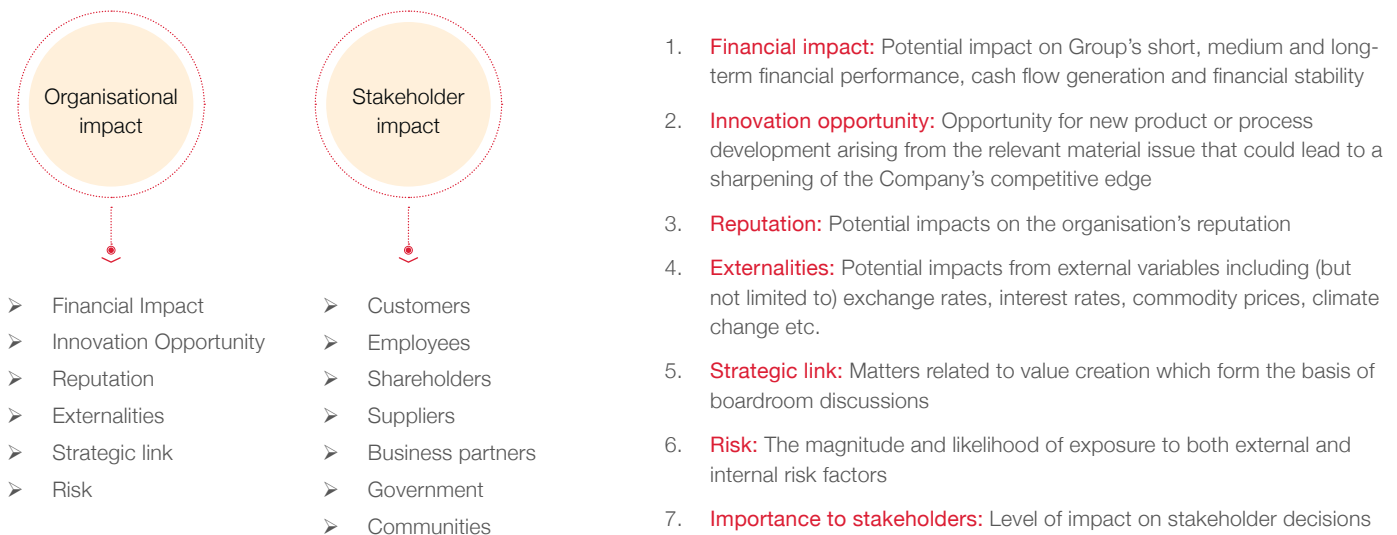
Widened the value-for-money portfolio through introducing several new products and brands

DETERMINING MATERIALITY

The Group enhanced its materiality assessment process during the year, adopting the comprehensive 7-part materiality test formulated by the Hayleys Group. This test has been designed in line with the definitions of materiality provided by the <IR> Framework and the GRI Standards and represent the topics that could potentially have the most significant impact on the Group's value creation over the short, medium and long-term. The assessment includes evaluation of the potential impact on the organisation, which is analysed using 6 filters as well as analysis of impacts on stakeholder decisions. We have also enhanced the list of material topics beyond those prescribed by the GRI guidelines to include topics that are specific to our value creation model, industry and strategy.



The following filters are used in determining the organisational and stakeholder impacts



DETERMINING MATERIALITY














Material topics for 2021/22

The operating landscape changed significantly during the year, reflecting pandemic-led disruptions as well global supply chain dynamics and macro-economic stress. The material topics for the year and the corresponding GRI disclosures and SASB disclosures are presented in the table below.










Materiality Map 2021/22



Material topic and why it is material to us	Corresponding GRI topic	Topic boundary	Strategic response through Must-Win-Battle
Macro-economic vulnerabilities Shortage in foreign currency, rising inflation and decline in disposable incomes have a direct impact on our supply and demand dynamics		All Groups' operations in Sri Lanka	Continuous top-line growth and ROI Manufacturing and supply chain excellence
Government policy Import restrictions as well as monetary and fiscal policy developments have a significant impact on our operations, growth and profit margins		All Groups' operations in Sri Lanka	Continuous top-line growth and ROI Manufacturing and supply chain excellence

Material topic and why it is material to us	Corresponding GRI topic	Topic boundary	Strategic response through Must-Win-Battle	
Financial performance and stability Maintaining good profitability and a healthy balance sheet is essential in delivering long-term shareholder value and enhancing business resilience		All Groups' operations in Sri Lanka	Continuous top-line growth and ROI Drive operational efficiencies	 
Brand equity and corporate reputation The Group's established track record and strong brand name is a key source of competitive edge	GRI 202: Market presence GRI 417: Marketing and labelling	All Groups' operations in Sri Lanka	Singer - Retail Re-Branding	
Customer centricity Customer centricity is critical in preserving our competitive edge given rapidly evolving and increasingly sophisticated customer needs		Relates to the Groups' extensive customer base across all products/services	Elevate customer care To be the foremost at after-sales service	 
Managing our people Attracting, developing and retaining the right talent is an essential pre-requisite in driving our strategic aspirations	GRI 401: Employment GRI 402: Labour management relations GRI 403: Occupational health and safety GRI 404: Training and education GRI 405: Diversity and equal opportunity	All Groups' operations in Sri Lanka	Create world class talent management	
Pandemic-led disruptions The emergence of highly transmissible COVID-19 variants impacted demand, distribution channels and safety of our employees.		All Groups' operations in Sri Lanka	Continuous top-line growth and ROI Manufacturing and supply chain excellence	 
Product quality and responsibility Offering good quality products and engaging in responsible business practices is critical in preserving our brand and market share	GRI 416: Customer health and safety GRI 417: Marketing and labelling	All Groups' operations in Sri Lanka	Manufacturing and supply chain excellence Elevate customer care	 
Route to market Efficient and effective distribution channels is essential in increasing the availability of our products		Topic boundary extends to our distribution and dealer networks	Manufacturing and supply chain excellence	
Innovation and portfolio evolution We continue to evolve and innovate our portfolio to be in line with the dynamic customer needs		All Groups' operations in Sri Lanka	Manufacturing and supply chain excellence	
Embracing technology Technology offers significant advantages in driving process efficiencies, transforming the customer experience and providing better information for decision making.		All Groups' operations in Sri Lanka	Digitalisation and big data into opportunities	

DETERMINING MATERIALITY

Material topic and why it is material to us	Corresponding GRI topic	Topic boundary	Strategic response through Must-Win-Battle	
Managing the supply chains Disruptions to supply chains due to global and domestic factors impacted the cost and uninterrupted supply of input materials and finished goods	GRI 204: Procurement practices GRI 407: Freedom of Association and Collective Bargaining	Boundary includes our local and international supply chain partners	Manufacturing and supply chain excellence	
Principal relationships Singer represents over 60+ international brands, which is a key source of the Group's competitive edge		Boundary extends to all international brands we represent in Sri Lanka	Manufacturing and supply chain excellence	
Manufacturing capabilities The Group's local manufacturing footprint contributes to approximately 30% of consolidated revenue		All Groups' operations in Sri Lanka	Manufacturing and supply chain excellence	
Good governance, ethics and compliance Essential for the continued creation of shared value while preserving our social license to operate	GRI 406: Non-discrimination	All Groups' operations in Sri Lanka	Drive operational efficiencies	
Economic contribution The Group's extensive footprint and relationships along its value chain, places it in a strong position to drive economic value creation	GRI 201: Economic performance GRI 203: Indirect economic impacts GRI 207: Tax	Extends beyond our operations to our supply/distribution chain and communities	Drive operational efficiencies	
			Manufacturing and supply chain excellence	
Environmental consciousness We are cognisant of the role we can play in driving down the environmental footprint of our operations as well as that of our customers	GRI 301: Materials GRI 302: Energy GRI 303: Water and effluents GRI 305: Emissions GRI 306: Waste	All Groups' operations in Sri Lanka	Drive operational efficiencies	
			Manufacturing and supply chain excellence	
Community empowerment Maintaining healthy relationships within the communities we operate, is essential in supporting our social sustainability aspirations	GRI 413: Local communities	Extends to the communities in which we operate	Create world class talent management	

OUR STRATEGY

The Group's corporate values were also officially launched during the year, following organisation-wide engagement

Singer's strategic agenda over the last 2 years has centred on transforming and evolving the Group for its next decade of growth. These aspirations were clearly articulated through 8 Must-Win-Battles, a holistic action plan directing focus on all critical functional areas including branding, marketing, operational excellence, customer care and people management among others. Since its launch in 2019/20, the Group made considerable progress in the implementation of the Must-Win-Battles as summarised below and elaborated further in subsequent sections of the Report.



Remuneration practices driving strategy: Goals and targets set out under the Must-Win-Battles were cascaded down to relevant departments and teams, with individuals' KPIs also aligned to these aspirations. This facilitated goal congruence across the organisation, with all teams combining efforts to drive towards common organisational goals. Ongoing engagement sessions were conducted to ensure all employees were aware and remain committed to achieving the defined goals.

The Group's corporate values were also officially launched during the year, following organisation-wide engagement through which the leadership raised awareness on the importance and meaning of embracing and embedding each value to the day-to-day behaviour of all employees.

OUR STRATEGY

#1

Must-Win-Battle:
Continuous top line growth and ROI

Developments and highlights

- Proactive measures to ensure product availability across our network through inventory optimisation, ongoing engagement with suppliers and strengthening the effectiveness of distribution and logistics
- Sought increased penetration through the e-commerce platform by strengthening digital marketing campaigns, last -mile delivery services and omni-cart operations
- Continued focus on innovating and expanding product portfolio including the launch of metal body washing machines and onboarding of 2 mobile phone brands including TCL, ZTE and 6 other brands
- Increased penetration in the security and automation segment through exclusive dealerships and an enhanced value proposition



Measuring progress

14%

growth in Consolidated Revenue

Maintained market leadership position in key products including refrigerators, sewing machines and washing machines

#2

Must-Win-Battle:
Digitalisation and big data into opportunities

Developments and highlights

- Continued focus on digitalising and automating processes including IFS implementation, workflow systems and use of Business Intelligence dashboards
- Leverage big data to obtain rich insights on customer behaviour, which in turn is used for digital marketing purposes
- Centralisation of hire purchase credit evaluation through a workflow system
- Facilitate more effective decision making by equipping decision-makers with valuable data insights



Measuring progress

137

Business intelligent Dashboards

#3

Must-Win-Battle:
To be the forefront of after-sales service

Developments and highlights

- Dedicated team appointed at each service centre to resolve customer inquiries over the phone
- Singer Care App- fully fledged platform enabling customers to receive on demand sales service for our products, book technicians and follow up on service requests
- Use of business intelligence platforms including operational dashboards, planning templates and customer statistics
- Recognition programs to reward best service centre, service franchise agents and technicians
- Automation of warranty validation and payments



Measuring progress

91%

Customer satisfaction rate in after sale services

#4

Must-Win-Battle:
Elevate Customer Care

Developments and highlights

- Conducted several customer service interventions to ensure consistency in service standards across all our touchpoints
- Introducing interactive panels at all showrooms, enabling customers to obtain accurate information on product features, availability, warranty information and pricing among others
- Improved effectiveness of call centre through deployment of a separate team to call back customers during long queue times



Measuring progress

83%

Customer satisfaction rate

#5

Must-Win-Battle:
Create world-class talent management

Developments and highlights

- Strategic focus on creating a climate for success through nurturing an enabling environment across the organisation
- Strengthened performance management system through linking organisational goals to individual KPIs
- Emphasis on physical and mental well-being through a comprehensive COVID-19 safety program as discussed on page 60
- Implemented work-from-home arrangements for selected employees
- Comprehensive development agenda comprising leadership development, field sales staff development and the learning management system among others

#6

Must-Win-Battle:
Future proofing the Singer retail re-branding

Developments and highlights

- Relaunch of the Singer brand proposition, propelling it for the next phase of growth and integrated communication campaign aligned to the same
- Launch of new corporate values
- Formulation of blueprints and designs for a comprehensive retail rebranding exercise, in line with the relaunch of the brand.
- All physical and digital brand assets converted to new visual identity

#7

Must-Win-Battle:
Manufacturing and supply chain excellence

Developments and highlights

- Proactive negotiations with both local and international suppliers to ensure the uninterrupted supply of raw materials and finished goods amidst the prevalent challenges
- Streamlining the dealer network within the consumer durable channel to optimise resource allocation and increase efficiency of distribution channel
- Adapted improved technology across our manufacturing facilities, which has led to higher efficiency and capacity utilisation

#8

Must-Win-Battle:
Deliver operational excellence

Developments and highlights

- Strategic emphasis on inventory optimisation given the supply chain disruptions that prevailed during the year
- Automation of route planning and rigorous monitoring of fleet efficiency
- Focus on optimising warehousing process through monitoring efficiency indicators, ensuring right pricing and driving reductions in handling costs



Measuring progress

Certified as a
Great Place to Work
and
Ranked among Sri Lanka's
Top 40 employers



Measuring progress

Rebranding of
24 showrooms
Fully renovated with rebranding
38
Showrooms

17th most valuable brand in Sri Lanka - Brand Finance 2021

People's Brand of the year for the 16th consecutive year at the SLIM Kantar People's Awards 2022



Measuring progress

Capacity Utilisation
80% Regnis (Lanka) PLC and
Regnis Appliances (Private) Limited
71%
Singer Industries (Ceylon) PLC

70%
Singer (Sri Lanka) PLC - Furniture
Factory



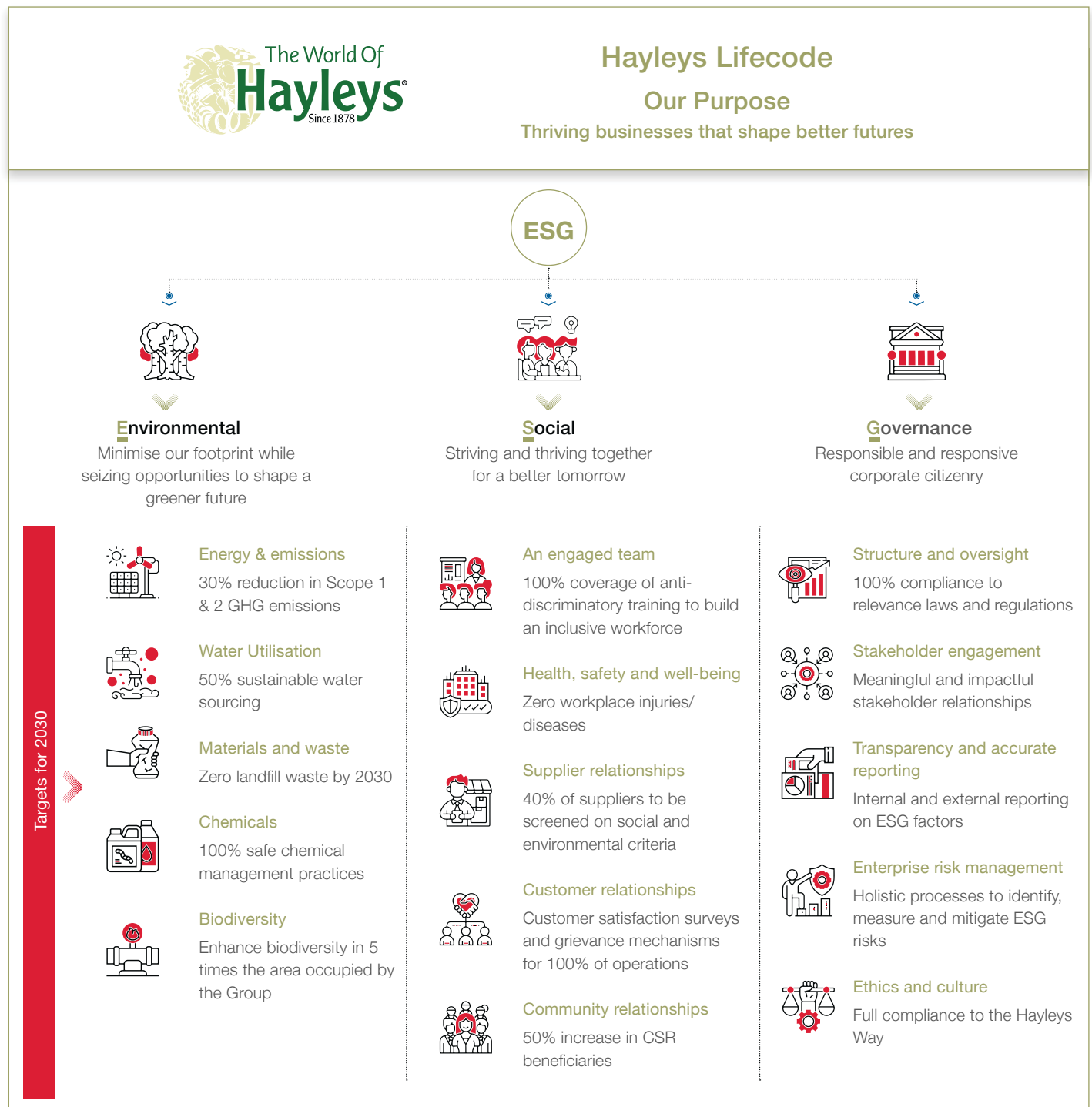
Measuring progress

2.56 times
Inventory turnover

SUSTAINABILITY REPORTING AT SINGER




Commitment to ESG

The Hayleys Group marked a step change in its sustainability commitment during the year, launching a comprehensive ESG framework- 'Hayleys Lifecode' which clearly sets out its commitment to delivering triple bottom line value. The Framework demonstrates the Group's commitment to driving sustainable economic growth, fostering social development, and investing in environmental sustainability while ensuring integrity and good governance. The Hayleys Lifecode sets out ambitious environmental, social and governance targets which have been cascaded down to Group companies, thereby ensuring organisation-wide commitment to the Group's sustainability aspirations.



In line with the adoption of the Lifecode, Singer also aligned with the relevant policies rolled out across the Hayleys Group. In accordance with the defined governance frameworks, Singer has also appointed Sustainability Champions who are empowered to drive the effective implementation of the Lifecode.

The policy architecture of the framework is as follows:

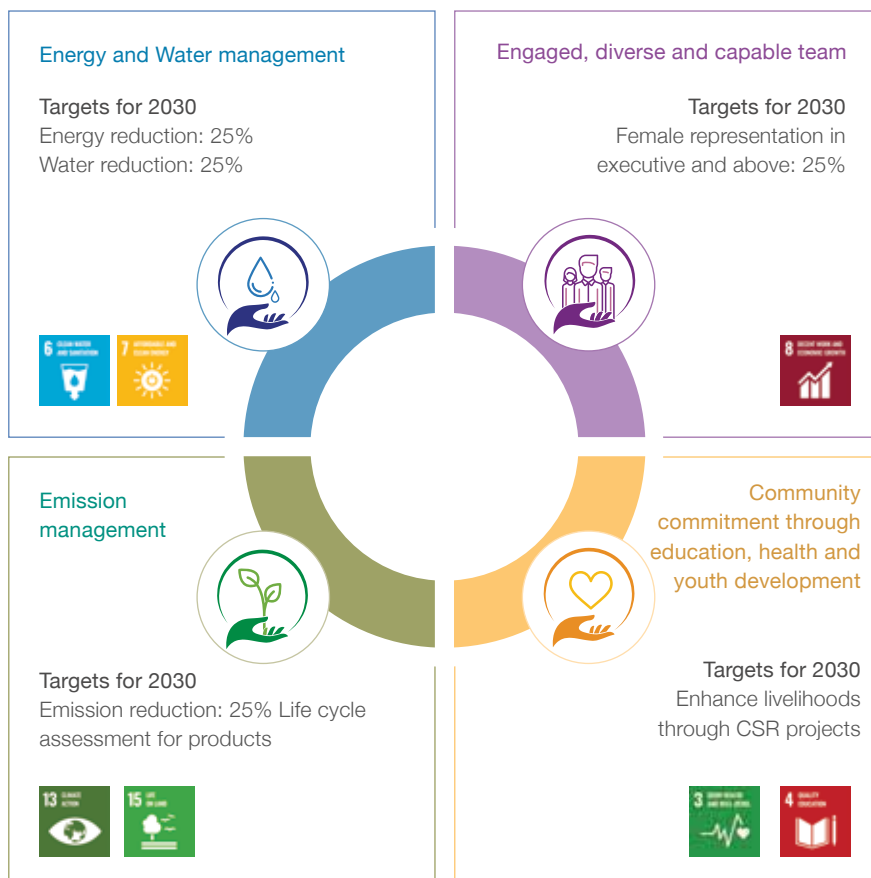
Environment			
	<ul style="list-style-type: none">➤ Material and waste management policy➤ Energy and emissions management policy➤ Water management policy➤ Biodiversity conservation policy➤ Chemical management policy➤ Sustainability Compliance Guideline		
	Social		
		Employee related policies	Policies related to other stakeholders
		<ul style="list-style-type: none">➤ Industrial Relations policy➤ Disciplinary policy➤ Grievance handling policy➤ Recruitment policy➤ Learning & Development policy➤ Talent Management and Succession Planning policy➤ Performance Management Policy➤ Human Rights Policy➤ Whistleblower Policy➤ Anti-Sexual Harassment policy➤ Health and Safety Policy	<ul style="list-style-type: none">➤ Customer Management Policy➤ Procurement Policy➤ CSR Policy
		Governance	
			<ul style="list-style-type: none">➤ Board Charter➤ Board Committee Charters➤ Stakeholder Engagement➤ Information Disclosure Policies

SUSTAINABILITY REPORTING AT SINGER

We are also committed to nurturing a socially and environmentally-conscious culture across the organisation, as reflected in the inclusion of ‘Sustainability’ to the Group’s recently launched Core Values

Our approach to Sustainability

The Singer Group’s sustainability commitments are clearly set out in ‘Singer-Paramaarthayen Perata’ (Progress through purpose), a holistic sustainability vision, which is aligned to the Hayleys Lifecode and has been refined to suit Singer’s business model and operating context. We are also committed to nurturing a socially and environmentally-conscious culture across the organisation, as reflected in the inclusion of ‘Sustainability’ to the Group’s recently launched Core Values. The Framework is centred on 4 pillars (as illustrated below) and defines social and environmental targets in line with the aspirations of the Hayleys Group. Each of these pillars are also linked to the United Nations Sustainability Development Goals (UNSDG) as illustrated below:

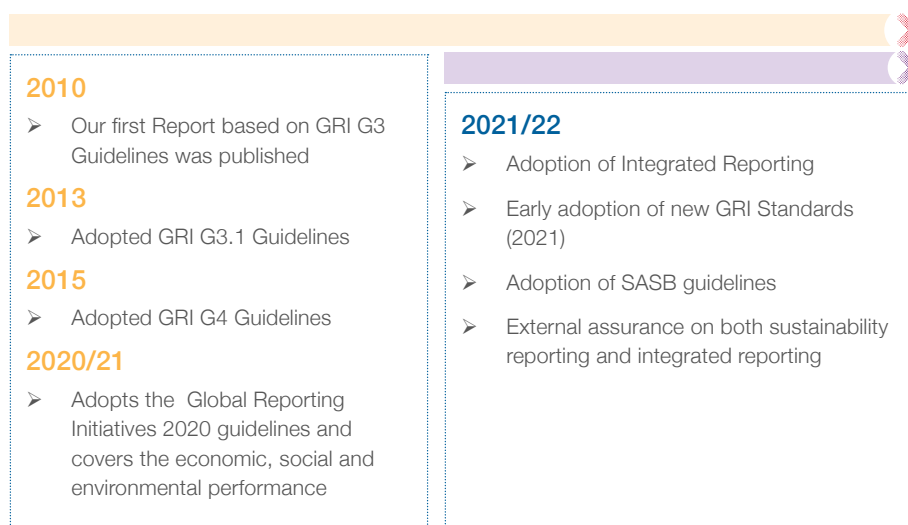


Sustainability Reporting at Singer

The Group has sought to evolve its sustainability reporting practices in line with global developments and best practices in corporate reporting. This has been complemented by the implementation of a tailor-made Sustainability Reporting Information System (the CUBE) which facilitates the collection and analysis of accurate, real-time information providing better insights for decision making. The system features multi-level users, flagging of data variances, comparative analysis and in-built calculations and monthly/quarterly and annual dashboards among others.

This year marks several significant improvements in the Group’s sustainability reporting journey, as illustrated below:

Timeline of Sustainability Reporting Improvements



The narrative report has been structured to demonstrate the value created, preserved and eroded for the six capitals as defined by the IR Framework while the GRI disclosures have been included wherever relevant within these chapters. Disclosures required under the SASB guidelines for Multi-line and Specialty Retailers & Distributors (2018) are presented in the table below:

Multi-line and Specialty Retailers & Distributors - Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Disclosure	Page
Energy Management in Retail & Distribution	Total energy consumed	51,448 GJ	89
	% grid electricity	98%	
	% renewable	nil	
Data Security	Description and approach to identifying and addressing data security risks	Robust policies and standards are in place to identify cyber security risks. A monthly meeting is held to identify, mitigate exposure to and share knowledge between departments on cybersecurity risks	106 and 282
	Number of data breaches	nil	106 and 282
	% involved personally identifiable information	0.0019%	
	Number of customers affected	nil	
Labour practices	(1)Average hourly wage	Rs. 164/- (Non Executive)	59
	(2)% of in-store employees earning minimum wage by region	100%	
	(1)Voluntary turnover rate for in-store employees	12.5%	59
	(2)Involuntary turnover rate for in-store employees	nil	
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	nil	59
Workforce diversity & inclusion	Percentage of gender and racial/ethnic group representation for		65
	(1) management	Male 82% / Female 18%	
	(2) all other employees	Male 74% / Female 26%	
	Total amount of monetary losses as a result of legal proceedings associated with employment discriminations	nil	65
Product sourcing, packaging and marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	nil	86
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	-	89
	Discussion of strategies to reduce the environmental impact of packaging	In refrigerator and washing machine packaging, the Group has replaced Styrofoam packaging with paper pulp packaging for top and side panels	90

FREEDOM TO DREAM

The Capitals Report

Financial Capital.....	46
Human Capital.....	58
Social & Relationship Capital.....	67
Manufactured Capital.....	76
Intellectual Capital	81
Natural Capital	84

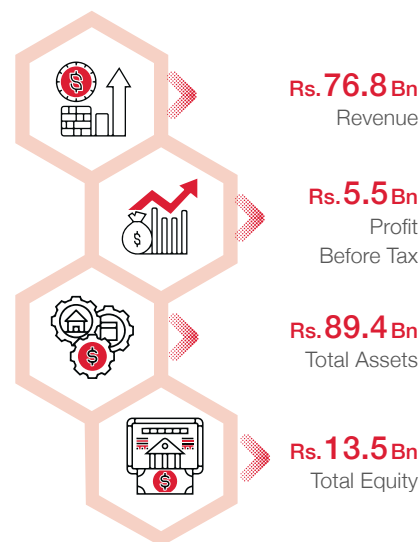




FINANCIAL CAPITAL



How we define Financial Capital



Priorities in 2021/22

- Effective margin management and inventory optimisation (particularly during the 2nd half of the year)
- Effective Management of liquidity
- Proactive working capital management

VALUE CREATION IN 2021/22

14%

revenue growth reflecting broad-based expansion across key product categories

Revenue expansion

Margin management

GP margin widened to

29% from 27%
the previous year, reflecting timely price revisions

EBIT margin also widened to

11% from 8%

Financial stability
Equity funded

15%

Total Equity

Asset Base

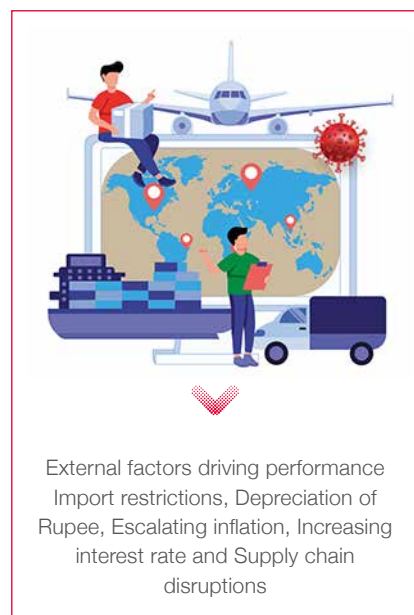
Total Assets increased by
29%

Basis of Preparation

The Financial Statements presented herein represent Consolidated Financial Statements of Singer (Sri Lanka) PLC for the year ended 31st March 2022. The Consolidated statements include the Company, Singer (Sri Lanka) PLC along with its subsidiaries, Singer Finance (Lanka) PLC, Singer Digital Media (Private) Limited, Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Singer Business Schools (Private) Limited as well as indirect subsidiaries Regnis Appliances (Private) Limited and Reality Lanka Limited.

Overview

The Group's performance in 2021/22 should be set out in the context of the operating landscape that prevailed during the year. The country's weakened macro-economic climate led to considerable challenges for businesses; for the Singer Group these difficulties were compounded due to its reliance on imported goods, as the severe shortage in foreign currency liquidity and resultant restrictions on imports had a adverse impact on supply. While demand was resilient during the first half of the year, the deepening macro-economic crisis, coupled with the sharp depreciation of the Rupee and escalating inflation led to a gradual slowdown in demand and is expected to remain hampered in the immediate term.



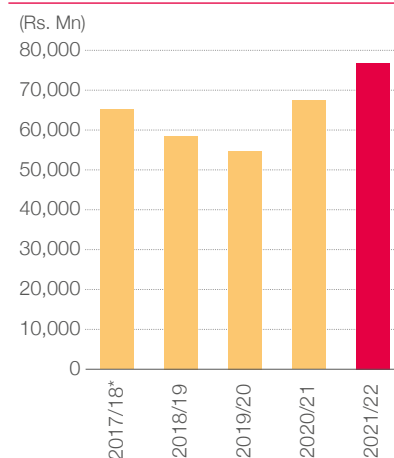
Despite these challenges, the Group delivered a resilient performance as is set out in the pages that follow. Performance was reflective of the Group's capabilities in swiftly adapting its offering to cater to shifting demand patterns as well as the proactive marketing and sales strategies. It is noteworthy that key product categories of air conditioners, refrigerators and kitchen appliances recorded a growth whilst mobile phones witnessed a steep decline in volumes due to supply constraints and smoothening of exponential growth experienced last year.

Revenue

Consolidated Revenue increased by 14% to Rs. 76,847.8 million during the year, while at Company level, revenue increased by 25% to Rs. 68,652.3 million. Growth was upheld by the Home Appliances Segment which benefitted from robust demand during the year; all other segments excluding Digital Products achieved revenue growth during the year. The subsidiary Singer Digital Media (Private) Limited

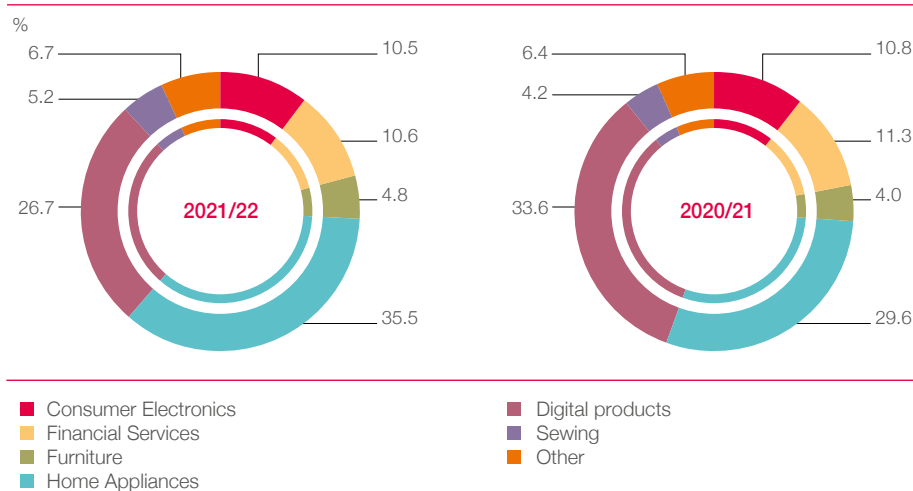
which engages in the sale of mobile phone sales to the trade channel contributed Rs. 2,970.9 million to Consolidated Revenue whilst Singer Finance (Lanka) PLC contributed Rs. 5,172.8 million to Group top line.

Total Net Turnover



*15 - months ended 31st March 2018

Net Turnover Analysis



FINANCIAL CAPITAL

Gross Profit

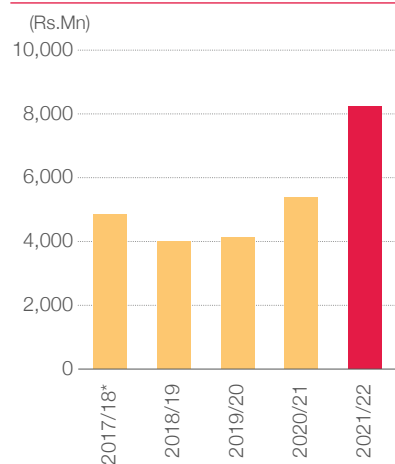
The Group's direct interest cost increased by 3% to Rs. 1,920.3 million during the year and includes the interest cost on customer deposits and debentures at Singer Finance (Lanka) PLC. Customer deposits at Singer Finance increased by 16% to Rs.12,146.5 million during the year reflecting the Company's expanding geographical reach and strengthening deposit franchise.

Consolidated gross profit increased by 20% to Rs. 22,191.5 million during the year, supported by healthy volume growth, a favourable product mix and timely price revisions. Resultantly, the Group gross margin widened from 27% to 29% during the year. Meanwhile, the Company's gross profit margin narrowed marginally.

Operating profit

The increase in Selling & Administrative expenses were contained at 9% reflecting the Group's ongoing focus on driving efficiencies and productivity improvements. Meanwhile, the Group's Operating Profit recorded a strong growth of 53% to Rs. 8,237.4 million during the year, while at Company level the growth amounted to 68%. Operating level profitability reflects the Group's strong top line growth, timely price revisions and continued focus on cost management.

Operating Profit



*15 months ended 31st March 2018

Impairment costs

The weakening macro-economic conditions, coupled with the long-drawn implications of the pandemic had an inevitable impact on collections, both at Company level and at Singer Finance. During the latter part of the year, however, proactive efforts to drive recoveries through robust controls and monitoring systems enabled a reversal of bad debt provisions, resulting in the Group's impairment charges declining by 24% to Rs. 702.8 million.

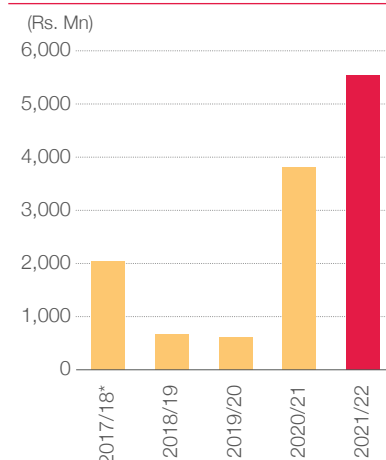
Net Finance Cost

Group finance cost increased by 82% to Rs. 2,320.22 million during the year, mainly due to the tightening monetary policy which saw interest rates picking up towards the second half of the year and a normalisation of finance income compared to the previous year. Group interest cost in the current year included the interest on Lease liability of Rs. 586.9 million due to the implementation of SLFRS 16. The Company's finance cost decreased by 2% to Rs. 2,128.8 million. Meanwhile, the Group incurred an exchange loss of Rs. 393.9 million on the dollar denominated trade payables following the sharp depreciation of the Sri Lankan Rupee. This compared to a gain of Rs. 713.2 million in the corresponding period.

Profit Before Tax

The Group's profit before tax increased by 45% to a record high of Rs. 5,535.6 million upheld by strong core performance which saw strong top line growth and preservation of profitability margins. The Company's pre-tax-profit surged by 92% during the year.

Profit Before Tax

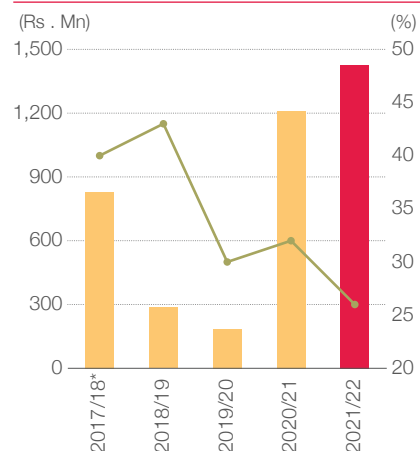


*15 months ended 31st March 2018

Tax Expense

The Group's Total tax expense for the year was Rs. 1,425.8 million compared to Rs. 1,210.5 million in the previous year reflecting strong earnings growth, while the effective tax rate declined to 26% from 32% the previous year.

Tax Expense



■ Net Tax Expenses
◆ Net Effective Tax Rate (%)

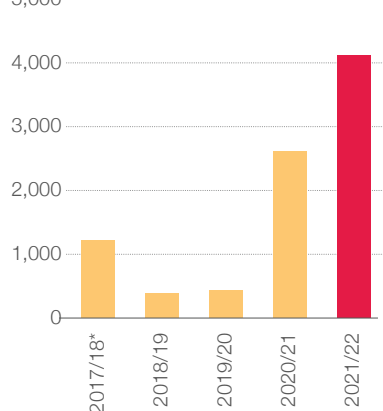
*15 months ended 31st March 2018

Profit for the Year

Value creation to the Government in the form of value added tax on financial services increased by 30% to Rs. 381.6 million while income tax expense increased by 18% to Rs. 1,425.8 million supported by the improvement in profitability. Meanwhile, profit after tax surged by 58% to Rs. 4,109.8 million, the highest profits recorded in the Group's operating history. At Company level, profit after tax more than doubled to Rs. 3,908.6 million during the year.

Profit for the Year

(Rs. Mn)



*15 months ended 31st March 2018

Other Comprehensive income

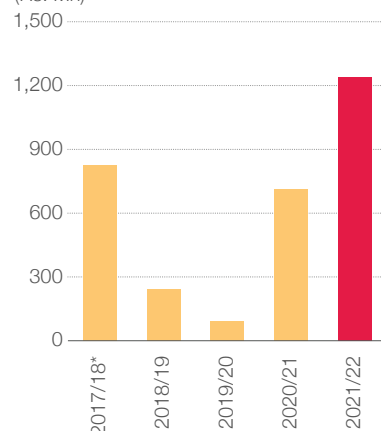
Total other comprehensive income increased to Rs. 444.2 million from Rs. 236.7 million the previous year, primarily due to revaluation gain on land and buildings. Resultantly, the Group's total comprehensive income increased to Rs. 4,554.0 million.

Shareholder Value Creation

Despite the numerous challenges that prevailed during the year, the Group continued to deliver on its shareholder commitments with per share ratios increasing during the year and return on equity widening to 35%, from 28% the previous year. Despite the numerous challenges that prevailed during the year, the Group continued to deliver on its shareholder commitments with per share ratios increasing during the year and return on equity widening to 35%, from 28% the previous year; meanwhile, net asset per share increased by 36% to Rs. 10.27 by end of March 2022.

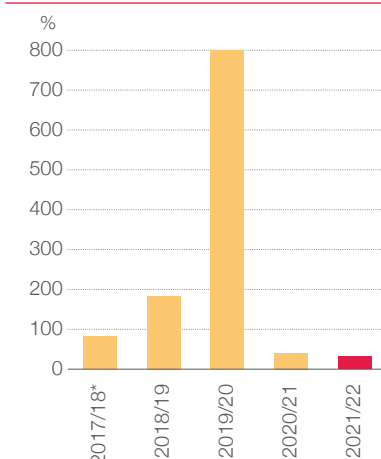
Dividends Paid

(Rs. Mn)



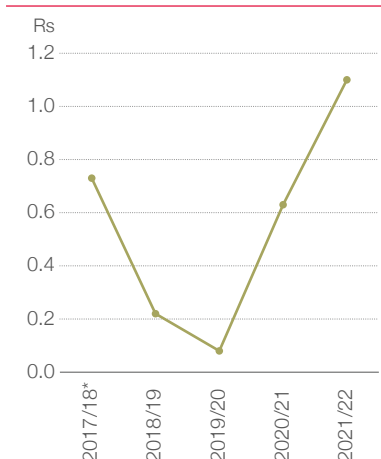
*15 months ended 31st March 2018

Dividends Pay Out Ratio



*15 months ended 31st March 2018

Dividend per Share

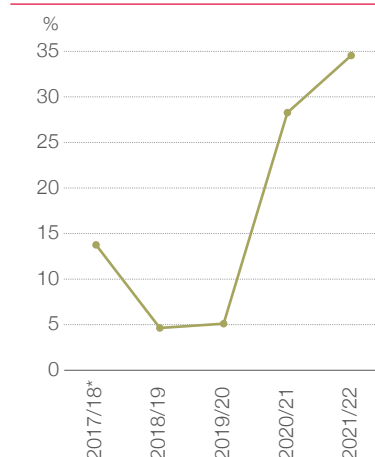


*15 months ended 31st March 2018

Return on Equity

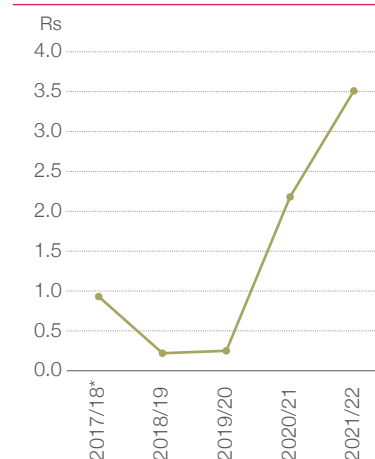
Return on Group Equity for the year recorded of 34.5% compared to 28.3% in previous year

Return on Equity



*15 months ended 31st March 2018

Earnings per Share



*15 months ended 31st March 2018

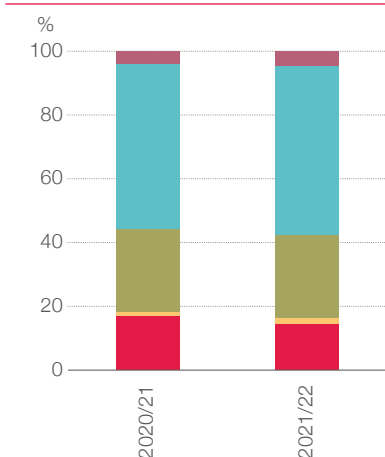
FINANCIAL CAPITAL

Financial Position

Assets

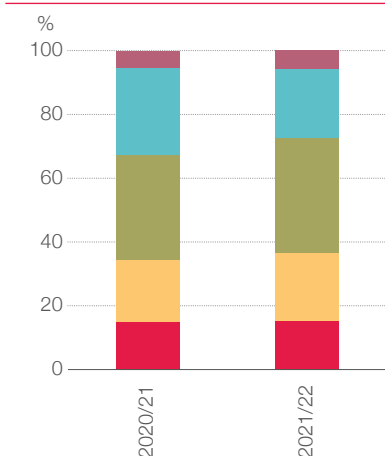
Total assets increased by 29% to Rs. 89,350.7 million driven primarily by a 40% growth in current assets as the Group increased investments in working capital, given the disruptions to supply chains that prevailed during the year. Accordingly, investment in working capital increased by 38% and accounted for 65% of total assets. The asset composition accordingly tilted towards current assets, which accounted for 70% of total assets as at end-March 2022.

Financial Position Structure Assets



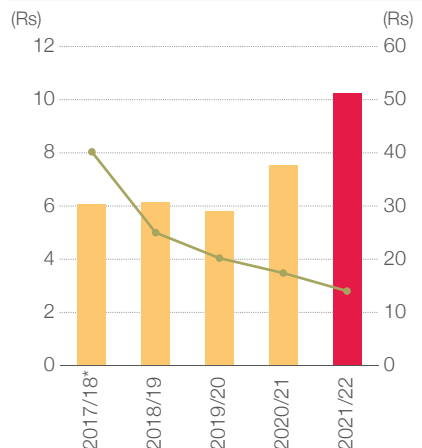
■ PPE
■ Investments
■ Inventories
■ Receivables
■ Cash and Others

Financial Position Structure Liabilities



■ Shareholders Funds
■ Long-term Borrowings
■ Short Term Borrowings
■ Trade Creditors
■ Other Liabilities

Net Assets per Share Vs. Market Price per Share



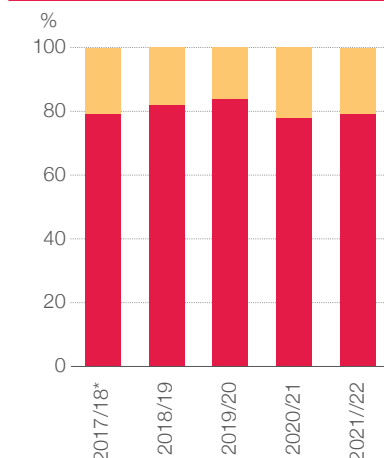
■ Net Assets/Share (Rs.)
◆ Market Price/Share (Rs.)
*15 months ended 31st March 2018

Capital and Funding

Despite an increase in borrowings during the year, the Group's funding position remained relatively healthy, with equity funding 15% of total assets. Equity increased by 32% to Rs. 13,540.6 million during the year, reflecting healthy profit generation, which was partly offset by a dividend payment of Rs. 1,272.0 million.

Meanwhile consolidated liabilities increased by 28% to Rs. 75,810.1 million, mainly due to a 60% increase in borrowings to Rs. 33,524.1 million. The increase in borrowings primarily reflects debt-funded investments in working capital, reflecting our conscious efforts to build inventory in view of prevalent conditions and lower collections on the HP and trade debtors. Borrowings were mainly comprising of short-term borrowings which accounted for 64% of total debt by end- March 2022.

Capital Structure



■ Total Borrowings
■ Total equity
*15 months ended 31st March 2018

Cashflow

The Group's net operating cash outflows amounted to Rs. 8,986.3 million compared to Rs. 11,487.7 million of inflows in previous period, mainly due to increased investments in working capital. Meanwhile, net cash outflows from investing activities tripled during the period to Rs. 1,591.2 million mainly due to capital expenditure incurred and purchase of marketable securities by Singer Finance (Lanka) PLC. Cash inflows from financing activities increased to Rs. 12,220.3 million from Rs. 8,991.4 million in the previous year, reflecting commendable deposit growth in Singer Finance (Lanka) PLC and net proceedings from interest bearing loans and borrowings.

Segmental Review

Consumer Electronics

“The Group is a leading provider of Consumer Electronics to the Sri Lankan market, offering an array of white goods across varying price points. Customer reach is supported through the Group’s extensive retail channel, comprising 403 Singer and 28 Singer Mega showrooms as well as the wholesale channel, which includes distribution through over 500 dealers”

Strategy and Performance Overview



Revenue and profit growth

The segment delivered 10% and 36% growth in revenue and operating profit respectively, supported by the Group’s ability to cater to growing demand. Despite periodic disruptions and cost escalations in the supply chain, the Group ensured uninterrupted supply of products to the market, which in turn enabled Singer to strengthen its market share during the year.



Demand trends

Demand for white goods including televisions and audio systems improved during the year, reflecting customers’ tendency towards upgrading their homes through more sophisticated purchasing and led to a gradual moderation in demand for televisions during the latter part of the year.



Supply chain disruptions

Foreign currency illiquidity, import restrictions, and global supply chain bottlenecks resulted in considerable procurement challenges during the year. The Group leveraged its strong relationships with banks as well as synergies within the Hayleys Group to ensure continuity of supply, although this is likely to be increasingly challenging in the short-to-medium term given the country’s weaker external position.



Customer engagement

The “Big size TV” campaign was launched during the year and aimed to strengthen the Group’s market share in the above 40-inch TV category. This enabled Singer to maintain market leadership in the TV category and offered Sri Lankan consumers access to 8 world-leading brands.

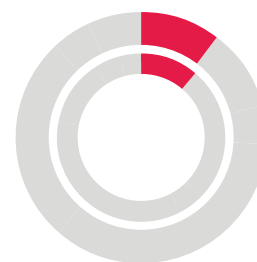
Way Forward

We anticipate a moderation in demand over the short-to-medium term, given escalating inflationary pressures and increasing price consciousness of customers. The sharp depreciation of the Sri Lankan Rupee will lead to an inevitable increase in pricing, which will further impact demand. Supply side challenges are also expected to persist given the shortage of foreign currency in the market and increased administrative complexity of obtaining licenses for imports.



Customer engagement

Consumer Electronics



2021/22

Revenue
Operating profit

Product Map



Televisions



Audio solutions



Active Speakers



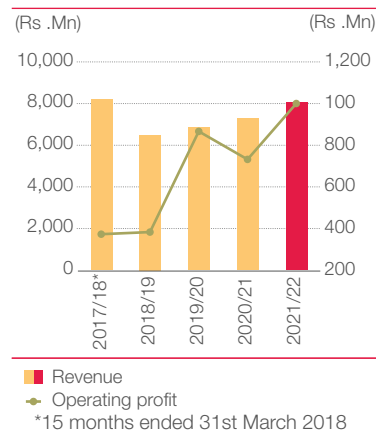
DVD



Home theatres

Sector Performance

Consumer Electronics



FINANCIAL CAPITAL

Financial Services

“Singer together with its subsidiary, Singer Finance (Lanka) PLC offers a range of leasing, hire purchase and loan facilities. The latter is a finance and leasing establishment licensed and regulated by the Central Bank of Sri Lanka and its services are provided through an island-wide network of 43 branches”

Strategy and Performance Overview



The segment delivered a year of strong growth with operating profit for the year increasing by 35%, despite numerous challenges in the external environment. Loan growth amounted to 25% and was driven by strategic focus on gold loans and revolving facilities, which offset the marginal decline in the leasing book. Profitability was also supported by proactive management of portfolio quality, which enabled the Segment to record a 14% decline in impairment charges.



The Segment strategically shifted focus from leasing facilities to gold loans, thereby capitalising on the opportunity presented by escalating gold prices. Growth in this Segment was driven through geographical expansion to areas with upside potential which in turn supported new customer acquisition. The gold loan portfolio increased by 6% during the year and accounted for 14% of the total portfolio by end-March 2022.



Singer Finance has directed investments towards enhancing its digital capabilities, with a view of transforming the customer experience, driving internal efficiencies and offering better insights for decision making. Recent developments include a seamless online banking platform, internet payment gateway, partnerships with M-Cash and FriMi and investments in Business Intelligence tools.



In the intensely competitive financial services industry, Singer Finance has sought to differentiate itself through offering an enhanced customer service and nurturing long-term relationships. During the year, this was actioned through offering reschedulements, flexible repayment schemes and maintaining close engagement with customers.

Way Forward

We are cognisant of the inevitable pressures that may arise due to the prevalent macro-economic challenges and will place strategic emphasis on preserving portfolio quality through ongoing engagement with customers and proactive monitoring. We will continue to direct investments towards enhancing our digital offerings as we seek to sharpen our competitive edge through offering a unique customer experience.



Contribution to the Group

Financial Services



2021/22

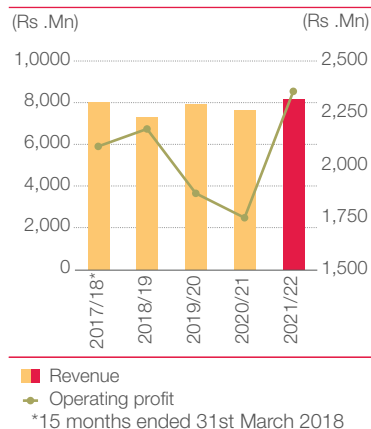
Revenue
Operating profit

Product Map

- Leasing
- Hire purchase
- Loans

Sector Performance

Financial Services



Furniture

“The Group manufactures an array of household furniture through two manufacturing facilities, which contribute approximately 75% to the Segment’s revenue and represents significant local value addition; the remainder consists of a limited range of imported furniture”

Strategy and Performance Overview



Growth and profitability

The Segment recorded revenue and operating profit growth of 37% and 81% during the year supported by strategic focus on increasing product availability across our network and a strong sales drive. Demand conditions were favourable during the year, given the relatively low interest rates that prevailed for most part of the year.



Manufacturing capabilities

The Segment operates two facilities, which manufacture modular and solid furniture. The modular factory is equipped with advanced machinery and utilises a relatively low labour component, while the solid factory is more reliant on labour. During the year, the Segment focused on driving efficiency improvements through increased automation.



Signature Kitchen

Singer partnered with Signature Kitchen Malaysia, to launch Signature Kitchen by Singer- a unique offering which allows homeowners to customise and design contemporary kitchens of high quality and functionality.



Economic value creation

The Furniture Segment generates significant socio-economic value; it sources rubber wood from around 15 local suppliers, thereby injecting value to the local supply chain and offer on-the-job training facilitating NVQ certification for local carpenters engaged in the solid furniture factory.

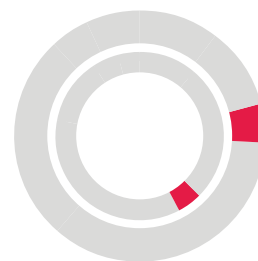
Way Forward

We are optimistic about the growth potential of Sri Lanka’s furniture industry and are keen to expand our product offering, capacity and footprint over the medium-to-long term. Disruptions to our supply chain remains a key challenge over the short-term and we are developing and proactively engaging with our supplier base in addressing this concern. With furniture imports to the country restricted, we see significant upside potential for local manufacturers and will seek to capitalise on this opportunity.



Contribution to the Group

Furniture



2021/22

Revenue
Operating profit

Product Map



Solid furniture



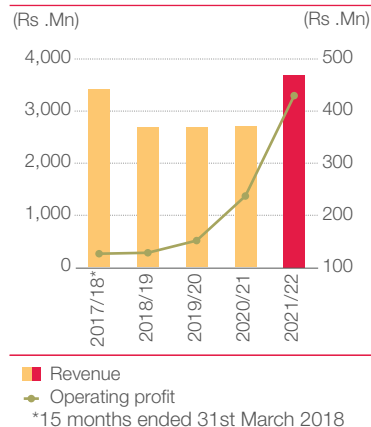
Modular furniture



Signature Kitchens

Sector Performance

Furniture



FINANCIAL CAPITAL

Home Appliances

“Singer holds a dominant market position in the home appliances category, upheld by its strong track record, comprehensive portfolio of products and unmatched geographical reach. The Segment was the largest contributor to Group revenue and earnings during the year under review”

Strategy and Performance Overview



Growth and profitability



The Segment witnessed strong rebound during months of normal economic activity, with increased demand reflecting homeowners' preferences towards upgrading houses. Resultantly, the Segment's revenue increased by 37%; although importing products remained a concern towards the latter part of the year, the Group benefited from its local manufacturing, which enabled it to continuously cater to demand and acquire market share from competitors. The Segment's operating profit increased by 59% during the year, emerging as largest contributor to Group earnings.



Catering to shifts in demand



The success of the year is partly attributed to the Group's ability to leverage data analytical capabilities to predict emerging trends in demand. During the year, strong growth was seen in the refrigerator and washing machine categories, as the Group ensured uninterrupted supply through its manufacturing arm.



Transforming the customer experience



Strategic focus was placed on enhancing the customer experience through the upgrade and rebranding of our showrooms, which now feature better brand visibility and digital solutions such as interactive panels to fulfill the information needs of customers. Customer satisfaction is measured through mystery shopper programmes and recorded an improvement during the year under review.



Streamlining the wholesale channel



The Segment also operates the Wholesale channel, which consists of over 500 dealers across the island. During the year, we streamlined the administration of this channel, strengthening internal credit policies and optimising the network of dealers, which enabled the Segment to increase market share while effectively managing its credit risk.



Security and automation solutions



The Group entered this segment in 2019/20 through the launch of the brand Dahua, a world-leading brand in security solutions. Within a short period of time, the Segment acquired a decent market share, making significant inroads in penetrating the residential market. The Segment's strategy centred on opening exclusive dealer shops in major locations across the country and offering an enhanced customer value proposition including 1:1 replacement warranties among others.

Way Forward

We are cognisant of the inevitable pressures that may arise due to the prevalent macro-economic challenges and will place strategic emphasis on preserving portfolio quality through ongoing engagement with customers and proactive monitoring. We will continue to direct investments towards enhancing our digital offerings as we seek to sharpen our competitive edge through offering a unique customer experience.



Contribution to the Group

Home Appliances



2021/22

Revenue
Operating profit

Product Map



Refrigerators



Air conditioners



Washing machines



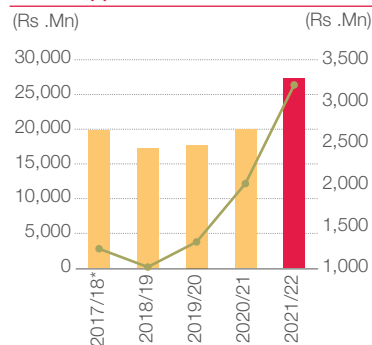
Kitchen appliances



Other household appliances

Sector Performance

Home Appliances



Revenue

Operating profit

*15 months ended 31st March 2018

Digital Products

“Singer is one of Sri Lanka’s leading computer and mobile phone providers, offering a range of world-leading brands including Dell, Asus, Huawei, TCL and ZTE. The Segment operates multiple distribution channels catering to both the retail and commercial markets, which has enabled it to widen its customer reach.

Strategy and Performance Overview



Growth and profitability

The Segment has delivered record profitability and growth in recent years, supported by customers’ unprecedented shift to digital platforms following shifts to remote education and work. During the year, we capitalised on increased demand through healthy inventories, particularly in Dell computers. Resultantly, the Segment’s operating profit increased by 10% during the year.



Leveraging distribution channels

In computers, Singer is the exclusive partner of Dell for Consumer Distribution and Commercial (VOSTRO model). In the Commercial channel, the Group engages over 600 dealers who work closely with our sales team in driving penetration. As we placed strategic focus on Dell, we also opened 7 exclusive brand shops across the country, thereby increasing the brand’s visibility. During the year, the Segment also launched the MSI brand, a world leader in gaming and content creation.



Managing credit risk

Given the conditions that prevailed during the year, the Group placed strategic focus on effectively managing its credit risk. The credit period was halved, allowing proactive management of credit limits and receivables. The Segment also operates a reward scheme for dealers, offering promotions, incentives and ongoing engagement.



Mobile phones

In mobile phones, Singer is the exclusive partner for Huawei with products distributed through a network of 22 distributors and 77 direct dealers. The performance of the brand was impacted by global restrictions in accessing updates to Android and Google Play Store apps. In addressing this, Singer expanded its mobile phone portfolio through the addition of two new brands; TCL Mobile- a fast-growing brand offering advanced features, style and improved user experience and ZTE-a global leader in integrated, end-to-end innovation.

Way Forward

Sri Lanka’s macro-economic vulnerabilities and shortage in foreign currency presents the most significant risk in the short-term while the Russian-Ukrainian conflict is also like to lead to disruptions in global supply chains. The escalation in price coupled with Sri Lanka’s record inflation levels are likely to impact demand over the short-term. Against this backdrop, the Group will direct focus towards the Commercial business while expanding the distribution of monitors and screens.



Customer engagement

Digital Products



2021/22

Revenue
Operating profit

Product Map



Computers



Mobile phones



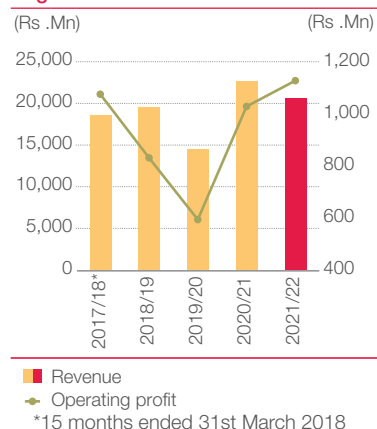
Head phones



Other Accessories

Sector Performance

Digital Products



FINANCIAL CAPITAL

Sewing machines

“As the Group’s pioneering product, Singer is the undisputed market leader in the sewing machinery category, with an estimated market share of around 70%. The Segment caters to both the domestic and industrial sewing machine markets with both categories of products assembled in Sri Lanka through its subsidiary- Singer Industries (Ceylon) PLC.”

Strategy and Performance Overview



Growth and profitability



The Segment demonstrated turnaround during the year under review. Performance was driven by the Group’s strategic market efforts towards driving demand for portable machines, which delivered a volume growth of 12% during the year. Despite significant cost escalations, the Segment delivered a operating profit of Rs. 457 million.



Leveraging distribution channels



The increased preference towards ready-made garments over the past few decades, has resulted in a gradual slowdown of demand for traditional sewing machines. In response, the Segment has in recent years sought to drive demand for portable sewing machines through emphasising its recreational value- primarily targeting a younger demographic who could pursue sewing as a hobby and outlet for creativity. This strategy has proved successful, with the penetration of portable sewing machines growing consistently in recent years.



Manufacturing capabilities



Singer Industries imports the components and locally assembles the entire range of Singer sewing machines. A key challenge during the year, was the sharp escalation in raw material costs stemming from the depreciation of the Rupee and supply chain disruptions. The Segment is exploring avenues to enhance value addition and widen local sourcing, through increasing reliance on recycled input materials.



Singer Fashion Academy



The Singer Fashion Academy complements the Group’s sewing machine category, allowing the Group to fulfill both its commercial and social aspirations through providing aspiring young women access to affordable skill development. The Academy recorded a 33% growth in revenue during the year, reflecting increased interests in our entry level courses, which were delivered online during the year.

Way Forward

The Segment will continue to focus on enhancing its value proposition and penetration in the portable machines segment for which we see significant growth potential. While raw material led price increases and rising inflation levels are anticipated to have an inevitable impact on demand, we remain optimistic on the long-term outlook for this category, as we seek to create demand through innovative and targeted marketing.



Contribution to the Group

Sewing Machines



2021/22

Revenue
Operating profit

Product Map



Domestic sewing machines



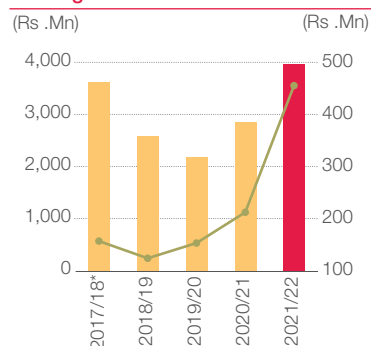
Industrial sewing machines



General merchandise

Sector Performance

Sewing Machines



Revenue

Operating profit

*15 months ended 31st March 2018

OTHER

The Group's Others Segment is represented by Singer's interests in agricultural equipment including water pumps, paddy threshers and tractors, the Group's e-commerce channel and several other minor products.

Strategy and Performance Overview



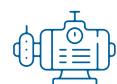
Growth and profitability

The Segment delivered a year of good growth with revenue and pre-tax profit increasing by 19% and 14% respectively. Performance was upheld by robust growth in the e-commerce channels, which saw an unprecedented shift to digital platforms following the outbreak of the pandemic. Despite numerous challenges facing the country's agriculture sector, including inclement weather and the import ban on chemical fertilizer, the agri equipment category also performed commendably during the year.



The e-commerce proposition

The e-commerce channel recorded broad-based operational improvements in growth, revenue, sales and brand awareness. The channel recorded a revenue growth of 135%, with the bounce rate maintained at 30% and the conversion rate improving by 75% compared to the previous year. The strong growth in e-commerce was underpinned by the Group's proactive digital marketing efforts which encourages customers to transact through online channels at the safety of their homes. Strategic focus was also placed on achieving on-time delivery through adopting a last-mile delivery strategy, which leveraged the Group's +431 branch network in outstation areas.



Agricultural equipment

In agricultural equipment, the Group represents world-leading brands including John Deere and Farmmaster along with locally manufactured water pumps. Foreign currency liquidity issues, together with the depreciation of the Rupee led to an increase in product pricing, particularly towards the second half of the year. The Sector sought to aggressively promote its products through service demonstrations in villages and digital campaigns as well as a **Saraketha** exhibition featuring all agro products. The Sector also widened its product portfolio, with the launch of FM 300 two-wheeler tractor as well as new smart pumps and plastic impeller submersible pumps.

Way Forward

While the Agricultural equipment sector is expected to moderate in view of persistent difficulties in facilitating imports, the Group will continue to drive focused efforts towards strengthening its e-commerce platforms. Key priority areas will include omni-cart strengthening, segregation of backend portal and front-end UI/UX to improve performance and restructuring the application engine to support new features.



Customer engagement

Other



2021/22

Revenue
Operating profit

Product Map



Water Pumps



Tractors



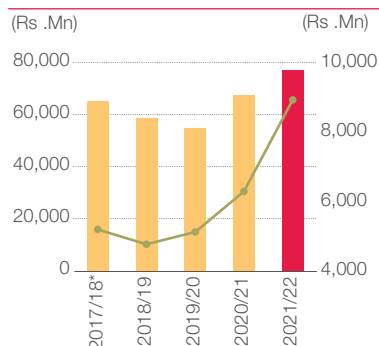
Paddy Threshers



Solar System

Sector Performance

Other



Revenue

Operating profit

*15 months ended 31st March 2018

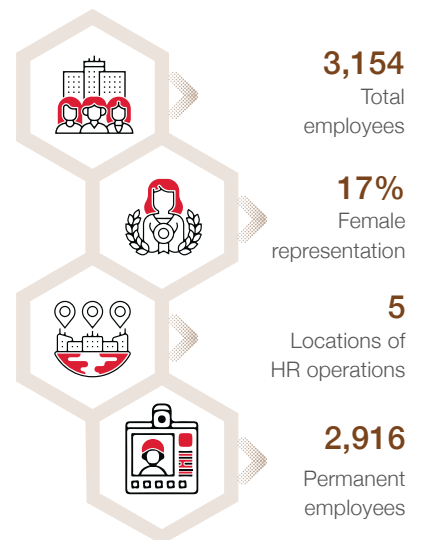
HUMAN CAPITAL



Priorities in 2021/22

- Creating a climate for success
- Employee well-being
- Nurturing a performance-driven culture
- A diverse and inclusive workplace

How we Define Human Capital



VALUE CREATION IN 2021/22

Singer (Sri Lanka) PLC and Singer Finance (Lanka) PLC obtained the Great Place to Work certification and ranked among Sri Lanka's top 40 employers.

Preferred employer

Ongoing focus on skill development

5.8

Average training hours per employee

27 Mn

Investment in training

17%

Female representation

14%

Females in positions above Executive and Managerial grade

Creating a diverse and inclusive work environment

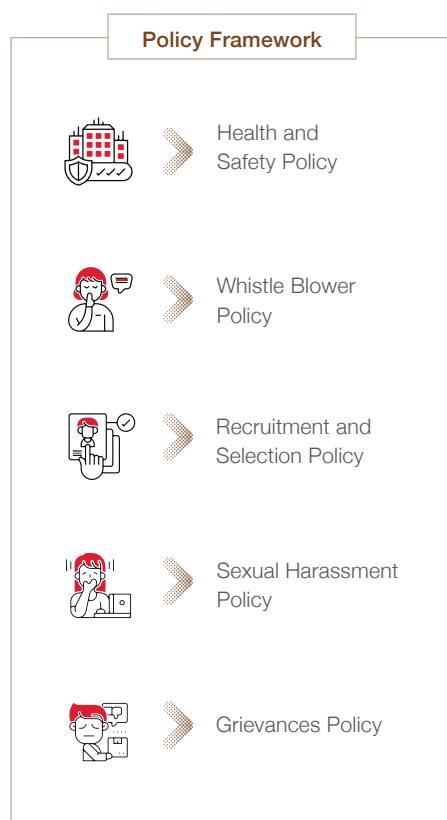
A productive team

24.3 Mn/employee
revenue per employee

1.3 Mn/Employee
net profit per employee

Management Approach

The Singer Group is amongst Sri Lanka's most preferred employers, offering a unique value proposition to a diverse team of 3,154 employees spread across all 9 provinces of the country. Our people philosophy is governed by a comprehensive HR framework comprising robust policies and procedures which has been designed to comply with all relevant labour laws and regulations. The Group's Code of Conduct which outlines Singer's expectations of employees, while setting the tone for an equitable culture that values integrity. Singer's robust HR policy and procedure framework provided a solid platform for navigating the challenges presented during the year where the organization was compelled to implement new working models to ensure uninterrupted operations while safeguarding employees. There were no incidents of discrimination reported during the year.



Team Profile

Our diverse team represents a healthy mix of experience and youth, with 68% of employees being below the age of 40 years while over 1,500 employees having served the Group for at least 5 years. All employees are engaged on full time basis while 92% of employees are in the permanent cadre. With 45% of its workforce employed from outside the Western province, the Group directly contributes to regional employment and economic empowerment. The Group's entrepreneurial branch model also generates indirect employment to over 2,700 individuals working within the branches. While these workers are not on the Group's payroll, they are trained and guided by branch managers, thereby enhancing future employability and contributing towards socio economic empowerment.

Employees by Contract, Gender and Region

Region	Permanent		Contract	
	Male	Female	Male	Female
Western	1,327	288	88	44
Central	267	51	23	5
Southern	238	47	12	3
North Central	98	14	10	3
North Western	158	30	7	1
Eastern	56	9	5	1
Sabaragamuwa	135	16	9	4
Uva	94	9	13	3
Northern	70	9	5	2
Total	2,443	473	172	66

Talent Movements During 2021/22

Recruitment:

Our recruitment policy ensures that hires are based on a person's knowledge, experience, and cultural fit. Priority is given to recruiting from the communities in which our showrooms are located with 45% of our employees being from outside the Western province. During the year, 459 new employees were recruited for selected positions and replacements for vacancies.

Talent Retention:

The Group maintains healthy employee retention levels, attesting to its employee value proposition and strength of the employer brand. During the year, our overall retention rate was 96% while retention of female employees was 89%. We have maintained low levels of employee turnover of less than 10% with 316 employees exiting the Company through natural attrition.

Total Employees by Gender and Region

Region	Singer Group	
	Male	Female
Western	1415	332
Central	290	56
Southern	250	50
North Central	108	17
North Western	165	31
Eastern	61	10
Sabaragamuwa	144	20
Uva	107	12
Northern	75	11
Total	2615	539

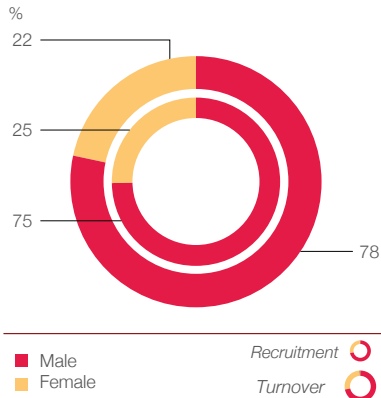


Honouring Our Staff for their continuous Service over 3 decades

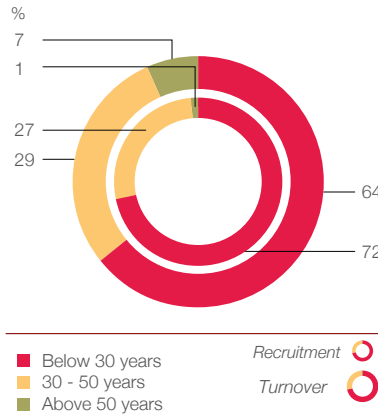
HUMAN CAPITAL

Profile of New Recruits and Turnover

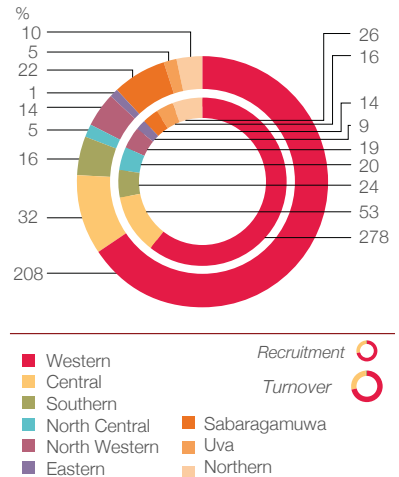
Recruitment and Turnover by Gender



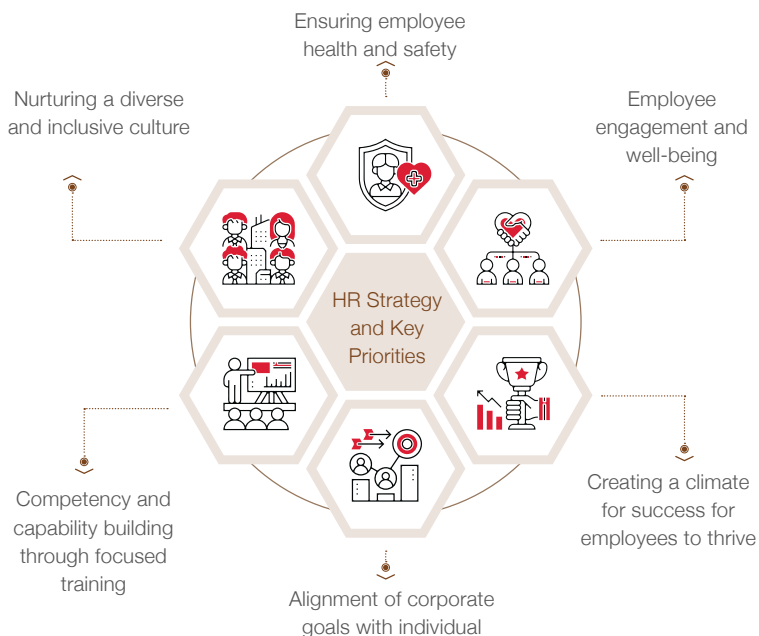
Recruitment and Turnover by Age



Recruitment and Turnover by Region



HR Strategy and Key Priorities for 2021/22



Safety Initiatives and Record

The emergence of highly transmissible COVID-19 variants during the year, necessitated further strengthening of our safety measures.

- Provision of all necessary PPE and safety equipment
- Ongoing awareness programs conducted to minimize health risks at premises
- Employees were engaged in the formulation of the health and safety management system through manager-led committees
- Successful vaccination program rolled out resulting in 90% of employees being vaccinated
- Health statistics of employees maintained and monitored: confidentiality is maintained through strict access controls.
- Self-quarantine and care centre facilities provided for infected employees
- Regular communication and briefing sessions to ensure safety of employees and their families

Employee Health and safety

Health and safety emerged as a foremost employee priority during the year. The Group has a comprehensive Occupational Health & Safety Policy that guides organization-wide health and safety initiatives. The central H&S Committee and Factory H&S Committee ensures that high standards of safety are maintained by conducting job specific training to all employees as listed below. Internal audits and risk assessments are carried out while implementing preventive measures to mitigate potential risks.

Health and Safety trainings



28 employees participated in first aid training



57 employees participated in fire training



Vaccination programme for Covid- 19

Guided by the Work from Home Policy, new working models were implemented to ensure uninterrupted services while safeguarding employees who were required to conduct essential operations. IT infrastructure such as laptops, VPNs were provided for employees to work from home and measures were taken to enhance digital connectivity to support remote working.

Employee Engagement and well-being

Given the prevalent uncertainty and shift towards remote working arrangements, providing a sense of community and camaraderie was paramount to maintaining employee morale, while mitigating the risk of isolation. In these circumstances, employee engagement through digital means was a critical driver of success in building fellowship and motivation throughout the year during a time when traditional engagement activities could not be accommodated.

Accordingly, the Group curated a plan for employee engagement as summarized below.

Injury Record

Health & Safety indicators	2021/2022	2020/2021
Reported first-aid cases	27	47
Occupational injuries- resulting lost days	28	118



Facilitating Knowledge sharing workshops for our employees

Proactive and Ongoing Communication	Well-being Initiatives
<ul style="list-style-type: none"> ➤ Increase social media engagement through Facebook, WhatsApp and Viber groups ➤ Ongoing communication by the CEO and Leadership team, thereby providing clarity and assurance to employees on the outlook ➤ ELEVATE magazine ➤ SeLFY our space -social wall performs as a personal platform for employees ➤ Grievance handling mechanism for prompt action towards resolving issues 	<ul style="list-style-type: none"> ➤ Introduction of a structured employee well-being program under the theme 'Ayubowan' that created awareness on topics such as mindfulness, physical fitness and managing personal finances ➤ Weight loss contest with the participation of over 170 individuals ➤ Health Tip Flyers to share useful knowledge
Community Building Events <ul style="list-style-type: none"> ➤ Children's Art competition for employee's children held online with over 170 participants ➤ Singer's Got talent show held for the 4th year to showcase employee creative talents ➤ Corporate Rotaract Club ➤ Corporate Toastmasters Club 	

Industrial relations: We are cognizant of our employees' right for collective bargaining and 47% of our Singer Sri Lanka employees are represented by trade-unions and are covered by collective bargaining agreements. We continued to maintain proactive engagement with trade union representatives and there were no industrial disputes recorded. There were also no material issues pertaining to employees and industrial relations of the Group and the Company which should be disclosed as per the CSE Listing rules

Measuring Success

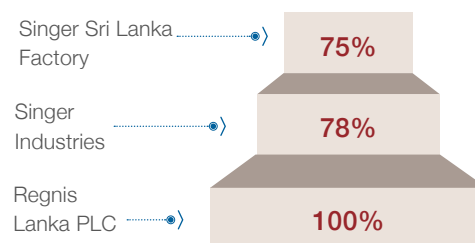
The Group marked a major milestone in its people management during the year, obtaining the Great Place to Work (GPTW) certification & Being listed amongst Sri Lanka's Best 40 workplaces by the Global Authority on Workplace Culture



Creating the climate for success

Singer's strategic agenda is articulated through eight 'Must Win Battles' providing the integrated thinking necessary to steer the organization and align its vision with stakeholder interests. These Battles were formulated through cross-functional brainstorming and is hardcoded among the team through frequent reinforcements and communication. The Group adopted a top-down approach, cascading these strategies across all departments and functions, thereby facilitating goal congruence across the organisation.

Employees covered by collective bargaining agreements



HUMAN CAPITAL

Core elements in creating a climate for success

Leadership	Emotional Connection	Healthy Work Culture	Clear Communication	Rewarding Environment
Build awareness on the corporate purpose, strategies and values and leading by example	Nurturing relationships to create meaningful connections with employees, foster stronger ties and greater loyalty	Building a collaborative and safe space for employees to voice their ideas and opinions within a cohesive culture	Having a clearly articulated mission and communicating effectively while promoting discussions at all levels	Recognition of employee achievements and providing the opportunity to thrive

Singer's strategic agenda is articulated through eight 'Must Win Battles' providing the integrated thinking necessary to steer the organization and align its vision with stakeholder interests.

Remuneration and Rewards

The Group's remuneration and reward schemes are designed to attract and retain top talent through equitable and attractive compensation. Remuneration is benchmarked against industry practices and is based on meritocracy and performance. We do not discriminate on gender in determining remuneration and the ratio of the basic salary between men and women is 1:1.

The Performance Management framework is based on SMART goals that are aligned to the organisation's Must Win Battles to achieve goal congruence. Reward and incentive schemes are transparent and clearly communicated to nurture a performance driven culture. Annual performance appraisals are conducted for 100% of permanent employees and used as an effective tool to provide feedback and identify areas for improvement.

EMPLOYEE BENEFITS

Medical	Financial Benefits	Sports and Recreational	Educational
<ul style="list-style-type: none"> ➤ Accident cover for field-based employees ➤ Flexible medical scheme and hospitalization cover ➤ Annual health camp 	<ul style="list-style-type: none"> ➤ Staff discounts and easy payment schemes for Singer products ➤ Distress loans for emergencies ➤ Loans for vehicle purchases 	<ul style="list-style-type: none"> ➤ Extensive leave for employees to support sporting careers ➤ Gym facilities and access to recreational classes ➤ Membership for sports such as Badminton, Soccer, Cricket, Hockey 	<ul style="list-style-type: none"> ➤ Membership subscriptions to professional bodies ➤ Educational Aid Scheme providing financial assistance for further studies ➤ Singer library with over 1,500 books accessible to all employees

Singer also provided reassurance of job and financial security through the following measures:

- Zero layoffs or salary reductions
- Financial assistance provided for employees affected by the pandemic



Organizing Out - bound trainings



Providing training for our sales staff

Annual performance appraisals are conducted for 100% of permanent employees and used as an effective tool to provide feedback and identify areas for improvement.

Salaries to Employees ➤ **Rs. 3,549 million**

Revenue per employee ➤ **Rs. 24.3 million**

Succession Planning

We conduct annual succession planning through our “3x3x3” program where critical management positions are identified and successors are developed through multi-skill training and cross posting for over a period of 3 years. Targeted development programs such as Succession for Sales Agents and Manager Development Sessions ensure knowledge gaps are addressed to enable upward career mobility.



➤ **100,474**
Training Hours



➤ **27 Mn**
Training Investment



➤ **14%**
Female Training Hours



➤ **5.8**
Average Training Hours Per Employee

Promotions for employees below 30 years

38%

Employees promotions outside western province

45%

Promotions in 2021/22

203

Promotion of female employees

30

Talent Development

Singer has established systematic learning and development interventions focused on developing and managing talent in a holistic and structured manner, in line with the Group's strategic goals aspirations. Having a young work force with over 72% of new recruits below the age of 30, we conduct a comprehensive induction program to familiarize new recruits to the Singer work culture. Training needs are identified through performance appraisals and training needs analysis conducted to understand the competencies required to deliver special projects. Training programs are designed in-house with the participation of internal trainers and external partners for both personal and professional development. Employees who wish to pursue their further education are supported through financial assistance and career guidance.

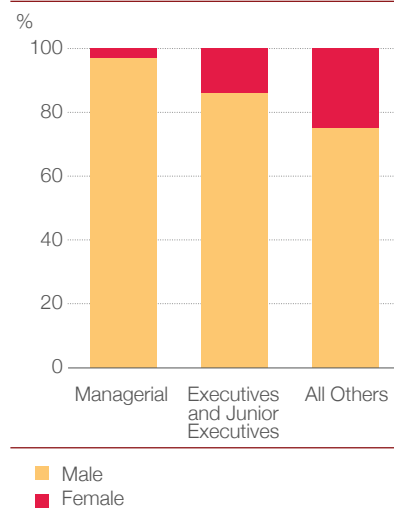


Winners crowned at the Singer Got Talent

Singer Sri Lanka Average Training Hours

Category	Male Hours	Female Hours
Managerial	8.0	7.4
Executive	4.9	3.2
Other	4.7	4.2

Training Hours



HUMAN CAPITAL

Given the conditions that prevailed during the year, majority of training programs were conducted through online platforms with 39,261 training hours and Rs. 27 Mn invested on training and development. Singer Retail Academy managed by Human Resources Development Department empowers the operational competencies of sales force, with well structured training programs delivered by an expert internal resource panel enabling the tacit knowledge management within the Company. Program content is recognized by the Tertiary and Vocational Education Commission as an endorsed professional development program.

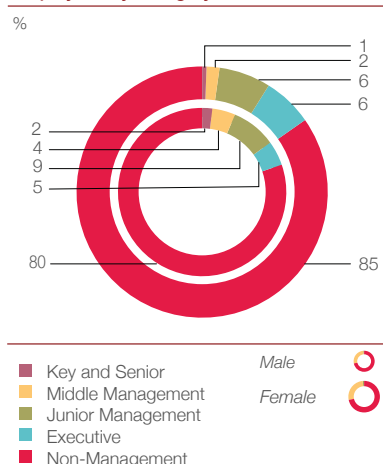
The summary of the employee development programs conducted during the year are listed below:

Field Staff		
Sales Staff Development	Future Leader Development	Sales Leader Development
<ul style="list-style-type: none"> ➤ Focus on business fundamentals, functional excellence and leadership development ➤ Passion to serve (Customer Care Program): 72 programs during the year with 1,312 participants trained. ➤ Product training: 47 Programs covering various products marketed by Singer with 3,751 participants trained. ➤ Sales Process Related Training: Administered through LMS users with 88 Branch Managers and 60 Shop Assistants trained. ➤ 490 video based contents reached by 3,467 LMS users. ➤ Customer service week was declared to build awareness and competencies related to customer service during the week. A series of learning and engagement activities were conducted. <p>Online engagement: 3,500+</p>	<ul style="list-style-type: none"> ➤ Advance Certificate Program with SLIM: In collaboration with Sri Lanka Institute of Marketing (SLIM), the Advanced Certificate in Retail Services Marketing program provides industry knowledge and best practices. ➤ SRA Academy programs: Certificate course in Sales Operational skills and customer care with TVEC endorsed certificate to support career development. ➤ 24 future leaders inducted and groomed to take leadership responsibility in the areas of branch management, district management and district credit offices. 	<ul style="list-style-type: none"> ➤ Sales Management team participated in a corporate adventure training to improve the group dynamics and individual self-actualisation ➤ 5 programs were conducted to cover the 1st module on Retail sales planning and management covering 137 managers
Other Staff		
Key & Senior Management Development	Middle Manager and Executive Development	General Staff
<ul style="list-style-type: none"> ➤ Competency development programs in consultation with an external leadership coach for personalized guidance. Strategic meetings and workshops were conducted throughout the year 	<ul style="list-style-type: none"> ➤ Workshops and programs to improve performance and elevate the careers with project based assessments covering 37 middle managers and 23 executives. 	<ul style="list-style-type: none"> ➤ 82 employees were nominated for external training to develop key competencies required. Total training hours 628hrs. ➤ 8 programs conducted for to build essential competencies of employees to deliver their best performance <p>No of participants 419</p>
<ul style="list-style-type: none"> ➤ Business coaching and mentoring for 11 key positions was arranged 1-1 grooming with business coaches 		

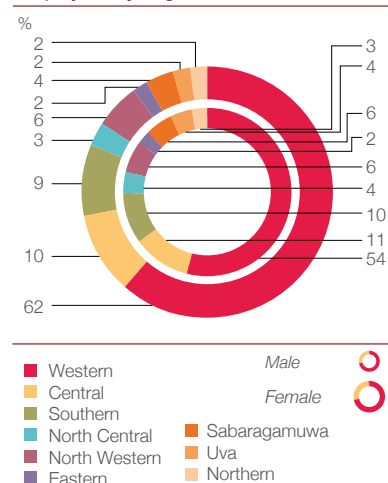
Diversity and Inclusion

The Singer Group is an equal opportunity employer with policies, practices, and an organizational culture which champions diversity. Our commitment to inclusivity is embedded into HR policies and processes that ensure fair employment and remuneration based on employee merit, irrespective of their gender, race or religion. With our business spread across the entire nation, we embrace diversity across different localities, ethnicities, religions, and gender and have a policy to recruit locally whenever possible.

Employees by Category and Gender



Employees by Region and Gender



Employees by Age and Category

Category	Age							
	18 -28		29 - 39		40 - 50		Above 50	
	Male	Female	Male	Female	Male	Female	Male	Female
Key and Senior Management	0	0	7	1	24	0	24	3
Middle Management	0	0	40	6	52	2	22	1
Junior Management	22	4	124	17	73	9	6	5
Executive	21	5	74	21	21	6	6	3
Non-Management	598	241	794	154	474	41	233	20
Total	641	250	1,039	199	644	58	291	32

(Information calculated in values)

As demonstrated below, our policy framework supports our diversity aspirations through in nurturing a culture of zero-tolerance for discrimination.

Recruitment and Selection Policy	Code of Business Conduct	Sexual Harassment Policy	Facilities provided to female employees
<p>"The number of candidates called for the final interview for an open position in executive and above grades, should be limited to a maximum of 03"</p>	<p>"No employee may discriminate against another employee or potential employee, customer or supplier because of their race, religion, colour, nationality, age, sex, sexual orientation, or disability"</p>	<p>"No employee may harass, intimidate, or act in an unwelcome, hostile, offensive, degrading, or abusive manner with respect to any other employee or with respect to any customer or employee of any supplier or customer"</p>	<ul style="list-style-type: none"> ➤ Flexible work hours and work from home options to support women balance their home life and careers. ➤ Extended maternity leave for women with new-born children. ➤ Celebration and recognition of women through discussion forums to educate and discuss concerns faced by women.

We are committed to driving gender equality and encourage women to reach their full potential by building a workplace where they can thrive while maintaining a good work life balance. Our policy framework has set out stringent mechanisms to address issues of harassment and we conduct frequent awareness programs to ensure all employees abide by these policies.

HUMAN CAPITAL



Women empowerment and encouraging entrepreneurial model

- **17%**
Group female representation
- **14%**
Females in positions above executive and managerial grade
- **15%**
Females promoted
- **539**
Total female employees
- **14%**
Female training hours

Return to work after parental leave

Parental Leave in 2021/22	Total
Employees on parental leave	12
Employees who returned after parental leave	9
Employees still in employment 12 months after returning from parental leave	9

(Only female employees entitled to parental leave)

While continued efforts are being made to ensure equality in recruitment, the Field Sales and Collection Divisions have traditionally been dominated by males, due to the challenging work hours and extensive travelling. With growing awareness of these challenges, we support financial empowerment among women by encouraging them to establish their own businesses through the entrepreneurial model of franchised branches.

Female empowerment through our branch model

The franchise branch model operated in 431 of our branches are set up to uplift and empower branch managers to become entrepreneurs. 34 of these branch managers are female and they are provided with the necessary training, technical support and product knowledge to manage and develop their own branches. They are responsible for the recruitment of branch employees and the day-to-day operations of the branch. This entrepreneurial model has been successful in directly contributing towards the financial independence and the socio-economic empowerment of these women.

Way Forward

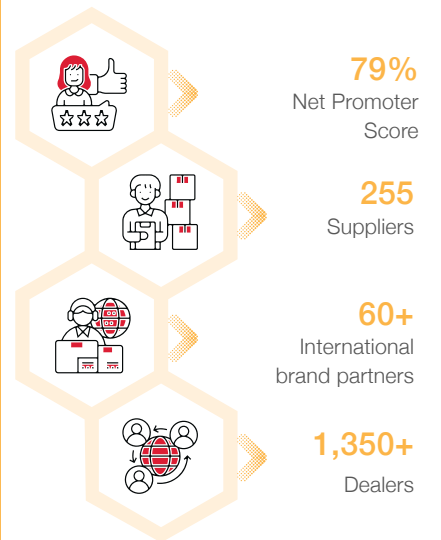
- Building an agile team with the capabilities, skills and attitudes necessary for the Group's aspirations to become a world-class employer
- Create a work environment that drives passion and commitment for all employees to thrive



SOCIAL & RELATIONSHIP CAPITAL



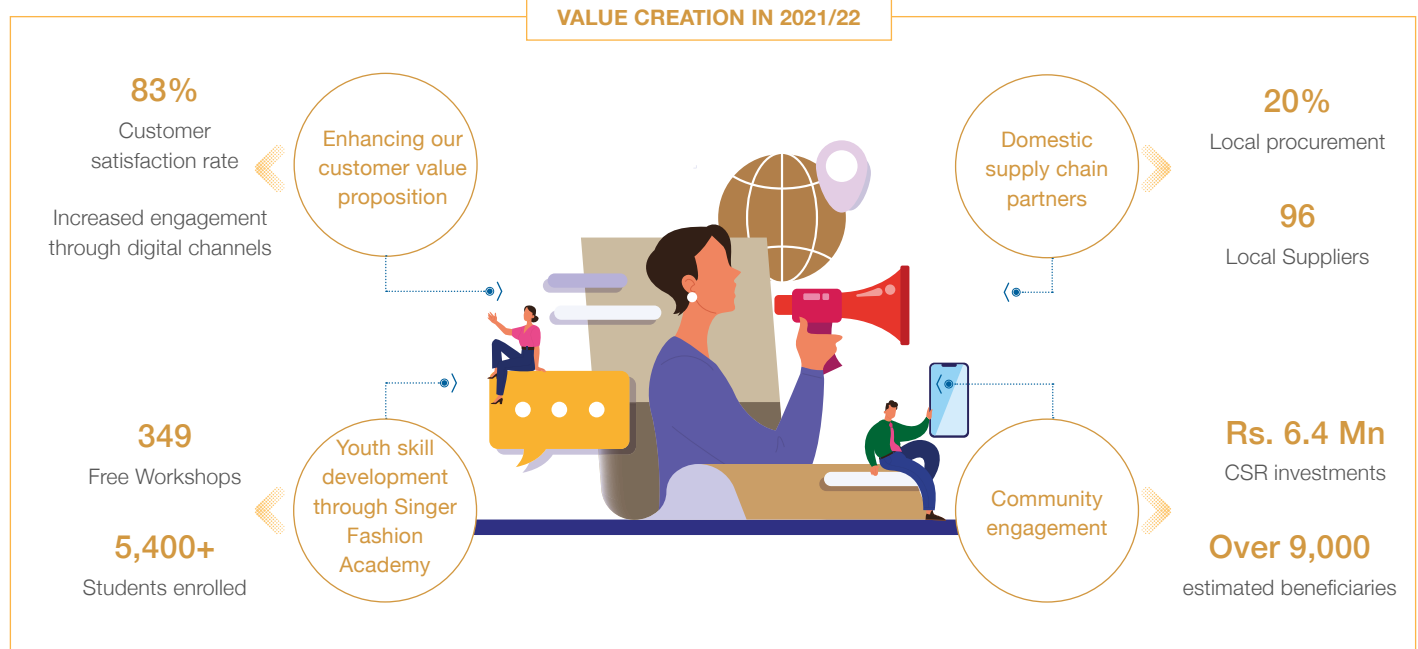
How we Define Social & Relationship Capital



Priorities in 2021/22

- Elevating customer care
- Responding to customer needs with agility and adaptability
- Increased reliance on local suppliers
- Meaningful CSR initiatives

VALUE CREATION IN 2021/22



SOCIAL & RELATIONSHIP CAPITAL

Customers

Fortified by a legacy of over 145 years, Singer is the undisputed leader in Sri Lanka's consumer durables market and carries a portfolio of over 600 electronic items, 1200 home appliances and 60+ international brands. With one of the largest customer bases held by a Sri Lankan business, Singer has penetrated around 50% of the country and established a patronage of over 5.7 Mn customers across 9 provinces. Singer continues to enhance its customer value proposition by driving the brand purpose of providing curated experiences with world class products and services to elevate and enrich the lives of Sri Lankans.

The Group procures the majority of its products from globally reputed brands which comply with a range of international standards on quality, sustainability and safety. Customer health and safety is therefore assured through our procurement practices. The Group also ensures that retail showrooms are designed and maintained to minimise any potential risk of injury to customers/employees. 100% of our products compliance with customer health and safety regulations. There were no incident recorded during the year related to non compliance of health and safety of the products or services.

The Group's customer strategy for the year centred on the following pillars:

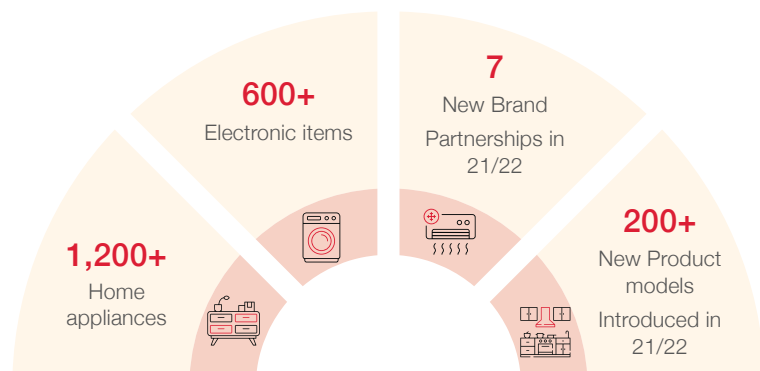


Agility and Adaptability

Despite supply chain disruptions that prevailed during the year, Singer was able to respond to emerging demand trends with remarkable agility and adaptability. Our strong relationships with suppliers and proactive inventory management policies enabled the Group to fulfill changing customer needs, thereby strengthening its market position in key product categories.

Singer has been a catalyst in supporting Sri Lanka's digital adoption, particularly following the outbreak of COVID-19. The Group fulfilled the unprecedented demand for electronic devices for education and remote working by expanding its product offering and introducing a range of affordable laptops, tablets and smart phones. Renewed focus on home comforts saw an increase in demand for household and kitchen appliances as well as modern furniture, which the Group swiftly catered to through its local manufacturing capabilities. Regnis (Lanka) PLC, the Group's refrigerator manufacturing subsidiary, also successfully refreshed and upgraded its refrigerator range which is now comparable to international brands.

Singer offers a diversified portfolio across multiple product lines to cater to its widespread customer base.



New brands introduced during 2021/22

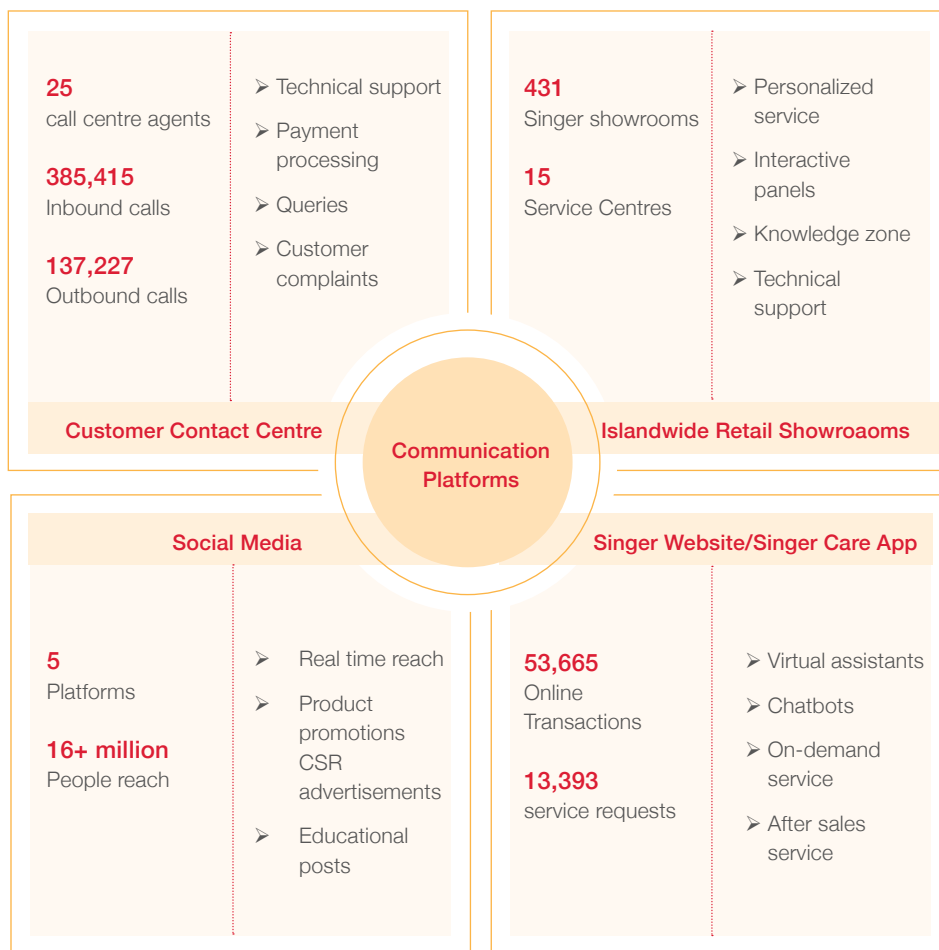


Launch of ZTE mobile Phones



Partnering with MSI for gaming Solutions

Singer has been a catalyst in supporting Sri Lanka's digital adoption, particularly following the outbreak of COVID-19. The Group fulfilled the unprecedented demand for electronic devices for education and remote working by expanding its product offering



Customer Engagement

The Group operates multiple communication platforms to ensure continued engagement with customers. Being a predominantly brick and motor company our approach ensures personalised service from our island wide network of branches while all products and services can be accessed via our integrated digital channels. Our omni channel approach to customer engagement is illustrated as follows:

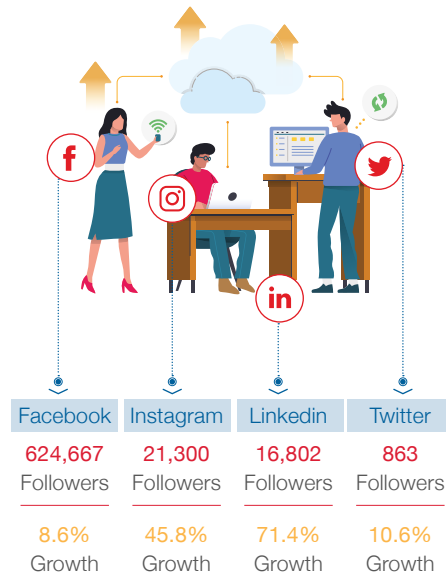
These tools function as effective platforms to receive feedback and formulate proactive solutions for operational improvements.

Platform	Customer Feedback	Solutions and improvements offered
Call centre operation	<ul style="list-style-type: none"> Extended queue time during peak hours and peak season 	<ul style="list-style-type: none"> 'Voice Mail' service launched for customers to leave a voice message after more than 1 minute of queuing to request call back
After Sales Service	<ul style="list-style-type: none"> Pending exchanges and product replacements due to price changes and product unavailability Customer complaints due to service delays 	<ul style="list-style-type: none"> End to end coordination and follow up process was established to resolve issues. Pending service complaints escalated and contacted via a service agent
Online Sales	<ul style="list-style-type: none"> Delivery delays during peak seasons Missing transactions and refund delays Website lag during peak hours Product damages during delivery 	<ul style="list-style-type: none"> Sales demand monitored closely with City Pack and delivery agents allocated according to demand trends Improvements done along with Sampath bank to improve performance of the payment gateway. Increase of server capacity to increase speed Product replacements provided and operational improvements implemented with City Pack

SOCIAL & RELATIONSHIP CAPITAL

Responsible Marketing Practices

All marketing communications are guided by the Group's Customer Service Division Code of Conduct and comply with relevant Government laws and regulations. Working within the framework set out by the Consumer Affairs Authority we take stringent measures to ensure advertising and labelling provide clear information on safe product usage and user manuals provide information on installation, maintenance, and daily operations in all three languages. During the year, there were no instances of non-compliance pertaining to regulations or standards relating to the health and safety impacts of products/ services or product and service information and labelling. There were also no instances of non-compliance relating to marketing communication.



Customer Service

Powered by 25 agents, the Group's 365-day Customer Contact Centre acts as the Group's relationship hub, providing tailored solutions, mitigating issues and handling customer complaints. Cloud-based solutions were introduced to enable omni channel customer service while Business Intelligent (BI) Dashboards offered real-time analytics providing richer insights to develop curated marketing strategies in response to customer trends. During the year, the Contact Centre maintained a customer experience score of 79%, indicating an 'excellent' level of customer service. The customer service centre achieved a customer satisfaction rate of 93% with overall pending repairs reducing to 2% and average repair time reducing to less than 4 days.

Digital Delivery

As a Must-Win-Battle, Digitalisation has been a strategic imperative for Singer with recent investments focused on strengthening data-driven decision making and enhancing the customer experience. The online presence was enhanced by revamping the website and launching a service care app. Timely effort to pursue increased penetration through e-commerce platforms augured well for the Group, with Singer recording over 135% growth in online sales compared to 20/21 with a contribution of Rs. 2.1 Bn to overall sales. Attesting to our digital presence, Singer has been recognised among Sri Lanka's top most visible brands online for the second consecutive year by Asia Pacific Institute of Digital Marketing.

The Group also strengthened its social media presence, which has transformed customer interactions and enabled the creation of curated content for targeted audiences.

The Singer Express Pay service was established to allow customers a host of convenient payment options from 431 retail showrooms across the island. These include payments for credit cards, utility bills, mobile reloads and lease rentals to be made during extended work hours where banks and service provides may not be operational.



4,828,448
People Reach

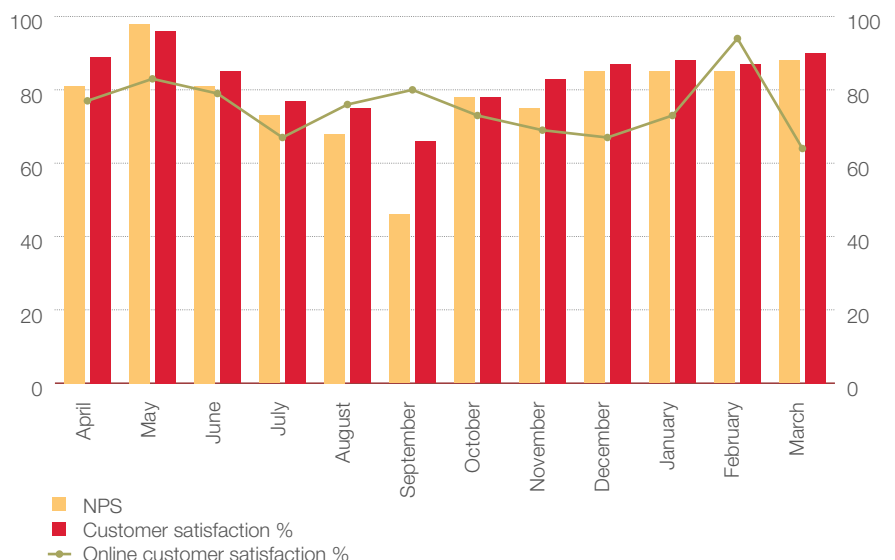


53,665
Online transactions

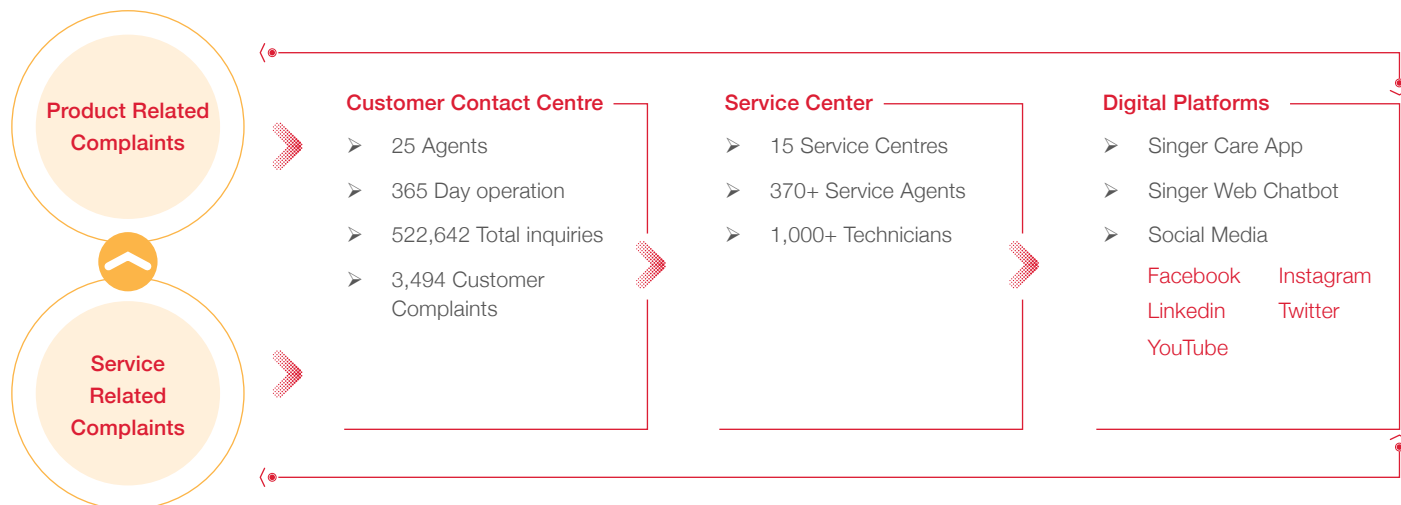


Rs. 88 Mn
Successful abandoned cart conversion

Customer Satisfaction Scores



Customer grievance platforms



Business Partners

The Group's business partners comprise local and international supply chain partners, service providers, dealers, and distributors of Singer products island-wide. Given the Group's extensive reach and depth of operations, it generates significant socio-economic benefits across its value chain. During the year, strategic emphasis was placed on strengthening engagement with international suppliers to navigate challenges stemming from the country's foreign exchange crisis.

Domestic supply chain

The Group injects value across local supply chains through sourcing raw materials, components and packaging material. During the year, payments to local suppliers amounted to Rs. 8 Bn. Given challenges relating to import of input materials and finished goods, the Group proactively sought to expand local procurement, providing opportunities for local manufacturers of kitchen and home appliances (among others) to sell their products through our network. During the year, we increased the reliance on our domestic supplier base with local procurement amounting to 20% of supplier payments.

Outsourced Service Providers

Singer has outsourced selected aspects of its operations to third parties to drive increased efficiency and optimisation of resources. Leveraging on Group-wide synergies across the Hayleys Group, we have partnered with Advantis Group to increase warehousing capacity, streamline operations and optimise cost effectiveness.

255 Suppliers	Rs. 40 Bn Payments to Suppliers
96 Local Suppliers	159 International Suppliers

Operation	Outsourced services	Strategy for 2021/22
Warehousing	<ul style="list-style-type: none"> ➤ 4 warehouse points outsourced 	<ul style="list-style-type: none"> ➤ Introduction of KPIs to drive efficiency ➤ Reduce reliance on labour through streamlining operations ➤ Leveraged on digital capabilities to automate order placement ➤ Improvements to warehouse infrastructure
Transport & Logistics	<ul style="list-style-type: none"> ➤ Over 300 lorries from outsourced transport providers ➤ Over 600 delivery points 	<ul style="list-style-type: none"> ➤ Automated route optimisation system to increase time and resource efficiency ➤ Strengthened relationships with delivery partners by branding lorries

SOCIAL & RELATIONSHIP CAPITAL

Global Brand Partners

Singer has developed strong partnerships with over 50 reputed international suppliers who are at the forefront of driving the industry forward through unrivalled innovation. These partnerships have enabled the Sri Lankan consumer to access latest developments across key categories. Leveraging on our partnerships with global brands who are leaders in quality and sustainability, we are committed towards offering world class products and driving industry standards.

Key global partnerships during the year:.....➤

TCL	PANASONIC	IMOU	MSI
Singer was appointed as the national distributor for TCL mobile, which is one of the world's leading technology companies and a globally dominant brand in consumer electronics. With this partnership, we are able to offer leading-edge technology and feature-rich mobile phones and tablets to the Sri Lankan market.	Panasonic is an iconic Japanese brand and a leading diversified technology company. The partnership with Panasonic allows Singer to align its vision to uplift the lives of Sri Lankans by offering products known for convenience, comfort and durability. Customers are now able to access the full range of Panasonic products which includes a wide range of consumer durables, electronics and home products.	Singer was appointed as the sole distributor of IMOU, a leading international brand renowned for its technological breakthroughs and a trusted partner in the surveillance industry. A comprehensive range of security solutions are now available including CCTV cameras, smart alarm systems, WiFi cameras, PoE (Power over Ethernet) cameras, smart locks and doorbells.	MSI (Micro-Star International) is a Taiwan-based gaming solutions provider with a global recognition for a plethora of innovative products including gaming laptops, graphic cards and monitors. With the recent growth experienced in the Sri Lankan gaming industry, Singer has teamed up with MSI to offer its range of products and enhance experience of the local gaming and content creating communities.

Key local partnerships during the year:.....➤

MAXIMUM ESPORTS	HNB PLC
Singer entered into a partnership with Maximum Esports, which is Sri Lanka's largest gaming community that offer gamers of varying ages and skills the opportunity to experience a pro-level playing environment. With esports being declared as an official sport in Sri Lanka by the National Olympic Committee, the partnership with Singer will enable Sri Lankan gamers to continue enhancing their skill set and represent the country at a global scale.	With the purpose of pioneering Sri Lanka's journey to cashless and contactless payments, Singer partnered with HNB PLC to launch the Dynamic QR facility for all POS (Point of Sales) terminals in Singer showrooms across the island. This enables Singer to offer customers the facility of making contactless payments and increasing the pace and convenience of completing transactions.



Dahua Product launch



Singer Digital Media Awards 2022

Membership in Associations

- The Ceylon Chamber of Commerce
- Sri Lanka-China Business Council
- Import Section of The Ceylon Chamber of Commerce
- Sri Lanka-Canada Business Council
- The Employers' Federation of Ceylon
- The Industrial Association of Sri Lanka - (IASL)

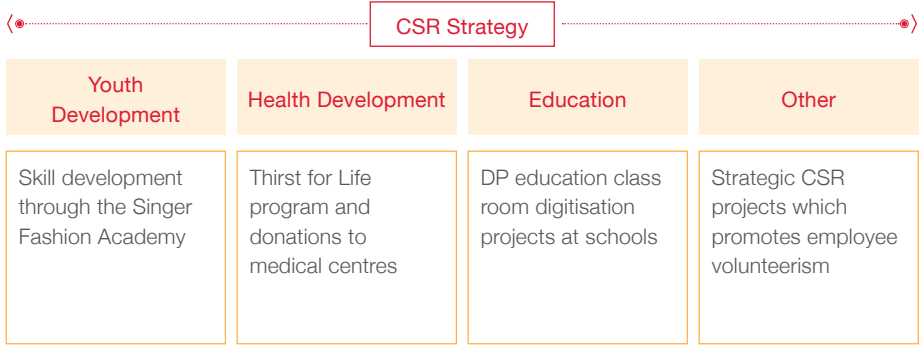
Our brand portfolio



SOCIAL & RELATIONSHIP CAPITAL

Community

The group's approach to community engagement and CSR is governed by its Sustainability Agenda which strives to drive meaningful change and uplift vulnerable segments of society. A structured mechanism is in place to select CSR initiatives through meaningful and active dialogue and progress is monitored through clearly defined KPIs and action items. Funds are allocated through a CSR budget determined at the commencement of each year. Singer's sustainability pillars of humanity purpose and winning purpose are aligned to the strategic CSR initiatives listed below. During the year, there were no negative impacts on local communities identified.



Youth Development

Since commencing operations over 60 years ago, the Group's education arm Singer Fashion Academy has contributed to the socio-economic empowerment of individuals through skill development, free workshops and scholarships. Singer Fashion Academy offers a range of affordable sewing and fashion designing courses with emphasis on entry level courses to encourage aspiring young women to engage in sewing.

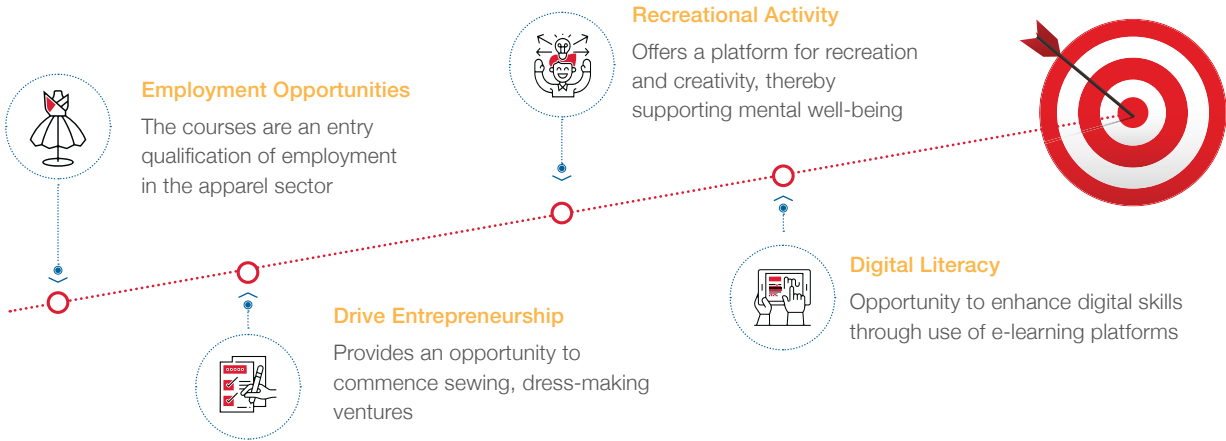


Skill Development through Singer Fashion Academy

Affordable education	Free workshops	Benefits	Annual fashion show
Courses offered range from Rs.5000 to Rs.480,000, with the majority of courses below Rs.30,000 – considerably cheaper than comparable programs. The Academy also offered scholarships to deserving students on a selective basis.	The Academy conducts free workshops, focusing on sewing techniques, machine use and for other specific requirements on an ongoing basis	Students of the Singer Fashion Academy are entitled to discounts when purchasing Singer sewing machines	The Academy organises an Annual Fashion Show, enabling 48 students to showcase their talents on a widely viewed platform- thereby enhancing their visibility and confidence.

Female empowerment

Nearly 99% of student enrolments represent females, and the Academy's programmes have directly driven female empowerment, equipping students with the skills required to gain financial independence.





Winners of the art competition



Donation of Laptops to support the visually impaired community



Celebrating International Women's day

Health Development

'Thirst for Life' program has been conducted as an ongoing initiative since 2013 with the aim to fulfil the much-needed demand for dialysis machines by government hospitals, in treating patients with Chronic Kidney Disease (CKD). Singer has donated 10 CRRT (continuous renal replacement therapy) machines over the years to Batticaloa Teaching Hospital, Jaffna General

Hospital, Wathupitiwala Base Hospital and Padaviya General Hospital. During the year, various donations of medical equipment and support was provided including donations to District General Hospital in Gampaha, COVID Management Centre, Colombo MOH and Cancer Society, impacting over 3000 people.



Donation of medical equipment to the cancer hospital



Awareness program for Covid -19



Education

Education is vital for the economic prosperity of a nation and Singer DP education project supported 10 schools with DP Education kit which consists of a computer, projector and podium.



Way Forward

Following the successful implementation of the Group's Must-Win-Battles, the Group is geared towards driving the next phase of its strategic agenda, with the aspiration of offering world-class solutions to its customers through,

- Adopting international standards in customer centricity
- Developing best-in-class retail showrooms
- Expanding the product range to cater to emerging requirements.



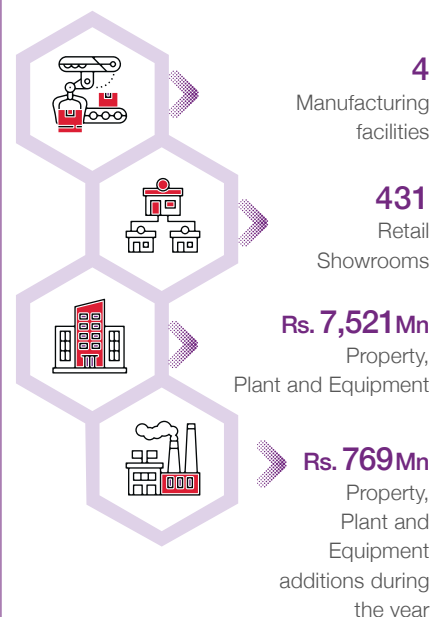
MANUFACTURED CAPITAL



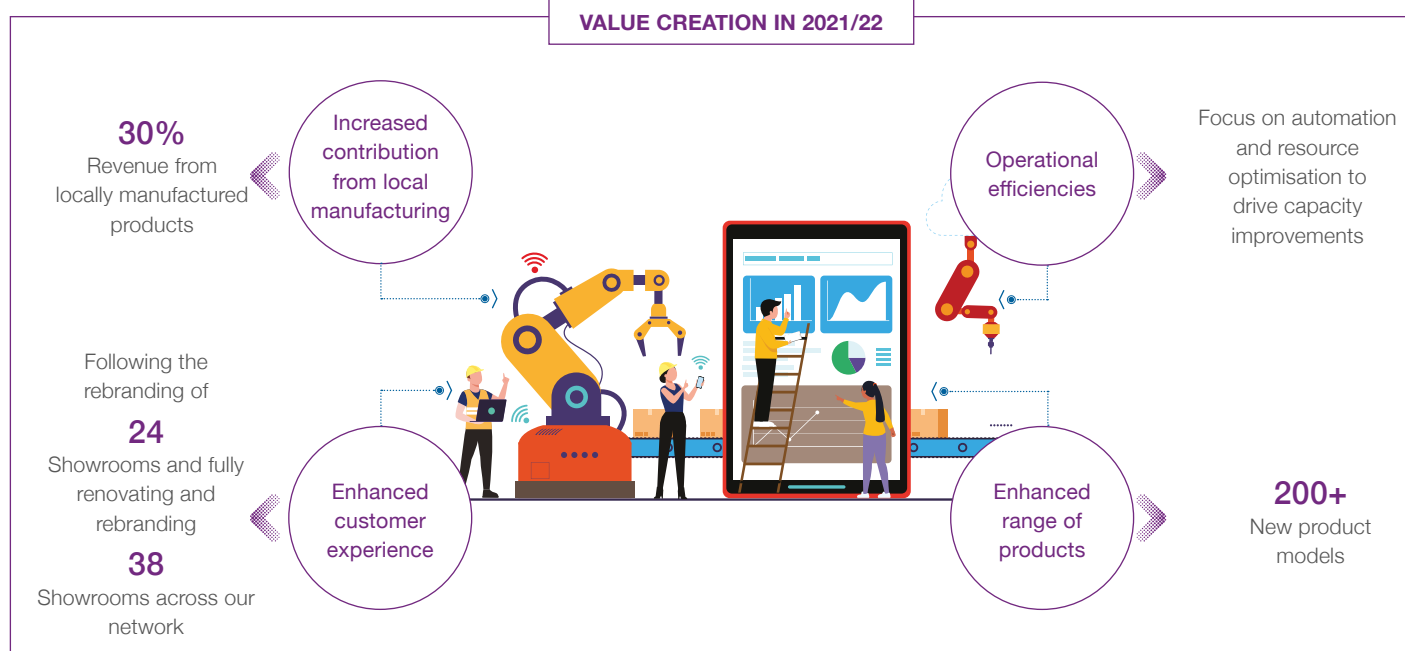
Priorities in 2021/22

- Upgrading Singer showrooms in line with the rebranding strategy
- Strengthening local manufacturing footprint to widen our product offering
- Cost management and efficiency improvements

How we Define Manufactured Capital



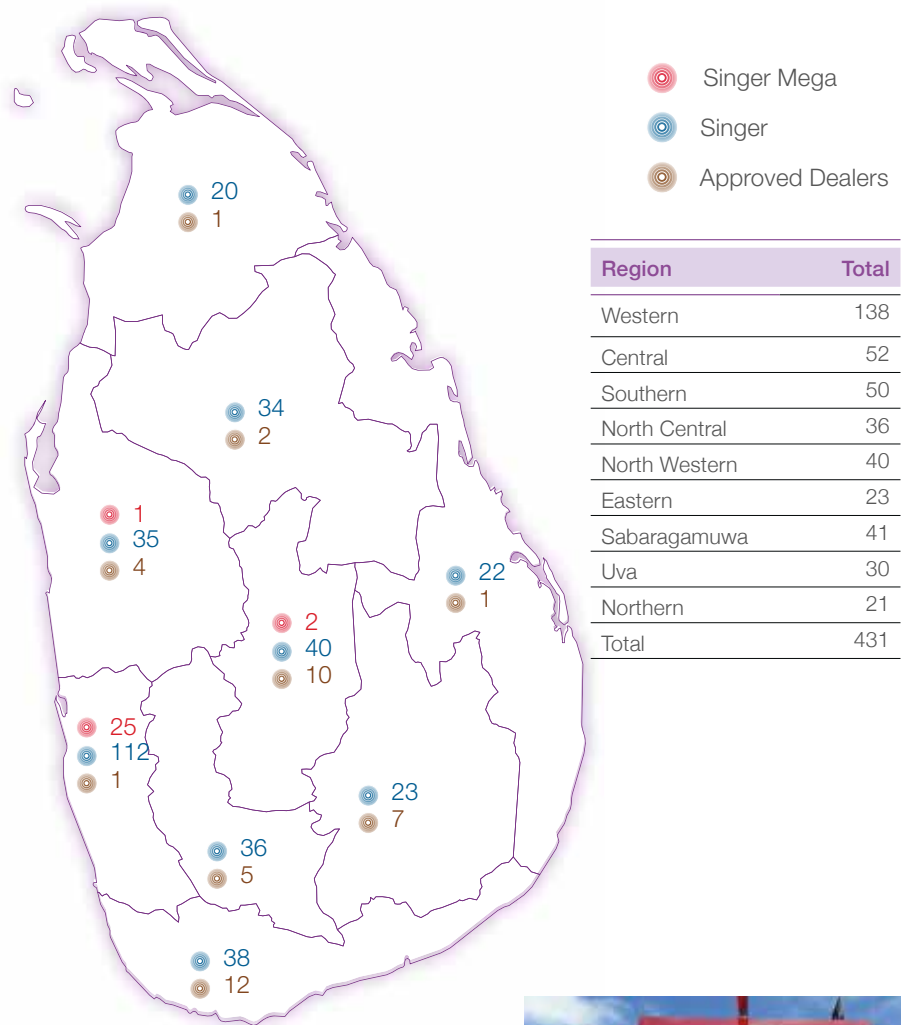
VALUE CREATION IN 2021/22



The Group's Manufactured Capital is a key element of its value creation process and comprises its unparalleled network of 431 island-wide retail showrooms and its extensive manufacturing capabilities. The quality of our Manufactured Capital supports our aspirations in offering world-class products while facilitating customer penetration across the island.

Retail showrooms

Singer operates the largest retail network in Sri Lanka's consumer durables industry, with 431 showrooms spread across all 9 provinces. The strength of our geographical footprint has been a key source of competitive edge in facilitating customer reach, enhancing brand visibility and enabling the Group to access diverse segments of customers. In line with the Group's holistic rebranding initiative, Singer rebranded and renovated 62 showrooms to denote a sleeker, modern ambience, thereby elevating the customer experience.



The Group provides differentiated offerings through two formats of showrooms as listed below:

Singer Showrooms	Singer Mega Showrooms
360 showrooms, 43 Approved Dealers spread across 9 provinces	28 showrooms, mainly in Western Province
Approx. 2,000-2,500 Sqft with limited product offerings	Approx. 4,000-4,500 Sqft with wider product range
Entrepreneurial branch model with 350+ Managers and 2,700+ indirect employees	28 Managers and 240+ direct employees



Singer Mega showrooms



Singer Plus Showrooms

MANUFACTURED CAPITAL

Manufacturing Capabilities

The Group has an extensive manufacturing footprint, with locally manufactured products contributing approximately 30% to Consolidated Revenue. Timely capacity expansions over the last several years and improved capabilities through optimising and streamlining processes placed Singer in a strong footing to capitalise on opportunities presented during the year. Capital expenditure in 2021/22 amounted to Rs. 769 million as the Group swiftly ramped up its manufacturing capabilities to enhance efficiencies and eliminate bottlenecks, thereby increasing production capacity to cater to the vacuum created by import restrictions. Continued investments in manufacturing capabilities have enabled the development of more agile production lines with fast response times to cater to the Group's aspirations in new product development.

With local value addition, our manufacturing activities support numerous livelihoods through direct employment and supply chain activities including procurement of raw material, packaging material and sub-contracting.

The Group's manufacturing capabilities comprise of 4 factories.



Our manufacturing plant



Regnis (Lanka) PLC



Signature Kitchen showroom

COMPETITIVE EDGE

- R&D capabilities to drive innovation
- Strategic focus for sustainable value creation
- Strong reputation for quality
- State-of-the-art manufacturing capabilities
- Comprehensive array of products on par with international standards

Company	Regnis (Lanka) PLC	Regnis Appliances (Private) Limited	Singer Industries (Ceylon) PLC	Singer (Sri Lanka) PLC - Furniture Factory
Operations	Sri Lanka's largest manufacturer of white goods, catering to approximately 40% of the country's demand in refrigerators under the Singer and Sisil brands	Manufactures a range of washing machines, plastic chairs and plastic components for refrigerators	Operations spanning over five decades and engages in the assembly of sewing machines and the manufacture of cabinets and stands for sewing machines.	Engages in the manufacture of a range of furniture and the assembly of water pumps and agro based products.
Locations	Ratmalana	Panadura	Ratmalana	Piliyandala
Manufacturing capabilities	Two manufacturing lines producing high-quality refrigerators of varying capacities	One manufacturing line producing washing machines	One production line for sewing machines and accessories	Three production lines agro products, modular furniture and solid furniture
Asset Base	Rs. 3,927 million	Rs. 1,334 million	Rs. 2,342 million	Rs. 1,453 million
Capacity Utilization	80%	80%	71%	70%

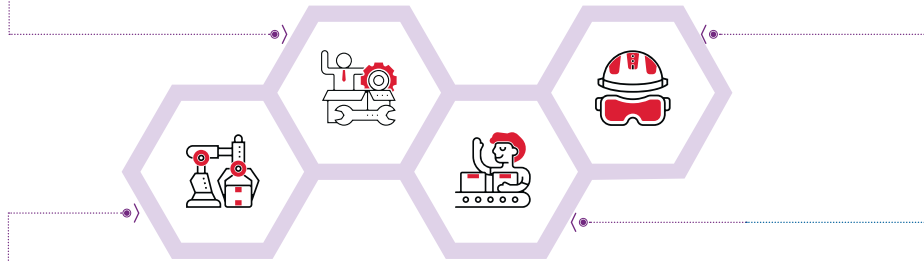
Manufacturing Strategy

INNOVATION

Innovation -driven value proposition to customers with continued enhancements to product offering

SAFETY INITIATIVES

Measures to ensure safety of our employees through stringent safety protocols (Refer to Human Capital for further information on safety initiatives in 2021/22)



OPERATIONAL EXCELLENCE

Drive improvements in manufacturing efficiencies through automation and process streamlining, while nurturing a culture of cost consciousness

SUSTAINABLE MANUFACTURING

Environmentally conscious manufacturing to optimise the use of natural resources while mitigating adverse impacts. Refer to Natural Capital for further information on sustainable manufacturing practices.

Our production facilities have obtained internationally recognised quality standards with dedicated quality assurance teams in place to ensure compliance with strict regulatory standards. We have invested in state-of-the-art equipment in our R&D centres to ensure technical excellence and optimal quality across all our factory locations.

Manufacturing Innovation

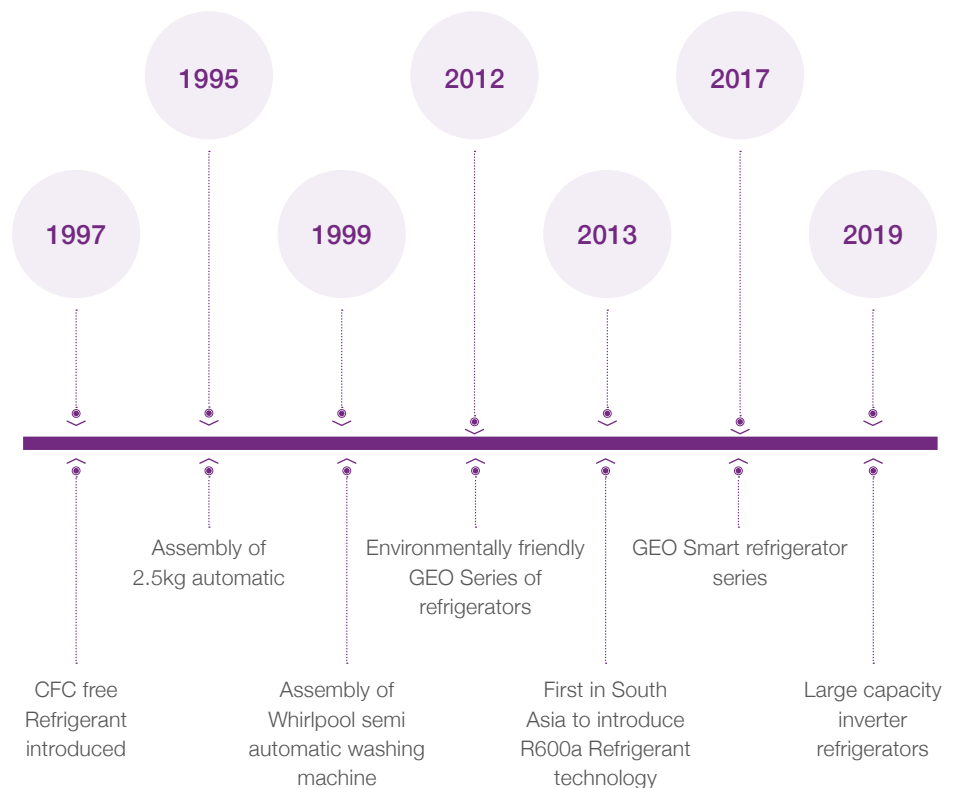
Perseverance to innovate has been a key differentiator that has enabled us to thrive amidst intensifying competitive pressure and increasingly sophisticated customer needs. Emerging customer demands towards more tech savvy, user friendly and sustainable products compel us to widen our portfolio with forward-thinking and time-relevant product offerings.

A timeline of the Regnis (Lanka) PLC's innovation timeline is presented below:

Operational Excellence and Quality

In recent years, the Group has focused on driving improvements in manufacturing efficiencies and innovation as it progresses towards its aspiration of delivering world-class products through local manufacturing. Initiatives such as Total Productivity Maintenance (TPM) and Lean Management have enabled resource optimisation and operational efficiencies. Significant cost escalations remained a key challenge during the year under review, necessitating a strategic focus on cost management and efficiency improvement. Key initiatives adopted during the year included:

- Adoption of better manufacturing technology across all facilities
- Nurturing a cost-conscious culture and driving attitudinal changes to inculcate continuous improvements
- Value engineering to optimise the use of input materials and minimise waste (Eg: The Group achieved reductions in the manufacturing cost of TV stands by optimising materials with the use of direct screw-in dowels in furniture)



MANUFACTURED CAPITAL

New product developments during the year (Locally manufactured)

18 new products developed by the Modular Factory



Launch of a range of colours for Modular products

Introduction of Intelligent Water Pump Series with smart operating system and inverter technology.



Introduction of Signature wardrobes in partnership with Signature Malaysia

➤ Addition of two new agricultural water pumps with higher water flow rate to be utilised in small and medium scale agricultural irrigation systems.

Development of Domus Vita upholstered beds in compliance with their quality standards and specifications



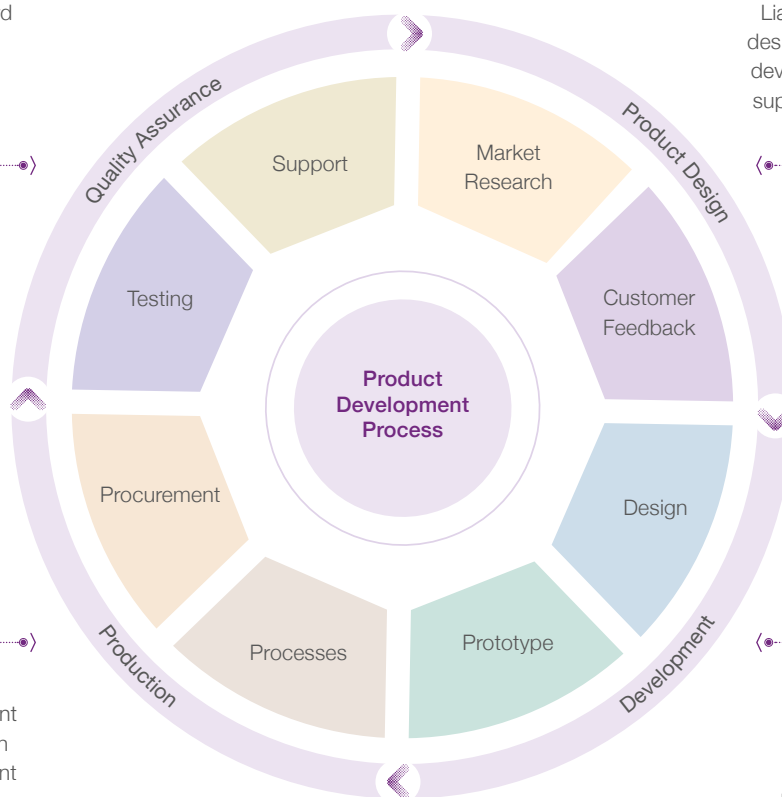
Catered to new market segments with modern sofas and solid wood products

Introduction of portable and digital sewing machines to cater to recreational needs among the younger demographic



Introduction of metal body top loader washing machine

Continuous testing and standard analysis by QC laboratories to ensure optimal quality at all stages of production



Liaising with marketing team and design teams for innovative product developments and modifications to support emerging customer needs



Responsible sourcing and efficient production across all production facilities, in compliance to relevant quality standards



R&D teams develop and re-engineer design concepts benchmarking against industry best standards to ensure quality of products



Way Forward

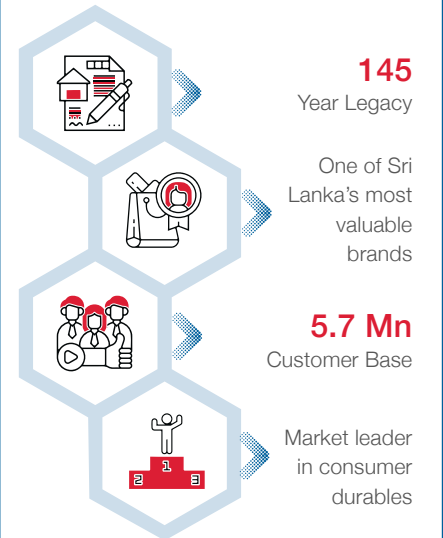
- Strengthen manufacturing capabilities and technical knowledge in existing plants
- Drive concerted efforts to improve production efficiencies
- Widen and diversify the product portfolio into complementary product categories
- Continue efforts to minimise impacts of our operations on the environment



INTELLECTUAL CAPITAL



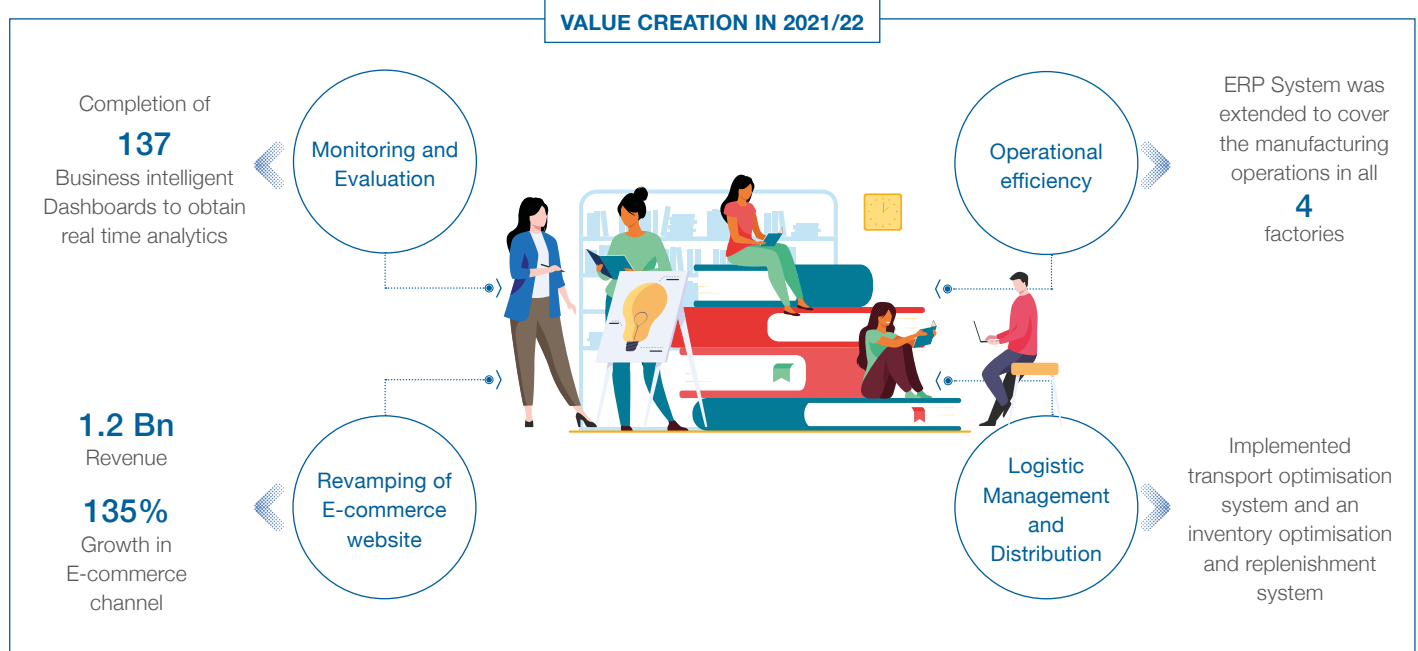
How we define Intellectual Capital



Priorities in 2021/22

- Brand relaunch campaign and upgrade of showrooms
- Increase internal workflow efficiencies through process automation

VALUE CREATION IN 2021/22



INTELLECTUAL CAPITAL

Our ability to consistently evolve and elevate the Group and introduce best-in-class solutions to satisfy emerging customer needs stems from the strength of our intellectual capital, honed over a century with passion and professionalism.

The Strength of Our Brand

With a legacy of over 145 years, the Singer brand is one of Sri Lanka's synonymous with trust and quality and plays a key role in driving customer attraction and loyalty. Underpinned by its unmatched customer base, geographical footprint and extensive product portfolio, Singer is frequently featured among the country's most loved brands.

Persistently evolving social dynamics and customer sophistication have necessitated periodic refreshment of our brand positioning to ensure the longevity of the brand. In 2020/21, the Group launched a holistic rebranding strategy to revitalise and reposition the brand to ensure that Singer remains future-fit and relevant to evolving customer needs. A clear blueprint for our brand relaunch journey was developed by conducting multi-stakeholder surveys to gauge customer perception and aligning the outcomes with the corporate agenda articulated in the 8 Must Win Battles.



Our re branding Singer showrooms

Brand Relaunch Journey

Retail Rebranding

- New retail outlook of Singer Mega and Singer showrooms with modern exterior and interior designs
- Showrooms designed to transform the customer experience by offering a more spacious, interactive, and holistic shopping experience

Relaunch of Brand Proposition

- 360-degree campaign to launch the new brand proposition

Other branding/promotional activities conducted during the year included the following:

- Given the unprecedented conditions that prevailed during the year including widespread uncertainty and volatility, the Group engaged in a unique corporate branding initiative aimed at unifying and uplifting the nation.

Digital Capabilities

Digitisation is a key strategic imperative, and we continue to leverage technology as an enabler to drive improvements in internal processes and transform the customer experience. With the upgrade to the IFS ERP system completed, Singer now operates on an integrated platform connecting over 2000 users across 431 retail showrooms. Real time



Accomplishment of the IFS system upgrade

Renewed Vision and Values

- Formulating new brand direction and guidelines
- Launch of renewed vision and mission in 2021
- Establishing new Values in 2022

Visual Identity Change

- New visual brand identity established with inverted logo
- Conversion of all physical and digital assets to new visual identity



connectivity and integration of all core business functions has equipped the Group with the capabilities to pursue operational excellence in sourcing, retail, inventory management and manufacturing.

The upgraded IFS ERP system has also paved way for big data capabilities to completely transform customer care and after-sales service. Advanced analytics allows the prediction of consumer behaviour allowing targeted marketing and a curated product portfolio that is aligned to evolving customer demands.



Our pickup & web store

Data capabilities: Singer has placed strategic emphasis on leveraging data to derive key insights into the business. Through the Singer Loyalty Customer Program, the Group has access to information of over 2.1 Mn customers, including buying patterns and demographic profiles. This data provides an effective platform to generate valuable insights on customer purchasing, spending patterns, repeat purchases and loyalty to particular brands.



Gold Award in Trading category at CA Sri Lanka 56th Annual Report Awards



SLIM KANTAR Peoples Award 2021

Workflow Improvements

- Improved internal efficiencies through faster and more accurate processes such as automated order placement and inventory management

Facilitation of remote working

- Access provided to employees for employees to work from home while maintaining high level of connectivity through digital platforms

e-commerce

- Enhanced growth and penetration through online sales, faster service delivery to customers, ease of purchase and payments.

Enhance Showroom Experiences

- Interactive panels at Singer showrooms to enable customers real-time connectivity to e-commerce site to view digital brochures and place orders

Leveraging Big Data

- Daily statistics of loyalty programs, social media engagements, purchasing patterns, payment transactions, complaints and feedback are harnessed and transformed to action points

Advanced Data Analytics

- Real-time analytics providing richer insights to develop curated marketing strategies in response to customer trends

Business Intelligent (BI) Dashboards

- Branch wise information processed through centralised BI tools to provide curated customer service
- Operational dashboards to monitor KPIs

Way Forward

- Strengthen digital capabilities by leveraging big data and robotic process automation to obtain richer insights into the business
- Enhance cyber security and information security solutions



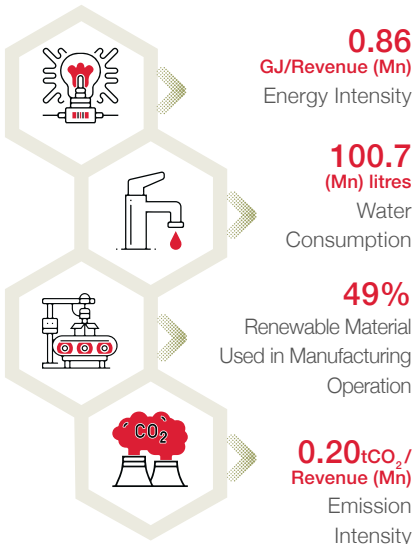
NATURAL CAPITAL



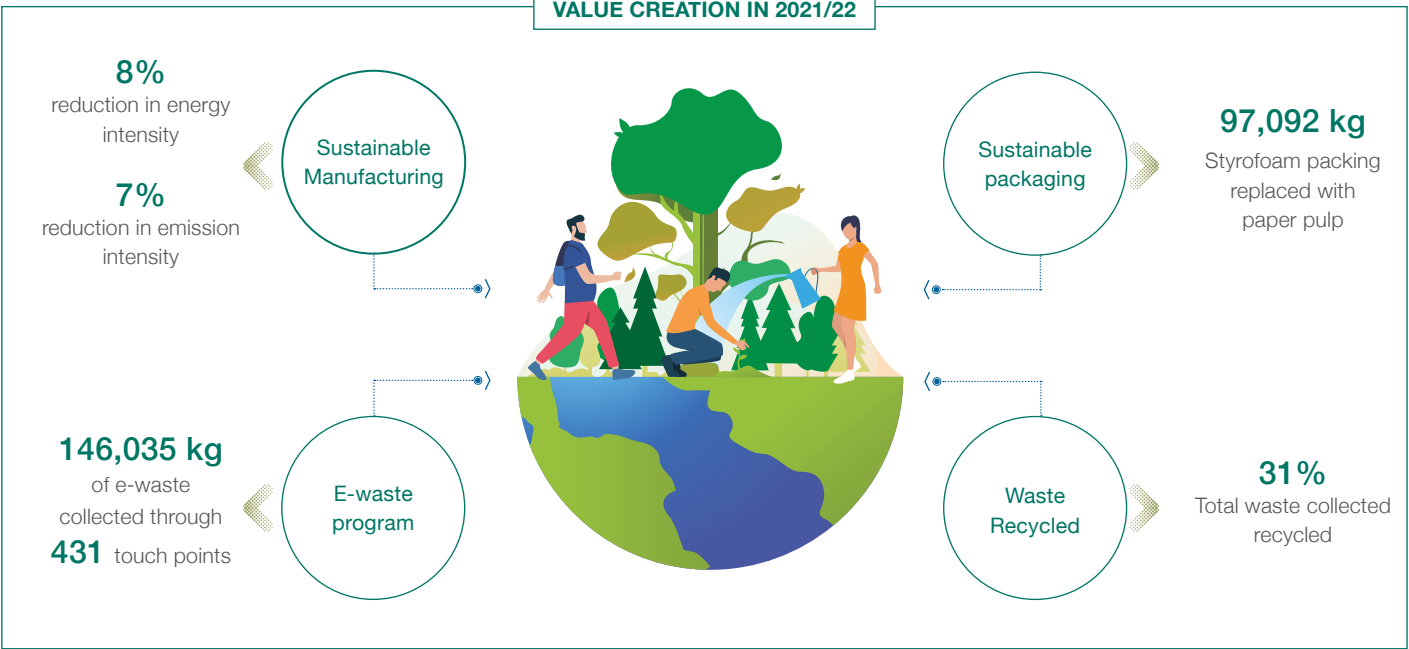
Priorities in 2021/22

- Greening the customer journey through environmentally sustainable products
- Reduce environmental footprint in manufacturing and distribution activities

How we define Natural Capital



VALUE CREATION IN 2021/22



As a Group with a significant manufacturing footprint and extensive value chain, we are cognisant of our responsibility in mitigating our adverse environmental impacts. Given our unparalleled customer reach, we are also acutely aware of how we can contribute towards reducing our customers' environmental footprint, through innovation and sustainable business practices.

Corporate Environmental Commitment

During the year, Singer adopted the Hayleys Group's holistic ESG Framework- the Hayleys Life code (refer to page 40), which clearly sets out Group-wide environmental targets and action plans. The policies of the Life code, together with Singer's own 'Paramaarthayen Perata' (Progress through Purpose) initiative clearly articulates the Group's long term environmental and social sustainability aspirations (Refer to page 42 for further information)

➤ **66,454 GJ**
Total Energy Consumption

➤ **100.7 (Mn) litres**
Total Water Consumption

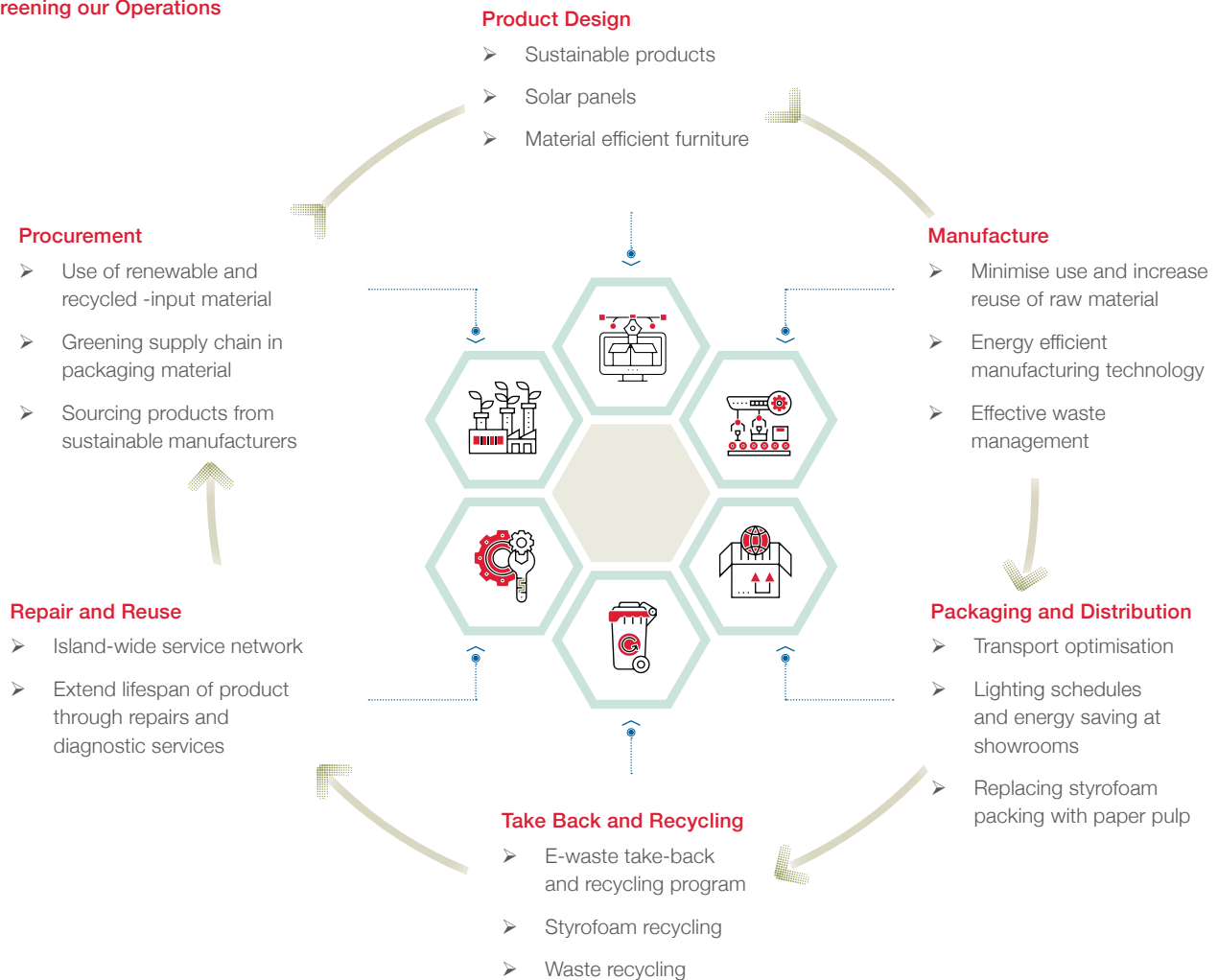
➤ **15,571 tCO₂**
Total Carbon Footprint

➤ **1,496,520 kg**
Total waste Collected



NATURAL CAPITAL

Greening our Operations



Our manufacturing facilities have obtained and continue to comply with the requirements of the Environmental Protection License by the Central Environmental Authority. Singer has also established sustainability development forums with persistent activities to engage employees in company initiatives and nurture environmental consciousness. All Singer employees have also taken an official pledge to minimise their individual carbon footprint through driving changes in their day-to-day lives. Through the Singer Retail Academy (SRA), new recruits are educated on sustainability through training programs.

Sustainable Manufacturing

With a growing manufacturing footprint, the Group strives to optimise the adverse environmental impacts relating to the consumption of raw material, energy and water while minimising impacts on the environment through re-use, re-cycling and safe disposal of waste, effluents and emissions. Conscious alignment of our decisions and processes with the impact on the environment has led to gradual improvements of our carbon footprint with 7% reduction in emissions intensity from 0.21 tCO₂/revenue (Mn) in 2020/21 to 0.20 tCO₂/revenue (Mn) in 2021/22.

Our factories are engaged in several projects to reduce the landfill waste generated from the manufacturing processes by reusing certain waste material and responsible disposal of waste and effluents. Consistent improvements to manufacturing capabilities through automation and redesign processes have resulted in reducing rework and thereby reducing wastage. Concerted efforts have been made to educate employees and engage them in sustainability initiatives to instil a culture of environment consciousness.

Greening the Customer Journey

With an extensive customer base of over 5.7 Mn Sri Lankans, we are cognisant of our role in driving reductions in customers' impact on the environment. Singer benefits from its partnerships with global suppliers who are at the forefront of innovation, thereby offering products that are sustainably designed, manufactured, and can be responsibly disposed to the domestic market. We are committed to reducing the adverse environmental impacts of our products throughout the life cycle by educating customers on the responsible use and extending the life of the products through repairs to minimise replacements. The Group satisfies country's demand for refrigerators and washing machines with its local manufacturing and has been a pioneer in introducing energy and water-efficient technology. During the year, energy consumption increased by 3,083 GJ due to resuming business activities after pandemic.

Singer Branded Products		Other Products	
Smart Inverter Refrigerators	➤ 6 Models	Samsung Wind-Free Air Conditioners	➤ 77% reduction in energy consumption (in wind free mode)
	➤ Substantial reduction in energy consumption		
Washing Machines	➤ Reduced water consumption	Apple iPhone 12 and Apple Watch Series	➤ Use of 99% recycled tungsten
Green Inverter Air Conditioners	➤ 50% (approx.) reduction in energy consumption	Samsung Smartphone (Galaxy S21+)	➤ Reduced packaging for GHG reduction
			➤ Use of sustainable packaging

Renewable Energy

The Singer Group facilitates the generation of renewable energy in Sri Lanka through the import and distribution of Singer Solar PV systems. Leveraging synergies with the Hayleys Group, Singer has partnered with Fentons for the installation of solar solutions. Singer has also partnered with Sri Lanka Sustainable Energy Authority (SLSEA) in a solar power generation project to provide long term solutions in reducing the dependency on fossil fuel. Singer has approximately 3% of market share in solar systems.

➤ **500+**
Solar Systems Sold

Repair and Re-Use

We are committed to reducing the adverse environmental impacts of our products throughout the life cycle and enhance resource efficiency by extending the life of the products through repairs and re-use. Through its island-wide network of 15 service centres, frequent service clinics and multiple platforms for customer engagement, customers are offered the opportunity to extend the product life cycle. The Senasuma Extended Warranty Scheme covers product repairs up to a period of 3 years for a nominal additional fee.

➤ **372,734**
Product repaired in 21/22

NATURAL CAPITAL

Material Consumption

Key raw material used in manufacturing comprises steel, plastic, chemicals, compressors and packaging material.

- Our material management approach includes reducing plastic usage, optimising chemical usage and using environmentally friendly material
- Replacement of styrofoam packaging by using paper pulp for side packing of refrigerators resulting in 65% reduction in Styrofoam
- Use of renewable and recycled input material consisting of paper pulp for packaging, recycled cardboard and reclaimed wood.

Material Consumption during the year:
49% of Renewable input materials used

% of renewable input materials

27%

Regnis Lanka PLC

1%

Regnis Appliances
(Private) Limited

12%

Singer Industries
(Ceylon) PLC

73%

Singer (Sri Lanka) -
Furniture Factory

“Establish a material management program to prioritise sustainable material sourcing while increasing the use of recycled and reclaimed material inputs wherever possible”

Hayleys Lifecode

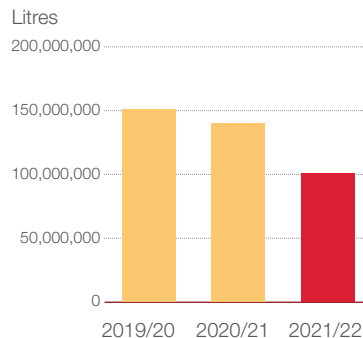
Raw Material	kg (Approx)
Non Renewable	6,082,060
Renewable	5,809,036
Total	11,891,096

Water

The Group's manufacturing operations are relatively less water intensive. Water is used primarily for washing, cleaning and employee consumption. Water requirements are fulfilled mainly through municipality water lines and ground water resources.

- Mechanisms are in place to measure water consumption and employees are encouraged to optimise the use of water.
- Sign boards at usage points to reinforce the importance of conserving water to minimise impact on surrounding communities.
- Water efficient technology used in products sold to minimise customers' impact on water

Water Withdrawal



“Effective operation and maintenance programs to ensure water efficiency of all the relevant operations”

Hayleys Lifecode

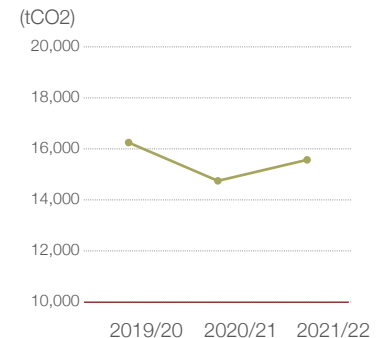
Water withdrawal by source	Litres
Ground water	16,936,800
Municipal lines	83,764,501
Total water withdrawal	100,701,301

Emissions

The Group's impact on emissions arises from direct operations and through the usage of our products which consume energy and discharge emissions. Efforts to reduce energy consumption of our products have directly contributed towards reducing the emission intensity as detailed in the section 'Greening the customer's journey'.

- Singer has adopted the IPC Guideline 2006 for Greenhouse Gas Inventories and has gradually expanded the boundaries of its computation to include all 3 scopes of emission. Emissions are computed on a quarterly basis for all subsidiaries.
- During the year, the carbon footprint increased by 824 tCO₂ while carbon intensity reduced to 7%

GHG Emissions



“Nurturing a culture of energy and emission consciousness across all the relevant stakeholder groups (e.g. employees, communities, non-profit organisations, government etc.) and all business entities within the Group should observe the energy practices of its supply chain partners and encourage the use of clean energy across its supply chain”

Hayleys Lifecode

Scope 1	tCO ₂
Direct emissions	209
Scope 2	tCO ₂
Indirect emissions	11037
Scope 3	tCO ₂
Other indirect emissions	4,325

Waste and effluents

Waste arising from our manufacturing operation mainly comprises of solid waste such as metal off cuts, wood pallets, styrofoam, plastics and polythene.

- Mechanisms have been implemented to reduce landfill waste through recycle, reuse and responsible disposal of waste.
- Dust collection system in the furniture factory
- Saw dust converted to biofuel by third party
- Water quality parameters are monitored to ensure compliance with regulatory requirements.
- monitored to ensure compliance with regulatory requirements.

“Establishing waste management programs focusing on minimising, reducing and controlling waste generation.”

Hayleys Lifecode

Waste Profile	kg
Empty Hazardous Containers	4,746
Plastic waste	313,405
E waste	146,035
Mixed waste (Biodegradable)	934,064
Cardboard waste	30,407
Other	67,863
Total	1,496,520
Total Waste	1,496,520 kg
Land filling waste	22,345 kg
Total Waste water discharged	115,923,853 litres
Ground water discharged	11%
Municipal line water discharged	89%

Water Discharge

Total Water Discharged	Litres
Municipal water	103,638,603
Ground water	12,285,250
Total	115,923,853

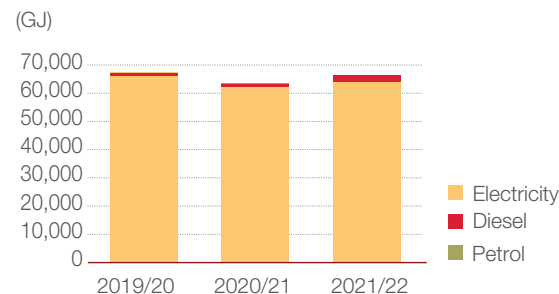
Energy Usage

The Group's main sources of energy are electricity fully sourced from the national grid and diesel, which is used in the generators

- Singer has developed a comprehensive Energy Management Policy with benchmarks and targets for manufacturing, retail and office operations.
- With investments in energy efficient manufacturing technology and streamlining of manufacturing processes, concerted efforts are made to create an energy conscious culture.
- Energy efficiency initiatives include use of LED lights, use of electric forklifts and pre planned machine maintenance.
- Energy management awareness campaigns conducted to employees across retail channels to share knowledge on best practices, implement lighting schedules and introduce scheduled maintenance.

Reduction in Energy Consumption

Total Energy Mix



“Minimising energy related environmental impact and enhance the Group's competitiveness through energy costs savings by embracing lean management practices, application of Life Cycle Assessment (LCA) concept, carbon neutral operations and many other recognised green concepts”

Hayleys Lifecode

Energy Consumption in 2021/22

Diesel (litres)	67,863
Petrol (litres)	1,395
Electricity (kWh)	17,765,754
Diesel energy consumption in GJ	2,451
Petrol energy consumption in GJ	46
Electricity consumption in GJ	63,957
Total energy consumption in GJ	66,454
Total energy intensity reduction	8%

NATURAL CAPITAL

Greening Our Value Chain

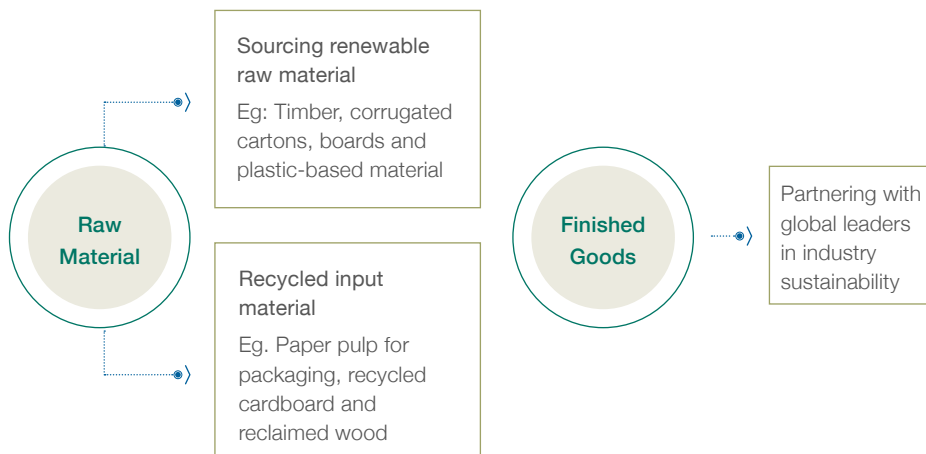
The Group has implemented a range of measures across its value chain to ensure improved utilisation of natural resources while propagating environmental consciousness across its suppliers.

Procurement

The Group engages in responsible procurement in sourcing raw material for manufacturing and packaging by purchasing components, input material and packaging material from over 96 local suppliers, injecting over Rs. 8 billion to the local economy. Increased preference is given to procuring renewable raw material as well as recycled material. For the procurement of finished goods, the Group has partnered with global leaders in industry sustainability who are committed to driving positive social and environmental change across their value chains.

Distribution

With an extensive distribution network spread across the country, the Group continues efforts to increase efficiency in its transportation and distribution operations. The implementation of AI based fleet-optimisation software has led to increased planning efficiency through automated load and route management. With the surge in online sales, the Group's delivery requirements also recorded a parallel increase. Continued efforts are being made to further optimise transportation to minimise fuel consumption.



DELL Technologies

- DELL achieved carbon neutrality through its reliance on renewable energy.
- Pioneered the use of renewable bioplastic and strategic emphasis on the use of sustainable material

Packaging

In an effort to reduce the Group's environmental footprint, an ambitious initiative was launched to replace Styrofoam by using sustainable paper pulp packaging for side packaging of refrigerators. Styrofoam is considered one of the most harmful waste materials in the world, as its non-biodegradable nature makes it a primary source of urban litter and pollutants of water bodies, while combustion produces styrene gas-which is widely considered to be carcinogenic. The group eliminated 65% of Styrofoam packaging by using locally sourced paper pulp packaging for 100% of Singer refrigerator side packaging.

➤ **65%**
Styrofoam eliminated in 2021/2022

➤ **97,092 kg**
paper pulp used for packing

Samsung

- Packaging through upcycling corrugated boxes
- Minimise text and graphic imagery thereby reducing oil based ink

Sony

- Sony has switched 90% of plastic packaging to durable paper material blended in-house
- 2021 World's Most Ethical Companies Award



Give-aways for World Ozone Day



Promoting Sustainability through R600a Refrigerator

Material Usage



■ Non Renewable
■ Renewable

e-waste Management Program

In 2021/22 Singer collected **17,723** units electronic items totalling to **146,035 kg** products

- **12,275**
TVs
- **2,913**
Washing machines
- **2,073**
Refrigerator
- **462**
Other Products

Take Back and Recycling

The surge in electronic waste is rapidly emerging as a global ecological issue, as toxic substances generated from e-waste lead to air, soil and aquatic pollution. Since 2010, Singer has conducted a large-scale, island-wide e-waste collection initiative, through which customers are encouraged to return used electronic items. With over 431 collection points around the island, Singer has collected 146,035 kg of e-waste since the inception of the program, directly impacting the minimisation of landfill waste. The Group has a scheduled waste management license from the Central Environmental Authority to collect and transport e-waste. The collected waste is subsequently given to CEA approved third-party recyclers, with transportation and other expenses being incurred by Singer.

With the Trade In program, Singer also encourages customers to dispose their used electronic products responsibly by offering discounts on new products. This service is also offered across our island-wide network where customers are incentivised to exchange old products for newer, more energy efficient products at a discount.



Pioneering R600a refrigerator

Way Forward

- Leverage manufacturing capabilities and technical knowledge to reduce the carbon footprint generated through operations
- Continue efforts to increase sustainable packaging through the reduction in Styrofoam packaging in a wider range of products
- Life cycle assessment for products







NEW PERSPECTIVES NEW DYNAMICS

Stewardship

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BOARD OF DIRECTORS



*Left to Right: Mr. Mohan Pandithage, Mr. Dhammika Perera,
Mr. Mahesh Wijewardene, Mr. Deepal Sooriyaarachchi*

Mohan Pandithage

Executive Chairman

(Appointed on 2nd October 2017)

Joined the Hayleys Group in 1969. Appointed to the Board of Hayleys PLC in 1998 and as the Chairman and Chief Executive of Hayleys PLC in July 2009.

Fellow of the Chartered Institute of Logistics and Transport (UK). Serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka. Council Member of the Employers' Federation of Ceylon. Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA).

Leadership Excellence Recognition by the Institute of Chartered Accountants of Sri Lanka. Recipient of the 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers. Honoured with a Lifetime Achievement Award by Seatrade - Sri Lanka Ports, Trade and Logistics (SLPTL) and the first-ever Sri Lanka Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport (CILT). Inducted as Legend of Logistics by the Sri Lanka Logistics and Freight Forwarding Association in recognition of services rendered to Sri Lanka's logistics industry.

Dhammika Perera

Non-Executive Co-Chairman

(Appointed on 2nd October 2017)

Mr. Dhammika Perera is a quintessential strategist and a business leader with interests in a variety of key industries including manufacturing, banking and finance, leisure, plantations and hydropower generation. He has over 30 years of experience in building formidable businesses through unmatched strategic foresight and extensive governance experience gained through membership of the Boards of quoted and unquoted companies.

Mr. Perera is the Chairman of Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resort PLC, Vallibel Power Erathna PLC, Greener Water Limited, Delmege Limited and LB Microfinance Myanmar Company Limited. He is the Co-Chairman of Hayleys PLC and The

Kingsbury PLC, Executive Deputy Chairman of LB Finance PLC, Deputy Chairman of Horana Plantations PLC. He is also an Executive Director of Vallibel Finance PLC and serves on the Boards of Hayleys Leisure PLC, Haycarb PLC, Hayleys Fabric PLC and Dipped Products PLC. Also, a Director of Dhammika and Priscilla Perera Foundation.

Mahesh Wijewardene

Group Managing Director/Group Chief Executive Officer (Appointed to the Board on 1st June 2006. Appointed as the Managing Director and Group Chief Executive Officer of Singer Group of Companies on 1st November 2018).

Mr. Mahesh Wijewardene was appointed to the Group Management Committee and also as an Executive Director and the Group Chief Executive Officer of Singer (Sri Lanka) PLC and its subsidiary companies with effect from 1st November 2018. He was appointed to the Singer (Sri Lanka) PLC Board on 1st June 2006. He counts for over 30 years of managerial experience in diverse fields of business.

Mr. Wijewardene holds a Master's Degree in Business Administration from the University of Southern Queensland and received the Dean's Award for Outstanding Academic Achievement. He also holds a Diploma in General Management from the Open University of Sri Lanka.

He served as the Chairman of Ceylon Chamber of Commerce – Import Section and Sri Lanka – China Business Council. Mr. Wijewardene currently serves in the Executive Council of Sri Lanka Retailers' Association and a member of the International Chamber of Commerce – Policy Committee.

He serves as a Director of Singer Industries (Ceylon) PLC, Singer Finance (Lanka) PLC, Regnis (Lanka) PLC, Regnis Appliances (Private) Limited, Singer Digital Media (Private) Limited, Singer Business School (Private) Limited, Reality Lanka Limited, Domus Lanka (Private) Limited and Equity Investments Lanka Limited.

Deepal Sooriyaarachchi

Independent Non-Executive Director

(Appointed on 1st October 2015)

Mr. Deepal Sooriyaarachchi is a Fellow of the Chartered Institute of Marketing UK and holds an MBA from the University of Sri Jayewardenepura and an Accredited Master Coach and a Master Mentor.

He is a renowned Management Consultant, Speaker, Trainer, and an Author. Before embarking on full time consultancy work, he was the Managing Director of AVIVANDB Insurance PLC (now known as AIA Insurance). He had received extensive management training and exposure here and overseas including National University of Singapore, Asian Institute of Management and Stanford Business School USA.

Mr. Sooriyaarachchi serves as an Independent Non-Executive Director of AIA Insurance Lanka Limited, Siyapatha Finance PLC, Pan Asian Power PLC, Kelani Cables PLC, Prime Land Residencies PLC, and the Postgraduate Institute of Management (PIM) University of Sri Jayewardenepura. He is a consulting partner of Results Based Leadership Institute USA.

He is a Past President of the Sri Lanka Institute of Marketing, and a Past Commissioner of Sri Lanka Inventors Commission.

BOARD OF DIRECTORS



*Left to Right: Mr. Dilip De S. Wijeyeratne, Mr. Hisham Jamaldeen,
Mr. Dumith Fernando, Mr. Sarath Ganegoda,*

Dumith Fernando

Independent Non-Executive Director
(Appointed on 2nd October 2017)

Mr. Dumith Fernando is the Chairman of Asia Securities Holdings (Private) Limited, a leading independent Investment Bank in Sri Lanka which offers Investment Banking, Stock Brokerage, Research and Wealth Management services to international and domestic clients. He currently also serves as the Chairman of the Colombo Stock Exchange (CSE).

Mr. Fernando has over 25 years of experience in international and Sri Lankan capital markets, having spent much of his career in New York and Hong Kong with global banks JPMorgan Chase and Credit Suisse. There he held roles across Equities, Investment Banking, Private Equity and Corporate Strategy. Prior to returning to Sri Lanka in 2013, Mr. Fernando was the Managing Director and the Group Chief Operating Officer for Credit Suisse Asia Pacific and a member of that firm's Global Leadership Council.

Mr. Fernando is an Independent Director of CSE-listed Company Union Assurance PLC. He is also a member of the Economic Policy Steering Committee of the Ceylon Chamber of Commerce.

He holds a BA in Physics and Economics from Middlebury College in the U.S. and an MBA from Harvard Business School.

Hisham Jamaldeen

Independent Non-Executive Director
(Appointed on 2nd October 2017)

Mr. Jamaldeen has extensive experience in relation to accounting, corporate finance, acquisition and disposals, restructuring, strategic business development & partnerships and business planning. His experience spans across a range of industries including real estate, retail, leisure, manufacturing, agriculture, industrial solutions, power & energy, plantations, transportation and logistics. Given his deep level expertise in multiple industries, he is recognised as a sector specialist in a multitude of industries and provides vital support towards board level decision making.

Mr. Jamaldeen brings forth both local and global expertise having worked as the Finance Director at Newbridge Capital

Investments Limited, a property investment and development company, transacting directly into UK commercial and London residential property. He has been extensively involved in all aspects of property investment especially in transactional analysis, financing, refinancing debt structures and tax assemblies. He was instrumental in transactions involving real estate assets exceeding USD 1.6 billion during his career. His international exposure and real estate experience was gained whilst at Freeman & Partners accountancy practice (UK) and subsequently at Barclays Capital (a British multinational investment Bank).

He has the distinction of being the founder Managing Director of Steradian Capital Investments, an exclusive real estate advisory and consultancy firm with both global and local clientele who seek exposure and asset management services for real estate investment into Sri Lanka. His key responsibilities include acquisitions, structuring debt financing, and corporate structures. Mr. Jamaldeen is the key contact point for all existing foreign investors spread across Europe, East Asia and South East Asia. He has been instrumental in growing the Assets under Management to over LKR 18 billion within a short span of time. In 2020, Mr. Jamaldeen was recognised by Echelon as a trail blazer and disruptor in the investments sector for his contribution towards the sector.

He further serves as the Executive Director of Lanka Realty Investments PLC, Managing Director of On'ally Holdings PLC, and functions as the Non-Executive Director of Hayleys PLC, Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC and Talawakelle Tea Estates PLC. He was a former director of People's Bank.

He is a Fellow of the Association of Certified Chartered Accountants, UK and holds a degree in Engineering and Business from the University of Warwick, UK.

Sarath Ganegoda

Non-Executive Director
(Appointed on 2nd October 2017)

Fellow Member of CA Sri Lanka and Member of Institute of Certified Management Accountants of Australia. Holds an MBA from the Postgraduate Institute of Management, University of Sri Jayawardenepura.

Held several Senior Management positions in large Private Sector Entities in Sri Lanka as well as overseas.

Has responsibility for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC, the holding Company of Singer (Sri Lanka) PLC. Appointed as the Deputy Chairman of Alumex PLC in October 2020. He serves on the Boards of Hayleys PLC, Unisyst Engineering PLC, Dipped Products PLC, Haycarb PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC, The Kingsbury PLC, Hayleys Leisure PLC and Horana Plantations PLC.

Dilip De S. Wijeyeratne

Independent Non-Executive Director
(Appointed on 1st April 2018)

Mr. Wijeyeratne is an Associate member of The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Fellow member of the Chartered Institute of Management Accountants, UK (FCMA) and a Graduate member of the Australian Institute of Company Directors (GAICD).

He moved as a finance professional to Price Waterhouse, Bahrain, and has extensive experience in audit and advisory services. Commenced a banking career at HSBC Bank Middle East, as Head of Finance and Operations and latterly, was Head of Global Markets and Treasury for the group offices of HSBC Group in the Kingdom of Bahrain. A member of the Senior Management team. Responsible for Corporate Treasury Sales and management of Asset and Liability Management (ALCO) for three legal entities of HSBC group operating in Bahrain. In 2010, joined Third Wave International WLL (TWI) as an equity partner and CEO and embraced entrepreneurship. Leads a team of consultants and facilitates consultancy offerings in Financial Advisory, Human Resources, Marketing, Project and Quality Management, Research and Learning and Development to the private and public sector entities in Bahrain and Oman.

Mr. Wijeyeratne serves as an Independent Non-Executive Director of Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC, Hayleys Fibre PLC and Sampath Bank PLC.

BOARD OF DIRECTORS



*Left to Right: Ms. Gayani de Alwis, Mr. Sujeewa Perera,
Ms. Kawshi Amarasinghe, Mr. Kapila Perera, Mr. Ramesh Chitrasiri*

Gayani de Alwis

Independent Non-Executive Director
(Appointed on 15th May 2020)

Ms. Gayani de Alwis is a leading Supply Chain Professional. She was the former Director, Customer Service and Management Committee member of Unilever Sri Lanka Ltd., responsible for Supply Chain. Ms. de Alwis holds an MBA from Postgraduate Institute of Management (PIM) of University of Sri Jayawardenepura, Sri Lanka and MSc from University of Reading, UK.

Ms. de Alwis is the Immediate Past Chairperson of Chartered Institute of Logistics and Transport (CILT), Founding Chairperson and Advisor of Women in Logistics and Transport (WiLAT) Sri Lanka and currently the Global Chairperson of WiLAT. She is a Fellow of Institute of Supply and Materials Management (ISMM), Fellow member of CILT and a Life member of OPA. She is a Board member of Logicare (Private) Limited, Arutha Foundation (Guarantee) Ltd and CSR Lanka (Guaranteed) Ltd. She is also a member of Sri Lanka Institute of Directors (SLID) and is a founding Committee member of Women Directors Forum (WDF) of SLID. She is a member of CCC National Agenda Committee for Logistics and Transport and Women's Advisory Committee (WAC) member of Ministry of Skills Development, Labour and Vocational Training. She also served as a member of the Health Taskforce of Ministry of Health to improve health sector supply chain and a member of the NHRDC National Taskforce to develop a strategy to increase female labour force participation in public and private sector. She is also a council member of open University of Sri Lanka.

Sujeewa Perera

Alternate Director to Mr. Mahesh Wijewardene
(Reappointed to the Board on
22nd January 2019)

Mr. Sujeewa Perera is the Factory Director of Singer (Sri Lanka) Factory Complex in Piliyandala.

He joined the Singer Group in September 1994 as an Internal Auditor after completing Articles at KPMG and joined Singer Sri Lanka Factory as an Assistant Accountant in June 1997 and risen through the Corporate Ladder.

Mr. Perera has served on Singer (Sri Lanka) PLC Board previously as an Alternate Director from May 2016 to March 2018.

Kawshi Amarasinghe

Alternate Director to Mr. Dhammika Perera
(Appointed on 8th August 2019)

Ms. Amarasinghe currently serves as Group Director, International Business Development and CSR at Vallibel One PLC. Prior to joining Vallibel One, she served as an intern at Strategic Policy Division at Department of Community Safety in Brisbane, Australia.

Ms. Amarasinghe earned a bachelor's degree in International Studies from the University of Queensland in Brisbane Australia, followed by a specialisation in French Studies at the University of Lausanne, Switzerland.

She completed her Certificate in Management Acceleration at INSEAD Business School in Fontainebleau, France and holds a Certificate in Hotel Revenue Management from Cornell University, USA.

Kapila Perera

Alternate Director to Mr. Hisham Jamaldeen
(appointed on 20th April 2022)

Mr. Kapila Perera is the Director Information Technology of Singer (Sri Lanka) PLC. He counts for over 33 years of experience in the fields of information and technology. He is a Member of the British Computer Society (U.K.) and holds a Diploma in Software Engineering from the Institute of Data Management.

Ramesh Chitrasiri

Alternate Director to Mr. Sarath Ganegoda
(appointed on 20th April 2022)

Holds a Bachelor's Degree in Accounting and Finance from London School of Economics of the University of London and a Master's Degree in Business Administration from Edinburgh Business School, Scotland. He is an Associate Member of the chartered Institute of Management Accountants – UK and the Chartered institute of Marketing – UK in addition to being a certified Project Management Professional of the Project Management Institute of USA.

Mr. Chitrasiri is the Finance Director of Singer (Sri Lanka) PLC and also a visiting lecturer in the fields of Finance and Corporate Strategy. He counts over 15 years of experience covering multiple sectors such as diversified holdings, plantations, apparel exports, logistics and retail.

He also serves as an Alternate Director of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC in addition being a member of the Board of Singer Digital Media (Private) Limited.

MANAGEMENT TEAM



Janaka Mendis
Director – Credit



Thulitha Mendis
Director – Commercial



Jagath Perera
Director – Operations



Thushan Amarasuriya
Chief Executive Officer – Singer
Finance (Lanka) PLC



Vajira Tennakoon
Director – Sales



Roshan Kulasuriya
Director – Human Resources and
Business Integration



Shanil Perera
Director – Marketing



Priyanjith Meegoda
Head of Risk Management



Mohamed Irzan
Head of Manufacturing Finance &
Treasury



Kasun Udayanga
Head of Service and Process



Asantha Karunaratne
Senior Manager – Merchandising
and Promotions



Viresh Gomes
Head of Financial Services



Indika Gunathilake
Head of Credit



Ransiri Perera
Group Administration Manager



Nandana Wijesundara
Sales Manager – Agro and
Transportation



Hemantha Perera
Senior Manager – Budget and
Planning



Terrence Martyn
Senior Manager – Sewing &
Business School



Piyum Jayatilake
Marketing Manager



Thanuja Senaviratne
Senior Manager IT – Systems &
Operations



Koshitha Peramunugamage
Head of Business Development -
Signature



Rohan Perera
Business Development Manager –
Retail Operations



Nadeera Kuruppuarachchi
Head Of Legal



Saman Serasinghe
Senior Manager – Distribution



Nishan Ranasinghe
Senior Manager –Revenue and
Margin



Pramila Liyanage
Finance Manager



Rahula Gaspe
Business Development Manager –
E-Commerce



Indika Perera
Business Development Manager –
Whole Sale (South)



Ranisha Silva
Business Development Manager –
Institutional Sales



Suren Kanishka
Senior Manager – Promotions



Upul Peiris
Business Development Manager –
Retail (South)



Sampath Jayatilake
Senior Manager – Human
Resources



Mohamed Hanas
Business Development Manager –
Digital Media

MANAGEMENT TEAM



Dr. Mahinda Balasuriya
Head of Regulatory and Quality Assurance



Upali Ganesharachchi
Business Development Manager – Whole Sale (North)



Manjula Silva
Business Development Manager - Mega



Lasanka Arunajith
Head of Logistics



Darshana Appuhamy
Marketing Manager



Gihan Jayawardana
Operations Manager - Furniture



Sujith Sirimanne
Business Development Manager – North

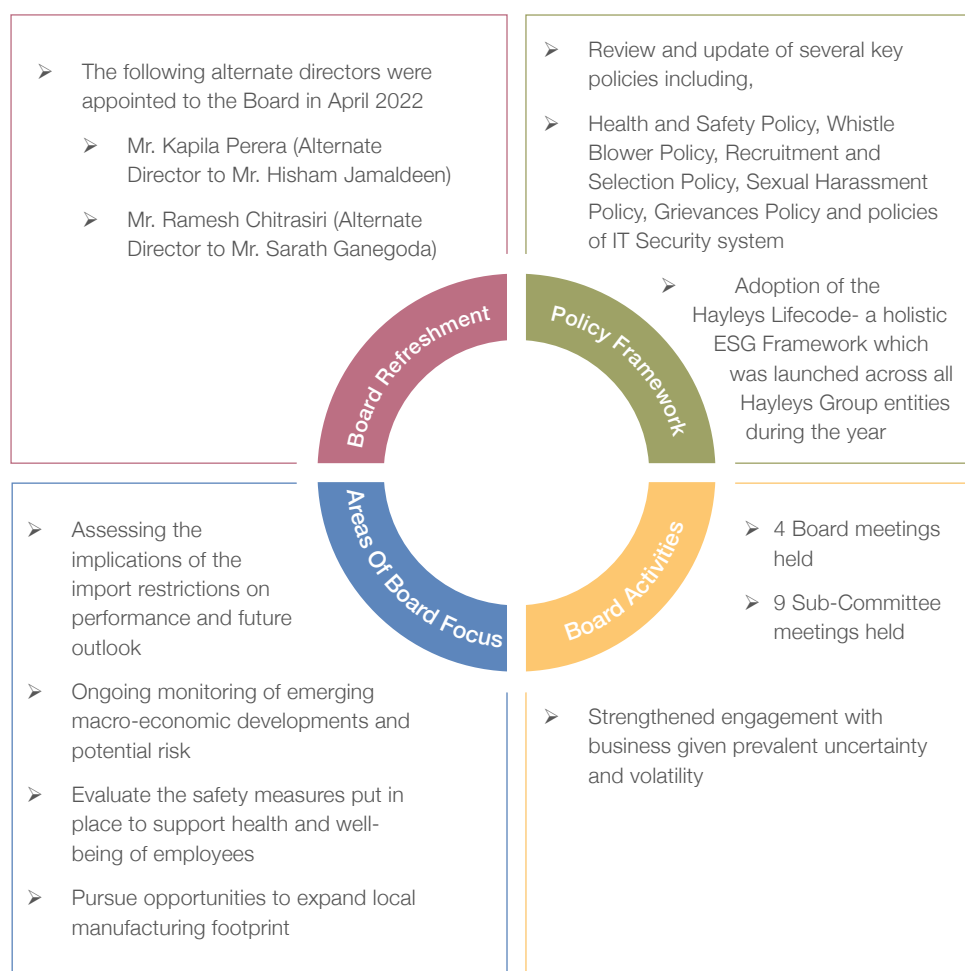


Damitha Serasinghe
Senior Manager IT – Infrastructure and Projects

CORPORATE GOVERNANCE

As an organisation with an established track record, the Group's corporate governance practices have been refined and revised over the years to reflect developments in the regulatory landscape, emerging best practices, stakeholder views and industry sensitivities. The Group's governance structures and frameworks are broadly aligned to its parent entity, Hayleys PLC and provide a solid foundation for navigating an increasingly complex operating landscape.

Highlights 2021/22

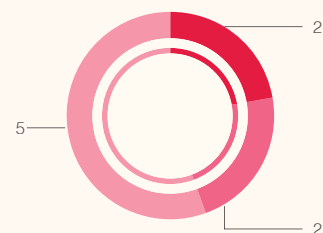


Discussion below presents a high-level overview of the Group's governance practices and the Board's contribution to value creation during the year. Further details are provided in pages 248 to 290 of this Report which demonstrate the Group's compliance to the Code of Best Practice on Corporate Governance and Continuing Listing Rules of the Colombo Stock Exchange

Board of Directors

The Board is the apex governing authority and consists of 9 Directors, of whom 2 (Chairman and Managing Director) are Executive Directors; of the remaining 7, 5 Directors are independent. The Board balance, which is represented by a majority of Independent Directors, encourages independent judgement and ensures that a single Director does not have unfettered powers or authority. The Board also combines diverse skills, experience and perspectives thereby enriching Board discussions, promoting constructive dialogue and enhancing the effectiveness of decision-making.

Board composition

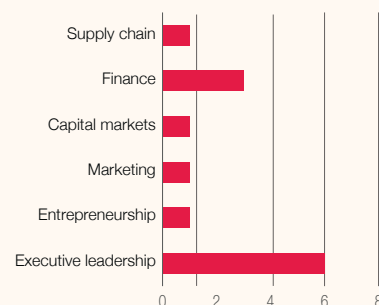


Gender Diversity

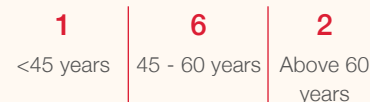


Male **8** Female **1**

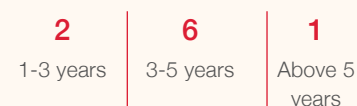
Board skill profile



Age Diversity



Board Tenure



CORPORATE GOVERNANCE

Approach to Corporate Governance

The Group's Corporate Governance structures and policy frameworks ensures an appropriate balance of power, judicious empowerment and drives accountability and integrity across the organisation. The Framework is based on the several external and internal steering instruments as set out below:

External Instruments

- Companies Act No. 07 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Continuing Listing Rules of the Colombo Stock Exchange.
- Code of Best Practice on Corporate Governance issued in year 2017 by The Institute of Chartered Accountants of Sri Lanka.
- Directives/Regulations of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and its amendments there to, as repealed by the securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- Acts, Circulars, Gazettes issued by the Taxation Authorities for Corporates.
- Shop and Office Employees Act No. 19 of 1954 and amendments thereto
- Customs Ordinance No. 17 of 1869
- Exchange Control Act No. 22 of 2017
- Industrial Disputes Act No. 43 of 1950
- Factories Ordinance No. 45 of 1942
- Requirements set out by the Finance Companies Act No. 78 of 1988 and subsequent amendments and Finance Companies Corporate Governance Direction No. 3 of 2008 and subsequent amendments issued by the Central Bank of Sri Lanka - (Singer Finance (Lanka) PLC)

Internal Instruments

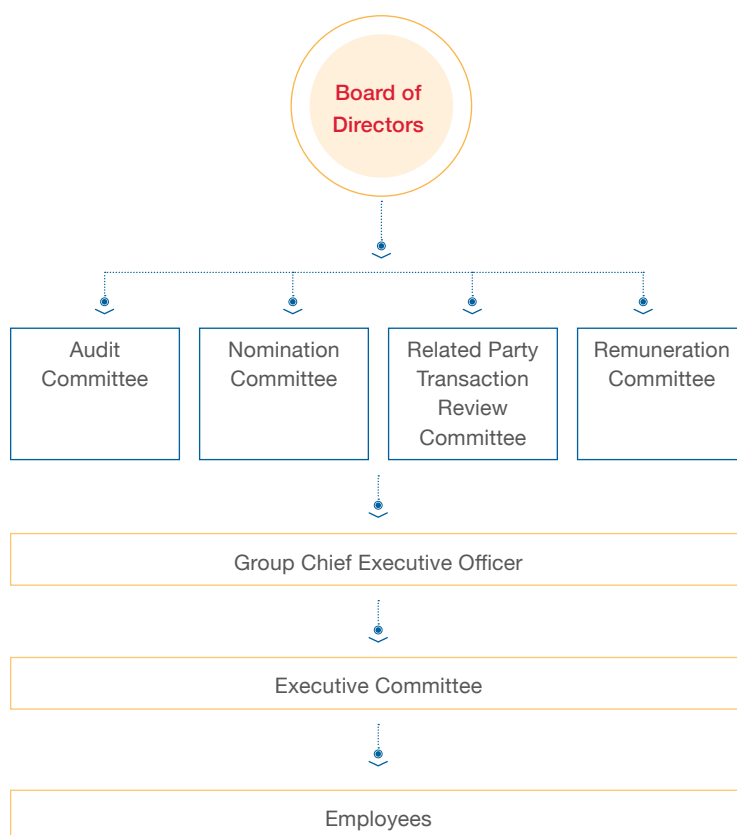
- Articles of Association
- Organizational structure
- Code of Ethics, Human Resources Policies and Procedures
- Related Party Transactions Policy
- Information Technology and Other Internal Manuals
- Standing Instructions, Policy and Procedures (P&P)

Internal Mechanisms

- Stakeholder engagement
- Financial budgeting
- HR and People management
- Strategic and corporate planning
- Risk Management
- IT and Cyber security governance

Governance Structure

The Board has delegated the responsibility of specific functions to four sub-committees as listed below. The roles, responsibilities and mandates of each of these Board Committees are clearly set out in Terms of References, thereby clearly setting out the levels of discretion within which they can operate.



Sub-Committee	Composition	Mandate	No. of meetings held
Audit Committee	Mr. Dilip De S. Wijeyeratne - IND/NED Mr. Deepal Sooriyaarachchi - IND/NED Mr. Hisham Jamaldeen - IND/NED	Provide oversight on financial reporting, internal controls and functions relating to internal and external audit	4
Remuneration Committee	Mr. Hisham Jamaldeen - IND/NED Mr. Deepal Sooriyaarachchi - IND/NED Mr. Dilip De S. Wijeyeratne - IND/NED	Formulation and review of Remuneration policies and set goals and targets relating to Directors, Managing Director and Key Management Personnel (KMPs)	1
Nomination Committee	Mr. Mohan Pandithage - ED Mr. Dhammika Perera - NED Mr. Hisham Jamaldeen - IND/NED	Provide recommendations and advice to the Board on the appointment or re-election of Directors	-
Related Party Transactions Review Committee	Mr. Deepal Sooriyaarachchi - IND/NED Mr. Dilip De S. Wijeyeratne - IND/NED Mr. Mahesh Wijewardene - ED	Assess all transactions with related parties to ensure that related parties are treated on par with other stakeholders	4

IND - Independent Director

NED - Non-Executive Director

ED - Executive Director

Effective Leadership

As the custodian of the Group's corporate governance practices, the Board holds ultimate responsibility for the creation and delivery of sustainable stakeholder value. The role and responsibilities of the Board are set out in the Board Charter as listed below: Board responsibilities are set out in the Board Charter and are listed below:

Role of the Board of Directors	Responsibilities of the Board of Directors
<ul style="list-style-type: none"> ➤ To represent and serve interests of shareholders by overseeing and appraising the company's strategies, policies, and performance. ➤ To provide leadership and guidance to Management for the execution of strategies. ➤ To build sustainable value for shareholders in accordance with the regulatory framework ➤ To establish an appropriate governance framework ➤ To ensure regulators are apprised of the company's performance and any major developments ➤ To review the performance of the business against the goals and objectives periodically. 	<ul style="list-style-type: none"> ➤ Ensuring the formulation and implementation of a sound business strategy. ➤ Appointing the Chair and the Senior Independent Director if relevant ➤ Ensuring that the CEO and Management Team possess the skill, experience and knowledge to implement strategy ➤ Ensuring the adoption of an effective CEO and Senior Management succession strategy ➤ Approving budgets and major capital expenditure ➤ Determining the matters expressly reserved to the Board and those delegated to the Management including limits of authority and financial delegation. ➤ Establishing systems of risk management, internal control, and compliance ➤ Ensuring compliance with laws, regulation and ethical standards ➤ All stakeholders' interests are considered in corporate decisions ➤ Recognising sustainable business development in corporate strategy, decisions and activities and consider the need for adopting "integrated reporting". ➤ The Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations. ➤ Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks. ➤ Ensuring the integrity of the financial reporting process ➤ Fulfilling such other Board functions as relevant to the Organisation. ➤ Appointing and overseeing the External Auditors' Responsibilities ➤ Approving Interim and Annual Financial Statements for publication.

CORPORATE GOVERNANCE

Director training and access to information

Structured mechanisms are in place to ensure that Directors consistently refresh their knowledge and keep abreast of emerging developments. Training needs are assessed on a regular basis and both Executive Directors and Alternate Directors are given the opportunity to participate in training programmes conducted by principals, in-house training and through external resources. Directors are briefed on changes in laws and regulations, tax laws, and accounting standards from time to time either during the Board meetings or at specially convened sessions

Board meetings and attendance

The Board meets once every quarter and despite pandemic-led disruptions, Board activities continued uninterrupted. During the year the Main Board convened 04 times, while 09 sub-committee meetings were held.

The number of meetings of the Board, sub-committees and individual attendance by members are mentioned on page 110 of this Report.

IT governance

the IT governance process of the Company ensures that IT objectives are aligned with business objectives that will meet its strategic and operational objectives. IT governance is an integral part of the corporate governance process and deals primarily on optimising the linkage between Strategic Directions and Information Management of the Company. Competent and dedicated resources are deployed to support this need. Company investment in IT resources covers resources operated and managed centrally and resources deployed in various places. IT resources include ERP system, other related business systems, internet, emails and other Company-wide data communication systems.

Impact of the IT governance to diverse functional areas of the Company is driven by certain core objectives which are set below:

Sub-Committee	Mandate
Compliance	Investing in licensed software deployed in compliance with Intellectual Property Law with a view to educate and mandate compliance to such laws throughout the Company.
Operational efficiency	Streamlining of inventory management, logistic management and credit management process so that integrity is maintained across the value chain through near real-time processing.
Prudent capital expenditure	All major IT investments are carefully evaluated by the IT team and built into the business plan and carefully scrutinised at the planning level and approval is granted by the Board.
Customer convenience	Ensuring process efficiencies to increase the contribution to customer convenience.
Green IT	Protecting the environment by reducing print through migration to emails, SMS, social media and soft copies.

Minimum public holding

The Company has been transferred to the Second Board with effect from 10th February 2020 due to the non-compliance of minimum public holding requirement in terms of Rule 7.14.1 of the CSE Listing Rules. Consequent to the transfer to the Second Board, the Company is evaluating all possible proposals to take remedial action in order to comply with the minimum public holding requirement.

The public holding of the Company as at 31st March 2022 was 7.72%, which is below the minimum requirement of 20% as specified by the Listing Rules [Rule 7.14.1 (a)] of the Colombo Stock Exchange (CSE)

Determining Independence

While all Directors are expected to exercise unfettered judgement in deliberating matters set before the Board, the criteria set out in the CSE Continued Listing Rules and Schedule K of the Code are used to determine the independence of directors. Directors submit an annual declaration which is reviewed by the Company Secretaries who advise the Chairman of any changes in status. If any criteria for independent is not satisfied the Board make the determination as permitted by the Listing Rules of CSE.

Appointment, Retirement and Resignations

The Board recommends Directors for appointment under the advisement of the Nomination Committee of the Company. Following details of new Directors are disclosed on their appointment to the Colombo Stock Exchange.

- A brief resume of the Director
- The nature of his expertise in relevant functional areas
- The names of companies in which the Director holds directorships or memberships in Board Committees
- Relevant interest in shares/debentures issued by the Company; and
- Whether such Director can be considered 'Independent' in accordance with the CSE Listing Rules

The Board has the power to appoint Directors to fill any casual vacancies that may arise during the year. The Articles of Association require that Directors appointed in this manner hold office until the next Annual General Meeting and seek re-election by the shareholders at that meeting ensuring shareholder participation in the election of Directors.

One third of the Directors in office retire at each Annual General Meeting by rotation with the Directors who have served for the longest period since their appointment/re-appointment retiring first. Retiring Directors are generally eligible for re-election. The names of Directors submitted for election or re-election are disseminated to the CSE to enable shareholders to make a decision on their election. Provisions of the Articles of the Company do not require the Chairman and Managing Director to retire by rotation.

Company Secretary

The office of the Company Secretary is integral to the effective functioning of the Board. Secretarial services to the Board are provided by Hayleys Group Services (Private) Limited. The Company Secretary guides the Board on discharging its duties and responsibilities, promoting best practices in Corporate Governance.

Responsibilities include;

- Ensuring the conduct of Board and General Meetings in accordance with the Articles of Association and relevant legislation.
- Maintaining statutory registers and the minutes of Board Meetings.
- Prompt communication to regulators and shareholders.
- Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.

All Directors have access to the advice and services of this group function as necessary. Appointment and removal of the Company Secretary is a matter for the Board.

Directors Interests and Related Party Transactions

Directors declare their business interests on appointment and quarterly thereafter which are maintained in a register by the Company Secretary. The Register is available for inspection in terms of the Companies Act. Directors have no direct or indirect interest in a contract or a proposed contract with the Company other than those disclosed on page 230.

The Group Related Party Transactions Review Committee reviews all transactions that require approval in line with the Group's Related Party Transactions Policy and regulatory requirements. Related party transactions are disclosed in Note 39 to the financial statements on page 227 .

Relations with Shareholders

The Board is accountable to shareholders and is committed to reporting performance and other regulatory matters in a timely manner with sufficient information to provide a clear understanding on the subject.

Communication with Shareholders

Singer engaged shareholders through multiple channels which include the Annual General Meeting (AGM), annual report, interim financial statements, a dedicated investor relations page on the company's website and notification of key events through announcements to the CSE which are disseminated to the general public via the CSE's website. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries and at the Annual General Meeting. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management.

Constructive use of Annual General Meeting (AGM)

The Board encourages the active participation of shareholders at the AGM and make arrangements accordingly. The Chairman, Board members and Chairpersons of Board Sub-committees are available for discussion at the AGM and respond to questions directed to them by the Chairman. Additionally, KMPs of the Group are also present assist the Directors in this regard.

Notice of the AGM, the Annual Report and Accounts and any other resolution together with the corresponding information that may be set before the shareholders at the AGM, are circulated to shareholders minimum 15 working days prior to the AGM. This allows all the shareholders to review the documentation and participate effectively at the AGM. Separate resolutions are prepared for each item of business, giving shareholders the opportunity to vote on each of such issue, separately. Voting procedures at the AGM are circulated to the shareholders in advance.

All Shareholders are encouraged to exercise their voting rights. The Company has an effective mechanism to record and count all proxy votes lodged for each resolution. In the event there are a significant proportion of the votes cast against a resolution, the Board will take steps to understand the reasons behind the vote results and determine if any actions are required. The outcome of the vote on each resolution is informed to the CSE, soon after conclusion of the AGM.

CORPORATE GOVERNANCE

Board contribution to value creation



Strategy and performance

The Board plays a critical role in developing strategies aligned to the Group's long-term aspirations while overseeing its delivery; the 2 Executive Directors (Chairman and Managing Director) are critical to this process given their hands-on engagement with the business and deep understanding of industry opportunities and risks and emerging market dynamics. During the year, the Board strengthened its engagement with the business given the significant implications of regulatory and macro-economic developments. Overall, the Board assessed and approved the future strategy of the Group which entails a further refinement of the Must Win Battles.

In addition to the standard agenda items, the Board focused on the following special aspects in 2021/22;

- Implications of the import restrictions on the Group's operations and measures to address this key risk
- Ensure safety of employees and evaluate the stringency of the safety measures in place across the organisation
- Increased focus on local value addition and exploring avenues of expanding our local manufacturing capabilities

Organisational Culture

The Board sets the right tone at the top, thereby playing a vital role in shaping organisational culture. The Singer Group's Code of Conduct, which is applicable to all Directors, Management team and employees clearly set out the Group's expectations when engaging with both internal and external stakeholders. Key aspects of the Code of Conduct are listed on page 279 of this Report. The Code of Conduct also serves as a solid platform in mitigating the risk of corruption within the organisation through the following guidelines.

- Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance.
- Exercise honest, objectivity and diligence when performing one's duties
- Work within applicable laws and regulations

In addition to the Code of Conduct, the parent entity's Hayleys Way- serves as a blueprint for ethical behaviour, explicitly setting out the behaviour expected from an employee and reinforcing the Group's organisational values.

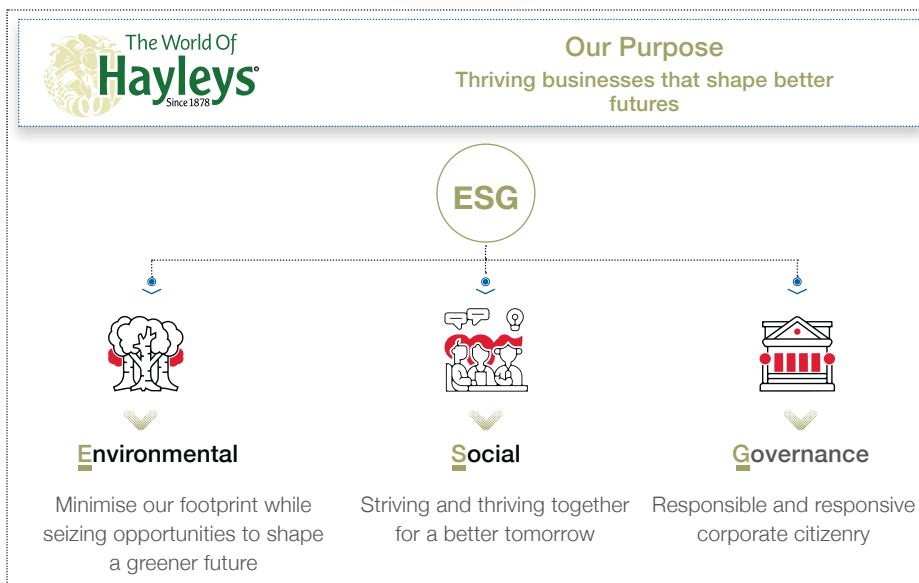
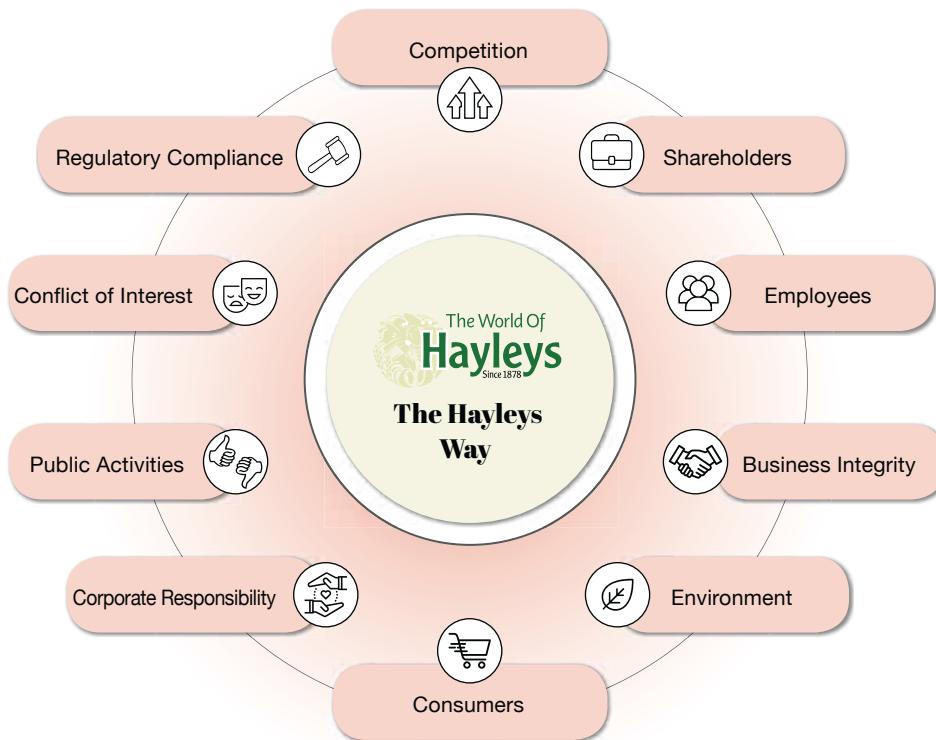
Risk Management and Controls

The Audit Committee supports the Board in its risk-related duties; the Group's risk management comprises a robust framework including policies, risk strategies, procedures, limits, and exposures, among others. The risk management framework has been designed to achieve an optimal risk-reward balance, drive accountability through effective segregation of duties and nurture a culture of risk consciousness across the organisation. The structure is based on the globally accepted Three Lines of Defence Model which sets out the lines of authority, roles, and responsibilities to efficiently manage risk across the Group.

(Please refer to page 116 to 119 for further information on the Group's risk management practices)

Sustainability & ESG focus

The Board is committed to embedding sustainability considerations into its strategy, decision making and operations. This commitment represents both the Group's corporate citizenry aspirations as well as increasing awareness that identification and management of social and environmental factors are critical to building business resilience. In a key milestone, the Hayleys Group launched the Hayleys Lifecode during the year- a holistic ESG framework which is applicable to all Group companies and drives ESG integration across the Group (please refer to page 40 for further information). In line with the guidelines of the Lifecode, the Group's General Management Committee and Executive Committee review the Group's environmental and social performance indicators on a quarterly basis.



Sustainability Reporting: This year, the Group marks a major milestone in its corporate reporting through embracing the principles of integrated reporting in preparing the Group's first Integrated Annual Report. Through our Integrated Report, we are committed to providing our stakeholders with a balanced and concise overview of how we created value during the year. Other aspects of our sustainability reporting includes

- Global Reporting Standards (GRI) for Sustainability Reporting
- Systematic materiality assessment procedure in line with the Hayleys Group
- Adoption of the industry standard of the Sustainability Accounting Standards Board

CORPORATE GOVERNANCE

Board, audit committee, remuneration committee, nomination committee and related party transactions review committee attendance

The number of meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and Related Party Transactions Review Committee and individual attendance by members are as follows:

Number of meetings and dates

Board meetings	4
Audit committee meetings	4
Remuneration committee meetings	1
Nomination committee meetings	–
Related party transactions review committee meetings	4

Board meetings	Audit committee meetings	Remuneration committee meetings	Nomination committee meetings	Related party transactions review committee meetings
17th May 2021	13th May 2021	26th July 2021	–	13th May 2021
11th August 2021	09th August 2021	–	–	09th August 2021
11th November 2021	08th November 2021	–	–	08th November 2021
14th February 2022	09th February 2022	–	–	09th February 2022

Individual attendance

Name of Director	Directorship status	Board	Audit committee	Related party transaction review committee	Nomination committee	Remuneration committee
Mr. Mohan Pandithage	Executive	4/4	–	–	–	–
Mr. Dhammika Perera	Non-Executive	3/4	–	–	–	–
Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera)						
Mr. Mahesh Wijewardene – Group CEO	Executive	4/4	–	4/4	–	–
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene)						
Mr. Dumith Fernando	Independent Non-Executive	4/4	–	–	–	–
Mr. Sarath Ganegoda	Non-Executive	4/4	–	–	–	–
Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022)						
Mr. Deepal Sooriyaarachchi	Independent Non-Executive	4/4	3/4	3/4	–	1/1
Mr. Hisham Jamaldeen	Independent Non-Executive	4/4	4/4	–	–	–
Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen - appointed on 20th April 2022)						
Mr. Dilip De S. Wijeyeratne	Independent Non-Executive	4/4	4/4	4/4	–	1/1
Ms. Gayani de Alwis	Independent Non-Executive	4/4	–	–	–	–

Statement of compliance

Singer Group is fully-compliant with the Code of Best Practice on Corporate Governance issued in year 2017 by The Institute of Chartered Accountants of Sri Lanka as well as the Rules on Corporate Governance published by the Colombo Stock Exchange, except which are specifically mentioned in the corporate governance report. In addition to the above, our Subsidiary Company Singer Finance (Lanka) PLC is fully-compliant with the requirement set out by the Finance Companies Act No. 78 of 1988 and subsequent amendments and Finance Companies Corporate Governance Direction No. 3 of 2008 and subsequent amendments issued by the Central Bank of Sri Lanka (CBSL).

The compliance levels with the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka, Listing requirements Section 7.10 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange and the requirements of the Companies Act No. 07 of 2007 are available on pages 248 to Page 290.

AUDIT COMMITTEE REPORT

Preamble

The Committee is empowered to review and monitor the financial reporting process of Singer Group so as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective review. As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging its responsibilities on ensuring the quality of financial reporting and related communications to the shareholders and the public.

Composition of the committee

The Audit Committee consists of three Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director.

Audit Committee Members

- Mr. Dilip De S. Wijeyeratne – Chairman – Independent Non-Executive Director
- Mr. Deepal Sooriyaarachchi – Independent Non-Executive Director
- Mr. Hisham Jamaldeen – Independent Non-Executive Director

Brief profiles of the Directors are given on pages 94 to 99 of this Annual Report.

Hayleys Group Services (Private) Limited functions as the Secretary to the Committee. The Finance Director/Compliance Officer, Head of Risk Management, Audit Staff, Representatives of External Auditors and when necessary, the Chairman, the Group Chief Executive and relevant Operational Directors and Managers attend the meetings by invitation.

Responsibilities and duties of the committee

The Audit Committee's authority, responsibilities and specific duties have been formalised through an Audit Committee Charter. By this, the Audit Committee is empowered among other things, to examine any matters relating to the financial affairs of the Singer Group and to review the adequacy of the internal control procedures, coverage of internal and external audit programmes, disclosure of accounting policies and compliance with statutory and corporate governance requirements.

Activities in 2021/22

Financial reporting

The Committee along with the Board, internal audit and external audit reviewed the Interim Financial Statements and the Annual Financial Statements to ensure compliance with mandatory, statutory and other regulatory requirements laid down by the authorities, prior to publication.

Internal audit, risk and control

The Committee also provides a forum for the impartial review of the reports of internal and external audits and to take into consideration findings and recommendations stated therein relating to significant business risks and control issues.

The Committee reviewed the Group audit plan for the year and agreed its budget and resource requirements. It reviewed interim and year-end summary reports and management's responses. The Committee carried out an evaluation of the performance of the internal audit function and was satisfied with the effectiveness of the function.

The Committee reviewed the Compliance Officer's Report on the Singer Group's compliance with the applicable laws and regulations, including internal policy codes of conduct of its employees.

Meetings of the committee

During the reporting period, four Audit Committee meetings were held to discuss the Reports of the Internal and External Auditors and Interim Financial Statements. The Financial Statements for the 12 months ended 31st March 2022 were also discussed at the meeting held on the 12th May 2022. The minutes of the meetings were tabled at the meetings of the Board of Directors for information and necessary action.

The attendance of the Audit Committee meetings held during the reporting period ended 31st March 2022 under review is given on page 110 of this Annual Report:

External Audit

The external audit approach and scope was reviewed and discussed by the Committee with the External Auditors and Management prior to

the commencement of the audit. The External Auditors informed the Committee on an ongoing basis regarding matters of significance that were pending resolution. Before the conclusion of the audit, the Committee met with the External Auditors without Management being present. External Auditors discussed the audit issues with the Audit Committee and the Management to agree on audit issues.

The Audit Committee has reviewed the other services provided by the External Auditors to the Group to ensure that their independence as Auditors has not compromised.

The Audit Committee recommended to the Board of Directors that Messrs KPMG, Chartered Accountants be reappointed as the External Auditors for the financial year 2022/23, subject to the approval of the shareholders at the Annual General Meeting (AGM) and the required resolution will be put to the shareholders at the AGM.

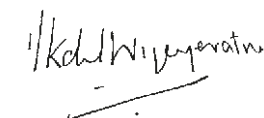
Sri Lanka accounting standards

Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group companies and made recommendations to the Board of Directors.

The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

The Committee has pursued the support of Messrs KPMG to assess and review the existing SLFRS policies and procedures adopted by the Group.

I wish to thank all members who served in the Committee during the period and for their contribution to the deliberations of the Committee.



Dilip De S. Wijeyeratne
Chairman – Audit committee

12th May 2022
Colombo

REMUNERATION COMMITTEE REPORT

Composition of the committee

Remuneration Committee consists of three Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director.

Remuneration Committee Members

- Mr. Hisham Jamaldeen – Chairman – Independent Non-Executive Director
- Mr. Deepal Sooriyaarachchi – Independent Non-Executive Director
- Mr. Dilip De S. Wijeyeratne – Independent Non-Executive Director

Brief profiles of the Directors are given on pages 94 to 99 of this Annual Report.

Mr. Ramesh Chitrasiri, the Finance Director functions as the Secretary to the Committee.

The Chairman of the Company participated as an observer to the Committee. Group CEO assist the Committee by providing the relevant information and participate in its analysis and deliberations except when their own compensation packages are reviewed.

Responsibilities and duties of the committee

The scope of the Committee is to look into fees, remuneration and perquisites of Independent Directors, Executive Directors of the Board of the Company and Key Management and approve recommendations made by the Group CEO.

Remuneration and perquisites of Group CEO is reviewed and approved by the Parent Company Remuneration Committee (Hayleys PLC) and it is not under the scope of the Board Remuneration Committee of the Company.

The Committee also reviews the policies pertaining to the remuneration and perquisites of the executives of the Group.

Remuneration policy

A primary objective of compensation packages is to attract and retain a highly qualified and experienced workforce, and reward performance. These compensation packages should provide compensation appropriate for each business within the Group and commensurate with each employee's level of experience and contribution, bearing in mind the business performance and long-term shareholder returns.

Meetings of the committee

The Committee meets from time to time and reviews the Group's remuneration and fee structures to assure alignment with strategic priorities and with compensation offered by competitor companies.

The Committee met one time during the period and the attendance of the members given on page 110 of this Annual Report.

I wish to take this opportunity to thank all members who served in the Committee during the period and for their contribution to the deliberations of the Committee.



Hisham Jamaldeen

Chairman – Remuneration committee

13th May 2022

Colombo

NOMINATION COMMITTEE REPORT

Composition of the committee

Nomination Committee consists of one Independent Non-Executive Director, one Non-Executive Director and one Executive Director as at the end of the reporting period, 31st March 2022.

Nomination Committee Members

- Mr. Mohan Pandithage – Chairman – Executive Director
- Mr. Dhammika Perera – Non-Executive Director
- Mr. Hisham Jamaldeen – Independent Non-Executive Director

Responsibilities and duties of the committee

- Consideration of making any appointment of new Directors or re-electing current Directors.
- Provide advice and recommendations to the Board on any such appointment.
- Review criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment to the Board and Key Management Personnel in the Company.
- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director taking into consideration the Director's number of listed Company Boards on which the Director is represented and other principal commitments.
- Review the structure, size, compensation and competencies of the Board and make recommendations to the Board with regard to any changes.
- Recommend the requirements of new expertise and succession arrangements for retiring Directors.
- Recommend on any other matter referred to it by the Board of Directors.

Meetings of the committee

The Board appointments during the period were approved via circular resolutions and therefore no physical meetings were held due to prevailing situation.

Appointments to the Board

Mr. Ramesh Chitrasiri appointed to the Board as Alternate Director to Mr. Sarath Ganegoda and Mr. Kapila Perera appointed to the Board as Alternate Director to Mr. Hisham Jamaldeen with effect from 20th April 2022.

Re-election of Directors at the Annual General Meeting

In terms of Article 24 (4) of the Articles of Association of the Company, Mr. Dilip De S. Wijeyeratne retire by rotation and being eligible offer himself for re-election and the shareholders will be requested to re-elect him at the forthcoming Annual General Meeting.

In terms of Article 24 (4) of the Articles of Association of the Company, Mr. Deepal Sooriyaarachchi retire by rotation and being eligible offer himself for re-election and the shareholders will be requested to re-elect him at the forthcoming Annual General Meeting.

Re-appointment of a Director under Section 211 of the Companies Act No. 07 of 2007

The Nomination Committee has recommended that Mr. Mohan Pandithage be re-appointed to the Board subject to the shareholders' approval at the forthcoming Annual General Meeting in pursuant to Section 211 of the Companies Act No. 07 of 2007 notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

The above recommendation was approved by the Board.

I wish to take this opportunity to thank all members who served in the Committee and for their contribution to the deliberations of the Committee during the period.



Mohan Pandithage

Chairman – Nomination committee

13th May 2022

Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Preamble

The Board established the Related Party Transactions Review Committee (RPTRC) in terms of the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (the "Code") and Section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules").

Composition of the committee

The Related Party Transactions Review Committee consists of two Independent Non-Executive Directors, and one Executive Director and is chaired by an Independent Non-Executive Director.

The following Directors serve on the Committee:

- Mr. Deepal Sooriyaarachchi – Chairman – Independent Non-Executive Director
- Mr. Dilip De S. Wijeyeratne – Independent Non-Executive Director
- Mr. Mahesh Wijewardene – Executive Director

Mr. Ranil De Silva – Independent Non-Executive Director of Singer Finance (Lanka) PLC – participated two meetings by invitation representing Singer Finance (Lanka) PLC until Singer Finance (Lanka) PLC formed their own Related Party Transactions Review Committee.

Brief profiles of the members are given on pages 94 to 99 of this Annual Report.

The above composition is in compliance with the provisions of the Code regarding the composition of the Related Party Transactions Review Committee.

Hayleys Group Services (Private) Limited functions as the Secretary to the Related Party Transactions Review Committee.

Meetings of the committee

During the year ended 31st March 2022, the Committee met four times. Attendance by the Committee Members at these meetings is given in the table on page 110 of the Annual Report.

Role and responsibilities

The mandate of the Committee is derived from the Code and the Rules and is as follows:

- To review in advance all proposed related party transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
 - Seek any information the Committee requires from Management, employees or external parties with regard to any transaction entered into with a related party.
 - Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.
 - To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
 - To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
 - Meet with the Management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
 - To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
 - To review the economic and commercial substance of both recurrent/non-recurrent related party transactions
 - To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining "competent independent advice" from independent professional experts with regard to the value of the substantial assets of the related party transaction.
3. Key Management Personnel (KMPs) and their Close Family Members (CFMs) are identified half yearly together with their NIC numbers and business registration numbers. This information is in the system.
 4. Systems are updated with KMP and their CFM details on a half yearly basis or as and when the need arises in the event of a material change.
 5. Data is extracted from the system, verified and validated.
 6. All Managers are advised to report RPTs to the Finance Director who has been identified as the Focal Point, for this purpose.
 7. Data is shared with the Finance Director and the Company Secretaries to meet the regulatory requirements if required.

Task of the committee

The Committee reviewed the related party transactions and their compliance and communicated to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management and in compliance with Section 9 of the CSE Listing Rules.

Related Party Transactions are disclosed in the Note 39 to the Financial Statements.

Reporting to the Board

The minutes of the RPTRC meetings are tabled at the Board meetings enabling all Board members to have access to same.

I wish to take this opportunity to thank all members who served in the Committee and for their contribution to the deliberations of the Committee during the period.



Deepal Sooriyaarachchi

Chairman - Related Party Transactions Review Committee

12th May 2022
Colombo

Policies and procedures adopted by the RPTRC for reviewing Related Party Transactions (RPTs)

1. Relevant information to capture RPTs are fed into the Company Data Collection System.
2. All officers concerned are informed of the applicable regulatory requirements relating to the reporting of RPTs.

RISK MANAGEMENT

The unprecedented shifts in our operating landscape over the past two years, including COVID-19 led disruptions, macro-economic stress and changing customer behaviour have highlighted the importance of agile and responsive decision-making, which is informed by a holistic view of the Group’s risk profile. Robust risk management practices enable the Group to identify, anticipate and respond to changes in both the internal and external operating landscape and make informed decisions during times of volatility and uncertainty.

Risk Management Framework

We adopt an enterprise-wide approach to risk management, which comprises a bottoms-up approach to identify, assess, manage and report on risks within a unitary framework which is aligned to our strategy and corporate governance frameworks. The Board of Directors hold apex responsibility for managing the Group’s risks in a manner that optimises risk-return dynamics. The Audit Committee supports the Board in the discharge of its risk related duties and plays a key role in identifying, monitoring and managing key exposures. Independent assurance is provided by the Internal Audit team, which reports to the Audit Committee. The Internal Audit team also maintains ongoing engagement with the Group’s Finance team thereby ensuring that key learnings are shared.

Approach to Risk Management

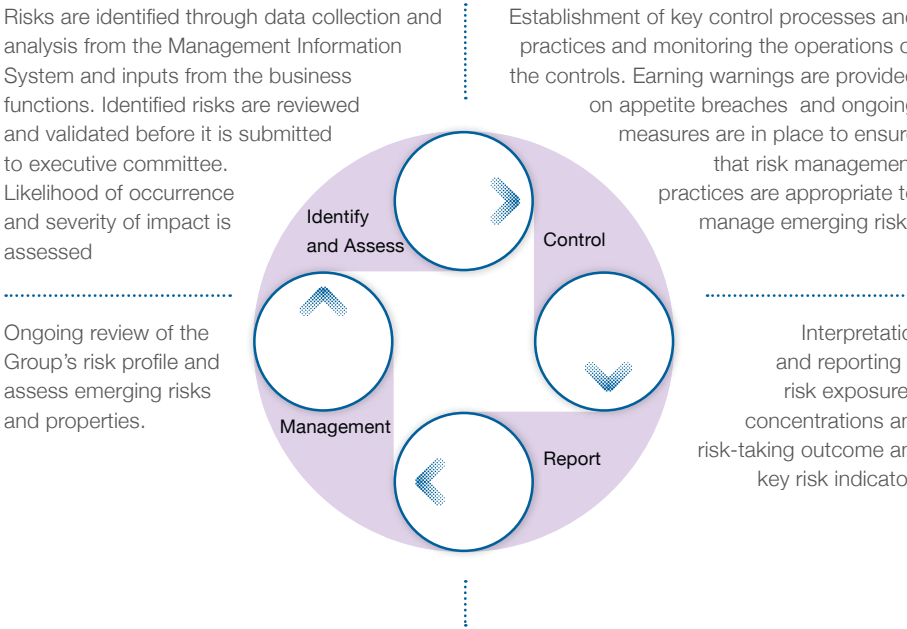
The Group adopts the three lines of defence model in understanding, managing and measuring its risks, which ensures clear segregation of duties in risk management.

Approach to Risk Management

The Group adopts the Three Lines of Defence Model in understanding, managing and measuring its risks, which ensures clear segregation of duties in risk management.



Risk Management Process





















Principal Risks of 2021/22

The Group's risk landscape shifted dramatically during the year, reflecting both pandemic-led challenges and severe macro-economic challenges; the following discussion provides an overview of the Group's top risks in terms of impact and likelihood; this list is not exhaustive, and the Group duly monitors other emerging risks on an ongoing basis.

Risk	Developments in 2021/22	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
Shortage in foreign currency liquidity <table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td></td><td></td></tr><tr><td>Risk Rating</td><td>E</td></tr><tr><td>Direction</td><td></td></tr></table>	Likelihood	Impact			Risk Rating	E	Direction		The Sri Lankan banking system is currently facing a severe foreign liquidity shortage in the banking system, which has exerted stress in honouring existing obligations. This together with Sri Lanka's elevated country risk has resulted in banks not accommodating LC and TT for imports.	<ul style="list-style-type: none">➤ Severe challenges in importing finished goods and raw materials for production, which will directly impact the Group's financial position➤ Inability to cater to customers' demand and adverse implications on market share	<ul style="list-style-type: none">➤ Proactive measures to build and procure adequate inventory sufficient to next few months and optimising this inventory to maximise returns➤ Relentless focus on cost saving measures to mitigate impact on profitability➤ Increase focus on local manufacturing➤ Widen sourcing from local suppliers	Financial Capital Social & Relationship Capital MWB#7: Manufacturing and Supply Chain Excellence MWB#7: Drive Operational Efficiencies
Likelihood	Impact											
Risk Rating	E											
Direction												
Restrictions on imports <table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td></td><td></td></tr><tr><td>Risk Rating</td><td>E</td></tr><tr><td>Direction</td><td></td></tr></table>	Likelihood	Impact			Risk Rating	E	Direction		As part of the Government's measures to minimise foreign currency outflows, a licensing system was introduced on imports	<ul style="list-style-type: none">➤ Approximately 60% of the Group's product portfolio is currently under this licensing system which will significantly affect the continued supply, thereby directly impacting profitability	<ul style="list-style-type: none">➤ Capacity increases in local manufacturing operations➤ Increase sourcing from local manufacturers➤ Price revisions and channel allocations to ensure optimisation of inventory and extension of sales realization➤ Match import bills of Singer Group with export sales of Hayleys	Financial Capital Manufactured Capital Social & Relationship Capital MWB#1: Continuous top line growth and ROI MWB#7: Manufacturing and Supply Chain Excellence
Likelihood	Impact											
Risk Rating	E											
Direction												
Devaluation of currency and escalating inflation <table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td></td><td></td></tr><tr><td>Risk Rating</td><td>H</td></tr><tr><td>Direction</td><td></td></tr></table>	Likelihood	Impact			Risk Rating	H	Direction		Following its free float in early March, the Rupee has demonstrated sharp and consistent depreciation against the USD, which in turn has led to escalating inflationary pressures. The Rupee depreciated by 30% against the USD (monthly average) during the financial year, while inflation as measured by NCPI increased to 21.5% (headline) in March 2022.	<ul style="list-style-type: none">➤ The depreciation of the Rupee has led to a spike in import costs, inevitably leading to upward price revisions of products➤ Given high inflationary pressures, this is expected to result in a slowdown in demand reflecting lower buying power	<ul style="list-style-type: none">➤ Timely price revisions to ensure that GP margins are preserved with expectations➤ Cost saving and efficiency drive	Financial Capital Social & Relationship Capital MWB#1: Continuous top line growth and ROI MWB#7: Drive Operational Efficiencies
Likelihood	Impact											
Risk Rating	H											
Direction												


RISK MANAGEMENT


Risk	Developments in 2021/22	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
<div>Interest rate risk</div> <div><table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td><div></div></td><td><div></div></td></tr><tr><td>Risk Rating</td><td>H</td></tr><tr><td>Direction</td><td><div></div></td></tr></table></div>	Likelihood	Impact	<div></div>	<div></div>	Risk Rating	H	Direction	<div></div>	<p>Following several months of low interest rates, the Central Bank of Sri Lanka tightened monetary policy with a view to curtailing aggregate demand and stemming inflationary pressures. This led to a gradual increase in market interest rates towards the latter part of the year and is expected to remain at these levels over the short-term</p>	<ul style="list-style-type: none">➤ The inevitable increase in borrowing costs will impact the Group's profitability and liquidity over the short-to-medium term	<ul style="list-style-type: none">➤ Ongoing engagement and negotiations with banks➤ Optimising short- and long-term debt compositions to minimise impact of interest rate hike➤ Leverage strong brand and financial strength (as attested by the credit rating of AA Ika by Fitch Ratings) to obtain funding at attractive rates	<p>Financial Capital</p> <p>MWB#1: Continuous top line growth and ROI</p>
Likelihood	Impact											
<div></div>	<div></div>											
Risk Rating	H											
Direction	<div></div>											
<div>COVID-19 impacts</div> <div><table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td><div></div></td><td><div></div></td></tr><tr><td>Risk Rating</td><td>L</td></tr><tr><td>Direction</td><td><div></div></td></tr></table></div>	Likelihood	Impact	<div></div>	<div></div>	Risk Rating	L	Direction	<div></div>	<p>Sri Lanka experienced the 2nd and 3rd wave of the pandemic in 2021, leading to periodic lockdowns and surges in infections. However, businesses in general demonstrated strong adaptability to COVID led disruptions, compared to the first wave of infections in 2020</p>	<ul style="list-style-type: none">➤ Escalating health and safety risks of employees and customers➤ Impact on HP collections given difficulties in maintaining customer engagement➤ Sales loss in areas affected by lockdowns	<ul style="list-style-type: none">➤ Increasing focus on e-commerce platform to drive customer penetration➤ Facilitated remote working options for employees➤ Comprehensive safety and hygiene measures across our network including provision of transport➤ Ongoing awareness programs on health and safety	<p>Human Capital</p> <p>Social & Relationship Capital</p> <p>MWB#5: Create world-class talent management</p> <p>MWB#7: Drive Operational Efficiencies</p>
Likelihood	Impact											
<div></div>	<div></div>											
Risk Rating	L											
Direction	<div></div>											
<div>Employee morale and motivation</div> <div><table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td><div></div></td><td><div></div></td></tr><tr><td>Risk Rating</td><td>H</td></tr><tr><td>Direction</td><td><div></div></td></tr></table></div>	Likelihood	Impact	<div></div>	<div></div>	Risk Rating	H	Direction	<div></div>	<p>The prevalent economic uncertainty and volatility can result in adverse implications on employee morale and motivation. This is further compounded by the high-inflationary environment, shortages in fuel and essential items and social unrest among others.</p>	<ul style="list-style-type: none">➤ Potentially adverse implications on employee performance➤ Implications on financial security given the sharp rise in inflations➤ Increased likelihood of pursuing career opportunities abroad leading to high turnover, particularly among the young workforce	<ul style="list-style-type: none">➤ Proactive engagement with employees providing clarity on the Group's future plans➤ Focus on mental well-being through motivational programmes➤ Market adjustment of remuneration	<p>Human Capital</p> <p>Financial Capital</p> <p>MWB#5: Create world-class talent management</p>
Likelihood	Impact											
<div></div>	<div></div>											
Risk Rating	H											
Direction	<div></div>											


Risk	Developments in 2021/22	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
IT systems and infrastructure risk <table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td></td><td></td></tr><tr><td>Risk Rating</td><td>H</td></tr><tr><td>Direction</td><td></td></tr></table>	Likelihood	Impact			Risk Rating	H	Direction		Following the unprecedented shift to digital platforms for both employee and customer related processes, in the aftermath of COVID-19 has exposed organisations to elevated IT risks	<ul style="list-style-type: none">➤ Financial loss arising from cyberattacks and vulnerabilities➤ Potential loss of customer and confidential data can adversely impact reputation➤ Breakdown of systems could affect continuity of operations	<ul style="list-style-type: none">➤ Establishment of robust IT risk management governance structures, policies and procedures➤ Investments in advanced cybersecurity software and infrastructure➤ Ongoing employee awareness sessions on mitigating cybersecurity risks➤ Regular vulnerability and penetration testing	Financial Capital Intellectual Capital MWB#2: Digitalisation and big data as opportunities
Likelihood	Impact											
												
Risk Rating	H											
Direction												
Climate change and environmental related risks <table><tr><th>Likelihood</th><th>Impact</th></tr><tr><td></td><td></td></tr><tr><td>Risk Rating</td><td>H</td></tr><tr><td>Direction</td><td></td></tr></table>	Likelihood	Impact			Risk Rating	H	Direction		Implications of climate change and failure to act on it, is frequently ranked among the top risks facing organisations today. The intensifying implications of climate change have been demonstrated through erratic weather, natural disasters and a consistent increase in temperature levels	<ul style="list-style-type: none">➤ Adverse implications on the income of agriculture sector employees, who are a key customer segment could have a significant impact on the Group's performance and growth➤ Direct implication on the agricultural equipment business line➤ Increasing environmental consciousness of customers and preference for sustainability sourced, designed and manufactured products	<ul style="list-style-type: none">➤ Proactive monitoring of the country's crop volumes, quality and pricing to gauge potential impact on Revenue➤ Partnerships with global leaders in consumer electronics, who have made substantial progress in their sustainability journeys has enabled the Group to introduce these products to the Sri Lankan consumer	Financial Capital Natural Capital
Likelihood	Impact											
												
Risk Rating	H											
Direction												

E - Extreme

H - High

 High

 Medium

 Low

THE FUTURE THROUGH NURTURE

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FINANCIAL CALENDAR

Financial Calendar - 2021/22

Annual Report 2020/21 Approved	17th May 2021
Forty-Sixth Annual General Meeting	28th June 2021

Interim Financial Statements in Terms of Rule 7.4 of the Colombo Stock Exchange

For the three months ended 30th June 2021 (Unaudited)	11th August 2021
For the six months ended 30th September 2021 (Unaudited)	11th November 2021
For the nine months ended 31st December 2021 (Unaudited)	14th February 2022
For the twelve months ended 31st March 2022 (Unaudited)	13th May 2022

Annual Report and Annual General Meeting

Annual Report 2021/22 Approved	13th May 2022
Forty-Seventh Annual General Meeting	29th June 2022

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Singer (Sri Lanka) PLC has pleasure in presenting their Report on the Affairs of the Company together with the Audited Financial Statements of Singer (Sri Lanka) PLC and the Audited Consolidated Financial Statements of the Group for the 12 months ended 31st March 2022.

Review of the year

Chairman's statement, (pages 12 and 13), and the Group Chief Executive Officer's Review, (pages 14 to 16) describe the Company's affairs and the Group's business. Financial results of the Company/Group are elaborated on pages 46 to 50. These reports together with the Audited Financial Statements reflect the state of affairs of the Company/Group.

Principal activities

The Company is engaged in Retail and Wholesale Marketing, Financing, Assembling and Manufacturing and in Financial Services. The Company markets Consumer Electronics, Home Appliances, Mobile and Smartphones, Personal Computers, Laptops, Furniture, Domestic and Industrial Sewing Machines, Agriculture Equipment, and provides Financing through Hire Purchase. In addition, the Company manufactures and sells Furniture, Water Pumps and assembles and sells Motor Cycles and Two Wheel Tractors. The Company also acts as a Bill Collection Agent for Banks, Mobile Service Providers, National Water Supply and Drainage Board, Ceylon Electricity Board and is also a sub-agent for Western Union.

Future developments

Future developments of the Company are given under Way Forward on pages 46 to 57.

Environmental protection

Steps taken by the Company to ensure environmental protections given under natural capital on pages 84 to 91.

Risks

Information pertaining to material foreseeable risks are given under Risk Management on pages 116 to 119.

Independent Auditors' report

The Independent Auditors' report on the Financial Statements is given on pages 130 to 133 in this Annual Report.

Financial statements

The Financial Statements for the 12 months ended 31st March 2022 are in accordance with the Sri Lanka Accounting Standards, SLFRSs/LKASs, issued by The Institute of Chartered Accountants of Sri Lanka and the requirements of Section 151 (and Section 153 for consolidated entity) of the Companies Act No. 07 of 2007.

The Financial Statements duly signed by the Directors are provided on pages 134 to 231 in this Annual Report.

Accounting policies

The accounting policies adopted in preparation of the Financial Statements are provided in detail in the Notes to the Financial Statements on pages 141 to 163. The Company/Group has consistently applied the accounting policies as set out in Note 2 to all periods presented in these Consolidated Financial Statements.

Turnover

A detailed break-down of turnover is given in note 3 of the financial statements on page 164.

Property, plant and equipment

During the financial year, the Company and the Group invested a sum of Rs. 769,355,876/- (2020/21 – Rs. 570,638,447/-) and Rs. 600,195,814/- (2020/21 – Rs. 428,492,040/-) in property, plant and equipment.

Details of property, plant and equipment and intangible assets and their movements are given in Notes 11 and 12 to the Financial Statements respectively. Details of freehold land and buildings are given in Note 11.17 and 11.18 to the Financial Statements.

Market value of properties

The freehold property of the Company/Group is revalued by an Independent Qualified Valuer when there is a substantial difference between the fair value and the carrying amount of the freehold property. Company/Group reviews its assets once in each reporting date.

The most recent valuation was carried out as at 31st March 2022. The details of the valuation are given in Note 11.5 to the Financial Statements on pages 174 to 175 in this Annual Report.

Directors' responsibilities

The Statement of the Directors' Responsibilities is given on page 129.

Corporate governance

The Company has complied with Corporate Governance Rules laid down by The Institute of Chartered Accountants of Sri Lanka, and Listing Rules of the Colombo Stock Exchange. The Corporate Governance Section on pages 103 to 111 describes the good Corporate Governance Principles adopted by the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Profit and appropriations

For the Year ended 31st March	2022 Rs.	2021 Rs.
Group Profit Before Tax for the Twelve Months Ended 31st March after Deducting all Expenses, Providing for Known Liabilities and Depreciation Amounts to	5,535,560,393	3,818,006,917
From this has to be deducted the Income Tax Expenses	(1,425,768,941)	(1,210,485,477)
Non-controlling Interest	(224,987,3032)	(185,096,999)
Making a Profit for the Period	3,884,804,150	2,422,424,441
Total Other Comprehensive Income	(57,051,784)	3,691,744
Total Other Comprehensive Income – Non-controlling Interest	73,344,096	29,584,161
To this has to be added a Balance Brought Forward from the Previous Year	3,434,779,611	1,967,856,219
Interim Dividend for the Period - Gross - Rs. 0.30, Rs. 0.35 and Rs. 0.20 per Share (2020/21 – Rs. 0.80, Rs. 0.20 and Rs. 0.30 per share)	(957,853,517)	(713,694,777)
Adjustment due to Realisation on Revaluation Surplus	27,005,155	23,030,169
Leaving a Total Available for Appropriation	6,405,027,701	3,732,891,957
Transfer to Reserve Fund	(24,823,867)	(16,390,723)
Final Dividend Approved 2021/22 – Rs. 0.20 (2020/21 – Rs. 0.25)	(225,377,298)	(281,721,623)
Making a total Appropriation of	(250,201,165)	(298,112,346)
Leaving a balance on Group Basis to be Carried Forward of	6,154,826,545	3,434,779,611
The Balance to be Carried Forward on Company Only Basis will be	2,994,566,487	295,913,176

Dividends

In terms of Article 7 of the Articles of Association of the Company, first interim dividend of Rs. 0.30 per share was paid on 18th October 2021, second interim dividend of Rs. 0.35 per share was paid on 25th January 2022 and third interim dividend of Rs. 0.20 per share was paid on 09th May 2022 for the year ended 31st March 2022. The Board signed Certificates of Solvency stating that the Company would satisfy the Solvency Test immediately after the said distributions are made in accordance with Section 57 of the Companies Act No. 07 of 2007. The Board of Directors obtained Certificates of Solvency from the Auditors prior to the date of dispatch of the dividend payments.

Further, in terms of Article 7 of the Articles of Association of the Company, final dividend of Rs. 0.20 per share has been declared by the Directors for the financial year ended 31st March 2022, for payment on 07th June 2022. The Board has reasonable grounds for believing that the Company would satisfy the Solvency Test immediately after the distribution is made and accordingly, the Board of Directors has signed the Certificate of Solvency in accordance with Section 57 of the Companies Act No. 07 of 2007.

The Board of Directors will obtain a Certificate of Solvency from the Auditors prior to the date of dispatch of the dividend payment.

Reserves (excluding non-controlling interest)

Group reserves and retained equity as at 31st March 2022 amounted to Rs. 10,943 million vs Rs. 7,854 million as at 31st March 2021.

The break-up and movement are shown in the Statement of Changes in Equity in the Financial Statements.

Stated capital

As per the terms of the Companies Act No. 07 of 2007, the Stated Capital of the Company was Rs. 626,048,050/- as at 31st March 2022 comprising 1,126,886,490 ordinary shares and was unchanged during the year. Details are given in Note 21 to the Financial Statements on page 198.

Commitments and contingencies

Commitments and Contingent Liabilities of the Group are disclosed in the Note 37 to the Financial Statements.

Events after the reporting period

At the Board Meeting held on 13th May 2022, the Directors have declared final dividend of Rs. 0.20 per share to be paid to the shareholders on 07th June 2022.

No circumstances have arisen since the reporting date, which would require adjustment or disclosure except for the details given in Note 38 to the Financial Statements on page 226.

Statutory payments

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 129.

Board of Directors and Board Sub-Committees

The following Directors served on the Board of the Company during the period under review:

Executive

Mr. Mohan Pandithage - Chairman

Mr. Mahesh Wijewardene - Group CEO

Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene)

Non-Executive

Mr. Dhammika Perera

Mr. Sarath Ganegoda

Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera)

Independent Non-Executive Directors

Mr. Deepal Sooriyaarachchi

Mr. Dumith Fernando

Mr. Hisham Jamaldeen

Mr. Dilip De S. Wijeyeratne

Ms. Gayani de Alwis

Brief profiles of the Directors are shown on pages 94 to 99.

In accordance with Rule 7.10.2 (b) of the Colombo Stock Exchange (CSE) Listing Rules, Independent Directors have submitted a signed and dated declaration as per the specimen given in Appendix 7A of continuing Listing Rules of CSE.

Mr. Ramesh Chitrasiri was appointed as the Alternate Director to Mr. Sarath Ganegoda and Mr. Kapila Perera was appointed as the Alternate Director to Mr. Hisham Jamaldeen with effect from 20th April 2022.

In terms of Article 24 (4) of the Articles of Association of the Company, Mr. Dilip De S. Wijeyeratne retires by rotation and being eligible offers himself for re-election and the shareholders will be requested to re-elect him at the forthcoming Annual General Meeting.

In terms of Article 24 (4) of the Article of Association of the Company, Mr. Deepal Sooriyaarachchi retires by rotation and being eligible offers himself for re-election and the shareholders will be requested to re-elect him at the forthcoming Annual General Meeting.

Notice has been given pursuant to Section 211 of the Companies Act No. 07 of 2007 of the intention to propose an ordinary resolution for the re-appointment of Mr. Mohan Pandithage notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

Audit Committee

The following Directors comprise the Audit Committee of the Board:

- Mr. Dilip De S. Wijeyeratne - Chairman
- Mr. Deepal Sooriyaarachchi
- Mr. Hisham Jamaldeen

The Report of the Audit Committee on page 112 sets out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

Remuneration Committee

The following Directors comprise the Remuneration Committee of the Board:

- Mr. Hisham Jamaldeen - Chairman
- Mr. Deepal Sooriyaarachchi
- Mr. Dilip De S. Wijeyeratne

The Report of the Remuneration Committee on page 113 contains a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive and Non-Executive Directors during the year under review are given in Note 8 to the Financial Statements on page 167.

Board Nomination Committee

The following Directors comprise the Nomination Committee of the Board:

- Mr. Mohan Pandithage - Chairman
- Mr. Dhammika Perera
- Mr. Hisham Jamaldeen

The Report of the Board Nomination Committee on page 114 sets out the manner of compliance by the Company in accordance with the requirements of the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

Related Party Transactions Review Committee

The following Directors comprise the Related Party Transactions Review Committee of the Board:

- Mr. Deepal Sooriyaarachchi - Chairman
- Mr. Dilip De S. Wijeyeratne
- Mr. Mahesh Wijewardene

The Board of Directors has given the following statement in respect of the Related Party transactions.

The Related Party Transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee of the Company and are in compliance with Section 9 of the CSE Listing Rules.

The Report of the Board-Related Party Transactions Review Committee on page 115 sets out the manner of compliance by the Company.

Details of related party transactions are given in pages 227 to 230.

Directors' indemnity and insurance

The parent Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.

Directors' interests and interest register

The Company, in compliance with the Companies Act No. 07 of 2007, maintains an Interests Register. There were no share transactions by the Directors during the financial year in the Company and the Subsidiaries.

Directors' remuneration

Executive Directors remuneration is structured within an established framework by the Board's Remuneration Committee to whom this task has been entrusted. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The total remuneration of the Executive Directors for the year ended 31st March 2022 is given in Note 8 and 39.3 includes the value of perquisites granted to them as part of their terms of service.

The total Directors fees of Non-Executive Directors for the reporting year ended 31st March 2022 is given in Note 8 is determined according to the scales of payment decided upon by the Board. The Board is satisfied that the payment of remuneration is fair to the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Directors' interest in shares

The following transactions of shares of the Directors/Alternate Directors of the respective companies were reported during the reporting period.

Singer (Sri Lanka) PLC

	Shareholding 31st March 2022 Number of shares	Shareholding 01st April 2021 Number of shares
Mr. Mohan Pandithage	NIL	NIL
Mr. Dhammika Perera	20,807,739	20,807,739
Mr. Mahesh Wijewardene (Group CEO)	NIL	NIL
Mr. Deepal Sooriyaarachchi	NIL	NIL
Mr. Dumith Fernando	NIL	NIL
Mr. Hisham Jamaldeen	NIL	NIL
Mr. Sarath Ganegoda	NIL	NIL
Mr. Dilip De S. Wijeyeratne	NIL	NIL
Ms. Gayani de Alwis	NIL	NIL
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene)	NIL	NIL
Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera)	NIL	NIL
Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen - appointed on 20.04.2022)	3,000	3,000
Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20.04.2022)	NIL	NIL

Subsidiaries

As at 31st March 2022	Shareholding of Singer Finance (Lanka) PLC Number of shares	Shareholding of Singer Industries (Ceylon) PLC Number of shares	Shareholding of Regnis (Lanka) PLC Number of shares
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Common Directors of the Singer Group Companies

Mr. Mohan Pandithage	NIL	NIL	NIL
Mr. Dhammika Perera	NIL	NIL	NIL
Mr. Mahesh Wijewardene (Group CEO)	NIL	NIL	NIL
Mr. Deepal Sooriyaarachchi	NIL	NIL	NIL
Mr. Dumith Fernando	NIL	NIL	NIL
Mr. Hisham Jamaldeen	NIL	NIL	NIL
Mr. Sarath Ganegoda	NIL	NIL	NIL
Mr. Dilip De S. Wijeyeratne	NIL	NIL	NIL
Ms. Gayani de Alwis	NIL	NIL	NIL
Mr. Sujeewa Perera (Alternate)	NIL	NIL	NIL
Ms. Kawshi Amarasinghe (Alternate)	NIL	NIL	NIL
Mr. Kapila Perera (Alternate) - appointed on 20th April 2022	17,900	NIL	NIL
Mr. Ramesh Chitrasiri (Alternate) - appointed on 20th April 2022	NIL	NIL	NIL

Directors of Singer Finance (Lanka) PLC

Mr. Aravinda Perera	NIL	NIL	NIL
Mr. Priyath Salgado- resigned with effect from 07th August 2021	12,224	NIL	NIL
Mr. Thushan Amarasuriya (CEO)	50,155	NIL	NIL
Mr. Jayanth Perera	NIL	NIL	1,600
Ms. Darshini Talpawewa	NIL	NIL	NIL
Mr. Sadeep Perera	NIL	NIL	NIL
Mr. Ranil De Silva	NIL	NIL	NIL
Mr. Saman Herath - appointed on 02nd September 2021	NIL	NIL	NIL

Directors of Singer Industries (Ceylon) PLC/Regnis (Lanka) PLC

Mr. Gamini Gunaratne	NIL	NIL	NIL
Mr. Noel Joseph	NIL	NIL	NIL
Mr. Kelum Kospelawatte	13,699	1,040	NIL
Mr. Mohamed Irzan (Alternate)	NIL	NIL	NIL
Mr. Roshan Kulasuriya (Alternate) - appointed on 20th April 2022	NIL	170	NIL
Mr. Shanil Perera (Alternate) - appointed on 20th April 2022	NIL	NIL	NIL

Debentures

There were no debentures held by the Directors of the Company.

Subsidiaries

The names of the Directors who held office during the year ended 31st March 2022 in respect of the subsidiaries are given below:

Singer Finance (Lanka) PLC

Mr. Aravinda Perera – Chairman
 Mr. Priyath Salgado (resigned with effect from 07th August 2021)
 Mr. Thushan Amarasuriya (CEO)
 Mr. Jayanth Perera
 Mr. Mahesh Wijewardene - Group CEO
 Ms. Darshini Talpahewa
 Mr. Sadeep Perera
 Mr. Ranil De Silva
 Mr. Saman Herath (appointed on 02nd September 2021)

Singer Industries (Ceylon) PLC

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene – Group CEO
 Mr. Hisham Jamaldeen
 Mr. Noel Joseph
 Mr. Gamini Gunaratne
 Mr. Sarath Ganegoda
 Mr. Dilip De S. Wijeyeratne
 Mr. Kelum Kospelawatte

Regnis (Lanka) PLC

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene – Group CEO
 Mr. Hisham Jamaldeen
 Mr. Noel Joseph
 Mr. Gamini Gunaratne
 Mr. Sarath Ganegoda
 Mr. Dilip De S. Wijeyeratne
 Mr. Kelum Kospelawatte
 Mr. Mohamed Irzan (Alternate Director to Mr. Kelum Kospelawatte)

Regnis Appliances (Private) Limited

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Sarath Ganegoda
 Mr. Kelum Kospelawatte
 Mr. Malin Fernando

Singer Digital Media (Private) Limited

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Sarath Ganegoda
 Mr. Jagath Perera

Reality Lanka Limited

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Sarath Ganegoda

Singer Business School (Private) Limited

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Sarath Ganegoda

Domus Lanka (Private) Limited

Mr. Mohan Pandithage – Chairman
 Mr. Mahesh Wijewardene - Group CEO

Issue of listed debentures

The company has not issued any debentures during the year ended 31st March 2022.

The company has issued 12% three years debentures of Rs. 656.8 million at fixed rate during the year 2018.

Share information and substantial shareholdings

The distribution of shareholdings, public holding percentage, market value of shares, 20 largest shareholders and record of scrip issues are given on pages 244 to 247.

Earnings per share, dividends per share, dividend pay-out, net assets value per share and market value per share are given in the Highlights on page 7 of this Annual Report and prior year figures are adjusted in line with the subdivision.

Employment

The number of persons employed by the Group and the Company as at 31st March 2022 was 3,154 (2021 – 3,037) and 1,927 (2021 – 1,914), respectively.

Material issues pertaining to employees and industrial relations

Details relating to material issues pertaining to employees and industrial relations are given in on page 61.

Corporate governance Directors' declarations

The Directors declare that having considered all information and explanations made available to them that –

- the Company complied with all applicable laws and regulations in conducting its business;
- they have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested;
- the Company has made all endeavours to ensure the equitable treatment of shareholders;
- the business is a going concern with supporting assumptions or qualifications as necessary; and
- they have conducted a review of internal controls covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.

The Corporate Governance Report is given under the governance section of this Annual Report.

Donations (for approved and non-approved charities/organisations)

During the year, donations amounting to Rs. 763,904/- (2020/21 – Rs. 3,270,886/-) were made by the Group and donations made by the Company was Rs Nil (2020/21 – Rs. 2,230,942/-). Donations made by the Group and Company are given in Note 8.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Transfer to the second Board

Due to the Non-compliance with minimum public holding requirement in terms of Rule 7.14.1 of the CSE Listing Rules, the Company has been transferred to the Second Board with effect from 10th February 2020.

Consequent to the current Stock Market conditions and world economic downturn, rectification of the public holding is not foreseeable in the near future. However, the Board of Directors continuously evaluate the position and will endeavour to take remedial action.

Auditors

The Financial Statements for the period under review were audited by Messrs KPMG, Chartered Accountants who offer themselves for re-appointment for the ensuing year. A resolution for the re-appointment of the Auditors for the year 2022/23 and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

The Audit Committee reviews the appointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit and non-audit fees paid to the Auditors. Details on the work of the Audit Committee are set out in the Audit Committee Report.

The audit and non-audit fees paid to the Auditors by the Company and Group are disclosed in Note 8 on page 167 in this Annual Report.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company or its subsidiaries. The Auditors have confirmed that they do not have any relationship (other than that of Auditors) with or interest in the Company or any of its subsidiaries other than those disclosed above.

Notice of meeting

The Forty-Seventh Annual General Meeting will be held via an online meeting platform on 29th June 2022 at 12.15 pm.

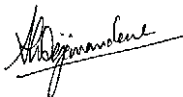
The Notice of the Annual General Meeting to the shareholders is given on page 308.

For and on behalf of the Board,



Mohan Pandithage

Chairman



Mahesh Wijewardene

Director/Group Chief Executive Officer



Hayleys Group Services (Private) Limited

Company Secretaries for
Singer (Sri Lanka) PLC

Colombo
13th May 2022

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under Sections 150 (1), 151, 152 (1), and 153 of the Companies Act No. 07 of 2007 ('the Companies Act'), to ensure compliance with the requirements set out therein and to prepare Financial Statements for the 12 months financial period ended 31st March 2022 giving a true and fair view of the state of affairs of the Company and the Group and of the profit of the Company and the Group for the said financial period.

The Directors are also responsible, under Section 148 of the Companies Act, for ensuring that proper accounting records are kept to enable determination of financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected.

The Directors confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs), the Companies Act and the Listing Rules of the Colombo Stock Exchange. Further, the Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the Company, key operations and specific inquiries, that adequate resources exist to support the Company and the Group on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Company and the Group and, in that context, have instituted appropriate systems of internal control and accounting records to prevent and detect fraud and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Board of Directors declared three interim Dividends for the 12 month period ended 31st March 2022 and paid on 18th October 2021, 25th January 2022 and 09th May 2022 in terms of the Articles of Association of the Company and in line with Section 56 of the Companies Act. The solvency test was satisfied immediately after such distributions in accordance with Section 57 of the Companies Act.

The Board of Directors has further declared final dividend for the 12 months period ended 31st March 2022 payable on 07th June 2022 in terms of the Articles of Association of the Company and in line with Section 56 of the Companies Act and being satisfied based on the information available to it, that the Company would satisfy the solvency test immediately after such distribution in accordance with Section 57 of the Companies Act. The Board of Directors have sought a certificate of solvency from the Auditors prior to the date of dispatch of the dividend payment.

The External Auditors, Messrs KPMG, Chartered Accountants were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Independent Auditor's Report, shown on pages 130 to 133 sets out their responsibilities in relation to the financial statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its subsidiaries as at the balance sheet date have been paid or where relevant, provided for.

By Order of the Board,



Hayleys Group Services (Private) Limited
Company Secretaries
for Singer (Sri Lanka) PLC

Colombo
13th May 2022

INDEPENDENT AUDITOR'S REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF SINGER (SRI LANKA) PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singer (Sri Lanka) PLC (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the statement of financial position as at 31st March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes set out on pages from 134 to 231.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2022, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka ("Code of Ethics"), and we have fulfilled

our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

01. Allowance for Expected Credit Losses - Trade and Other Receivables, Loans and Advances, Finance Lease Receivables and Hire Purchase Debtors

Risk Description

Refer to note 2.4.5 (accounting policy) and note 18.3 to these Financial Statements.

The Group has recognized allowance for expected credit losses relating to Trade Receivables of Rs. 1,134 million (Company Rs. 1,016 million), Hire Purchase debtors of Rs. 180 million (Company Rs. 175 million), Other Receivables Rs. 1,735 million (Company Rs. 1,734 million), Loans and Advances and Lease Rental Receivables amounting to Rs. 1,508 million (Company - Nil)

Allowance for expected credit losses represent management's best estimate of the losses expected within receivables as at the reporting date. They are calculated for specific assets and on a collective basis for portfolios of receivables of a similar nature.

The calculation of allowance for expected credit losses is inherently judgemental for any institution and the Group use subjective assumptions/ judgements made to determine the classification category (e.g. business model and SPPI assessment), and ECL modelling (e. g. macro-economic inputs) as per the requirements of SLFRS 09.

With respect of Singer Finance (Lanka) PLC, a subsidiary, the determination of allowance for expected credit losses using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, macroeconomic forecasts, exposures at default and discount rate, adjustments for forward looking information and other adjustment factors. In particular, the determination of the loss allowances is heavily dependent on the external macro environment and the Companies internal credit risk management strategy.

Given the level of significant management judgment involved in the estimates and the subjective nature of such judgments involved, Allowance for expected credit losses of Trade Receivables, Loans and Advances, Finance Lease Receivables and Hire Purchase Debtors is considered as a key audit matter.

Our response

Our audit procedures included:

- Challenging the appropriateness of the selection of accounting policies based on the requirements of the SLFRS 09, our business understanding and industry practice.
- Evaluating the appropriateness of the management approach over the application and use of practical expedients applied for SLFRS 9.
- Assessing management's processes, systems and controls implemented over impairment assessment.
- Identifying and testing the relevant key controls and evaluating the completeness, accuracy and relevance of data used.
- Involving our IT specialists to assess the logics and compilation of the overdue information of loans and advances, finance lease receivables and hire purchases.
- Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry and assessing whether the macro economic factors have been used with the latest available information to ensure that the latest economic forecasts have been used.
- Evaluating and testing the mathematical accuracy of models applied and post- model adjustments.
- Assessing the adequacy, completeness, accuracy and relevance of the disclosures made in the financial statements.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

P.Y.S. Perera FCA
W.J.C. Perera FCA
W.K.D.C. Abeyrathne FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K.Sumanasekara FCA

C.P. Jayathilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA

T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara FCA
G.A.U. Karunaratna FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, W. A. A. Weerasekara CFA, ACMA, MRICS



02. Carrying Value of Inventory

Risk Description	Our response
<p>Refer to note 2.5 (accounting policy) and note 16 to these Financial Statements.</p> <p>The Group has recognized a total inventory provision of Rs. 1,326 million (Company - Rs. 1,235 million) in arriving at a total inventory value of Rs. 23,022 million (Company - Rs. 20,525 million)</p> <p>The Group has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into obsolete and slow moving and which should be therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realisable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Obtaining and understanding an assessing the design, implementation and operating effectiveness of management's key internal controls over the provision computations and to ensure the accuracy of the inventory provision Challenging the management with regard to the calculation methodology, the basis for provision and the process with respect to inventory provision. Attending stock counts as at the year-end. In addition, assessing the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, and expired stocks that are written off in a timely manner and evaluating the results of the other counts performed by the management throughout the period to assess the existence of inventory Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation. Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date where available and with the latest prices prior to the business interruption and checked whether there were any considerably low margin products which would potentially have an effect of the net realizable value. Evaluating the appropriateness of the assumptions used in management assessment of provision for slow moving inventory to ensure that management assessment is adequate based on our knowledge and information of the client and the industry.

03. Contingent Liability on Deemed VAT Assessment

Risk Description	Our response
<p>Refer to note 37.4 in these Financial Statements.</p> <p>The Group has tax assessments which requires disclosures in the financial statements. The Assessment Notice received by Singer (Sri Lanka) PLC, relating to deemed VAT is significant.</p> <p>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.</p> <p>After carefully reviewing the advice of tax consultants management, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT and accordingly the Company has decided to appeal to the Tax Appeal Commission against the determination. Hence, no provision has been made in the Financial Statements.</p> <p>The outcome of the deemed VAT assessment is uncertain and it requires the management to make significant judgments and estimates in relation to the likely outcome of these tax issues and exposures.</p> <p>Given the significant value relating to the Deemed VAT assessment and judgemental nature of this contingent liability, this is considered to be a key audit matter.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> Discussions with management and those who charged with governance to understand the nature and status of tax assessment and to understand the latest updates with respect of the matter. Inspecting correspondence provided by the management, with tax consultants and lawyer's opinions obtained by the management in assessing the likelihood of outflow of resources have become probable. Assessing the adequacy and appropriateness of the Group's disclosure on deemed VAT assessment in accordance with applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT



04. Revaluation of the Land and Buildings

Risk Description	Our response
<p>Refer to Note 2.3 (accounting policy) and Note 11.1 and 11.5.1 to these financial statements.</p> <p>The Group has recorded Land and Building carried at fair value, classified as Property, Plant and Equipment amounted to Rs 640 million as at the 31 March 2022.</p> <p>Management's assessment of fair value of these land and buildings was determined on valuations performed by a qualified independent property valuer in accordance with recognised industry standards.</p> <p>Estimating the fair value is a complex process which involves a significant degree of judgement and estimates in respect of per perch price of the land, capitalization rates, value per square feet, diversity of locations and nature of the properties.</p> <p>We identified assessing the valuation of land and building and owned by the Group as a key audit matter because of the complexity of the valuation, significant judgement and estimation.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> Assessing appropriateness of the key assumptions used against externally published market comparable or industry data where available Assessing the objectivity, independence, competence and qualifications of the external valuer. Assessing the adequacy of the disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our



opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure

and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

13th May 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue	3	76,847,841,969	67,412,239,487	68,652,289,991	54,863,685,740
Cost of Sales		(52,735,992,508)	(47,028,482,865)	(50,090,399,111)	(39,896,592,377)
Direct Interest Cost		(1,920,345,381)	(1,872,404,740)	-	-
Gross Profit		22,191,504,080	18,511,351,882	18,561,890,880	14,967,093,363
Other Income	5	262,196,779	220,853,382	195,629,087	265,401,532
Selling and Administrative Expenses		(13,513,603,407)	(12,429,596,252)	(11,344,160,727)	(10,528,254,382)
Impairment Loss on Trade and Other Receivables	8.1	(702,745,382)	(920,008,346)	(281,361,700)	(459,524,068)
Operating Profit		8,237,352,070	5,382,600,666	7,131,997,540	4,244,716,445
Finance Income	6	170,083,824	863,595,547	134,643,646	639,103,042
Finance Cost	7	(2,490,305,130)	(2,135,702,286)	(2,128,766,174)	(2,174,970,083)
Net Finance Cost		(2,320,221,306)	(1,272,106,739)	(1,994,122,528)	(1,535,867,041)
VAT/DRL/NBT on Financial Services		(381,570,371)	(292,487,010)	(94,000,000)	(79,800,000)
Profit Before Tax	8	5,535,560,393	3,818,006,917	5,043,875,012	2,629,049,404
Tax Expense	9	(1,425,768,941)	(1,210,485,477)	(1,135,233,806)	(879,873,665)
Profit for the Year		4,109,791,452	2,607,521,440	3,908,641,206	1,749,175,739
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss					
Revaluation Gain on Land and Buildings	11.5.1/ 11.13.1	640,110,819	-	181,134,961	-
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	(2,089,975)	7,928,407	(2,089,975)	7,928,407
Actuarial Gain / (Loss) on Employee Benefit Obligations	27.4	(77,032,150)	3,705,948	(57,319,102)	4,187,734
Related Taxes					
Tax on Other Comprehensive Income	9.4	(116,768,350)	190,836,059	(29,217,213)	41,514,595
Other Comprehensive Income for the Year, Net of Tax		444,220,344	202,470,414	92,508,671	53,630,736
Total Comprehensive Income for the Year, Net of Tax		4,554,011,796	2,809,991,854	4,001,149,877	1,802,806,475
Profit Attributable to:					
Owners of the Company		3,958,148,246	2,452,008,602	3,908,641,206	1,749,175,739
Non-Controlling Interests		151,643,206	155,512,838	-	-
		4,109,791,452	2,607,521,440	3,908,641,206	1,749,175,739
Total Comprehensive Income Attributable to:					
Owners of the Company		4,329,024,493	2,624,894,855	4,001,149,877	1,802,806,475
Non-Controlling Interests		224,987,303	185,096,999	-	-
		4,554,011,796	2,809,991,854	4,001,149,877	1,802,806,475
Earnings per Share - Basic - (Rs.)	10.3	3.51	2.18	3.47	1.55
Dividend per Share (Rs.)	33	-	-	1.10	0.63

Figures in brackets indicate deductions

The Notes on pages 142 through 231 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Group		Company	
		2022	2021	2022	2021
		Rs.	Rs.	Rs.	Rs.
Assets					
Property, Plant and Equipment	11.3/11.11	7,521,443,570	6,805,750,329	3,807,242,852	3,578,265,826
Right-of-Use Assets	11.20.1	4,807,413,317	4,433,002,835	4,148,095,437	3,863,148,390
Intangible Assets	12	548,839,357	315,021,891	422,365,752	222,618,380
Investment in Subsidiaries	13	-	-	2,968,023,473	2,968,023,473
Other Non - Current Assets	14	59,315,322	60,616,572	-	-
Other Investments	15.1	22,899,732	24,989,707	22,858,432	24,948,407
Trade and Other Receivables	18.1	12,182,087,589	11,861,154,395	695,447,739	802,806,286
Deferred Tax Assets	26.1	1,269,800,660	873,745,505	1,125,639,261	832,572,959
Non-Current Assets		26,411,799,547	24,374,281,234	13,189,672,946	12,292,383,721
Inventories	16	23,022,191,838	18,180,683,426	20,524,780,808	16,150,896,747
Loans Due From Related Parties	17	-	-	110,000,000	-
Income Tax Receivables	31.1	45,144,694	17,118,814	-	-
Trade and Other Receivables	18.2	35,284,564,275	23,977,624,102	18,356,963,542	12,965,213,666
Amounts Due from Related Parties	19	24,156,695	10,820,197	198,611,049	38,813,530
Deposits with Banks		177,449,769	60,934,828	-	-
Short Term Investments	15.2	1,412,979,204	813,262,056	-	-
Cash in hand and at bank	20.1	2,972,394,159	1,868,858,699	1,732,552,569	783,541,083
Current Assets		62,938,880,634	44,929,302,122	40,922,907,968	29,938,465,026
Total Assets		89,350,680,181	69,303,583,356	54,112,580,914	42,230,848,747
Equity					
Stated Capital	21	626,048,050	626,048,050	626,048,050	626,048,050
Capital Reserves	22	1,635,091,637	1,232,580,379	1,291,762,073	1,170,907,941
Other Component of Equity		4,437,209	6,025,590	4,437,209	6,025,590
Statutory Reserve	23	223,762,790	198,938,923	-	-
Revenue Reserves	24	9,080,203,844	6,416,501,234	5,919,943,785	3,277,634,799
Total Equity Attributable to Equity Holders of the Company		11,569,543,530	8,480,094,176	7,842,191,117	5,080,616,380
Non - Controlling Interests	40	1,971,081,812	1,778,543,342	-	-
Total Equity		13,540,625,342	10,258,637,518	7,842,191,117	5,080,616,380
Liabilities					
Interest - Bearing Loans and Borrowings	25.1/25.6	12,112,183,301	7,129,286,564	6,500,000,000	3,000,000,000
Lease Liabilities	11.20.2/11.20.3	4,570,730,871	4,307,592,021	3,925,204,784	3,786,997,415
Deferred Tax Liabilities	26.1	468,501,357	376,416,379	-	-
Employee Benefit Obligations	27	1,041,152,483	946,775,019	719,013,509	654,639,183
Security Deposits	28	1,462,347,054	1,366,565,021	1,406,990,989	1,293,744,090
Other Financial Liabilities	35	2,317,847,702	2,091,131,750	-	-
Deferred Revenue	30	110,358,351	107,608,332	110,358,350	107,608,332
Other Non - Current Liabilities	29.1	187,706,310	142,413,444	187,706,310	142,413,444
Non-Current Liabilities		22,270,827,429	16,467,788,530	12,849,273,942	8,985,402,464
Trade and Other Payables	29	19,314,620,753	18,754,805,789	13,765,296,952	13,559,595,188
Deferred Revenue	30	201,549,111	209,074,759	198,212,297	183,469,610
Income Tax Payables	31.1	714,483,305	278,063,443	433,939,510	25,209,018
Dividend Payables	32	81,477,769	132,672,420	67,969,210	58,822,197
Amounts Due to Related Parties	34	1,074,260,057	341,304,021	4,137,893,468	4,259,226,264
Other Financial Liabilities	35	9,828,665,610	8,374,066,041	-	-
Lease Liabilities	11.20.2/11.20.3	912,300,132	686,421,286	854,483,617	624,047,914
Interest - Bearing Loans and Borrowings	25.1/25.6	20,235,742,805	12,085,398,976	13,536,188,716	8,132,720,527
Bank Overdrafts	20.2	1,176,127,868	1,715,350,573	427,132,085	1,321,739,185
Current Liabilities		53,539,227,410	42,577,157,308	33,421,115,855	28,164,829,903
Total Liabilities		75,810,054,839	59,044,945,838	46,270,389,797	37,150,232,367
Total Equity and Liabilities		89,350,680,181	69,303,583,356	54,112,580,914	42,230,848,747

The Notes on pages 142 through 231 form an integral part of these Financial Statements.

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


Ramesh Chitrasiri
Finance Director

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by.


Mohan Pandithage
Chairman


Mahesh Wijewardene
Director/Group Chief Executive Officer

13th May 2022
Colombo

STATEMENT OF CHANGES IN EQUITY

Group		
	Stated Capital	Statutory Reserve
	Rs.	Rs.
Balance at 31st March 2020	626,048,050	182,548,200
Realisation of Revaluation Surplus	-	-
Transferred to/(from) During the year	-	16,390,723
Total Comprehensive Income for the Year		
Profit for the Year	-	-
Other Comprehensive Income		
Actuarial Gain/(Loss) on Employee Benefit Obligations	27.4	-
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	-
Related Taxes		
Deferred Tax on Actuarial Gain/(Loss) on Employee Benefit Obligations	9.4	-
Deferred Tax on Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	9.4	-
Impact of Deferred Tax Rate changed on Revaluation Reserves	9.4	-
Total Other Comprehensive Income for the Year, Net of Tax	-	-
Total Comprehensive Income for the Year, Net of Tax	-	-
Transactions with Owners of the Company, Recognised Directly in Equity		
Distributions to Owners of the Company		
Interim Dividend - 2020/21	33	-
Total Distributions to Owners of the Company	-	-
Balance at 31st March 2021	626,048,050	198,938,923
Realisation of Revaluation Surplus	-	-
Transferred to/(from) During the Year	-	24,823,867
Total Comprehensive Income for the Year		
Profit for the Year	-	-
Other Comprehensive Income		
Revaluation Gain on Land and Buildings	9.4	-
Actuarial Loss on Employee Benefit Obligations	27.4	-
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	-
Related Taxes		
Deferred Tax on Revaluation Gain on Land and Buildings	-	-
Deferred Tax on Actuarial Loss on Employee Benefit Obligations	9.4	-
Deferred Tax on Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	9.4	-
Total Other Comprehensive Income for the Year, Net of Tax	-	-
Total Comprehensive Income for the Year, Net of Tax	-	-
Transactions with Owners of the Company, Recognised Directly in Equity		
Distributions to Owners of the Company		
Final Dividend - 2020/2021	33	-
Interim Dividend - 2021/2022	-	-
Total Distributions to Owners of the Company	-	-
Balance at 31st March 2022	626,048,050	223,762,790

Fair Value of Financial Assets at FVOCI Reserve relates to change in Fair Value of Financial Assets at FVOCI.

Figures in brackets indicate deductions

The Notes on pages 142 through 231 form an integral part of these Financial Statements.

Attributable to Equity Holders of the Company					Non-Controlling Interests	Total
Capital Reserves	Other Component of Equity	Revenue Reserves		Total		
Revaluation Reserves	Fair Value of Financial Assets at FVOCI Reserve	General Reserves	Retained Earnings			
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,092,441,629	-	2,700,000,000	1,967,856,219	6,568,894,098	1,619,012,451	8,187,906,549
(23,030,169)	-	-	23,030,169	-	-	-
-	-	-	(16,390,723)	-	-	-
-	-	-	2,452,008,602	2,452,008,602	155,512,838	2,607,521,440
-	-	-	4,742,799	4,742,799	(1,036,851)	3,705,948
-	7,928,407	-	-	7,928,407	-	7,928,407
-	-	-	(1,051,055)	(1,051,055)	199,939	(851,116)
-	(1,902,817)	-	-	(1,902,817)	-	(1,902,817)
163,168,919	-	-	-	163,168,919	30,421,073	193,589,992
163,168,919	6,025,590	-	3,691,744	172,886,253	29,584,161	202,470,414
163,168,919	6,025,590	-	2,455,700,346	2,624,894,855	185,096,999	2,809,991,854
-	-	-	(713,694,777)	(713,694,777)	(25,566,108)	(739,260,885)
-	-	-	(713,694,777)	(713,694,777)	(25,566,108)	(739,260,885)
1,232,580,379	6,025,590	2,700,000,000	3,716,501,234	8,480,094,176	1,778,543,342	10,258,637,518
(27,005,155)	-	-	27,005,155	-	-	-
-	-	-	(24,823,867)	-	-	-
-	-	-	3,958,148,246	3,958,148,246	151,643,206	4,109,791,452
546,538,500	-	-	-	546,538,500	93,572,319	640,110,819
-	-	-	(73,978,098)	(73,978,098)	(3,054,052)	(77,032,150)
-	(2,089,975)	-	-	(2,089,975)	-	(2,089,975)
(117,022,087)	-	-	-	(117,022,087)	(17,776,231)	(134,798,318)
-	-	-	16,926,314	16,926,314	602,060	17,528,374
-	501,594	-	-	501,594	-	501,594
429,516,413	(1,588,381)	-	(57,051,784)	370,876,248	73,344,096	444,220,344
429,516,413	(1,588,381)	-	3,901,096,462	4,329,024,494	224,987,302	4,554,011,796
-	-	-	(281,721,623)	(281,721,623)	(32,448,832)	(314,170,455)
-	-	-	(957,853,517)	(957,853,517)	-	(957,853,517)
-	-	-	(1,239,575,140)	(1,239,575,140)	(32,448,832)	(1,272,023,972)
1,635,091,637	4,437,209	2,700,000,000	6,380,203,844	11,569,543,530	1,971,081,812	13,540,625,342

STATEMENT OF CHANGES IN EQUITY

Company	Note	Stated Capital	Capital Reserves	Other Component of Equity	Revenue Reserves		Total
			Revaluation Reserves	Fair Value of Financial Assets at FVOCI Reserve	General Reserves	Retained Earnings	
		Rs.	Rs.			Rs.	Rs.
Balance at 31st March 2020		626,048,050	1,142,409,257	-	2,700,000,000	(476,952,625)	3,991,504,682
Realisation of Revaluation Surplus		-	(15,923,784)	-	-	15,923,784	-
Profit for the Year		-	-	-	-	1,749,175,739	1,749,175,739
Other Comprehensive Income							
Actuarial Gain on Employee Benefit Obligations	27.4	-	-	-	-	4,187,734	4,187,734
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	-	-	7,928,407	-	-	7,928,407
Related Taxes							
Deferred Tax on Actuarial Gains on Employee Benefit Obligations	9.4	-	-	-	-	(1,005,056)	(1,005,056)
Deferred Tax on Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	9.4	-	-	(1,902,817)	-	-	(1,902,817)
Impact of Deferred Tax Rate changed on Revaluation Reserves	9.4	-	44,422,468	-	-	-	44,422,468
Total Other Comprehensive Income, Net of Tax		-	44,422,468	6,025,590	-	3,182,678	53,630,736
Total Comprehensive Income for the Year, Net of Tax		-	44,422,468	6,025,590	-	1,752,358,417	1,802,806,475
Transactions with Owners of the Company, Recognised Directly in Equity							
Distributions to Owners of the Company							
Interim Dividend - 2020/21	33	-	-	-	-	(713,694,777)	(713,694,777)
Total Distributions to owners of the Company		-	-	-	-	(713,694,777)	(713,694,777)
Balance at 31st March 2021		626,048,050	1,170,907,941	6,025,590	2,700,000,000	577,634,799	5,080,616,380
Realisation of Revaluation Surplus		-	(16,808,438)	-	-	16,808,438	-
Profit for the Year		-	-	-	-	3,908,641,206	3,908,641,206
Other Comprehensive Income							
Revaluation Gain on Land and Buildings		-	181,134,961	-	-	-	181,134,961
Actuarial Loss on Employee Benefit Obligations	27.4	-	-	-	-	(57,319,102)	(57,319,102)
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	-	-	(2,089,975)	-	-	(2,089,975)
Related Taxes							
Deferred Tax on Revaluation Gain on Land and Buildings	9.4	-	(43,472,391)	-	-	-	(43,472,391)
Deferred Tax on Actuarial Loss on Employee Benefit Obligations	9.4	-	-	-	-	13,753,584	13,753,584
Deferred Tax on Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	9.4	-	-	501,594	-	-	501,594
Total Other Comprehensive Income, Net of Tax		-	137,662,570	(1,588,381)	-	(43,565,518)	92,508,671
Total Comprehensive Income for the Year, Net of Tax		-	137,662,570	(1,588,381)	-	3,865,075,688	4,001,149,877
Transactions with Owners of the Company, Recognised Directly in Equity							
Distributions to Owners of the Company							
Final Dividend - 2020/2021	33	-	-	-	-	(281,721,623)	(281,721,623)
Interim Dividend - 2021/2022		-	-	-	-	(957,853,517)	(957,853,517)
Total Distributions to Owners of the Company		-	-	-	-	(1,239,575,140)	(1,239,575,140)
Balance at 31st March 2022		626,048,050	1,291,762,073	4,437,209	2,700,000,000	3,219,943,785	7,842,191,117

Fair Value of Financial Assets at FVOCI Reserve relates to change in Fair Value of Financial Assets at FVOCI.

Figures in brackets indicate deductions

The Notes on pages 142 through 231 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit Before Tax Expense		5,535,560,393	3,818,006,917	5,043,875,012	2,629,049,404
Adjustments for:					
Depreciation of Property, Plant and Equipment	11.8/ 11.16	737,804,421	650,524,040	548,853,749	478,836,281
Amortisation of Intangible Assets	12.8	46,869,927	24,602,066	29,306,263	13,638,253
Amortisation of Leasehold Rights	14	1,301,250	1,301,250	-	-
Depreciation of Right- of - Use Assets	11.20.1	1,039,127,827	891,876,312	932,864,165	802,800,751
(Gain)/Loss on Disposal of Property, Plant and Equipment	8	(758,595)	1,311,561	(758,595)	283,286
Changing Fair Value of Derivative Assets	35.2	-	27,087,623	-	27,087,623
Interest Expense		2,096,417,574	2,106,138,005	2,128,766,174	2,174,970,083
Interest Income		(170,083,824)	(120,794,583)	(97,349,541)	(81,295,249)
Provision on Inventories	16.1	51,653,410	179,485,451	39,681,956	144,074,891
Impairment Loss on Trade and Other Receivables	8.1	702,745,382	920,008,346	281,361,700	459,524,068
Dividend Income	5	(240,000)	(320,000)	(129,210,428)	(192,227,129)
Provision for Employee Benefit Obligations	27.4	115,964,310	153,142,310	79,782,830	105,975,537
Operating Profit Before Working Capital Changes					
		10,156,362,075	8,652,369,298	8,857,173,285	6,562,717,799
(Increase)/Decrease in Inventories		(4,891,540,314)	(2,312,713,027)	(4,414,836,425)	(2,021,732,876)
(Increase)/ Decrease in Debtors falling Due After One Year		(320,933,194)	(531,137,347)	107,358,547	30,394,617
(Increase)/ Decrease in Debtors falling Due Within One Year		(12,350,868,980)	(1,339,718,290)	(6,013,562,229)	(1,000,520,199)
(Increase)/Decrease in Dues From Related Parties		(12,535,820)	22,605,846	(158,996,841)	27,862,511
Increase/(Decrease) in Dues to Related Parties		732,956,036	114,568,419	(121,332,796)	834,482,647
Increase/(Decrease) in Security Deposits		95,782,033	(28,045,973)	113,246,899	(36,218,786)
Increase/(Decrease) in Trade and Other Payables		605,107,719	9,493,944,942	250,994,631	6,983,585,262
Increase/(Decrease) in Deferred Liabilities		(4,775,629)	50,121,442	17,492,705	31,628,510
Cash Generated from (used in) Operations					
		(5,990,446,074)	14,121,995,310	(1,362,462,224)	11,412,199,485
Finance Costs Paid					
		(1,459,130,954)	(1,781,259,753)	(1,486,953,202)	(1,694,977,430)
Employee Benefits Paid	27	(98,618,996)	(103,645,587)	(72,727,605)	(77,891,634)
Income Tax Paid	31.2	(1,438,113,486)	(749,426,056)	(1,048,786,829)	(470,480,000)
Net Cash from/(used in) Operating Activities					
		(8,986,309,510)	11,487,663,914	(3,970,929,860)	9,168,850,421

STATEMENT OF CASH FLOWS

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment and Intangible Assets		(1,050,843,947)	(654,941,994)	(830,050,127)	(468,297,589)
Proceeds from Disposal of Property, Plant and Equipment		5,529,000	24,792,968	5,529,000	22,675,410
Proceeds from Disposal of Investment in Debentures in Subsidiary Company		-	-	-	600,090,000
Acquisition of Marketable Securities		(599,717,148)	(23,372,932)	-	-
Investment / (Withdrawal) of Bank Deposits		(116,514,941)	40,458,977	-	-
Net Cashflows from Loans Given to Related Party Companies		-	-	(110,000,000)	446,000,000
Interest Received		170,083,824	120,794,583	97,349,541	81,295,249
Dividend Received		240,000	320,000	129,210,428	158,070,529
Net Cash from/(used in) Investing Activities		(1,591,223,212)	(491,948,398)	(707,961,158)	839,833,599
Cash Flows from Financing Activities					
Proceeds From Interest - Bearing Loans and Borrowings		49,893,016,904	35,163,929,824	30,427,794,514	16,152,490,487
Repayment of Interest-Bearing Loans and Borrowings		(36,783,491,077)	(45,548,127,483)	(21,574,746,237)	(23,701,634,923)
Net Settlements to Lease Creditors		(1,247,331,839)	(1,327,932,721)	(1,100,110,546)	(1,197,190,940)
Increase in Customer Deposit Liabilities		1,681,315,521	3,451,111,666	-	-
Net payment to Minority Shareholders		(32,448,832)	(25,566,108)	-	-
Dividend Paid		(1,290,769,790)	(704,836,194)	(1,230,428,127)	(694,022,770)
Net Cash Flows Generated from Financing Activities		12,220,290,887	(8,991,421,016)	6,522,509,604	(9,440,358,146)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,642,758,165	2,004,294,500	1,843,618,586	568,325,874
Cash and Cash Equivalents at the Beginning of the Year		153,508,126	(1,850,786,374)	(538,198,102)	(1,106,523,976)
Cash and Cash Equivalents at the End of the Year	20.2	1,796,266,291	153,508,126	1,305,420,484	(538,198,102)

Figures in brackets indicate deductions.

Cash and Cash Equivalents in the Statement of Financial Position comprise cash in hand and at banks Short-Term Deposits with a Maturity of three months or less. For the purpose of the Cash Flow Statement, Cash and Cash Equivalents consist of Cash and Short-Term Deposits as defined above, net of Outstanding Bank Overdrafts.

The accounting policies and notes as set on pages 142 through 231 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

1.1 Reporting Entity

1.1.1 General

Singer (Sri Lanka) PLC is a Public limited liability company incorporated and domiciled in Sri Lanka. The Registered Office of the Company is located at No 112, Havelock Road, Colombo 05 and the principal place of business is situated at the above address.

In the Report of the Directors and in the Financial Statements, “the Company” refers to Singer (Sri Lanka) PLC as the Holding Company and “the Group” refers to the Consolidated Financial Statements of Singer (Sri Lanka) PLC and its Subsidiaries, Singer Finance (Lanka) PLC, Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Reality Lanka Limited, Regnis Appliances (Private) Limited, Singer Digital Media (Private) Limited, Singer Business School (Private) Limited and Domus Lanka (Private) Limited.

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

Hayleys PLC together with its subsidiaries, Volanka (Private) Limited, and Carbotels (Private) Limited, acquired on 15th September 2017 a total of 231,864,362 ordinary shares in Singer (Sri Lanka) PLC, constituting approximately 61.73% of the total shares in issue at a price of Rs. 47/- per share, making Hayleys PLC the ultimate controlling party of Singer (Sri Lanka) PLC with effect from 15th September 2017.

Consequent to the purchase of 210,587,766 shares, a mandatory offer was made by Hayleys PLC on 31st October 2017 as Hayleys PLC triggered the Company takeovers and mergers code 1995, published under the rules made by the Securities and Exchange Commission of Sri Lanka under Section 53 of the Securities and Exchange Commission of Sri Lanka, Act No. 36 of 1987 as amended, and in terms of Rule 31 (1) (a) of the code. Accordingly subsequent to the mandatory offer, Hayleys PLC, with parties acting in concern holds 304,108,410 shares constituting approximately 80.96% of the total shares in issue.

On 15th October 2018, Hayleys PLC purchased the balance 35,562,883 (9.47%) ordinary shares held by Retail Holdings (Sri Lanka) BV in Singer (Sri Lanka) PLC at a price of Rs. 47.00 per share upon Retail Holdings (Sri Lanka) BV exercising their option to sell its shares to Hayleys PLC as previously agreed. After accepting this offer, Hayleys PLC together with its Group Companies holds 90.43% (80.96% previously) of Singer (Sri Lanka) PLC

1.1.2 Consolidated Financial Statements

The Consolidated Financial Statements of Singer (Sri Lanka) PLC as at and for the year ended 31st March 2022 comprise the Company and its Subsidiaries namely, Singer Finance (Lanka) PLC, Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Reality Lanka Limited, Regnis Appliances (Private) Limited, Singer Digital Media (Private) Limited, Singer Business School (Private) Limited and Domus Lanka (Private) Limited.

Subsidiaries

Singer Finance (Lanka) PLC

Singer Finance (Lanka) PLC, was incorporated on 19th April 2004 under the Companies Act No. 17 of 1982 and re-registered under the Company's Act No.07 of 2007 and its commercial operations commenced on 8th July 2004. Singer (Sri Lanka) PLC owns 79.93% of its equity shares.

Singer Industries (Ceylon) PLC

Singer Industries (Ceylon) PLC was incorporated on 13th December 1963 and re-registered under the Companies Act No. 07 of 2007 and its commercial operations commenced on 13th December 1963. Singer (Sri Lanka) PLC owns 87.7% of its equity shares.

Regnis (Lanka) PLC

Regnis (Lanka) PLC was incorporated on 8th October 1987 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 and its commercial operations commenced on 8th October 1987. Singer (Sri Lanka) PLC owns 58.3% of its equity shares.

Reality Lanka Limited

Reality Lanka Limited was incorporated on 29th September 2006 under the Companies Act No. 17 of 1982 and its commercial operations commenced on 29th September 2006. Singer (Sri Lanka) PLC directly, indirectly owns 92.2% of its equity shares.

Regnis Appliances (Private) Limited

Regnis Appliance (Private) Limited, was incorporated on 18th January 2010 under the Companies Act No 07 of 2007 and commenced its commercial operations on 1st October 2010. Singer (Sri Lanka) PLC owns 58.3% of its equity shares

Singer Digital Media (Private) Limited

Singer Digital Media (Private) Limited was incorporated on 16th May 2014 under the Companies Act No. 07 of 2007 and its commercial operations commenced on 8th July 2014. Singer Digital Media (Private) Limited is a fully-own Subsidiary.

Singer Business School (Private) Limited

A fully-owned Subsidiary, Singer Business School (Private) Limited was incorporated on 5th May 2015 under the Companies Act No. 07 of 2007 and its commercial operations commenced on 5th May 2015.

Domus Lanka (Private) Limited

Domus Lanka (Private) Limited was incorporated on 4th January 2018 under the Company Act No.7 of 2007.

Associates (Equity Accounted Investees)

Associate companies of the Group, whose results have been included in the Consolidated Financial Statements are:

Telshan Network (Private) Limited

All above companies are incorporated in Sri Lanka.

1.1.3 Principal Activities and Nature of Operations

The Company

The Company is engaged in Retail and Wholesale Marketing, Financing, Assembling and Manufacturing and Financial Services. The Company markets Consumer Electronics, Home Appliances, Mobile Phones, Personal

Computers, Laptops, Furniture, Domestic and Industrial Sewing Machines, Agricultural Equipment, and provides Financing through Hire Purchase. In addition, the Company manufactures and sells Furniture, Water Pumps and assembles and sells Two Wheel Tractors. Company acts as a Bill Collection Agent for Banks on Credit Cards, all Mobile service providers for Re-load and Bills, National Water Supply and Drainage Board, Ceylon Electricity Board, Lanka Electricity Company Limited, Sri Lanka Telecom and few others. In addition, performing Top-ups and Counter Withdrawals with Dialog e-Zcash and Mobitel m Cash wallets. With Value addition has started accepting premiums for Life Insurance, General Insurance and collections of Rentals from AIA Insurance Lanka Limited, SLIC, Union Assurance, MBSL, Allianz, Janashakthi, Ceylinco, Cooperative, HNB Assurance PLC and Softlogic PLC. Further extended to leading Finance Companies such as Singer Finance (Lanka) PLC, Central Finance PLC and CDB Bank PLC. On Cash disbursements also act as a Sub-Agent for Western Union and Nations Remittance portfolio.

Subsidiary

Singer Finance (Lanka) PLC

The principal activities of the Company consist of finance leasing, hire purchase financing, gold loan, financing of consumer durables under loan scheme and granting loans, factoring, authorised foreign currency dealer and mobilising fixed deposits and savings.

Singer Finance (Lanka) PLC ("Company"), regulated under the Finance Business Act No. 42 of 2011, was incorporated on 19th April 2004 as a Public Limited Liability Company domiciled in Sri Lanka under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007.

Singer Industries (Ceylon) PLC

The principal activities of the Company are assembling sewing machines and manufacturing of cabinets and stands for sewing machines.

Regnis (Lanka) PLC

The principal activities of the Company are manufacturing of Refrigerators and Bottle Coolers.

Reality Lanka Limited

The principal activities of the Company is renting of company properties.

Regnis Appliances (Private) Limited

Principal activities of Regnis Appliances (Private) Limited are manufacturing and assembling of Washing Machines, producing plastic components for Refrigerators and Plastic Chairs.

Singer Digital Media (Private) Limited

The principal activity of the Company is marketing mobile phones.

Singer Business School (Private) Limited

The principal activity of the Company is providing of educational services.

Domus Lanka (Private) Limited

Domus Lanka (Private) Limited was incorporated on 4th January 2018 (formally known as D.V.D. Lanka (Private) Limited. The principal activity of the Company is carrying on the business of designing, manufacturing and trading furniture. However no commercial operations have been commenced as of the reporting period.

1.1.4 Parent Enterprise

The Company's ultimate Parent undertaking is Hayleys PLC.

1.1.5 Number of Employees

The number of employees of the Group at the end of the year 31st March 2022 was 3,154 (2021 – 3,037), Company – 1,927 (2021 – 1,914).

1.2 Basis of Accounting

1.2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Group have been prepared and presented in accordance with the Sri Lanka Accounting Standards (hereinafter referred to as SLFRSs / LKASs) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007. The related changes to significant accounting policies are described in note 2.13.

1.2.2 Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The Directors' responsibility over Financial Statements is set out in detail in the Statement of Directors' Responsibility.

1.2.3 Approval of Financial Statements

The Financial Statements for the year ended 31st March 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 13th May 2022

1.2.4 Basis of Measurement

The Consolidated Financial Statements have been prepared under the Historical Cost convention except for,

- Financial instruments reflected as fair value through profit or loss which are measured at fair value
- Financial instruments designated as fair value through other comprehensive income (OCI) which are measured at fair value
- Items of Property, Plant and Equipment, which are measured at fair value
- Defined Benefit Plans which are measured at present value of the Retirement Benefit Obligations

Where appropriate, specific policies are explained in the succeeding notes

No adjustments have been made for inflationary factors in the Consolidated Financial Statements

1.2.5 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees which is the functional currency of the Company and its Subsidiaries.

1.2.6 Rounding

The amounts in the Financial Statements have been rounded-off to the nearest rupees thousands, except where otherwise indicated

NOTES TO THE FINANCIAL STATEMENTS

as permitted by the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements” (LKAS 1)

1.2.7 Use of Estimates and Judgements

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- **Note 11 - Valuation of Land and Building,**

The Group measures the freehold land and Building(classified as property, plant and equipment) at revalued amounts, with changes in fair value being recognised in OCI. The freehold lands and Buildings were valued by reference to transactions involving properties of a similar nature, location and condition. In addition, the Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. For investment properties, valuation methodologies such as market approach, and income approach (the discounted cash flow (DCF) model) for properties lacked comparable market data were used.

The Group engaged a valuation specialist to assess fair values as at 31 March 2022 for the freehold lands / Buildings and as at 31 March 2022 for the investment properties. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 11 to the Financial Statements.

- **Note 16.1 – Provision on Inventories**

The Group has applied judgment in the determination of impairment in relation to inventories that are slow moving or obsolete. The Group's impairment assessment in relation to such inventories take into account factors such as the ageing of items of inventories, dates for possible expiry and expectations in relation to how the inventories will be utilised or sold. Judgment has also been applied by management in determining net realisable value of inventories (NRV). The estimates and judgements applied in the determination of NRV are influenced by expectations of sales relating to identified goods an historically realised sales prices.

- **Note 18 /36 – Impairment of Trade and other receivables / Financial Instruments**

The Group uses a provision matrix to calculate ECLs for loans and trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the relevant sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed the assessment of the correlation between historical observed default rates, forecast

economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's loans and trade receivables are disclosed in Note 18.3 to the Financial Statements

- **Note 9 / 26- Current Tax and Deferred Tax assets and Liabilities**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The Group has Rs. 34million (2021: Rs. 51million) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

- **Note 27 – Measurement of Employee Benefit Obligations**

The present value of the employee benefit obligations is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management

considers the interest rates of government bonds, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about employee benefit obligation are provided in Note 27 to the Financial Statements.

- **Note 29.1 Warranty Provisions**
- **Note 37 Commitments and Contingencies**

1.2.8 Measurement of Fair Value

The Group measures financial instruments such as investments which are designated as fair value through other comprehensive income (OCI) and financial assets at fair value through profit or loss at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions - Note 36
- Quantitative disclosures of fair value measurement hierarchy - Note 36
- Property (Land and Building) under revaluation model - Note 11
- Financial instruments (including those carried at amortised cost) - Note 36

1.2.9 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements”.

1.2.10 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards

1.2.11 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The assessment includes the existing and anticipated effects of the COVID-19 pandemic on the significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends. The Group's businesses recorded a strong growth in profitability compared to previous year owing to the positive consumer sentiment and the effectiveness of business strategies adopted by the management.

In determining the basis of preparing the financial statements for the year ended 31 March 2022, based on available information, the management has assessed the prevailing uncertain and Volatile macro-economic environment and implications of COVID-19 pandemic conditions and its impact on the Group companies and the appropriateness of the use of the going concern basis.

The Group is expected to encounter challenges such as the continuous devaluation of the rupee, import restrictions, rise in general inflation, depleting of foreign currency reserves, shortage of essential supplies, increase in policy rates and the resultant pressure on disposable income level.

Accordingly, the Group is expected to encounter numerous challenges in the form of subdued consumer demand and greater credit risk due to the potential loss of income of the customer base.

NOTES TO THE FINANCIAL STATEMENTS

Towards, mitigating this risk, the Group procured adequate inventory to see through to next few months, adopted strict cost conservation methods, fast track local sourcing and secured funding lines to manage possible liquidity issues. Further, the Group treasury is deeply analysing the foreign exchange market and working closely with relevant financial institutions and the parent company, to overcome dollar liquidity challenges and take timely price revisions to mitigate the exposure of future rupee devaluation.

Based on these proactive analyses and our operating model and financial strength, Group is confident that we are well placed. Group envisages no impact on the Group business continuity and expects to manage the above challenges effectively.

Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

1.2.12 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. The presentation and classification of the Financial Statements in the previous year are amended, where relevant for better presentation and to be comparable with those of the current year

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2. Summary of Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Other significant accounting policies not covered with individual notes.

Following accounting policies, which have been applied consistently by the Group, are

considered to be significant but not covered in any other sections

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when it is:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities

2.1 Basis of Consolidation

The consolidated financial statements encompass the Company, its subsidiaries (together referred to as the "Group")

Subsidiaries are disclosed in Note 13 to the Financial Statements.

2.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power

over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting right.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1.2 Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a Subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.1.3 Loss of Control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.1.4 Interest in Equity Accounted Investees

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income of those investees is presented as part of the Group's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate, the Group

recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Statement of Profit or Loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The Financial Statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of

the associate upon loss of significant influence the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit or Loss.

2.1.5 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value

or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess

NOTES TO THE FINANCIAL STATEMENTS

of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.1.6 Acquisition of ownership without Changes of control

The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with SLFRS 10 Consolidated Financial Statements. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent in transactions where the non-controlling interests are acquired or sold without loss of control. The Group has elected to recognise this effect in retained earnings. With respect to the subsidiary to which these non-controlling interests relate, there were no accumulated components recognised in OCI. If there had been such components, those would have been reallocated within equity of the parent

2.1.7 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 Foreign Currency

2.2.1 Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or

non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.3 Property, Plant and Equipment

The Group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

2.3.1 Recognition and Measurement

Property, plant and equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Items of property, plant and equipment are measured at cost/fair value, less accumulated depreciation and any accumulated impairment losses.

If a significant part of an item of Property, Plant and Equipment has different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment. Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in profit or loss.

(a) Cost Model

The Group applies the cost model to Property, Plant and Equipment except for freehold land and buildings.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to

the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

(b) Revaluation Model

Revaluation of Free hold land and building is done with sufficient frequency to ensure that the fair value of the land / Building does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings

(c) Subsequent Costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the repair and maintenance of property, plant and equipment are recognised in the Statement of Profit or Loss as incurred.

(d) Depreciation

Depreciation is calculated to write-off the cost of items of Property, Plant and Equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives are as follows:

Freehold Buildings	Over 38 to 50 years
Motor Vehicles	Over 5 to 7 years
Furniture and Equipment	Over 10 years
Plant and Machinery	Over 10 years
EDP Equipment	Over 5 to 10 years
Improvement on Leasehold Premises	Over 4 to 10 years
Shop Furniture and Equipment	Over 7 years
EDP Equipment – Computer Servers	Over 7 years

Depreciation of an asset commences when the asset is available for use and ceases at the earlier of the date the asset is classified as held-for-sale and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(e) Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in the Statement of profit or Loss. Gains are not classified as Revenue.

2.3.2 Intangible Assets

(a) Recognition and Measurement

An intangible asset is recognised if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 – on “Intangible Assets”.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and

accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

(b) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognised in profit or loss as incurred.

(c) Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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The estimated useful lives of intangible assets with finite lives are as follows:

The Class of Intangible Assets	Useful Life
Computer Software	10 years
Web site Development	10 years
Other Intangible Assets Externally Acquired	5 years

(d) Derecognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

(e) Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

(f) Trade mark

Trade marks purchased, being determined to have an indefinite useful life, are reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired

(g) Brand name

Brands acquired as part of a business combination, are capitalised if the Brand meets the definition of an intangible asset and the recognition criteria are satisfied. Brand Names, being determined to have an indefinite useful life, are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired

(h) Other Intangible assets.

Other intangible assets which are acquired by the Group, with finite useful lives, are measured on initial recognition at cost. Following initial recognition ERP systems are carried at cost less accumulated amortisation and accumulated impairment losses

2.4 Financial Instruments

(a) Financial Assets

(i) Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group financial assets classified and measured at amortized cost are limited to its Non Current financial Assets – Investments in debt instruments ,other receivables, short term investments and cash and cash equivalent.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has not designated any debt instruments as FVOCI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent

changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has not designated any equity investments as FVTPL.

➤ Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL

➤ Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

➤ Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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The Group has got trade and other receivables, loans due from related parties and amounts due from related parties as financial assets at amortised cost.

(b) Financial Liabilities

Classification, subsequent measurement and gain and losses Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Group has got trade and other payables, Amounts due to related parties, other financial liabilities and interest-bearing borrowings as financial liabilities at amortised cost.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

2.4.1 Non-Derivative Financial Liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest-bearing borrowings, bank overdrafts, amount due to related parties, security deposits, trade and other payables and other financial liabilities due to customers.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the Statement of Cash Flows.

2.4.2 Derecognition of Financial Liability

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset or settle the liability simultaneously.

2.4.3 Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2.4.4 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.4.5 Impairment

(a) Financial Assets

The Group except for Singer (Finance) PLC recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
 - debt investments measured at amortized cost
 - equity investments measured at FVOCI
- The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- debt securities that are determined to have low credit risk at the reporting date; and
 - other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

➤ Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

➤ Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and equity investments

at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default in payments
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

As at the year end the Group did not have assets categorised as FVOCI.

➤ Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order

to comply with the Group's procedures to recovery of amounts due.

Singer Finance (Lanka) PLC

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease and loan receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognized on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

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Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The key inputs used for measurement of ECL is likely to be the term structures of the following variables:

Probability of Default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical models, and assessed using various categories based on homogeneous characteristics of exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. The Group forecast PD by incorporating forward looking economic variables (unemployment, GDP growth, inflation, interest rate and using lag effect of these variables).

Loss Given Default (LGD)

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount.

The Group has used these parameters from internally-developed statistical models using historical data. All inputs were adjusted to reflect forward-looking information and future economic scenarios.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

- **Stage 1** : The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- **Stage 2** : When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3** : For loans considered credit-impaired the Group recognises the lifetime expected credit losses. The method is similar to that of Stage 2 assets, with the PD set at 100%.

Restructured Financial Assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset

Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or

- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 180 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness .
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position.

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;

- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI.- no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.4.5.1 Impairment of Non-Financial Assets

The carrying amount of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or other cash-generating units (CGU). Goodwill arising from business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, less costs to sell, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.4.6 Leases

2.4.6.1 Leases

(a) Group as a Lessee

Definition of a Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16 which is applicable to leases entered after 1st April 2019 onward

NOTES TO THE FINANCIAL STATEMENTS

i. As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate

The Group determines its incremental borrowing rate by obtaining interest rates from Group's existing financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate caption in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

ii. As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease

If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract

The Group applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate caption in the statement of financial position.

2.4.6.2 Finance Leases

(a) Finance Leases – Group as a Lessee

Finance leases that transfer substantially all risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

b) Finance Leases – Group as a Lessor

When the Group is the lessor under the finance leases the amounts due under the finance leases, after deduction of unearned charges, are included in “lease rentals receivables”, as appropriate. The finance income receivable is recognised in “interest income” over the periods of the leases so as to give a constant rate of return on the net investment in the leases

2.5 Inventories

Inventories are measured at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Group assess the NRV by giving consideration to future demand and condition of inventory and make adjustments to the value by making required provisions.

The cost of each category of inventory is determined on the following basis:

Raw Materials	At actual cost on first-in first-out basis
Finished Goods (Excluding Factory)	Weighted average cost
Finished Goods and Work-in-Progress at Piliyandala Factory	At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads, based on normal operating capacity
Goods-in-Transit	At actual cost
Supplies and Parts	Weighted average cost
Repossessed Goods	75% of its weighted average cost

2.6 Provisions

A provision is recognised in the Statement of Financial Position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with LKAS 37 – “Provisions, Contingent Liabilities and Contingent Assets”. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

2.6.1 Provisions for Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities. Provision is utilised to settle the actual claims made by the customers.

2.6.2 Loyalty points programme

The Group has loyalty point programmes which allows customers to accumulate points that can be redeemed against subsequent

purchases. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue

2.6.3 Dividend Payables

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of Director

2.6.4 Deposits due to Customers

These include term deposits and certificates of deposits of Singer Finance(Lanka) PLC.

Subsequent to initial recognition, deposits are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss. Interest paid / payable on these deposits recognised in profit or loss

2.6.5 Contingent Liabilities

A contingent liability recognised is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.7 Employee Benefits

2.7.1 Defined Benefit Plan

The Group net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods discounting that amount.

NOTES TO THE FINANCIAL STATEMENTS

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then – net defined liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. The Group recognized the gains and losses on the settlement of a defined benefit plan when the settlement occurs. When the benefits of the plan are changed or when a plan is curtailed the resulting change in benefit that relates to post service or the gain or the loss on curtailment is recognized immediately in profit or loss.

The liability is not externally funded.

2.7.2 Defined Contribution

Plans – Employees’ Provident Fund/Mercantile Services Provident Society and Employees’ Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Employees are eligible for contributions to Employees’ Provident Fund/Mercantile Services Provident Society and Employees’ Trust Fund in line with the respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to the Employees’ Provident Fund, Mercantile Services Provident Society and the Employees’ Trust Fund, respectively

and is recognised as an expense in profit and loss in the periods during which services are rendered by employees.

2.7.3 Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

2.8 Statement of Profit or Loss and Other Comprehensive Income

2.8.1 Revenue Recognition

Performance obligations and revenue recognition policies

The Group/Company recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Group is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgements taking into consideration the nature of goods or services that Group/Company offers.

Some contracts include multiple deliverables. Where the contracts include multiple performance obligations, the transaction

price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

The Group/Company disaggregate its revenue into following categories based on the nature, amount, timing of revenue and cash flows arising from contracts with customers.

- Sale of good (normal trading)
- Hire purchase sales
- Consignment arrangement
- Non-cash consideration
- Extended warranties
- Right to return goods
- Volume rebates
- AC project division
- Customer loyalty programme
- Principal versus agent evaluation
- Free services

2.8.2 Disaggregation of Revenue

SLFRS 15 requires an entity to disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group's contracts with customers are in similar nature and revenue from these contracts are not significantly affected by economic factors apart from the product and service categories. The Group believes objective of this requirement will be met by using two type of category – timing of revenue and type of good and services (Note 3.b) .

Type of Product/Service	Nature and timing of satisfaction of performance obligations including significant payment terms	Revenue recognition under SLFRS 15 (applicable from 1st January 2018)
Sale of Goods (Normal Trading Transactions)	Group sells goods to the customers on cash or credit basis. At the time of delivery of the goods to the customers, Group meets its performance obligation.	Revenue is recognized when the goods are delivered to the customers.
Sale of Goods (Hire Purchase Transactions)	Group sells its products to its customers by entering into Hire Purchase Agreements. At the time of delivery of the goods to the customers, Group meets its performance obligations.	Revenue is recognized when the goods are delivered to the customers. Transaction price is estimated by adjusting the consideration for the time value of money. As the HP agreements are based on market interest rates the cash price and the adjusted consideration has no significant difference.
Sale of Goods (Consignment Arrangements)	The Group sells goods to the customers through consignment arrangements with third parties. At the time of delivering the goods to the end-customers, the Group meets its performance obligations.	At the time of delivering the goods to the end-customers, the revenue is recognized.
Extended Warranty Income	Group provides extended warranty for certain products by charging additional consideration from the client. The Group meets its performance obligations over the period of extended warranty.	The extended warranty fee income (net of taxes) is recognized over the period of contact. Unrecognised income is accounted for as deferred revenue.
Income on Suraksha and Service Fees	When the Group sells goods under hire purchases, an additional fee is charged as Suraksha and service fee. This fee is calculated based on the value of the product. The Group meets its performance obligations over period of hire purchase contact.	Revenue is recognized over the period of hire purchase contact using effective interest rate. Unrecognised income is accounted for as unearned income.
Revenue on Customer Loyalty Program	The Group provides loyalty points where they could redeem such points for future purchases.	Revenue is deferred at the time of earning the loyalty points based in the expected redemption rate. Based on the actual redemptions the revenue is recognized.
Installation fee charged on AC products	The Group provides AC installation services to the customers at the time of selling the AC products. The Group meets its performance obligations over period of AC Installation contacts.	Based on the stage of completion, installation fee is charged as revenue.
Sewing school Income	Providing sewing and fashion educational services	Based on the cause payments of the students

2.8.2.1 Revenue Recognition Policy of Singer Finance (Lanka) PLC

Revenue is recognised to the extent that it is probable that control will pass to the customer and the revenue and associated costs incurred or to be incurred can be reliably measured. The following specific criteria are used for the purpose of recognition of revenue.

(a) Interest Income and Expense

Interest income and expense are recognised in profit or loss using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the EIR, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. Interest income and expense presented in the Income Statement include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated using EIR method;

(b) Over Due Interest

Over Due Interest have been accounted for on a cash received basis.

(c) Fees and Commission Income and Expense

Fees and commission income and expense that are integral to the EIR on a financial asset or liability are included in the measurement of the EIR. Other fees and commission income are recognised as the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

(d) Net Gain / (Loss) from Trading

'Net gain / (loss) from trading' comprise gains less losses related to trading assets and liabilities, and include all realized and unrealized fair value changes and dividends.

2.8.3 Other income

2.8.3.1 Gains and losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant and equipment and are recognised net within "other income / Other expenses" in profit or loss respectively.

2.8.3.2 Dividend

Dividend income is recognised in profit or loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2.8.3.3 Other income

Other income is recognised on an accrual basis.³

2.8.4 Regulatory Provisions

(a) Deposit Insurance Scheme

In terms of the Finance Companies Direction No 2 of 2010 "Insurance of Deposit Liabilities" issued on 27th September 2010 all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No 1 of 2010 issued under Sections 32A to 32E of the Monetary Law Act with effect from 1st October 2010.

Deposits to be insured include demand, time and savings deposit liabilities and exclude the following.

Deposit liabilities to member institutions

Deposit liabilities to Government of Sri Lanka

Deposit liabilities to shareholders, directors, key management personnel and other related parties as defined in Finance Companies Act Direction No 03 of 2008 on Corporate Governance of Registered Finance Companies

Deposit liabilities held as collateral against any accommodation granted

Deposit liabilities falling within the meaning of dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to Central Bank of Sri Lanka

Registered Finance Companies are required to pay a premium of 0.15% on eligible deposit liabilities as at end of the month to be payable within a period of 15 days from the end of the respective month.

(b) Debt Securities Issued and Subordinated Term Debts

These represent the funds borrowed by the Company for long-term funding requirements. Subsequent to initial recognition debt securities issued are measured at their amortised cost using the effective interest method, except where the Group designates debt securities issued at fair value through profit or loss. Interest paid/payable is recognised in profit or loss.

2.8.5 Reserve Fund

Singer Finance (Lanka) PLC is maintaining a reserve fund in compliance with Direction No. 01 of 2003 – Central Bank (Capital Funds) issued to Finance Companies and it will be used for only the purpose specified in the said Direction above. The details of the reserve fund are disclosed in Note 23.1.

2.8.6 Expenditure Recognition

- (a) Expenses are recognised in Profit and Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- (b) For the purpose of presentation of the Income Statement, the Directors are of the opinion that "function of expenses method" presents fairly the elements of the Group's performance and hence such presentation method is adopted.

2.8.7 Net Finance Cost

Finance income comprises interest income on funds invested interest income from related parties and which is recognised as it accrues in profit or loss, using the effective interest rate method.

Finance cost comprises interest payable on borrowings, interest on security deposits. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in net gain or net loss position.

2.8.8 Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combinations, or items recognised directly in Equity or in Other Comprehensive Income.

The Group has determined that interest and penalties related to income taxes including uncertain tax treatments do not meet the definition of Income taxes and therefore accounted for them under LKAS 37. Provision, Contingent Liabilities and Contingent Assets

(a) Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management

periodically evaluates positions taken in the

tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that

the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Temporary differences in relation to Right-of-Use assets and a Lease liability are regarded as net basis, for the purpose of recognizing deferred Tax.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed.

The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable

entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax on dividend income from subsidiaries is recognised as an expense in the Consolidated Statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

(c) Value Added Tax (VAT) on Financial Services

The value base for the computation of value added tax on financial services is calculated by adjusting the depreciation computed on rates prescribed by the Department of Inland Revenue to the accounting profit before Income Tax and emoluments payable.

Emoluments payable include benefits in money and not in money including contribution or provision relating to terminal benefits.

With effect from January 01, 2022 VAT on financial services has been increased from 15% to 18% via an amendment to the VAT Act No.14 of 2022

(d) Nation Building Tax on Financial Services (NBT)

With effect from January 01, 2014, NBT of 2% was introduced on supply of financial services via an amendment to the NBT Act No. 09 of 2009. NBT is chargeable on the same base used for calculation of VAT on Financial services

As per Notice published by the Department of Inland Revenue dated November 29, 2019, NBT was abolished with effect from December 01, 2019.

(e) Crop Insurance Levy

As per the provisions of the Section 14 of the Finance Act No. 12 of 2013, the CIL was introduced with effect from April 01, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

NOTES TO THE FINANCIAL STATEMENTS

(f) Debt Repayment Levy (DRL)

As per the Finance Act No. 35 of 2018, with effect from October 1, 2018, DRL of 7% was introduced on the value addition attributable to the supply of financial services by each financial institution. DRL is chargeable on the same base used for calculation of VAT on financial services as explained in Note 3.16 above.

As per notice published by the Department of Inland Revenue dated January 20, 2020, DRL was abolished with effect from January 01, 2020

2.9 Events After the Reporting Period

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

2.10 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.11 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating results are reviewed regularly by the Group Chief Executive Officer to make decisions regarding resources to be allocated to the segments and to assess its performance and for which discrete finance information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire Property, Plant and Equipment and intangible assets other than goodwill.

Segment information is presented in the respective Notes to the Financial Statements.

2.12 Statement of Cash Flows

The Cash Flow Statement has been prepared using the indirect method.

2.13 Changes in Accounting Policies and Disclosures

Several other amendments and interpretations apply for the first time in 2021/2022, but do not have a material impact on the consolidated Financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.14 Standards Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.14.1 SLFRS 17 Insurance Contracts

In 8 January 2020, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued SLFRS 17 Insurance Contracts (SLFRS 17). SLFRS 17 was amended by Amendments to SLFRS 17 - Insurance Contracts, in 28 June 2021. SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall

objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

2.14.2 Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous Contracts – Costs of Fulfilling a Contract

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (LKAS 37) to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

2.14.3 Amendments to LKAS 16 Property, Plant and Equipment : Proceeds before Intended Use

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued LKAS 16 Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

2.14.4 Amendments to SLFRS 3 Business Combinations : Updating a reference to conceptual framework

In 23 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 3 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

An exception was also added to the recognition principle of SLFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, it was decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing

the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

2.14.5 Amendment to SLFRS 16: COVID-19 Related Rent Concessions beyond 30th June 2021

2.14.6 Amendment to LKAS 1: Classification of Liabilities as Current or Non- Current

2.14.7 Amendment to LKAS 1: Disclosure of Accounting Policies

2.14.8 Amendment to LKAS 8: Definition of Accounting Estimates

2.14.9 Amendment to LKAS 12 : Deferred tax related to Assets and Liabilities arising from a single transaction

12.15 Annual improvements to SLFRS 2018 - 2020

12.15.1 SLFRS 1 First-time Adoption of Sri Lanka Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 1 First-time Adoption of International Financial Reporting Standards (SLFRS 1). The amendment permits a subsidiary that elects to apply paragraph D16(a) of SLFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to SLFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of SLFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The Group do not have subsidiaries which are adopting IFRSs for the first time and hence, this amendment is not applicable to the Group.

12.15.2 SLFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 9 Financial Instruments (SLFRS 9). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

12.15.3 LKAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to LKAS 41 Agriculture (LKAS 41). The amendment removes the requirement in paragraph 22 of LKAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of LKAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

NOTES TO THE FINANCIAL STATEMENTS

3. Revenue

(a) Revenue Streams

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue from Contracts with Customers	3.1	76,847,841,969	67,412,239,487	68,652,289,991	54,863,685,740
Total Revenue		76,847,841,969	67,412,239,487	68,652,289,991	54,863,685,740
3.1 Revenue from Contracts with Customers					
Sale of Goods		68,668,646,278	59,738,430,313	65,645,931,629	51,660,234,237
Rendering of Services	3.2	8,179,195,691	7,673,809,174	3,006,358,362	3,203,451,503
		76,847,841,969	67,412,239,487	68,652,289,991	54,863,685,740
3.2 Rendering of Services					
Interest Income on Hire Purchase		2,319,430,773	2,468,915,347	2,319,285,108	2,468,621,500
Interest Income on Leasing		2,796,654,827	2,975,615,119	-	-
Interest Income on Loans		1,648,697,800	1,092,707,776	-	-
Service Income		1,414,412,291	1,136,570,932	687,073,254	734,830,003
		8,179,195,691	7,673,809,174	3,006,358,362	3,203,451,503

(b) Disaggregation of Revenue from Contracts with Customers

In the following table, Revenue from Contracts with Customers is disaggregated by major products , service lines and timing of revenue recognition.

For the Year ended 31st March	Group		Company	
	2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
(i) Major Products / Service Lines				
Consumer Electronics	8,056,214	7,275,145	8,056,214	7,275,145
Financial Services	8,164,251	7,644,344	2,991,414	3,187,212
Furniture	3,697,938	2,700,253	3,697,938	2,700,253
Home Appliances	27,266,277	19,963,193	27,244,947	19,945,907
Digital Products	20,546,893	22,649,064	17,575,982	14,588,155
Sewing	3,957,665	2,848,773	3,957,471	2,848,773
Other	5,158,604	4,331,467	5,128,324	4,318,241
Revenue from Contract with Customers	76,847,842	67,412,239	68,652,290	54,863,686

For the Year ended 31st March	Group		Company	
	2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
(ii) Timing of Revenue Recognition				
Products Transferred at a Point in Time	70,365,424	59,738,430	65,645,932	51,660,234
Products and Services Transferred Over Time	6,482,418	7,673,809	3,006,358	3,203,452
Revenue from Contracts with Customers	76,847,842	67,412,239	68,652,290	54,863,686

(c) Contract Balances

Following table provides information about contract Liabilities from Contracts with Customers.

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Advances Received from Customers	29	574,529,407	303,084,190	574,529,407	258,176,653
Deferred Revenue	30	311,907,462	316,683,091	308,570,647	291,077,942
Warranty Provision	29.1	405,217,890	342,209,762	384,524,495	325,548,250
		1,291,654,759	961,977,043	1,267,624,549	874,802,845

4. Operating Segment Information

4.1 Segment

Group has following Seven Strategic Divisions, which are its reportable segments. These Divisions offer different Products and Services, which are managed separately as they require different Technology and Marketing strategies.

Segment	Products and Services
Consumer Electronics	Televisions, Audios, DVD and Other Electronic Products
Financial Services	Leasing, Hire Purchase and Loans
Furniture	Wood and Layered Furniture, Sofa Sets, Steel Furniture, Mattresses and Pantry Sets
Home Appliances	Refrigerators, Washing Machines, Deep Freezers, Bottle Coolers, Air Conditioners, Fans, Small Appliances and Kitchen Appliances
Digital Products	Laptops, Smart Phones and Accessories
Sewing	Domestic and Industrial Sewing Machines and General Merchandise
Other	Water Pumps, Paddy Threshers, Tractors and Bicycles

4.2 Segmental Analysis of Revenue is as follows:

For the Year ended 31st March	Group		Company	
	2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
Consumer Electronics	8,056,214	7,275,145	8,056,214	7,275,145
Financial Services	8,164,251	7,644,344	2,991,414	3,187,212
Furniture	3,697,938	2,700,253	3,697,938	2,700,253
Home Appliances	27,266,277	19,963,193	27,244,947	19,945,907
Digital Products	20,546,893	22,649,064	17,575,982	14,588,155
Sewing	3,957,665	2,848,773	3,957,471	2,848,773
Other	5,158,604	4,331,467	5,128,324	4,318,241
	76,847,842	67,412,239	68,652,290	54,863,686

NOTES TO THE FINANCIAL STATEMENTS

4.3 Segmental Analysis of Profit Before Tax is as follows:

For the Year ended 31st March	Group		Company	
	2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
Consumer Electronics	1,003,703	735,409	1,003,703	735,409
Financial Services	2,357,797	1,750,810	812,013	522,915
Furniture	431,043	238,254	431,043	238,254
Home Appliances	3,206,462	2,021,743	3,077,748	1,798,323
Digital Products	1,130,097	1,031,049	1,213,613	664,858
Sewing	456,692	213,412	417,686	257,305
Others	354,063	311,612	328,344	294,949
Dividend	240	320	129,210	192,227
Impairment Loss on Trade and Other Receivables	(702,745)	(920,008)	(281,362)	(459,524)
Operating Profit	8,237,352	5,382,601	7,131,998	4,244,716
Net Finance Cost	(2,320,222)	(1,272,107)	(1,994,123)	(1,535,867)
VAT/DRL/NBT on Financial Services	(381,570)	(292,487)	(94,000)	(79,800)
Profit Before Tax	5,535,560	3,818,007	5,043,875	2,629,049

4.4 There are no separately distinguishable Assets and Liabilities for the above Segments.

5. Other Income

For the Year ended 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Dividend Income - Quoted	-	-	129,210,428	42,227,129
- Unquoted	240,000	320,000	-	150,000,000
Gain on Disposal of Property, Plant and Equipment	758,595	20,935	758,595	-
Miscellaneous Income	213,504,254	168,492,079	17,966,134	21,154,035
Income from Financial Services	47,693,930	52,020,368	47,693,930	52,020,368
	262,196,779	220,853,382	195,629,087	265,401,532

6. Finance Income

For the Year ended 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Interest on Related Party Receivables	-	-	36,959,091	40,118,515
Other Interest Income	170,083,824	120,794,583	60,390,450	41,176,734
Foreign Exchange Gains	-	742,800,964	37,294,105	557,807,793
	170,083,824	863,595,547	134,643,646	639,103,042

7. Finance Cost

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Interest on Overdrafts and Loans		(1,377,220,691)	(1,400,645,377)	(1,225,935,264)	(1,260,905,158)
Interest on Lease Liabilities *		(586,866,709)	(555,996,505)	(591,393,061)	(560,250,151)
Interest on Security Deposits	28	(132,330,174)	(149,496,123)	(125,704,178)	(141,090,996)
Foreign Exchange Losses		(393,887,556)	(29,564,281)	-	-
Interest on Related Party Payables		-	-	(185,733,671)	(212,723,778)
		(2,490,305,130)	(2,135,702,286)	(2,128,766,174)	(2,174,970,083)
Net Finance Cost**		(2,320,221,306)	(1,272,106,739)	(1,994,122,528)	(1,535,867,041)

* Interest on Lease Liabilities – Singer Finance (Lanka) PLC has included Interest on Lease Liabilities under Direct Interest Cost in the Statement of Profit or Loss and Other Comprehensive Income

** Finance Cost (Note 7) Less Finance Income (Note 6)

8. Profit Before Tax

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Stated After Charging all Expenses including the following:					
Executive Directors' Emoluments		97,857,338	116,583,231	56,354,603	86,186,165
Non-Executive Directors' Fees		18,242,028	18,943,932	8,920,020	8,737,524
Auditors' Remuneration - Statutory Audit		6,868,000	6,234,000	2,992,000	2,715,000
- Audit Related Services		1,602,164	1,415,198	633,080	690,000
- Non-Audit Services		7,295,001	8,562,868	3,502,500	3,200,000
Impairment Loss on Trade and Other Receivables	8.1	702,745,382	920,008,346	281,361,700	459,524,068
Provision on Inventories	16.1	51,653,410	179,485,451	39,681,956	144,074,891
Amortisation of Intangible Assets	12.8	46,869,927	24,602,066	29,306,263	13,638,253
Depreciation on Property, Plant and Equipment	11.8/11.16	737,804,421	650,524,040	548,853,749	478,836,281
Depreciation of Right-of-Use Assets	11.20.1	1,039,127,827	891,876,312	932,864,165	802,800,751
Personnel Costs	8.2	4,302,685,134	4,037,465,656	2,522,724,432	2,458,800,214
Gain/(Loss) on Disposal of Property, Plant and Equipment		758,595	(1,311,561)	758,595	(283,286)
Change in Fair Value of Derivatives Assets	35.1	-	27,087,623	-	27,087,623
Donations		763,904	3,270,886	-	2,230,942
Royalty		677,615,210	744,341,047	613,151,056	605,251,686

NOTES TO THE FINANCIAL STATEMENTS

8.1 Impairment Loss on Trade and Other Receivables

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Impairment Loss/(Reversal) for Hire Purchase Receivables	18.3	(80,774,790)	182,108,804	(80,919,588)	182,882,285
Impairment Loss for Lease Rental Receivables	18.3	223,068,404	301,859,731	-	-
Impairment Loss for Loan Receivables	18.3	189,513,276	181,460,089	-	-
Impairment Loss for Trade Receivables	18.3	221,370,912	78,740,167	211,980,932	100,802,228
Impairment Loss for Other Receivables	18.3	149,567,580	175,839,555	150,300,356	175,839,555
		702,745,382	920,008,346	281,361,700	459,524,068

8.2 Personnel Costs

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Salaries and Bonus		3,548,753,835	3,268,001,828	1,903,237,908	1,838,037,026
Provision for Employee Benefit Obligations	27.4	115,964,310	153,142,310	79,782,830	105,975,537
Defined Contribution Plan Costs - EPF, ETF and MSPS		637,966,989	616,321,518	539,703,694	514,787,651
		4,302,685,134	4,037,465,656	2,522,724,432	2,458,800,214

9. Tax Expense

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Current Income Tax Expense					
Income Tax on Current Year Profits	9.1	1,896,682,863	1,281,891,800	1,500,955,379	814,808,459
Under/(Over) Provision in Respect of Previous Year	9.1	(68,298,456)	50,716,370	(61,527,518)	55,755,730
Tax on Dividend Income					
Tax on Dividend Income	9.1	18,123,061	28,636,597	18,089,460	26,911,798
		1,846,507,468	1,361,244,767	1,457,517,321	897,475,987
Deferred Tax					
Deferred Tax Income Recognised in statement of Profit or Loss	9.2	(420,738,527)	(150,759,290)	(322,283,515)	(17,602,322)
		1,425,768,941	1,210,485,477	1,135,233,806	879,873,665

9.1 Reconciliation Between Accounting Profit and Taxable Profit

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Profit Before Tax		5,535,560,393	3,818,006,917	5,043,875,012	2,629,049,404
Aggregate Disallowable Expenses		5,577,524,738	5,897,983,316	3,484,416,306	2,683,041,760
Aggregate Tax Deductible Expenses		(3,027,580,369)	(4,381,691,712)	(2,067,889,683)	(1,724,828,788)
Tax Losses b/f	9.1.1	(50,717,876)	(16,015,290)	-	-
Recoverable write off to Profit or Loss		1,406,247	7,950,635	-	-
Tax Losses c/f	9.1.1	34,217,549	50,717,876	-	-
Other consolidation adjustments		49,016,000	24,995,413	-	-
Taxable Income		8,119,426,682	5,401,947,155	6,460,401,635	3,587,262,376
Current Income Tax @ 18%		62,734,311	43,698,908	55,591,530	-
Current Income Tax @ 24%		1,833,948,552	1,238,192,892	1,445,363,849	814,808,459
Income Tax on Current Year Profits		1,896,682,863	1,281,891,800	1,500,955,379	814,808,459
Under/(Over) Provision in Respect of Previous Year	9	(68,298,456)	50,716,370	(61,527,518)	55,755,730
Deferred Tax Income Recognised in Profit or Loss	9.2	(420,738,527)	(150,759,290)	(322,283,515)	(17,602,322)
Tax on Dividend Income	9	18,123,061	28,636,597	18,089,460	26,911,798
Tax Expense		1,425,768,941	1,210,485,477	1,135,233,806	879,873,665

9.1.1 Tax Loss Movement

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Tax Loss Brought Forward	9.1	50,717,876	16,015,290	-	-
Adjustments Based on Income Tax Return		(1,406,247)	(7,950,605)	-	-
Loss Incurred During the Year		-	50,717,876	-	-
Tax Loss Utilised During the Year		(15,094,080)	(8,064,685)	-	-
Tax Loss Carried Forward	9.1	34,217,549	50,717,876	-	-

Corporate Income Taxes of companies in Group have been computed in accordance with the Inland Revenue Act No.24 of 2017 and proposed amendments there on.

As Group only operates in Sri Lanka, we have no Tax jurisdictions in place out of the country.

The Group Tax Expense is based on the Taxable Profit of each Company in the Group. Singer (Sri Lanka) PLC and four subsidiary companies - Singer Finance (Lanka) PLC, Reality Lanka Limited, Singer Digital Media (Private) Limited and Singer Business School (Private) Limited are Liable to pay Income Tax at 24% on taxable Profit and Regnis (Lanka) PLC, Regnis Appliances (Private) Limited, Singer Industries (Ceylon) PLC and Singer (Sri Lanka) PLC's Manufacturing factory Profits are liable at a rate of 18%.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including Interpretations of Tax law and Prior Experience.

NOTES TO THE FINANCIAL STATEMENTS

9.2 Deferred Tax Expense/(Income) Recognised in Statement of Profit or Loss

For the Year ended 31st March	Note	Group		Company	
		2022	2021	2022	2021
		Rs.	Rs.	Rs.	Rs.
Deferred Tax Expense/(Income) Arising due to					
- Reversal of Temporary Differences During the Year - Recognised in Profit or Loss	26.2	(427,194,605)	(151,450,267)	(316,975,593)	(12,294,400)
- Deferred Tax Impact on Unrealised Profit in Inventory	26.2	11,764,000	5,998,899	-	-
- Deferred Tax Impact on Realisation of Revaluation Surplus	26.2	(5,307,922)	(5,307,922)	(5,307,922)	(5,307,922)
		(420,738,527)	(150,759,290)	(322,283,515)	(17,602,322)

9.3 Deferred Tax has been computed using the enacted Tax Rates of 24% and 18% applicable for the entities in the group

During the year 2020/21 new corporate tax law was enacted, including a decrease in the corporate tax from 28% to 24% and 18% for non-manufacturing and manufacturing companies respectively. This change resulted in a gain recognised in the Statement of Other Comprehensive Income of Rs.193 million related to Remeasurement of Deferred Tax Assets and Liabilities of the Consolidated Financial Statements.

9.4 Deferred Tax (Expense)/Income Recognised in Other Comprehensive Income

		2022			2021		
For the Year ended 31st March	Note	Before Tax	Tax (Expense)/ Income	Net of Tax	Before Tax	Tax (Expense)/ Income	Net of Tax
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group							
Deferred Tax Relating to Impact on Income Tax Rate changed on Revaluation Reserves	26.2	-	-	-	-	193,589,992	193,589,992
Revaluation Gain on Land and Buildings	11.5	640,110,819	(134,798,318)	505,312,501	-	-	-
Actuarial Gain /(Loss) on Employee Benefit Obligations	27.4	(77,032,150)	17,528,374	(59,503,776)	3,705,948	(851,116)	2,854,832
Fair Value Change in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	15.1	(2,089,975)	501,594	(1,588,381)	7,928,407	(1,902,817)	6,025,590
		560,988,694	(116,768,350)	444,220,344	11,634,355	190,836,059	202,470,414
Company							
Deferred Tax Relating to Impact on Income Tax Rate changed on Revaluation Reserves	26.2	-	-	-	-	44,422,468	44,422,468
Revaluation Gain on Land and Buildings	11.13	181,134,961	(43,472,391)	137,662,570	-	-	-
Actuarial Gain /(Loss) on Employee Benefit Obligations	27.4	(57,319,102)	13,753,584	(43,565,518)	4,187,734	(1,005,056)	3,182,678
Fair Value Change in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	15.1	(2,089,975)	501,594	(1,588,381)	7,928,407	(1,902,817)	6,025,590
		121,725,884	(29,217,213)	92,508,671	12,116,141	41,514,595	53,630,736

10. Earnings per Share

10.1 Basic Earnings per Share

Basic Earnings per Share is calculated by dividing the Profit for the Year Attributable to the Ordinary Shareholders by the Weighted Average Number of Ordinary Shares Outstanding During the Year.

10.2 Diluted Earnings per Share

The Calculation of Diluted Earnings per Share is based on Dividing the Profit Attributable to Ordinary Equity Holders of the Parent by the Weighted average Number of Ordinary Shares Outstanding after adjustment for the effect of all Dilutive Potential Ordinary Shares

10.3 The following reflects the Income and Weighted Average Number of Ordinary Shares used in the Basic/Diluted Earnings per Share computations:

For the Year ended 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Profit Attributable to Ordinary Shareholders				
Profit for the Year (Rs.)	4,109,791,452	2,607,521,440	3,908,641,206	1,749,175,739
Profit Attributable to Equity Holders of the Parent (Rs.)	3,958,148,246	2,452,008,602	3,908,641,206	1,749,175,739
Weighted Average number of Ordinary Shares in issue				
Weighted Average number of Ordinary Shares	1,126,886,490	1,126,886,490	1,126,886,490	1,126,886,490
Basic / Diluted Earnings per Share (Rs.)	3.51	2.18	3.47	1.55

NOTES TO THE FINANCIAL STATEMENTS

11 Property, Plant and Equipment

11.1 Gross Carrying Value - Group

As at 31st March	Balance as at 1st April 2021 Rs.	Additions / Revaluation Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2022 Rs.
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At Cost				
Motor Vehicles	179,263,673	7,211,228	7,750,000	178,724,901
Furniture and Equipment	499,371,056	72,306,128	896,172	570,781,012
Plant and Machinery	1,482,779,737	67,367,856	-	1,550,147,593
Culinary School Equipment	75,814	2,215,731	-	2,291,545
E.D.P. Equipment	783,317,492	150,636,038	925,379	933,028,151
Shop Furniture	836,050,046	80,825,850	-	916,875,896
Shop Equipment	1,504,856,426	169,141,665	-	1,673,998,091
Improvements on Leasehold Premises	1,443,154,322	296,125,729	8,698,836	1,730,581,215
	6,728,868,566	845,830,225	18,270,387	7,556,428,404
At Valuation				
Freehold Land	2,904,178,451	347,109,376	-	3,251,287,827
Freehold Building	1,282,247,813	293,001,443	160,976,493	1,414,272,763
	4,186,426,264	640,110,819	160,976,493	4,665,560,590
Gross Carrying Value Excluding Capital WIP	10,915,294,830	1,485,941,044	179,246,880	12,221,988,994
Machinery and Equipment	26,686,717	50,423,005	53,546,947	23,562,775
Improvements on Leasehold Premises	22,927,402	-	22,927,402	-
Total Capital Work -in-progress	49,614,119	50,423,005	76,474,349	23,562,775
Total Gross Carrying Value	10,964,908,949	1,536,364,049	255,721,229	12,245,551,769

As at 31st March	Balance as at 1st April 2020 Rs.	Additions Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2021 Rs.
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Total Gross Carrying Value	10,438,821,016	596,115,231	70,027,298	10,964,908,949
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11.2 Depreciation and Impairment Losses - Group

As at 31st March	Balance as at 1st April 2021 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2022 Rs.
Freehold Building	115,206,683	53,425,473	160,976,480	7,655,676
Motor Vehicles	137,223,254	15,197,216	4,250,000	148,170,470
Furniture and Equipment	261,884,359	34,336,781	584,137	295,637,003
Plant and Machinery	811,074,085	107,873,179	-	918,947,264
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	436,723,159	97,291,464	925,379	533,089,244
Shop Furniture	594,666,507	82,199,616	-	676,866,123
Shop Equipment	902,943,292	177,697,514	-	1,080,640,806
Improvements on Leasehold Premises	899,361,467	169,783,178	6,118,846	1,063,025,799
Total Depreciation and Impairment Loss	4,159,158,620	737,804,421	172,854,842	4,724,108,199

As at 31st March	Balance as at 1st April 2020 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2021 Rs.
Total Depreciation and Impairment Loss	3,527,080,461	650,524,040	18,445,881	4,159,158,620

11.3 Net Carrying Values - Group

As at 31st March	Group	
	2022 Rs.	2021 Rs.
Freehold Land	3,251,287,701	2,904,178,451
Freehold Building	1,406,617,213	1,167,041,130
Motor Vehicles	30,554,431	42,040,419
Furniture and Equipment	275,144,009	237,486,697
Plant and Machinery	631,200,329	671,705,652
Culinary School Equipment	2,215,731	-
E.D.P. Equipment	399,938,904	346,594,333
Shop Furniture	240,009,773	241,383,539
Shop Equipment	593,357,285	601,913,134
Improvements on Leasehold Premises	667,555,416	543,792,855
Total Capital Work -in-progress	23,562,775	49,614,119
Total Carrying Value of Property , Plant and Equipment	7,521,443,570	6,805,750,329

NOTES TO THE FINANCIAL STATEMENTS

11.3.1 Carrying Value

As at 31st March	Group	
	2022 Rs.	2021 Rs.
At Cost	2,863,538,656	2,619,324,065
At Valuation	4,657,904,914	4,186,426,264
Total Carrying Value of Property, Plant and Equipment	7,521,443,570	6,805,750,329

11.4 During the Financial Year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 769,355,876/- (2020/21 - Rs. 570,638,447/-) on cash basis.

11.5 Land and Buildings were revalued During the Financial Year 2021/22 by Messrs P B Kalugalagedara, Chartered Valuation Surveyor (UK). FIV (Sri Lanka), MSIZ (Zambia), IRRV (UK), FRICS (UK), Corporate and Registered Valuer (Sri Lanka). The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31st March 2022. Such assets were valued on Direct Capital Comparison Method with the depreciated value of building added on to the current open market value of land.

	Rs.
Gain on Revaluation of Land and Buildings -2021/2022	640,110,819

11.5.1 Amounts by which values have been increased and decreased in respect of Land and Buildings revalued by Independent Qualified Valuer is indicated below

Company	Location	Address	Revaluation Surplus	
			2022 Rs.	2021 Rs.
Singer (Sri Lanka) PLC	Ambalantota	Main Street,Ambalantota.	6,151,425	6,185,931
	Balangoda	Ratnapura Road,Balangoda.	6,100,338	7,098,080
	Bandarawela	Main Street,Bandarawela.	2,727,322	10,868,966
	Borella	D.S.Senanayaka Mawatha,Borella.	4,040,894	36,703,988
	Chilaw	Bazaar Street,Chilaw.	6,171,483	17,464,452
	Colpetty	No 143, Galle Road,Colombo 03.	1,384,961	31,825,000
	Eheliyagoda	Ratnapuara Road,Eheliyagoda.	5,862,487	3,263,318
	Embilipitiya	Colombo Road,Pallegama,Embilipitiya.	4,719,686	3,706,115
	Galle	Main Street,Galle.	7,560,676	1,143,154
	Gampaha	Colombo Road,Gampaha.	8,797,247	23,602,080
	Hikkaduwa	Galle Road,Hikkaduwa.	4,798,343	10,561,396
	Kadawatha	Kandy Road, Kadawatha.	15,783,100	1,758,979
	Kandy- Mega	Sirimavo Bandaranayake Mawatha,Kandy.	6,899,657	22,022,595
	Katugastota	Madawala Road,Katugastota.	1,654,075	6,569,553
	Kiridivella	Gampaha Road,Kirindivella	5,896,525	8,165,655
	Kurunegala	Bodhiraja Mawatha,Kurunegala.	4,788,680	10,814,197
	Maharagama	High Level Road,Maharagama.	2,905,854	8,485,781
	Matara	Anagarika Dharmapala Mawatha,Matara.	5,124,127	11,403,488
	Middeniya	Katuwana Road,Middeniya.	5,880,043	6,614,435
	Mount Lavinia	Galle Road,Mount Lavinia.	13,124,833	9,116,011
	Mount Lavinia-Mega	Galle Road,Mount Lavinia.	(4,697,205)	40,205,874
	Nawalapitiya	Kotmale Road,Nawalapitiya.	6,944,414	5,087,229
	Negombo	Greens Road,Negombo.	2,651,418	7,771,512
	Nuwara-Eliya	Kandy street,Nuwara-Eliya.	2,400,696	6,115,866

Company	Location	Address	Revaluation Surplus	
			2022 Rs.	2021 Rs.
	Panadura	Galle Road, Panadura.	3,751,167	5,798,731
	Piliyandala	Gonamaditta Road, Piliyandala.	33,272,328	101,726,848
	Pussellawa	Nuwaraeliya Road, Pussellawa.	5,225,266	9,231,207
	Rathnapura	Colombo road, Rathnapura.	3,388,554	9,673,923
	Tangalle	Matara Road, Tangalle.	244,121	3,389,326
	Trincomalee	North Coast Road, Trincomalee	3,716,399	10,537,285
	Wellawatta	Galle Road, Wellawatta.	3,866,047	16,840,988
Reality Lanka Limited	Ahangama	No 24A, Matara Rd, Ahangama	(2,025,875)	646,375
	Attidiya	No.190, Main Rd, Attidiya, Dehiwala	5,247,000	-
	Moratuwa	No. 17, New Galle Rd, Moratuwa	16,936,875	-
	Kandy	No 129, Kotugodella Vediya, Kandy	5,065,000	1,305,000
	Galle	No 13&15, Wackwella Rd, Galle	6,000,000	-
	Kadawatha	Kandy Road Kadawatha	8,575,000	-
	Kalawana	No. J63A, Watapotha Road, Nivithigala, Rathnapura.	(3,000,000)	-
	Maradana	No.51/57, Brandiyawatta, Wellampitiya.	4,500,000	-
	Trincomalee	Nayanmarthidal, Thampalakamam, Trincomalee.	5,000,000	-
	Ambanpola	No.108 Yaluwewa, Ambanpola.	4,000,000	-
Regnis (Lanka) PLC	Ratmalana	No 52, Ferry Road, Off Borupona Road, Ratmalana.	134,160,922	156,573,989
Singer Industries (Ceylon) PLC	Ratmalana	No.02, 5th Lane Ratmalana	179,643,712	175,974,496
	Ratmalana	No.435 Galle Road Ratmalana	94,873,224	94,572,542
			640,110,819	882,824,365

11.6 The Carrying Value of the Revalued Assets that would have been included in the Financial Statements had the assets been carried at Cost would be as follows:

As at 31st March	Carrying Value Rs.
Land	112,593,796
Building	337,602,186
Total Carrying Value	450,195,982

11.7 The Amount of the Property, Plant and Equipment includes Fully-Depreciated Assets value would be as follows.

As at 31st March	2022 Rs.	2021 Rs.
Fully Depreciated Fixed Assets	2,548,829,513	2,199,029,631

11.8 Depreciation charge for the Year for the Group is included in the following line items in the Statement of Profit or Loss and Other Comprehensive Income.

For the year ended 31st March	2022 Rs.	2021 Rs.
Cost of Sales	151,159,188	144,446,748
Administrative Expenses	586,645,233	506,077,292
	737,804,421	650,524,040

NOTES TO THE FINANCIAL STATEMENTS

11.9 Gross Carrying Value - Company

As at 31st March	Balance as at 1st April 2021 Rs.	Additions / Revaluation Rs.	Disposals Rs.	Balance as at 31st March 2022 Rs.
At Cost				
Motor Vehicles	167,485,180	7,211,228	7,750,000	166,946,408
Furniture and Equipment	288,845,744	17,792,774	-	306,638,518
Plant and Machinery	416,463,971	9,863,146	-	426,327,116
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	618,882,333	105,764,597	-	724,646,930
Shop Furniture	836,050,046	80,825,850	-	916,875,896
Shop Equipment	1,504,856,427	169,141,665	-	1,673,998,092
Improvements on Leasehold Premises	1,116,808,021	209,596,553	-	1,326,404,574
	4,949,467,536	600,195,814	7,750,000	5,541,913,348
At Valuation				
Freehold Land	1,095,758,450	37,371,250	-	1,133,129,700
Freehold Building	764,353,023	143,763,711	99,866,734	808,250,000
	1,860,111,473	181,134,961	99,866,734	1,941,379,700
Total Gross Carrying Value	6,809,579,009	781,330,775	107,616,734	7,483,293,048

As at 31st March	Balance as at 1st April 2020 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31st March 2021 Rs.
Total Gross Carrying Value	6,419,925,919	428,492,040	38,838,950	6,809,579,009

11.10 Depreciation and Impairment Losses - Company

As at 31st March	Balance as at 1st April 2021 Rs.	Charge for the year Rs.	Disposals Rs.	Balance as at 31st March 2022 Rs.
Freehold Buildings	66,828,235	33,038,499	99,866,734	-
Motor Vehicles	120,534,386	14,796,221	4,250,000	131,080,607
Furniture and Equipment	191,929,950	13,244,294	-	205,174,244
Plant and Machinery	271,728,383	27,495,589	-	299,223,972
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	333,418,955	75,085,046	-	408,504,001
Shop Furniture	594,666,506	82,199,616	-	676,866,121
Shop Equipment	902,943,294	177,697,514	-	1,080,640,807
Improvements on Leasehold Premises	749,187,660	125,296,970	-	874,484,630
Total Depreciation and Impairment Losses	3,231,313,183	548,853,749	104,116,734	3,676,050,196

As at 31st March	Balance as at 1st April 2020 Rs.	Charge for the year Rs.	Disposals Rs.	Balance as at 31st March 2021 Rs.
Total Depreciation and Impairment Losses	2,768,065,718	478,836,281	15,588,816	3,231,313,183

11.11 Net Carrying Value - Company

As at 31st March	Company	
	2022 Rs.	2021 Rs.
Freehold Land	1,133,129,700	1,095,758,450
Freehold Building	808,250,000	697,524,788
Motor Vehicles	35,865,801	46,950,794
Furniture and Equipment	101,464,274	96,915,794
Plant and Machinery	127,103,144	144,735,588
E.D.P. Equipment	316,142,929	285,463,378
Shop Furniture	240,009,775	241,383,540
Shop Equipment	593,357,285	601,913,133
Improvements on Leasehold Premises	451,919,944	367,620,361
Total Carrying Value of Property , Plant and Equipment	3,807,242,852	3,578,265,826

11.11.1 Carrying Value

As at 31st March	Company	
	2022 Rs.	2021 Rs.
At Cost	1,865,863,152	1,718,154,353
At Valuation	1,941,379,700	1,860,111,473
Total Carrying Value of Property, Plant and Equipment	3,807,242,852	3,578,265,826

11.12 During the Financial Year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 600,195,814/- (2020/21 - Rs. 428,492,040/-) on cash basis.

11.13 Lands and Buildings were revalued During the Financial Year 2021/22 by Messrs P B Kalugalagedara, Chartered Valuation Surveyor (UK). FIV (Sri Lanka), MSIZ (Zambia), IRRV (UK), FRICS (UK), Corporate and Registered Valuer (Sri Lanka). The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31st March 2022. Such assets were valued on Direct Capital Comparison Method with the depreciated value of building added on to the current open market value of land.

	Rs.
Revaluation Gain on Land and Buildings - 2021/2022	181,134,961

NOTES TO THE FINANCIAL STATEMENTS

11.13.1 Amounts by which values have been increased and decreased in respect of Land and Building revalued by independent qualified valuer are indicated below.

Company	Location	Address	Revaluation Surplus	
			2022 Rs.	2021 Rs.
Singer (Sri Lanka) PLC	Ambalantota	Main Street,Ambalantota.	6,151,425	6,185,931
	Balangoda	Ratnapura Road,Balangoda.	6,100,338	7,098,080
	Bandarawela	Main Street,Bandarawela.	2,727,322	10,868,966
	Borella	D.S.Senanayaka Mawatha,Borella.	4,040,894	36,703,988
	Chilaw	Bazaar Street,Chilaw.	6,171,483	17,464,452
	Colpetty	No 143, Galle Road,Colombo 03.	1,384,961	31,825,000
	Eheliyagoda	Ratnapuara Road,Eheliyagoda.	5,862,487	3,263,318
	Embilipitiya	Colombo Road,Pallegama,Embilipitiya.	4,719,686	3,706,115
	Galle	Main Street,Galle.	7,560,676	1,143,154
	Gampaha	Colombo Road,Gampaha.	8,797,247	23,602,080
	Hikkaduwa	Galle Road,Hikkaduwa.	4,798,343	10,561,396
	Kadawatha	Kandy Road, Kadawatha.	15,783,100	1,758,979
	Kandy- Mega	Sirimavo Bandaranayake Mawatha,Kandy.	6,899,657	22,022,595
	Katugastota	Madawala Road,Katugastota.	1,654,075	6,569,553
	Kirindiwella	Gampaha Road,Kirindiwella	5,896,525	8,165,655
	Kurunegala	Bodhiraja Mawatha,Kurunegala.	4,788,680	10,814,197
	Maharagama	High Level Road,Maharagama.	2,905,854	8,485,781
	Matara	Anagarika Dharmapala Mawatha,Matara.	5,124,127	11,403,488
	Middeniya	Katuwana Road,Middeniya.	5,880,043	6,614,435
	Mount Lavinia	Galle Road,Mount Lavinia.	13,124,833	9,116,011
	Mount Lavinia-Mega	Galle Road,Mount Lavinia.	(4,697,205)	40,205,874
	Nawalapitiya	Kotmale Road,Nawalapitiya.	6,944,414	5,087,229
	Negombo	Greens Road,Negombo.	2,651,418	7,771,512
	Nuwara-Eliya	Kandy street,Nuwara-Eliya.	2,400,696	6,115,866
	Panadura	Galle Road,Panadura.	3,751,167	5,798,731
	Piliyandala	Gonamaditta Road,Piliyandala.	33,272,328	101,726,848
	Pussellawa	Nuwaraeliya Road,Pussellawa.	5,225,266	9,231,207
	Rathnapura	Colombo road,Rathnapura.	3,388,554	9,673,923
	Tangalle	Matara Road, Tangalle.	244,121	3,389,326
	Trincomalee	North Coast Road,Trincomalee	3,716,399	10,537,285
	Wellawatta	Galle Road, Wellawatta.	3,866,047	16,840,988
			181,134,961	453,751,963

11.13.2 Group or the Company has not pledged any Property Plant and Equipment as security for the Loans obtained During the Year

11.13.3 The Group and the Company had not capitalized borrowing costs related to the acquisition of Property, Plant and Equipment During the Year 2020/22 (2020/21 – Nil).

11.13.4 There is no permanent fall in value of Property, Plant and Equipment which requires a Provision for Impairment

11.14 The Carrying Value of the Revalued Assets that would have been included in the Financial Statements had the assets been carried at Cost would be as follows:

As at 31st March	Carrying Value Rs.
Land	100,851,000
Building	268,429,761
Total Carrying Value	369,280,761

11.15 The amount of the Property, Plant and Equipment includes Fully-Depreciated Fixed Assets Value would be as follows.

As at 31st March	2022 Rs.	2021 Rs.
Fully Depreciated Assets	2,017,013,604	1,900,972,350

11.16 Depreciation charge for the Year is included in the following line items in the Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	2022 Rs.	2021 Rs.
Cost of Sales	48,491,606	45,054,302
Administrative Expenses	500,362,141	433,781,979
	548,853,749	478,836,281

NOTES TO THE FINANCIAL STATEMENTS

11.17 Information on the Freehold Land and Buildings of the Group

Location	Extent (Perches)	No of Buildings in each Location	Buildings (Square Feet)	Cost or Revaluation of Land Rs.	Cost or Revaluation of Buildings Rs.	Value per Perch Rs.	Value per Square Rs.	Total Value Rs.
Attidiya								
No.190, Main Rd, Attidiya, Dehiwala	6.20	1	2260	22,000,000	11,000,000	3,548,387	4,867	33,000,000
Ahangama								
No 24A, Matara Rd, Ahangama	14.00	1	1630	21,000,000	9,000,000	1,500,000	5,521	30,000,000
Ambalantota								
Main Street,Ambalantota.	6.60	1	1885	18,000,000	9,000,000	2,727,273	4,775	27,000,000
Ambanpola								
No.108 Yaluwewa,Ambanpola.	10.00	-	-	6,000,000	-	600,000	-	6,000,000
Balangoda								
Ratnapura Road,Balangoda.	6.20	1	2080	21,000,000	10,000,000	3,387,097	4,808	31,000,000
Bandarawela								
Main Street,Bandarawela.	4.10	1	2660	12,000,000	11,000,000	2,926,829	4,135	23,000,000
Borella								
D.S.Senanayaka Mawatha,Borella.	4.64	1	2310	69,500,000	12,000,000	14,978,448	5,195	81,500,000
Chilaw								
Bazaar Street,Chilaw.	13.05	1	4120	43,000,000	19,000,000	3,295,019	4,612	62,000,000
Colpetty								
No 143, Galle Road,Colombo 03.	3.35	1	1440	57,000,000	6,500,000	17,014,925	4,514	63,500,000
Eheliyagoda								
Ratnapuara Road,Eheliyagoda.	5.73	1	1660	13,000,000	8,000,000	2,268,761	4,819	21,000,000
Embilipitiya								
Colombo Road, Pallegama, Embilipitiya.	4.60	1	2070	17,500,000	10,000,000	3,804,348	4,831	27,500,000
Galle								
Main Street,Galle.	2.84	1	2250	16,000,000	10,000,000	5,633,803	4,444	26,000,000
Galle								
No 13&15, Wackwella Rd, Galle	12.00	-	-	60,000,000	-	5,000,000	-	60,000,000
Gampaha								
Colombo Road,Gampaha.	17.87	1	7870	63,000,000	35,000,000	3,525,462	-	98,000,000
Hikkaduwa								
Galle Road,Hikkaduwa.	8.74	1	2400	24,500,000	11,500,000	2,803,204	-	36,000,000
Kadawatha								
Kandy Road, Kadawatha.	3.80	1	1150	21,900,000	12,350,000	5,763,158	-	34,250,000
Kadawatha								
No 430/1,Ganemulla Road,Ihala-Karagahamuna,Kadawathe	4.38	-	-	19,000,000	-	4,337,900	-	19,000,000
Kalawana								
No. J63A,Watapotha Road,Nivithigala,Rathnapura.	18.66	-	-	4,000,000	-	214,362	-	4,000,000
Kandy								
No 129, Kotugodella Vediya, Kandy	9.55	1	2900	48,000,000	14,000,000	5,026,178	-	62,000,000
Kandy- Mega								
Sirimavo Bandaranayake Mawatha,Kandy.	15.70	1	12840	37,000,000	70,000,000	2,356,688	-	107,000,000
Katugastota								
Madawala Road,Katugastota.	4.88	1	1620	11,000,000	7,000,000	2,256,410	-	18,000,000
Kiridiwella								
Gampaha Road,Kirindiwella	8.10	1	2940	20,250,000	14,250,000	2,500,000	-	34,500,000

Location	Extent (Perches)	No of Buildings in each Location	Buildings (Square Feet)	Cost or Revaluation of Land Rs.	Cost or Revaluation of Buildings Rs.	Value per Perch Rs.	Value per Square Rs.	Total Value Rs.
Kurunegala								
Bodhiraja Mawatha, Kurunegala.	7.66	1	2810	29,000,000	11,000,000	3,785,901	-	40,000,000
Maharagama								
High Level Road, Maharagama.	6.20	1	2700	37,000,000	12,000,000	5,967,742	-	49,000,000
Maradana								
No.51/57, Brandiyawatta, Wellampitiya.	10.00	-	-	8,000,000	-	800,000	-	8,000,000
Matara								
Anagarika Dharmapala Mawatha, Matara	10.00	1	3520	40,000,000	15,000,000	4,000,000	-	55,000,000
Middeniya								
Katuwana Road, Middeniya.	8.25	1	2670	15,000,000	13,000,000	1,818,182	-	28,000,000
Mount Lavinia								
Galle Road, Mount Lavinia.	7.50	1	1900	37,500,000	15,500,000	5,000,000	-	53,000,000
Mount Lavinia-Mega								
Galle Road, Mount Lavinia.	18.47	1	15500	92,000,000	68,000,000	4,981,050	-	160,000,000
Nawalapitiya								
Kotmale Road, Nawalapitiya.	4.70	1	2760	13,000,000	13,000,000	2,765,957	-	26,000,000
Negombo								
Greens Road, Negombo.	6.00	1	2040	25,000,000	7,500,000	4,166,667	-	32,500,000
Nuwara-Eliya								
Kandy street, Nuwara-Eliya.	4.65	1	1700	18,379,700	7,650,000	3,952,624	-	26,029,700
Panadura								
Galle Road, Panadura.	6.15	1	2940	18,500,000	13,000,000	3,008,130	-	31,500,000
Piliyandala								
Gonamaditta Road, Piliyandala.	1,144.35	9	118450	229,000,000	333,500,000	200,114	-	562,500,000
Pussellawa								
Nuwara Eliya Road, Pussellawa.	12.43	1	3295	25,000,000	15,000,000	2,011,263	-	40,000,000
Rathnapura								
Colombo road, Rathnapura.	5.80	1	3075	20,300,000	13,700,000	3,500,000	-	34,000,000
Ratmalana								
No. 52, Ferry Road, Off Borupona Road, Ratmalana	705.00	18	123910	492,100,126	289,192,763	698,014	-	781,292,889
Ratmalana								
No.02 5th lane Ratmalana	362.50	10	75365	1,080,538,000	193,350,000	2,980,794	-	1,273,888,000
Ratmalana								
No.435 Galle Road Ratmalana	50.00	1	18.00	302,520,000	80,480,000	6,050,400	-	383,000,000
Tangalle								
Matara Road, Tangalle.	4.60	1	1285	13,800,000	3,800,000	3,000,000	-	17,600,000
Trincomalee								
North Coast Road, Trincomalee	5.58	1	2335	20,000,000	11,000,000	3,584,229	-	31,000,000
Wellawatta								
Galle Road, Wellawatta.	4.60	1	2700	55,000,000	10,000,000	11,956,522	-	65,000,000
Moratuwa								
No. 17, New Galle Rd, Moratuwa	13.09	1	2990	46,000,000	9,000,000	3,514,133	-	55,000,000
Trincomalee								
Nayanmarthidal, Thampalakamam, Trincomalee.	60.00	-	-	9,000,000	-	150,000	-	9,000,000
				3,251,287,827	1,414,272,763			4,665,560,590

NOTES TO THE FINANCIAL STATEMENTS

11.18 Information on the Freehold Land and Buildings of the Company

Location	Extent (Perches)	No of Buildings in each Location	Buildings (Square Feet)	Cost or Revaluation of Land Rs.	Cost or Revaluation of Buildings Rs.	Value per Perch Rs.	Value per Square Rs.	Total Value Rs.
Ambalantota								
Main Street,Ambalantota.	6.60	1	1885	18,000,000	9,000,000	2,727,273	4,775	27,000,000
Balangoda								
Ratnapura Road,Balangoda.	6.20	1	2080	21,000,000	10,000,000	3,387,097	4,808	31,000,000
Bandarawela								
Main Street,Bandarawela.	4.10	1	2660	12,000,000	11,000,000	2,926,829	4,135	23,000,000
Borella								
D.S.Senanayaka Mawatha,Borella.	4.64	1	2310	69,500,000	12,000,000	14,978,448	5,195	81,500,000
Chilaw								
Bazaar Street,Chilaw.	13.05	1	4120	43,000,000	19,000,000	3,295,019	4,612	62,000,000
Colpetty								
No 143, Galle Road,Colombo 03.	3.35	1	1440	57,000,000	6,500,000	17,014,925	4,514	63,500,000
Eheliyagoda								
Ratnapuara Road,Eheliyagoda.	5.73	1	1660	13,000,000	8,000,000	2,268,761	4,819	21,000,000
Galle								
Main Street,Galle.	2.84	1	2250	16,000,000	10,000,000	5,633,803	4,444	26,000,000
Gampaha								
Colombo Road,Gampaha.	17.87	1	7870	63,000,000	35,000,000	3,525,462	4,447	98,000,000
Hikkaduwa								
Galle Road,Hikkaduwa.	8.74	1	2400	24,500,000	11,500,000	2,803,204	4,792	36,000,000
Embilipitiya								
Colombo Road,Pallegama,Embilipitiya.	4.60	1	2070	17,500,000	10,000,000	3,804,348	4,831	27,500,000
Kadawatha								
Kandy Road, Kadawatha.	3.80	1	1150	21,900,000	12,350,000	5,763,158	10,739	34,250,000
Kandy- Mega								
Sirimavo Bandaranayake Mawatha,Kandy.	15.70	1	12840	37,000,000	70,000,000	2,356,688	5,452	107,000,000
Katugastota								
Madawala Road,Katugastota.	4.88	1	1620	11,000,000	7,000,000	2,256,410	4,321	18,000,000
Kiridiwella								
Gampaha Road,Kirindiwela	8.10	1	2940	20,250,000	14,250,000	2,500,000	4,847	34,500,000
Kurunegala								
Bodhiraja Mawatha,Kurunegala.	7.66	1	2810	29,000,000	11,000,000	3,785,901	3,915	40,000,000
Maharagama								
High Level Road,Maharagama.	6.20	1	2700	37,000,000	12,000,000	5,967,742	4,444	49,000,000
Matara								
Anagarika Dharmapala Mawatha, Matara.	10.00	1	3520	40,000,000	15,000,000	4,000,000	4,261	55,000,000
Middeniya								
Katuwana Road,Middeniya.	8.25	1	2670	15,000,000	13,000,000	1,818,182	4,869	28,000,000
Mount Lavinia								
Galle Road,Mount Lavinia.	7.50	1	1900	37,500,000	15,500,000	5,000,000	8,158	53,000,000
Mount Lavinia-Mega								
Galle Road,Mount Lavinia.	18.47	1	15500	92,000,000	68,000,000	4,981,050	4,387	160,000,000
Nawalapitiya								
Kotmale Road,Nawalapitiya.	4.70	1	2760	13,000,000	13,000,000	2,765,957	4,710	26,000,000

Location	Extent (Perches)	No of Buildings in each Location	Buildings (Square Feet)	Cost or Revaluation of Land Rs.	Cost or Revaluation of Buildings Rs.	Value per Perch Rs.	Value per Square Rs.	Total Value Rs.
Negombo								
Greens Road, Negombo.	6.00	1	2040	25,000,000	7,500,000	4,166,667	3,676	32,500,000
Nuwara-Eliya								
Kandy street, Nuwara-Eliya.	4.65	1	1700	18,379,700	7,650,000	3,952,624	4,500	26,029,700
Panadura								
Galle Road, Panadura.	6.15	1	2940	18,500,000	13,000,000	3,008,130	4,422	31,500,000
Piliyandala								
Gonamaditta Road, Piliyandala.	1,144.35	9	118450	229,000,000	333,500,000	200,114	2,816	562,500,000
Pussellawa								
Nuwaraeliya Road, Pussellawa.	12.43	1	3295	25,000,000	15,000,000	2,011,263	4,552	40,000,000
Rathnapura								
Colombo road, Rathnapura.	5.80	1	3075	20,300,000	13,700,000	3,500,000	4,455	34,000,000
Tangalle								
Matara Road, Tangalle.	4.60	1	1285	13,800,000	3,800,000	3,000,000	2,957	17,600,000
Trincomalee								
North Coast Road, Trincomalee	5.58	1	2335	20,000,000	11,000,000	3,584,229	4,711	31,000,000
Wellawatta								
Galle Road, Wellawatta.	4.60	1	2700	55,000,000	10,000,000	11,956,522	3,704	65,000,000
				1,133,129,700	808,250,000			1,941,379,700

11.19 Measurement of Fair Value

(i) Fair Value Hierarchy

The Fair Value of Property was determined by External Independent Property Valuer having appropriate recognised Professional Qualifications and recent experience in the location and category of the property being valued.

The fair Value measurement for all of Properties has been categorised as level 3 fair value based on the Input to the valuation technique used.

(ii) Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation Technique used in measuring the Fair Value of Property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Interrelationship between key unobservable inputs and fair value measurements.
Contractors Method: The contractor's method works on the basis that a property's value can be equated to its cost. Valuer assess the cost of the building if it would have constructed in current year, and deduct margin for usage of the property based on their year of construction.	<ul style="list-style-type: none"> * Market value of land (Price per Perch). Valuer has used range of prices for respective lands based on their recently transacted cost. * Construction cost per Square feet of a building. * Depreciation rate for the usage of assets. 	<p>The Estimated fair value would increase (decrease) if -</p> <ul style="list-style-type: none"> * Market Value per perch was higher (lower) * Cost per square feet was higher (lower) * Depreciation rate for usage lower (higher)
Land value is based on the market prices of each land respectively. Value of property is considered as summation of land and Building value.		

NOTES TO THE FINANCIAL STATEMENTS

(iii) Unobservable Inputs used in Measuring Fair Value

Category	District	Valuation Technique	Significant Unobservable Input	Range of estimate (Weighted Average) for Unobservable Inputs Rs '000
Freehold Land	Badulla	Market prices of Land	Land - Rate per perch	3,000
	Colombo			800 to 17,000
	Galle			1,500 to 5,000
	Gampaha			2,500 to 3,500
	Hambanthota			1,800
	Kalutara			3,000
	Kandy			3,000 to 5,000
	Kurunegala			3,750
	Matara			4,750
	Nuwara Eliya			4,000
	Puttalam			3,500
	Rathnapura			2,500 to 3,500
	Trincomalee			150 to 3,750

11.20 Right-of-Use Assets

11.20.1 Right-of-Use Assets - Entity as a Lessee

Asset Details	Group	Cost				Depreciation			Carrying Value
		Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Charge for the year	Balance as at 31st March 2022	31st March 2022
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings		6,178,035,227	1,413,538,309	-	7,591,573,536	1,745,032,392	1,039,127,827	2,784,160,219	4,807,413,317
Total		6,178,035,227	1,413,538,309	-	7,591,573,536	1,745,032,392	1,039,127,827	2,784,160,219	4,807,413,317

Asset Details	Group	Cost				Depreciation			Carrying Value
		Balance as at 1st April 2020	Additions	Disposals	Balance as at 31st March 2021	Balance as at 1st April 2020	Charge for the year	Balance as at 31st March 2021	31st March 2021
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings		5,301,716,017	885,027,936	(8,708,726)	6,178,035,227	853,156,080	891,876,312	1,745,032,392	4,433,002,835
Total		5,301,716,017	885,027,936	(8,708,726)	6,178,035,227	853,156,080	891,876,312	1,745,032,392	4,433,002,835

Asset Details	Company	Cost				Depreciation			Carrying Value	
		Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Charge for the year	Balance as at 31st March 2022	31st March 2022	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Buildings		5,445,899,941	1,217,811,212	-	6,663,711,153	1,582,751,551	932,864,165	2,515,615,716	4,148,095,437	
Total		5,445,899,941	1,217,811,212	-	6,663,711,153	1,582,751,551	932,864,165	2,515,615,716	4,148,095,437	

Asset Details	Company	Cost				Depreciation			Carrying Value	
		Balance as at 1st April 2020	Additions	Disposals	Balance as at 31st March 2021	Balance as at 1st April 2020	Charge for the year	Balance as at 31st March 2021	31st March 2021	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Buildings		4,766,140,512	687,888,979	(8,129,550)	5,445,899,941	779,950,800	802,800,751	1,582,751,551	3,863,148,390	
Total		4,766,140,512	687,888,979	(8,129,550)	5,445,899,941	779,950,800	802,800,751	1,582,751,551	3,863,148,390	

11.20.2 Group - Lease Liabilities

	Balance as at 1st April 2021	Additions	Disposals	Interest charges	Payments	Balance as at 31st March 2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	4,994,013,307	1,073,087,655	-	663,261,880	(1,247,331,839)	5,483,031,003
Total	4,994,013,307	1,073,087,655	-	663,261,880	(1,247,331,839)	5,483,031,003

	Rs.
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Lease Liabilities Due Within One Year	912,300,132
Lease Liabilities Due After One Year	4,570,730,871
	5,483,031,003

	Balance as at 1st April 2020	Additions	Disposals	Interest charges	Payments	Balance as at 31st March 2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	4,818,957,156	789,684,229	(10,445,417)	626,669,773	(1,230,852,434)	4,994,013,307
Total	4,818,957,156	789,684,229	(10,445,417)	626,669,773	(1,230,852,434)	4,994,013,307

	Rs.
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Lease Liabilities Due Within One Year	686,421,286
Lease Liabilities Due After One Year	4,307,592,021
	4,994,013,307

NOTES TO THE FINANCIAL STATEMENTS

11.20.3 Company - Lease Liabilities

	Balance as at 1st April 2021 Rs.	Additions Rs.	Disposals Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2022 Rs.
Buildings	4,411,045,329	877,360,557	-	591,393,061	(1,100,110,546)	4,779,688,401
Total	4,411,045,329	877,360,557	-	591,393,061	(1,100,110,546)	4,779,688,401

	Rs.
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Lease Liabilities Due Within One Year	854,483,617
Lease Liabilities Due After One Year	3,925,204,784
	4,779,688,401

	Balance as at 1st April 2020 Rs.	Additions Rs.	Disposals Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2021 Rs.
Buildings	4,368,226,693	592,545,272	(9,866,241)	560,250,151	(1,100,110,546)	4,411,045,329
Total	4,368,226,693	592,545,272	(9,866,241)	560,250,151	(1,100,110,546)	4,411,045,329

	Rs.
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Lease Liabilities Due Within One Year	624,047,914
Lease Liabilities Due After One Year	3,786,997,415
	4,411,045,329

11.20.4 The following table sets out a Maturity Analysis of Lease Payments, showing the Undiscounted Lease Payments to be paid after the Reporting Date

Aging Analysis for Lease - Group

	< 3 months Rs.	3 to 12 months Rs.	1-2 Year Rs.	2-5 Year Rs.	> 5 Year Rs.	Total Rs.
Based on SLFRS 16						
As at 31st March 2022	228,075,033	684,225,099	945,826,580	1,853,265,020	1,771,639,271	5,483,031,003
	228,075,033	684,225,099	945,826,580	1,853,265,020	1,771,639,271	5,483,031,003

Aging Analysis for Lease - Company

	< 3 months Rs.	3 to 12 months Rs.	1-2 Year Rs.	2-5 Year Rs.	> 5 Year Rs.	Total Rs.
Based on SLFRS 16						
As at 31st March 2022	213,620,904	640,862,713	912,546,285	1,652,842,562	1,359,815,937	4,779,688,401
	213,620,904	640,862,713	912,546,285	1,652,842,562	1,359,815,937	4,779,688,401

11.20.5 The followings are the amounts recognised in profit or loss:

For the Year Ended 31st March 2022	Group	Company
	2022 Rs.	2022 Rs.
Depreciation Expense of Right-of-Use Assets - Administrative Expense	1,023,813,519	932,864,165
Depreciation Expense of Right-of-Use Assets - Cost of Sales	15,314,308	-
Interest Expense on Lease Liabilities - Finance Cost	586,866,709	591,393,061
Interest Expense on Lease Liabilities - Direct Interest Cost	76,395,171	-

11.20.6 The Followings provide Information on the Group's Variable Lease Payments, including the magnitude in relation to Fixed Payments:

For the Year Ended 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Fixed rent	(1,247,331,839)	-	(1,100,110,546)	-

There were no Variable Lease Payments for the Group During Financial Year 2021/2022

11.20.7 Currency Wise Analysis Obligation

Group and the Company Lease Obligation Values as at 31st March 2022 are in Sri Lankan Rupees.

12. Intangible Assets

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Trade Mark with Indefinite Useful Life	12.1	93,512,500	93,512,500	93,512,500	93,512,500
Software	12.2	389,998,428	155,752,672	263,524,823	63,349,161
Other Intangible Assets Externally Acquired	12.3	65,328,429	65,756,719	65,328,429	65,756,719
		548,839,357	315,021,891	422,365,752	222,618,380

12.1 Trade Mark with Indefinite Useful Life

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cost				
Balance at the Beginning of the Year	93,512,500	93,512,500	93,512,500	93,512,500
As at the End of the Year	93,512,500	93,512,500	93,512,500	93,512,500
Less: Accumulated Impairment Loss	-	-	-	-
Net Carrying Value	93,512,500	93,512,500	93,512,500	93,512,500

Trade Mark consists of SISIL brand name Rs.55,000,000/- (Note 12.4) and UNIC brand name Rs. 38,512,500/- (Note 12.5)

Please refer notes 12.4 and 12.5 for SISIL and UNIC Brand Names impairment respectively.

NOTES TO THE FINANCIAL STATEMENTS

12.2 Software

As at 31st March	Note	Group		Company	
		2022	2021	2022	2021
		Rs.	Rs.	Rs.	Rs.
Cost					
Balance at the Beginning of the Year		462,764,031	399,735,484	259,267,632	240,737,083
Acquired During the Year		279,760,071	63,028,547	228,126,313	18,530,549
Disposals During the Year		(1,434,028)	-	(1,434,028)	-
Balance at the End of the Year		741,090,074	462,764,031	485,959,917	259,267,632
Amortisation					
Balance at the Beginning of the Year		307,011,359	284,359,494	195,918,471	184,230,419
Amortisation Charge for the Year	12.8	44,713,637	22,651,865	27,149,973	11,688,052
Disposals During the Year		(633,350)	-	(633,350)	-
Balance at the End of the Year		351,091,646	307,011,359	222,435,094	195,918,471
Carrying Amount					
Balance at the Beginning of the Year		155,752,672	115,375,990	63,349,161	56,506,664
Balance at the End of the Year		389,998,428	155,752,672	263,524,823	63,349,161

12.3 Other Intangible Assets Externally Acquired

		Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
As at 31st March	Note				
Cost					
Balance at the Beginning of the Year		99,706,920	78,431,920	99,706,920	78,431,920
Acquired During the Year		1,728,000	21,275,000	1,728,000	21,275,000
Balance at the End of the Year		101,434,920	99,706,920	101,434,920	99,706,920
Amortisation					
Balance at the Beginning of the Year		33,950,201	32,000,000	33,950,201	32,000,000
Amortisation Charge for the Year	12.8	2,156,290	1,950,201	2,156,290	1,950,201
Balance at the End of the Year		36,106,491	33,950,201	36,106,491	33,950,201
Carrying Value					
Balance at the Beginning of the Year		65,756,719	46,431,920	65,756,719	46,431,920
Balance at the End of the Year		65,328,429	65,756,719	65,328,429	65,756,719

Other Intangible Assets externally acquired includes Sony Distribution Rights amounting to Rs.46,431,920/-, Hayleys Brand Amounting to Rs.32,000,000/- and Website Development amounting to Rs.21,275,000/-.

Hayleys Brand has been fully amortised as at 31st March 2022. Refer Note 12.6 and 12.7 for amortisation of Hayleys Brand name and impairment of Sony Distribution Right respectively.

12.4 SISIL Trademark

The company acquired the "SISIL" Trademark in December 2000, amounting to Rs. 55 million. The Management is of the opinion that the aforementioned trademark has an indefinite useful life as their associated brand awareness and recognition have existed over 30 years and the Company intends to utilise the said trademark for the foreseeable future. There are no legal, regulatory, contractual, competitive, economic or other factors that may limit its useful life and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for any impairment as at 31st March 2022.

Annual Sales Growth for Next Five Years	10%
Gross Margin	26%
Discount Rate	9.5%
Indefinite Growth Rate after Year 2026/2027	2%

12.5 UNIC Trademark

The Company acquired the "UNIC" Trademark in 2006 amounting to Rs. 38,512,500/-. This Trademark is also considered to have an indefinite useful life due to the factors mentioned in the preceding paragraph and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for impairment as at 31st March 2022:

Annual Sales Growth for Next Five Years	8%
Gross Margin	29%
Discount Rate	9.5%
Indefinite Growth Rate after Year 2026/2027	2%

12.6 Hayleys Brand Name

The Company took over the Showrooms and Retail operation of the Hayleys Electronic Retail Limited from 2nd January 2008 including the Agencies of Phillips and Kenwood for Rs. 32 million. The entire purchase consideration was treated as Goodwill and has been amortised over the determined useful life of 5 years commencing from the period beginning 1st January 2009.

12.7 SONY Distribution Rights

The Company acquired the Distribution Rights of brand "SONY" in 2014 amounting to Rs. 46,431,920/- These assets are now carried at cost subject to annual impairment test and the carrying amount as at 31st March 2022 is Rs. 46,431,920/-. This Distribution Rights also considered to have an indefinite useful life due to the factors mentioned in the preceding paragraph accordingly, the Carrying Value of this Distribution Right is determined after testing for impairment annually. Following assumptions are made to test for impairment as at 31st March 2022:

Annual Sales Growth for next Five years	5%
Gross Margin	20%
Discount Rate	9.5%
Indefinite Growth Rate after Year 2026/2027	2%

12.8 Amortisation of Intangible Assets

For the Year ended 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Amortisation of Software	12.2	44,713,637	22,651,865	27,149,973	11,688,052
Amortisation of Other Intangible Assets Externally Acquired	12.3	2,156,290	1,950,201	2,156,290	1,950,201
Amortisation Charge for the Year		46,869,927	24,602,066	29,306,263	13,638,253

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13 Investment In Subsidiaries - Company

As at 31st March	Country of Incorporation	Number of Shares		Carrying Value	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Quoted					
Singer Finance (Lanka) PLC	Sri Lanka				
Investment at the Beginning of the Year		161,513,035	161,513,035	1,427,934,310	1,427,934,310
Investments Made During the Year		-	-	-	-
Investments Disposed During the Year		-	-	-	-
Investment at the End of the Year		161,513,035	161,513,035	1,427,934,310	1,427,934,310
Singer Industries (Ceylon) PLC					
Investment at the Beginning of the Year		17,544,628	8,772,314	692,407,683	692,407,683
Sub Division of Shares Made During the Year		-	8,772,314	-	-
Investments Disposed During the Year		-	-	-	-
Investment at the End of the Year		17,544,628	17,544,628	692,407,683	692,407,683
Regnis (Lanka) PLC					
Investment at the Beginning of the Year		13,137,154	6,568,577	722,530,710	722,530,710
Sub Division of Shares Made During the Year		-	6,568,577	-	-
Investments Disposed During the Year		-	-	-	-
Investment at the End of the Year		13,137,154	13,137,154	722,530,710	722,530,710
Non-Quoted					
Singer Digital Media (Private) Limited					
Investment at the Beginning of the Year		500,000	500,000	5,000,000	5,000,000
Investments Made During the Year		-	-	-	-
Investments Disposed During the Year		-	-	-	-
Investment at the End of the Year		500,000	500,000	5,000,000	5,000,000
Singer Business School (Private) Limited					
Investment at the Beginning of the Year		1,000,000	1,000,000	10,000,000	10,000,000
Investments Made During the Year		-	-	-	-
Investments Disposed During the Year		-	-	-	-
Investment at the End of the Year		1,000,000	1,000,000	10,000,000	10,000,000
Reality Lanka Limited					
Investment at the Beginning of the Year		11,015,077	11,015,077	110,150,770	110,150,770
Investments Made During the Year		-	-	-	-
Investments Disposed During the Year		-	-	-	-
Investment at the End of the Year		11,015,077	11,015,077	110,150,770	110,150,770
Total Investment in Subsidiaries					
				2,968,023,473	2,968,023,473

Note: Refer Notes 1.1.2 and 1.1.3 for Investment in Domus Lanka (Private) Limited

14 Other Non-Current Assets

Prepaid Operating Leases - Leasehold right

Pre-Paid Operating Lease relates to operating lease paid in advance for the Land acquired by Regnis Appliances (Private) Limited from Board of Investment (BOI) in Sri Lanka. The Group amortises the Leasehold Land over the Lease Period of 50 years, on straight line basis. The reconciliation of Pre-Paid Operating Lease is as follows:

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cost				
At the Beginning of the Year	65,062,510	65,062,510	-	-
Acquired During the Year	-	-	-	-
At the End of the Year	65,062,510	65,062,510	-	-
Amortisation				
At the Beginning of the Year	4,445,938	3,144,688	-	-
Amortised During the Year	1,301,250	1,301,250	-	-
At the End of the Year	5,747,188	4,445,938	-	-
Carrying value	59,315,322	60,616,572	-	-

15. Other Investments

15.1 Non Current Financial Assets

As at 31st March	No. of Shares		Group Value		Company Value	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Non-Quoted						
(a)Equity investments at Fair value through Other Comprehensive Income (FVOCI)						
Equity Investment Lanka Limited	1,665,000	1,665,000				
Balance at the Beginning of the Year			24,948,407	17,020,000	24,948,407	17,020,000
Change in Fair Value During the Year			(2,089,975)	7,928,407	(2,089,975)	7,928,407
Balance at the End of the Year			22,858,432	24,948,407	22,858,432	24,948,407
Credit Information Bureau of Sri Lanka	100	100	41,300	41,300	-	-
			22,899,732	24,989,707	22,858,432	24,948,407

The Group designated the Investments shown above as Equity Securities at FVOCI, since the Group intends to hold these Equity Investments for Long Term for strategic purpose.

No Strategic Investments were disposed During the Financial year 2021/2022 and there were no transfers of any cumulative gain or loss within equity relating to these Investments

NOTES TO THE FINANCIAL STATEMENTS

15.2 Short Term Investments

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
(a) Financial Assets at Amortised Cost				
Investment in Treasury Bills	1,412,979,204	714,026,005	-	-
Investment in Treasury Bonds	-	99,236,051	-	-
	1,412,979,204	813,262,056	-	-

Further details relating to Fair Valuation and carrying value are provided in Note 36 to these Financial Statements.

16. Inventories

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Raw Materials		2,321,206,294	1,664,276,888	1,044,520,595	519,357,764
Work-in-Progress		558,911,492	402,356,633	260,530,546	153,338,624
Finished Goods		19,235,504,930	14,792,671,891	18,618,223,764	14,290,773,963
Supplies and Parts		1,018,771,002	737,453,244	954,327,109	721,222,156
Goods-in-Transit		1,217,958,280	1,911,447,520	882,524,084	1,661,867,574
		24,352,351,998	19,508,206,176	21,760,126,098	17,346,560,081
Provision on Inventories	16.1	(1,325,562,474)	(1,273,909,064)	(1,235,345,290)	(1,195,663,334)
Unrealised profit in Inventory		(4,597,686)	(53,613,686)	-	-
Total Inventories at the Lower of Cost and Net Realisable Value		23,022,191,838	18,180,683,426	20,524,780,808	16,150,896,747

16.1 Provision on Inventories

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year		1,273,909,064	1,094,423,613	1,195,663,334	1,051,588,443
Amount Provided During the Year	8	51,653,410	179,485,451	39,681,956	144,074,891
Balance at the End of the Year		1,325,562,474	1,273,909,064	1,235,345,290	1,195,663,334

16.2 There were no Inventories Pledged as Securities for Loans obtained by the Group/Company as at 31st March 2022.

17. Loans Due from Related Parties

As at 31st March	Relationship	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Singer Industries (Ceylon) PLC	Subsidiary	-	-	110,000,000	-
		-	-	110,000,000	-

Singer (Sri Lanka) PLC has granted the above facility based on the funds requirement of Singer Industries (Ceylon) PLC and will be recovered on demand. Interest is charged based on the highest AWPLR prevails in the respective month + 0.5% to 2.0%.

18. Trade and Other Receivables

18.1 Non-Current

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Hire Purchase Debtors					
Hire Purchase Debtors – Installment Receivables		307,552,365	316,899,871	307,552,365	316,899,872
Less: Unearned Hire Purchase Debtors Interest Income		(45,707,491)	(47,889,556)	(45,707,491)	(47,889,557)
		261,844,874	269,010,315	261,844,874	269,010,315
Lease Rental Receivables					
Lease - Installment Receivables		10,609,897,669	11,337,404,809	-	-
Less: Unearned Lease Interest Income		(2,047,104,238)	(2,339,077,252)	-	-
		8,562,793,431	8,998,327,557	-	-
Loan Receivables					
Consumer and Personal Loans - Installment Receivables		3,467,090,913	2,391,924,148	-	-
Less: Unearned Loan Interest Income		(599,685,062)	(398,086,590)	-	-
		2,867,405,851	1,993,837,558	-	-
Other Receivables					
Rent Paid in Advance		211,808,090	292,643,242	211,808,090	292,643,242
Other Receivables		-	1,279,144	-	1,279,144
Loans to Employees		18.4	278,235,343	221,794,775	239,873,585
			490,043,433	433,602,865	533,795,971
			12,182,087,589	695,447,739	802,806,286

NOTES TO THE FINANCIAL STATEMENTS

18.2 Current

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Hire Purchase Debtors					
Hire Purchase Debtors - Installment Receivables		7,989,308,836	8,490,640,926	7,983,804,290	8,485,063,345
Less: Unearned Hire Purchase Debtors Interest Income		(1,186,528,567)	(1,270,962,324)	(1,186,528,567)	(1,270,744,490)
Provision for Impairment	18.3	(180,177,174)	(263,401,067)	(174,672,628)	(258,041,319)
		6,622,603,095	6,956,277,535	6,622,603,095	6,956,277,536
Lease Rental Receivables					
Lease – Installment Receivables		7,072,597,699	7,416,753,671	-	-
Less: Unearned Lease Interest Income		(1,844,537,314)	(2,070,415,110)	-	-
Provision for Impairment	18.3	(836,804,805)	(624,892,836)	-	-
		4,391,255,580	4,721,445,725	-	-
Loan Receivables					
Consumer and Personal Loans - Installment Receivables		11,438,545,701	6,134,169,151	-	-
Less: Unearned Loan Interest Income		(538,486,224)	(376,934,090)	-	-
FD Loans		299,420,158	171,113,978	-	-
Net Receivables		11,199,479,635	5,928,349,039	-	-
Less: Provision for Impairment	18.3	(670,930,574)	(551,415,881)	-	-
		10,528,549,061	5,376,933,158	-	-
Trade Receivables					
Trade Receivables		6,777,541,069	5,325,308,362	6,219,120,108	4,989,535,336
Less : Provision for Impairment	18.3	(1,133,839,322)	(956,310,207)	(1,016,406,045)	(848,266,908)
		5,643,701,747	4,368,998,155	5,202,714,063	4,141,268,428
Other Receivables					
Advance and Other Receivables		8,432,184,454	3,887,323,842	7,957,088,425	3,311,933,851
Less : Provision for Impairment	18.3	(1,734,695,655)	(1,585,205,687)	(1,733,606,555)	(1,583,383,811)
		6,697,488,799	2,302,118,155	6,223,481,870	1,728,550,040
Prepayments		1,344,683,812	157,952,450	282,933,245	81,193,685
Loans to Employees	18.4	56,282,181	93,898,924	25,231,269	57,923,977
		1,400,965,993	251,851,374	308,164,514	139,117,662
		35,284,564,275	23,977,624,102	18,356,963,542	12,965,213,666

18.3 Provision For Impairment

		Group		Company	
As at 31st March	Note	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Provision for Impairment - Hire Purchase Receivables					
Movement					
Balance at the Beginning of the Year		263,401,067	84,119,843	258,041,319	77,671,350
Provided /(Reversals) During the Year	8.1	(80,774,790)	182,108,804	(80,919,588)	182,882,285
Write-off /Transfer During the Year		(2,449,103)	(2,827,580)	(2,449,103)	(2,512,316)
Balance at the End of the Year		180,177,174	263,401,067	174,672,628	258,041,319
Provision for Impairment - Lease Rental Receivables					
Movement					
Balance at the Beginning of the Year		624,892,836	349,994,251	-	-
Provided During the Year	8.1	223,068,404	301,859,731	-	-
Write-off /Transfer During the Year		(11,156,435)	(26,961,146)	-	-
Balance at the End of the Year		836,804,805	624,892,836	-	-
Provision for Impairment - Loan Receivables					
Movement					
Balance at the Beginning of the Year		551,415,881	406,618,643	-	-
Provided During the Year	8.1	189,513,276	181,460,089	-	-
Write-off / Transfer During the Year		(69,998,583)	(36,662,851)	-	-
Balance at the End of the Year		670,930,574	551,415,881	-	-
Provision for Impairment - Trade Receivables					
Movement					
Balance at the Beginning of the Year		956,310,207	921,466,193	848,266,908	789,352,248
Provided During the Year	8.1	221,370,912	78,740,167	211,980,932	100,802,228
Write-off /Transfer During the Year		(43,841,797)	(43,896,153)	(43,841,795)	(41,887,568)
Balance at the End of the Year		1,133,839,322	956,310,207	1,016,406,045	848,266,908
Total Provision for Trade Receivables		2,821,751,875	2,396,019,991	1,191,078,673	1,106,308,227
Provision for Impairment - Other Receivables					
Movement					
Balance at the Beginning of the Year		1,585,205,687	1,414,252,685	1,583,383,811	1,412,430,813
Provided During the Year	8.1	149,567,580	175,839,555	150,300,356	175,839,555
Write-off /Transfer During the Year		(77,612)	(4,886,553)	(77,612)	(4,886,557)
Balance at the End of the Year		1,734,695,655	1,585,205,687	1,733,606,555	1,583,383,811
Total Provision for the Year		4,556,447,530	3,981,225,678	2,924,685,228	2,689,692,038

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18.4 Loans to Employees

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Movement				
Balance at the Beginning of the Year	399,955,503	404,330,230	297,797,562	297,309,855
Loans Granted During the Year	102,438,457	161,770,088	49,450,000	113,843,000
Less: Repayments	(166,848,238)	(165,256,660)	(100,221,518)	(113,355,293)
Unwinding of interest	(1,028,198)	(888,155)	-	-
Balance at the End of the Year	334,517,524	399,955,503	247,026,044	297,797,562
Due Within One Year	56,282,181	93,898,924	25,231,269	57,923,977
Due After One Year	278,235,343	306,056,579	221,794,775	239,873,585

18.5 Maturity Analysis of Hire Purchase, Lease and Loan Receivables

Group - As at 31 March 2022

As at 31st March	Less than 3 months Rs.	3-12 Months Rs.	1-3 Years Rs.	3-5 Years Rs.	Over 5 Years Rs.	Total Rs.
Hire Purchase Debtors	483,454,555	6,139,148,540	261,844,874	-	-	6,884,447,969
Lease Rental Receivables	1,207,321,797	3,183,933,783	6,478,726,872	2,074,255,359	9,811,200	12,954,049,011
Loans Receivables	3,352,471,895	7,176,077,166	1,968,708,104	890,751,649	7,946,098	13,395,954,912
	5,043,248,247	16,499,159,489	8,709,279,850	2,965,007,008	17,757,298	33,234,451,892

Group - As at 31 March 2021

As at 31st March	Less than 3 months Rs.	3-12 Months Rs.	1-3 Years Rs.	3-5 Years Rs.	Over 5 Years Rs.	Total Rs.
Hire Purchase Debtors	490,729,914	6,465,547,621	269,010,315	-	-	7,225,287,850
Lease Rental Receivables	1,936,677,800	3,046,957,703	6,585,768,184	2,150,369,595	-	13,719,773,282
Loans Receivables	2,393,412,588	3,187,581,251	1,251,706,148	538,070,729	-	7,370,770,716
	4,820,820,302	12,700,086,575	8,106,484,647	2,688,440,324	-	28,315,831,848

Company - As at 31 March 2022

As at 31st March	Less than 3 months Rs.	3-12 Months Rs.	1-3 Years Rs.	3-5 Years Rs.	Over 5 Years Rs.	Total Rs.
Hire Purchase Debtors	483,454,555	6,139,148,540	261,844,874	-	-	6,884,447,969
	483,454,555	6,139,148,540	261,844,874	-	-	6,884,447,969

Company - As at 31 March 2021

As at 31st March	Less than 3 months Rs.	3-12 Months Rs.	1-3 Years Rs.	3-5 Years Rs.	Over 5 Years Rs.	Total Rs.
Hire Purchase Debtors	490,729,914	6,465,547,622	269,010,315	-	-	7,225,287,851
	490,729,914	6,465,547,622	269,010,315	-	-	7,225,287,851

19. Amounts Due from Related Parties

As at 31st March	Relationship	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Hayleys PLC	Parent	218,774	-	218,774	-
Singer Finance (Lanka) PLC	Subsidiary	-	-	65,837,963	34,253,241
Regnis (Lanka) PLC	Subsidiary	-	-	83,939,532	-
Singer Digital Media (Private) Limited	Subsidiary	-	-	21,193,988	-
Singer Business School (Private) Limited	Subsidiary	-	-	3,482,871	-
Toyo Cushion Lanka (Private) Limited	Fellow Subsidiary	6,500	-	6,500	-
Hayleys Business Solutions International (Private) Limited	Fellow Subsidiary	9,225	-	9,225	-
Dipped Products PLC	Fellow Subsidiary	14,399	799,198	14,399	799,198
D P L Premier Gloves Limited	Fellow Subsidiary	39,350	-	39,350	-
Culture Club Resorts (Private) Limited	Fellow Subsidiary	70,195	-	70,195	-
Creative Polymats (Private) Limited	Fellow Subsidiary	86,383	-	86,383	-
Hayleys Aventura (Private) Limited	Fellow Subsidiary	125,925	-	125,925	-
Mit Cargo (Private) Limited	Fellow Subsidiary	169,307	-	169,307	-
NYK Line Lanka (Private) Limited	Fellow Subsidiary	169,307	-	169,307	-
Mabroc Teas (Private) Limited	Fellow Subsidiary	169,307	169,360	169,307	169,360
Hayleys Fabric PLC	Fellow Subsidiary	172,143	1,215,016	172,143	1,215,016
Unisyst Engineering PLC	Fellow Subsidiary	179,000	-	179,000	-
Mountain Hawk Express (Private) Limited	Fellow Subsidiary	216,265	-	216,265	-
Hayleys Advantis Limited	Fellow Subsidiary	338,614	-	338,614	-
Agility Logistics (Private) Limited	Fellow Subsidiary	338,614	-	338,614	-
Expelogix (Private) Limited	Fellow Subsidiary	338,614	-	338,614	-
Logistics International Limited	Fellow Subsidiary	338,614	222,572	338,614	222,572
Hayleys Free Zone Limited	Fellow Subsidiary	537,000	-	537,000	-
The Kingsbury PLC	Fellow Subsidiary	651,786	124,748	651,786	124,748
Hayleys Consumer Products Limited	Fellow Subsidiary	738,372	-	738,372	-
South Asia Textiles (Private) Limited	Fellow Subsidiary	6,570,745	-	6,570,745	-
Fentons Limited	Fellow Subsidiary	12,658,256	-	12,658,256	-
Haycarb Value Added Products (Private) Limited	Fellow Subsidiary	-	562,754	-	562,754
Advantis Projects And Engineering (Private) Limited	Fellow Subsidiary	-	36,155	-	36,155
Alumex PLC	Fellow Subsidiary	-	1,430,486	-	1,430,486
Ravi Industries (Private) Limited	Fellow Subsidiary	-	6,259,908	-	-
		24,156,695	10,820,197	198,611,049	38,813,530

NOTES TO THE FINANCIAL STATEMENTS

20. Cash and Cash Equivalents

Components of Cash and Cash Equivalents

20.1 Cash in hand and at bank

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash at Banks	2,794,234,138	1,698,725,387	1,729,919,726	781,463,939
Cash in Hand	178,160,021	170,133,312	2,632,843	2,077,144
	2,972,394,159	1,868,858,699	1,732,552,569	783,541,083

20.2 Bank Overdrafts

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Bank Overdrafts *	(1,176,127,868)	(1,715,350,573)	(427,132,085)	(1,321,739,185)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	1,796,266,291	153,508,126	1,305,420,484	(538,198,102)

*All the overdraft interest rates are linked to AWPLR.

Refer Note 25.5 for overdraft facility limits.

21 Stated Capital

As at 31st March	2022 Number	2021 Number
Number of Shares at the Beginning of the Year	1,126,886,490	375,628,830
Sub Division of Shares	-	751,257,660
Number of the Shares at the End of the Year	1,126,886,490	1,126,886,490

The Ordinary Shares of the Company were subdivided by splitting each issued Ordinary Shares into 3 Ordinary Shares from 04th March 2021. Consequently, the total number of existing issued Ordinary Shares were increased from 375,628,830 to 1,126,886,490 without changing the Stated Capital of the Company which remains at Rs. 626,048,050/-.

As at 31st March 2022	2022 Rs.	2021 Rs.
Ordinary Shares (Rs.)	626,048,050	626,048,050
	626,048,050	626,048,050

The Holders of Ordinary Shares are entitled to receive Dividends as declared from time to time and are entitled to one Vote per Share at the meetings of the Company

22 Capital Reserves

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revaluation Reserves					
Revaluation Reserves	22.1	1,635,091,637	1,232,580,379	1,291,762,073	1,170,907,941
		1,635,091,637	1,232,580,379	1,291,762,073	1,170,907,941

22.1 Revaluation Reserves Attributable to Equity Holders

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	1,232,580,379	1,092,441,629	1,170,907,941	1,142,409,257
Realisation on Revaluation Surplus	(27,005,155)	(23,030,169)	(16,808,438)	(15,923,784)
Revaluation Gain on Land and Buildings	546,538,500	-	181,134,961	-
Deferred Tax on Revaluation Gain on Land and Buildings	(117,022,087)	-	(43,472,391)	-
Impact of Deferred Tax rate change on Revaluation Reserve	-	163,168,919	-	44,422,468
Balance at the End of the Year	1,635,091,637	1,232,580,379	1,291,762,073	1,170,907,941

The Revaluation Reserves relates to Revaluation of Freehold Land and Buildings and represents the Fair Value of the Land and Buildings as at the date of Revaluation.

23 Statutory Reserve

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
(a) Reserve Fund					
Reserve Fund	23.1	223,762,790	198,938,923	-	-
		223,762,790	198,938,923	-	-

23.1 Reserve Fund

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	198,938,923	182,548,200	-	-
Transfer of Surplus During the Year	24,823,867	16,390,723	-	-
Balance at the End of the Year	223,762,790	198,938,923	-	-

The Balance in the Reserve Fund will be used only for the purposes specified in the Central Bank Direction No.1 of 2003. The Reserve Fund is maintained in compliance with direction No. 1 of 2003 Central Bank of Sri Lanka (Capital Funds) issued to Finance Companies.

NOTES TO THE FINANCIAL STATEMENTS

As per the said Direction , every Licensed Finance Company shall maintain a Reserve Fund and transfer to such Reserve Fund out of the Net Profits of the each Year after due Provisions have been made for Taxation and Bad and Doubtful Debts on following basis.

Capital Funds to Deposit Liabilities	% of transfer to Reserve Fund
Not less than 25%	5%
Less than 25% and not less than 10%	20%
Less than 10%	50%

Accordingly, Singer Finance (Lanka) PLC has transferred 5% of its Net Profit after Taxation to the Reserve Fund as Company's Capital Funds to Deposit Liabilities, belongs to not less than 25%.

24 Revenue Reserves

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Summary					
(a) General Reserves	24.1	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
		2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
(b) Retained Earnings		6,380,203,844	3,716,501,234	3,219,943,785	577,634,799
Balance at the End of the Year		6,380,203,844	3,716,501,234	3,219,943,785	577,634,799
Revenue Reserves		9,080,203,844	6,416,501,234	5,919,943,785	3,277,634,799

24.1 General Reserves

The General Reserves which is a Revenue Reserve Represents set aside by the Directors for general application.

The movement of General Reserves is as follows:

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
Transferred from Retained Earnings	-	-	-	-
Balance at the End of the Year	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000

25 Interest Bearing Loans and Borrowings

25.1 Loans and Borrowings - Group

As at 31st March	2022 Amount Repayable Within One Year Rs.	2022 Amount Repayable After One Year Rs.	2022 Total Rs.	2021 Amount Repayable Within One Year Rs.	2021 Amount Repayable After One Year Rs.	2021 Total Rs.
Debentures (Note 25.2)	263,853,634	3,008,000,000	3,271,853,634	754,750,855	1,008,000,000	1,762,750,855
Bank Loans (Note 25.3 a,b)	18,100,853,966	7,624,583,301	25,725,437,267	9,089,677,479	4,508,793,314	13,598,470,793
Securitisation (Note 25.4)	1,793,257,360	1,479,600,000	3,272,857,360	2,208,457,988	1,612,493,250	3,820,951,238
	20,157,964,960	12,112,183,301	32,270,148,261	12,052,886,322	7,129,286,564	19,182,172,886
Accrued Interest	77,777,845	-	77,777,845	32,512,654	-	32,512,654
	20,235,742,805	12,112,183,301	32,347,926,106	12,085,398,976	7,129,286,564	19,214,685,540

25.2 Debentures - Group

	As At 1st April 2021 Rs.	New Issues Rs.	Redemption Rs.	As At 31st March 2022 Rs.
Fixed Rate, Senior, Listed, Unsecured, Redeemable, Rated Debentures Redeemable on 10th April 2023	840,257,614	6,360,219	-	846,617,833
6 months T Bill +3.75%,Senior, Unsecured, Listed, Redeemable, Rated Debenbtures Redeemable on 19th May 2023	257,006,263	5,907,919	-	262,914,183
Fixed Rate, Senior, Listed, Unsecured, Redeemable, Rated Debentures Redeemable on 19th May 2025	5,517,657	79,834	-	5,597,491
Fixed Rate, Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	-	624,105,750	-	624,105,750
1 Year T-Bill Rate + 3.75% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	-	1,546,123,480	-	1,546,123,480
Fixed Rate Senior, Listed, Unsecured, Redeemable, Rated Debentures Redeemable on 28th September 2021	656,800,000	-	(656,800,000)	-
Transaction Cost	3,169,321	(17,498,250)	823,827	(13,505,102)
	1,762,750,855	2,165,078,952	(655,976,173)	3,271,853,634

25.3 Bank Loans - Group

As at 31st March	As At 1st April 2021 Rs.	Loans Obtained Rs.	Repayment Rs.	As At 31st March 2022 Rs.
(a) Bank Loans Repayable within One Year - Group				
Bank Loans, Short Term Loans and Current Portion of Long-Term Loans	9,089,677,479	33,984,259,669	(24,973,083,182)	18,100,853,966
Total	9,089,677,479	33,984,259,669	(24,973,083,182)	18,100,853,966

The Bank Loans Repayable within One Year consist of Short Term Loans and Current Portion of Long Term Loans obtained from Hatton National Bank PLC, Nations Trust Bank PLC, Commercial Bank of Ceylon PLC, Sampath Bank PLC and Peoples Bank. These Loans bear Interest Rate between 8.00% to 14.5% and due for settlement at maturity and quarterly payments.

NOTES TO THE FINANCIAL STATEMENTS

(b) Bank Loan Repayable after One Year - Group

Company	Lender/ Rate of Interest (p.a)	Repayment	Security	As at 31st March 2022 Rs.	As at 31st March 2021 Rs.
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC (Fixed Rate)	Semi Annually	Negative Pledged	2,100,000,000	-
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC (Fixed Rate)	Quarterly	Negative Pledged	-	1,000,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Clean Basis	750,000,000	1,750,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Clean Basis	2,400,000,000	-
Singer (Sri Lanka) PLC	Sampath Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Negative Pledged	-	250,000,000
Singer (Sri Lanka) PLC	Sampath Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Negative Pledged	1,250,000,000	-
Singer Finance (Lanka) PLC	Seylan Bank PLC (AWPLR + Margin)	Monthly	Lease Receivables	83,500,000	183,460,000
Singer Finance (Lanka) PLC	Bank of Ceylon PLC (Variable Rate - Linked AWPLR)	Monthly	Lease Receivables	158,333,306	258,333,314
Singer Finance (Lanka) PLC	Commercial Bank of Ceylon PLC (Fixed Rate)	Quarterly	Lease Receivables	-	110,000,000
Singer Finance (Lanka) PLC	Seylan Bank PLC (Fixed Rate)	Quarterly	Lease Receivables	375,000,000	625,000,000
Singer Finance (Lanka) PLC	Nation Trust Bank PLC (Fixed Rate)	Quarterly	Lease Receivables	164,000,000	332,000,000
Singer Finance (Lanka) PLC	Bank of Ceylon PLC (AWPLR + Margin)	Monthly	Lease Receivable	343,749,995	-
				7,624,583,301	4,508,793,314

25.4 Securitisation Loans - Group

As at 31st March	As At 1st April 2021 Rs.	New Issues / Accrued Interest Rs.	Redemption Rs.	As At 31st March 2022 Rs.
Securitisation Loans	3,820,951,238	1,676,493,000	(2,224,586,878)	3,272,857,360
Total	3,820,951,238	1,676,493,000	(2,224,586,878)	3,272,857,360

(a) Securitisation Loans

Company	Trustee Bank/Rate Interest (P.a)	Repayment	Security	As at 31st March 2022	As at 31st March 2021
Singer Finance (Lanka) PLC	Hatton National Bank PLC	Structured	Lease Receivables	1,195,395,505	877,903,363
Singer Finance (Lanka) PLC	Hatton National Bank PLC	Quarterly	Lease Receivables	203,290,727	224,127,724
Singer Finance (Lanka) PLC	Hatton National Bank PLC	Monthly	Lease Receivables	1,810,976,676	2,087,852,041
Singer Finance (Lanka) PLC	National Savings Bank	Structured	Lease Receivables	63,194,452	631,068,110
				3,272,857,360	3,820,951,238

25.5 Bank Facilities - Group

As at 31st March	2022		2021	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	1,176,127,868	3,720,000,000	1,715,350,573	3,800,000,000
Term Loans	10,021,452,125	11,599,000,000	4,508,793,314	8,954,000,000
Short Term Loans and Current Portion of Long-Term Loans	16,194,307,916	28,865,000,000	9,089,677,479	22,331,000,000
Securitisation Loans	4,887,483,696	4,887,483,696	5,907,802,676	5,907,802,676
Total Debt Facility	32,279,371,605	49,071,483,696	21,221,624,042	40,992,802,676
Guarantees	2,503,504,673	3,970,000,000	5,268,113,810	9,250,300,000
Letter of Credit	12,219,451,269	23,657,778,043	14,710,597,571	17,234,000,000
Total Debt and Other Facilities	47,002,327,547	76,699,261,739	41,200,335,423	67,477,102,676

25.6 Interest Bearing Loans and Borrowings - Company

As at 31st March	2022 Amount Repayable Within One Year Rs.	2022 Amount Repayable After One Year Rs.	2022 Total Rs.	2021 Amount Repayable Within One Year Rs.	2021 Amount Repayable After One Year Rs.	2021 Total Rs.
Debentures (Note 25.7)	-	-	-	655,976,174	-	655,976,174
Bank Loans (Note 25.8 a,b)	13,459,104,325	6,500,000,000	19,959,104,325	7,450,079,874	3,000,000,000	10,450,079,874
	13,459,104,325	6,500,000,000	19,959,104,325	8,106,056,048	3,000,000,000	11,106,056,048
Accrued Interest	77,084,391	-	77,084,391	26,664,479	-	26,664,479
	13,536,188,716	6,500,000,000	20,036,188,716	8,132,720,527	3,000,000,000	11,132,720,527

25.7 Debentures - Company

	As At 1st April 2021 Rs.	New Issues Rs.	Redemption Rs.	As At 31st March 2022 Rs.
Fixed Rate Senior, Listed, Unsecured, Redeemable, Rated	656,800,000	-	(656,800,000)	-
Debentures Redeemed on 28th September 2021				
Transaction Cost	(823,826)	-	823,826	-
Total	655,976,174	-	(655,976,174)	-

NOTES TO THE FINANCIAL STATEMENTS

25.8 Bank Loans - Company

	As At 1st April 2021 Rs.	Loans Obtained Rs.	Repayment Rs.	As At 31st March 2022 Rs.
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a) Bank Loans Repayable within One Year				
Bank Loans, Short Term Loans and Current Portion of Long-Term Loans	7,450,079,874	23,627,794,514	(17,618,770,063)	13,459,104,325
Total	7,450,079,874	23,627,794,514	(17,618,770,063)	13,459,104,325

The Bank Loans Repayable Within One Year consist of Short Term Loans and Current Portion of Long Term Loans obtained from Hatton National Bank PLC, Nations Trust Bank PLC, Commercial Bank of Ceylon PLC, Sampath Bank PLC and Peoples Bank. These Loans bear interest rates between 8.00% to 11.00% and due for settlement at maturity and quarterly payments.

(b) Bank Loans Repayable After One Year

Lender/Rate of Interest (p.a)	Repayment	Security	As at 31st March 2022 Rs.	As at 31st March 2021 Rs.
Commercial Bank of Ceylon PLC (Fixed Rate)	Semi Annually	Negative Pledged	2,100,000,000	-
Commercial Bank of Ceylon PLC (Fixed Rate)	Quarterly	Negative Pledged	-	1,000,000,000
Hatton National Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Clean Basis	750,000,000	1,750,000,000
Hatton National Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Clean Basis	2,400,000,000	-
Sampath Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Negative Pledged	-	250,000,000
Sampath Bank PLC (Variable Rate - Linked to AWPLR, Review monthly)	Quarterly	Negative Pledged	1,250,000,000	-
			6,500,000,000	3,000,000,000

25.9 Bank Facilities-Company

As at 31st March	2022		2021	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	427,132,085	2,135,000,000	1,321,739,185	2,240,000,000
Term Loans	6,500,000,000	6,500,000,000	3,000,000,000	3,000,000,000
Short Term Loans and Current Portion of Long-Term Loans	13,459,104,325	20,300,000,000	7,450,079,874	15,690,000,000
Total Debt Facility	20,386,236,410	28,935,000,000	11,771,819,059	20,930,000,000
Guarantees	2,307,344,009	3,110,000,000	2,731,598,451	3,000,000,000
Letter of Credit	8,484,538,517	17,415,000,000	14,169,634,220	16,110,000,000
Total Debt and Other Facilities	31,178,118,936	49,460,000,000	28,673,051,730	40,040,000,000

26 Deferred Tax Assets/(Liabilities)

26.1 Net Deferred Tax Assets

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Deferred Tax Assets		1,269,800,660	873,745,505	1,125,639,261	832,572,959
Deferred Tax Liabilities		(468,501,357)	(376,416,379)	-	-
Net Deferred Tax Assets	26.2	801,299,303	497,329,126	1,125,639,261	832,572,959

26.2 Net Deferred Tax Assets

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year		497,329,126	155,733,779	832,572,959	773,456,044
Reversal of Temporary Differences During the Year - Recognised in Profit or Loss	9.2	427,194,605	151,450,267	316,975,593	12,294,400
Amount (Originating) / Reversal During the Year - Recognised in Statement of Other Comprehensive Income	9.4	18,029,968	(2,753,935)	14,255,178	(2,907,875)
Deferred Tax Impact on Realisation of Revaluation Surplus	9.2	5,307,922	5,307,922	5,307,922	5,307,922
Deferred Tax Relating to Impact on Income Tax Rate changed on Revaluation Reserves	9.4	-	193,589,992	-	44,422,468
Deferred Tax Relating to Revaluation Gain on Land and Buildings	9.4	(134,798,318)	-	(43,472,391)	-
Deferred Tax Impact on Unrealised Profit in inventory	9.2	(11,764,000)	(5,998,899)	-	-
Balance at the End of the Year		801,299,303	497,329,126	1,125,639,261	832,572,959

26.2.1 Please refer the Note 9.3 for the applicable Tax Rates in computing Deferred Tax Assets/Liabilities.

26.3 Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current Tax Assets against Tax Liabilities and when the Deferred Tax relate to the same Fiscal Authority.

26.3.1 Group

As at 31st March	2022		2021	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Net Deferred Tax Assets				
Property, Plant and Equipment	-	942,899,234	-	862,633,434
Intangible Assets	-	26,525,960	-	29,370,203
Tax Losses	45,001,567	-	9,129,217	-
Provision on Inventories	311,065,403	-	373,775,710	196,976
Provision on Receivables	832,567,473	-	691,435,188	-
Employee Benefit Obligation	237,127,973	-	195,184,680	-
Unrealised Exchange Losses	182,590,528	-	-	-
Lease Receivables	-	40,503,059	35,720,556	74,298,305
Net of ROU Assets and Lease Liabilities	182,639,558	-	-	-
Warranty Provision	20,235,054	-	158,582,693	-
	1,811,227,556	1,009,928,253	1,463,828,044	966,498,918
Net Deferred Tax Assets	801,299,303		497,329,126	

NOTES TO THE FINANCIAL STATEMENTS

26.3.2 Company

As at 31st March	2022		2021	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Net Deferred Tax Assets				
Property, Plant and Equipment	-	379,559,482	-	395,776,328
Intangible Assets	-	20,386,661	-	20,386,660
Provision on Inventories	296,482,870	-	286,959,200	-
Provision on Receivables	701,924,455	-	645,526,081	-
Employee Benefit Obligations	172,563,242	-	157,113,403	-
Unrealised Exchange Losses	182,590,528	-	-	-
Net of ROU Assets and Lease Liabilities	151,582,311	-	131,495,266	-
Warranty Provision	20,441,998	-	27,641,997	-
	1,525,585,404	399,946,143	1,248,735,947	416,162,988
Net Deferred Tax Assets	1,125,639,261		832,572,959	

27 Employee Benefit Obligations

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Present Value of Unfunded Gratuity	1,041,152,483	946,775,019	719,013,509	654,639,183
Provision for Employee Benefit Obligations				
At the Beginning of the Year	946,775,019	900,984,244	654,639,183	636,683,474
Adjustment Due to Transfer of Employees out of the Company	-	-	-	(6,113,300)
Adjustment Due to Transfer of Employees in to the Company	-	-	-	172,840
Actuarial Gain / (Loss) on Employee Benefit Obligations	77,032,150	(3,705,948)	57,319,102	(4,187,734)
Past Service Cost	(26,767,782)	-	(16,861,572)	-
Current Service cost	70,934,850	63,043,886	47,182,371	42,307,190
Interest Costs	71,797,242	90,098,424	49,462,030	63,668,347
	1,139,771,479	1,050,420,606	791,741,114	732,530,817
Benefits Paid During the Year	(98,618,996)	(103,645,587)	(72,727,605)	(77,891,634)
At the End of the Year	1,041,152,483	946,775,019	719,013,509	654,639,183

27.1 The Group and Company maintain a Non-Contributory Defined Benefit Plan Providing for Gratuity Benefits Payable to Employees who will get eligible upon their retirement and resignation.

27.2 An Actuarial Valuation of the Retirement Gratuity Payable was carried out as at 31st March 2022 by Mr. M Poopalanathan, AIA, of Messrs. Actuarial & Management Consultants (Private) Limited Firm of Professional Actuaries. The Valuation method used by the actuaries to value the Liability is the "Projected Unit Credit Method (PUC)", the method recommended by the Sri Lanka Accounting Standard - LKAS 19 on "Employee Benefits".

27.3 Following Key Assumptions were made in arriving at the above figures:

	2022	2021
(a) Rate of Discount	15.0% (net of tax)	8.0% p.a. (net of tax)
	Change in economic environment causes an increase in corporate bond yields which is used as the discount rate for valuation will decrease the Value of Liabilities and vice versa	
(b) Salary Escalation Rate	13.5%	7.0%
	Salary Escalation rates higher than expected will cause the value of Liabilities to Increase.	
(c) Retirement Age		
All Staff Members (Other than Factory Non-Management Staff)	60 Years	60 Years
Branch Managers	60 Years	55 Years
Other Factory Non-Management Staff	60 Years	50-60 Years

(d) Staff Withdrawal Rates

	2022	2021
Singer (Sri Lanka) PLC (Branch/Other staff)	13	21 and 13
Singer (Sri Lanka) PLC – Factory	4	4
Singer Finance (Lanka) PLC	16	16
Regnis (Lanka) PLC	4	4
Regnis Appliances (Private) Limited	3	3
Singer Digital Media (Private) Limited	5	5
Singer Industries (Ceylon) PLC	5	5

Withdrawal Rates higher than expected will cause employee's withdrawing their benefits early and hence the value of liabilities to increase.

(e) Distribution of Employee Benefit Obligation Over Future Working Lifetime

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Less than or Equal One Year	159,230,795	84,370,353	122,451,495	60,171,917
Over One Year and Less than or Equal Five Years	482,622,073	276,151,719	334,798,618	193,068,423
Over Five Year and Less than or Equal Ten Years	257,072,205	549,091,449	174,233,894	387,575,002
Over 10 Years	142,227,410	37,161,498	87,529,502	13,823,841
	1,041,152,483	946,775,019	719,013,509	654,639,183

(f) Assumptions regarding future mortality are based on the A1967/70 for Staff/Executive and A1949/52 for Worker, issued by the Institute of Actuaries, London.

(g) The demographic assumptions underlying the valuation are with respect to retirement age early withdrawals from service and retirement on medical grounds.

NOTES TO THE FINANCIAL STATEMENTS

27.4 The expense and actuarial (gain) / loss so recognised and included in following lines of Selling and Administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income respectively.

For the Year Ended 31st March	Group		Company	
	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.
Cost of Sales	23,678,815	40,149,494	7,558,384	12,489,369
Selling and Administrative Expenses	92,285,495	112,992,816	72,224,446	93,486,168
	115,964,310	153,142,310	79,782,830	105,975,537
Other Comprehensive Income	77,032,150	(3,705,948)	57,319,102	(4,187,734)

27.5 Sensitivity Analysis

"Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the Employee Benefit Obligation by the amounts shown below:"

	Group		Company	
	As at 31st March 2022		As at 31st March 2022	
	Rs.	Rs.	Rs.	Rs.
Discount Rate (1% Movement)	(49,899,423)	54,984,355	(32,531,602)	35,692,673
Future Salary (1% Movement)	59,695,272	(54,996,019)	(36,063,224)	(36,063,224)

27.6 During the Financial Year 2021/2022, The Pension Arrangement was adjusted to reflect New Legal Requirement as per Minimum Retirement Age of Workers Act No.28 of 2021 regarding the retirement age. As a result of the plan amendment , Group / Company Defined Benefit Obligation decrease by Rs.27 million and Rs.17 million respectively (2020/2021- nil).

27.7 Weighted Average Life Time of Employees

As at 31st March	Group 2022	Company 2022
Weighted Average Life Time of Employees	10.2	9.5

28 Security Deposits

As at 31st March	Note	Group		Company	
		2022	2021	2022	2021
		Rs.	Rs.	Rs.	Rs.
Balance at Beginning of the Year		1,366,565,021	1,394,610,994	1,293,744,090	1,329,962,876
Contribution During the Year		187,737,082	232,396,521	174,850,711	153,081,216
Interest Charges During the Year	7	132,330,174	149,496,123	125,704,178	141,090,996
Recoveries		(127,659,908)	(209,045,519)	(127,659,908)	(209,045,519)
Security Deposits Released During the Year		(96,625,315)	(200,893,098)	(59,648,082)	(121,345,479)
Balance at End of the Year		1,462,347,054	1,366,565,021	1,406,990,989	1,293,744,090

29 Trade and other Payables

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Trade Payables		12,522,610,455	15,273,884,064	8,267,008,491	10,804,031,580
MSPS and ETF Payable		45,519,826	49,994,781	45,136,064	49,585,421
Advances Received from Customers	3 (c)	574,529,407	303,084,190	574,529,407	258,176,653
Accrued Expenses		3,715,489,469	2,006,815,052	3,486,239,243	1,769,312,997
Other Payables		2,238,960,016	921,231,384	1,195,565,562	495,353,731
Warranty Provisions	29.1	217,511,580	199,796,318	196,818,185	183,134,806
		19,314,620,753	18,754,805,789	13,765,296,952	13,559,595,188

29.1 Warranty Provisions

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at Beginning of the Year	342,209,762	240,971,352	325,548,250	222,499,329
Provision Made During the Year	178,046,809	182,464,872	159,422,661	166,782,927
Utilised During the Year	(115,038,681)	(81,226,462)	(100,446,416)	(63,734,006)
Balance at the End of the Year	405,217,890	342,209,762	384,524,495	325,548,250

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Due After One Year	187,706,310	142,413,444	187,706,310	142,413,444
Due Within One Year	217,511,580	199,796,318	196,818,185	183,134,806
	405,217,890	342,209,762	384,524,495	325,548,250

Warranty Provisions have been recognised for expected warranty claims on products based on the historical claims. Refer the accounting policies in Note 2.6.1.

30 Deferred Revenue

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	316,683,091	266,561,649	291,077,942	259,449,432
Amounts Recognised During the Year	177,064,818	220,609,525	168,197,242	183,093,831
Amounts Transferred During the Year	(181,840,447)	(170,488,083)	(150,704,537)	(151,465,321)
Balance at the End of the Year	311,907,462	316,683,091	308,570,647	291,077,942
Due Within One Year	201,549,111	209,074,759	198,212,297	183,469,610
Due After One Year	110,358,351	107,608,332	110,358,350	107,608,332

30.1 Deferred Revenue includes Deferred Service Fee on Air Conditioners and Sanasuma Extended Warranty Scheme as at 31st March 2022.

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31 Income Tax Payables / (Receivables)

31.1 Net Income Tax Payables

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Income Tax Receivables	(45,144,694)	(17,118,814)	-	-
Income Tax Payables	714,483,305	278,063,443	433,939,510	25,209,018
Net Income Tax Payables	669,338,611	260,944,629	433,939,510	25,209,018

31.2 Net Income Tax (Receivables) / Payables

As at 31st March	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year		260,944,629	(349,991,650)	25,209,018	(401,786,969)
Income Tax on Current Year Profits	9	1,896,682,863	1,281,891,800	1,500,955,379	814,808,459
Tax on Dividend Income	9.1	18,123,061	28,636,597	18,089,460	26,911,798
Under/ (Over) Provision in respect of Previous Year	9	(68,298,456)	50,716,370	(61,527,518)	55,755,730
Payments Made During the Year		(1,438,113,486)	(749,426,056)	(1,048,786,829)	(470,480,000)
Tax Credits Received		-	(882,432)	-	-
Net Income Tax Payables		669,338,611	260,944,629	433,939,510	25,209,018

32 Dividend Payables

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Unclaimed Dividends	81,477,769	132,672,420	67,969,210	58,822,197
	81,477,769	132,672,420	67,969,210	58,822,197

33 Dividends

As at 31st March	Company	
	2022 Rs.	2021 Rs.
Ordinary Shares		
Final Dividend 2020/2021- Rs.0.25	281,721,623	-
1st Interim Dividend 2021/22 -Rs. 0.30	338,065,947	300,503,064
2nd Interim Dividend 2021/22 - Rs.0.35	394,410,272	75,125,766
3rd Interim Dividend - 2021/22 - Rs.0.20	225,377,298	338,065,947
	1,239,575,140	713,694,777
Dividend per Share (Rs.)	1.10	0.63

33.1 Compliance with section 56 and 57 of Companies Act, No.07 of 2007

As required by Section 56 of the Companies Act, No. 07 of 2007, the Board of Directors of the Company satisfied the Solvency Test in accordance with Section 57, prior to recommending the Final Dividend for the Financial Year 2021/22. A statement of solvency completed and duly signed by the Directors on 31st March 2022 and audited by Messrs KPMG, Chartered Accountants.

34 Amounts Due to Related Parties

34.1 Amounts Due to Related Parties - Trade

As at 31st March	Relationship	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Hayleys PLC	Parent Company	154,378,118	-	143,711,236	-
Singer Industries (Ceylon) PLC	Subsidiary Company	-	-	63,294,344	98,475,744
Regnis (Lanka) PLC	Subsidiary Company	-	-	1,003,582,830	556,451,268
Regnis Appliances (Private) Limited	Subsidiary Company	-	-	322,198,551	177,205,898
Reality Lanka Limited	Subsidiary Company	-	-	13,529,146	9,505,167
Singer Business School (Private) Limited	Subsidiary Company	-	-	-	6,175,711
Singer Digital Media (Private) Limited	Subsidiary Company	-	-	1,769,274,176	3,084,540,316
Toyo Cushion Lanka (Private) Limited	Fellow Subsidiary	36,234,245	29,048,843	36,234,245	29,048,843
Fentons Limited	Fellow Subsidiary	113,431,166	45,547,783	109,740,422	45,506,943
Energy Net (Private) Limited	Fellow Subsidiary	2,966,529	1,158,850	2,966,529	1,158,850
Logiwiz Limited	Fellow Subsidiary	95,854,307	57,051,334	95,854,307	57,051,334
Creative Polymats (Private) Limited	Fellow Subsidiary	79,619,019	49,447,466	79,619,019	49,447,466
Hayleys Business Solutions International (Private) Limited	Fellow Subsidiary	226,342	222,144	173,800	155,157
Hayleys Aventura (Private) Limited	Fellow Subsidiary	93,577,720	15,268,524	23,780,020	15,268,524
Advantis Freight (Private) Limited	Fellow Subsidiary	72,215,796	52,341,218	60,783,908	48,190,024
Advantis Projects & Engineering (Private) Limited	Fellow Subsidiary	-	322,380	-	322,380
Mountain Hawk Express (Private) Limited	Fellow Subsidiary	1,125,884	1,105,907	1,110,526	1,105,907
IML Delivery Systems (Private) Limited	Fellow Subsidiary	27,906,620	23,127,809	27,906,620	23,127,809
Sri Lanka Shipping Company Limited	Fellow Subsidiary	-	4,257,332	-	4,257,332
Ravi Industries (Private) Limited	Fellow Subsidiary	192,500	6,125,689	52,500	315,001
Puritas (Private) Limited	Fellow Subsidiary	1,789,560	1,803,882	1,639,558	1,803,882
Haycarb PLC	Fellow Subsidiary	48,733,971	-	48,733,971	-
CEVA Logistics Lanka (Private) Limited	Fellow Subsidiary	45,481,032	-	45,308,565	-
Clarion Shipping (Private) Limited	Fellow Subsidiary	43,357,686	-	43,357,686	-
Sri Lanka Shipping Company Limited	Fellow Subsidiary	13,166,765	-	13,166,765	-
Hayleys Travels (Private) Limited	Fellow Subsidiary	1,169,040	-	1,169,040	-
The Kingsbury PLC	Fellow Subsidiary	327,820	-	327,820	-
Mabroc Teas (Private) Limited	Fellow Subsidiary	191,830	-	191,830	-
Hayleys Consumer Products Limited	Fellow Subsidiary	101,608	-	101,608	-
Culture Club Resorts (Private) Limited	Fellow Subsidiary	46,000	-	46,000	-
Hayleys Advantis Limited	Fellow Subsidiary	1,387,248	-	1,387,248	-
Hayleys Lifesciences (Private) Limited	Fellow Subsidiary	25,000	-	25,000	-
Vallibel One PLC	Other related companies	24,823,421	16,031,907	24,823,422	16,031,907
Uni Dil Packaging Limited	Other related companies	12,128,054	-	-	-
		870,457,281	302,861,068	3,934,090,692	4,225,145,463

NOTES TO THE FINANCIAL STATEMENTS

34.2 Amounts Due to Related Parties - Non Trade

As at 31st March	Relationship	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Hayleys PLC	Parent Company	156,760,222	38,442,953	156,760,222	34,080,801
Hayleys Advantis Limited	Fellow Subsidiary	22,276,596	-	22,276,596	-
Volanka (Private) Limited	Fellow Subsidiary	6,957,447	-	6,957,447	-
Hayleys Aventura (Private) Limited	Fellow Subsidiary	6,319,149	-	6,319,149	-
Carbotels (Private) Limited	Fellow Subsidiary	5,808,511	-	5,808,511	-
Hayleys Agriculture Holdings Limited	Fellow Subsidiary	5,680,851	-	5,680,851	-
		203,802,776	38,442,953	203,802,776	34,080,801
Total		1,074,260,057	341,304,021	4,137,893,468	4,259,226,264

35 Other Financial Liabilities / (Assets)

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	10,465,197,791	7,014,086,125	-	-
New Deposits	7,784,381,140	6,217,752,990	-	-
Capitalisation of Interest	250,365,162	366,710,862	-	-
	18,499,944,093	13,598,549,977	-	-
Repaid Deposits	(6,382,519,523)	(3,116,851,859)	-	-
Less : (Investment)/ Withdrawal in Fixed Deposits in Subsidiary	29,088,742	(16,500,327)	-	-
Balance at the End of the Year	12,146,513,312	10,465,197,791	-	-
Due Within One Year	9,828,665,610	8,374,066,041	-	-
Due After One Year	2,317,847,702	2,091,131,750	-	-
Deposit Classification				
Fixed Deposits at Amortised Cost	11,999,252,504	10,345,538,964	-	-
Saving Deposits	147,260,808	119,658,827	-	-
	12,146,513,312	10,465,197,791	-	-

35.1 Derivative Financial Liabilities / (Assets)

As at 31st March	Note	Group		Company	
		2022	2021	2022	2021
		Rs.	Rs.	Rs.	Rs.
Derivative Financial Asset Net Movement					
Balance at the Beginning of the Year		-	(27,087,623)	-	(27,087,623)
Change in Fair Value of Recognised in Statement of Profit or Loss	8	-	27,087,623	-	27,087,623
Balance at the End of the Year		-	-	-	-

"During the period 2017/18, the Company had entered into a borrowing contract with Standard Chartered Bank (Mauritius) Limited to borrow a USD 10 million Loan and agreed to repay the Loan in USD at an interest rate of 3 Months LIBOR+3.5%. In order to mitigate the currency and interest rate risks, Company had entered to a separate cross currency interest rate SWAP with Standard Chartered Bank (Sri Lanka) Limited and accordingly fixed the payments in Sri Lankan rupees.

No Financial Derivatives have been existed at the 2021/2022 Financial Year

36. Financial Instruments

Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

Operational risk

The note presents information about Group's exposure to each of above risks, the Group's objectives, policies and processes measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout the Group Financial Statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitor compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Company's Directors are assisted in their oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of the risk management controls and producers, the result of which are reported to the Company's Directors.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer of counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables.

Government Securities

Singer Finance Lanka PLC maintain assets in Sri Lanka Government Treasury Bills, Sri Lanka Government Securities and the Central Bank of Sri Lanka securities equivalent to 5% of the average of its month end total deposit liabilities and borrowings of 12 months of the proceeding financial year as per the Direction No. 02 of 2020, Amendments to the Directions on Liquid Assets.

NOTES TO THE FINANCIAL STATEMENTS

Trade and Other Receivables

The Group's exposure to credit risk relates to sale of products on instalment credit/hire purchase which is an integral part of the business of the Group.

The Group's exposure to credit risk on Installment credit/hire purchase contracts is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risks of the country in which customers reside, has a lesser influence on credit risk.

Geographically, there is no concentration of credit risk. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposure and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposure within the acceptable parameters, while optimising the return.

Currency Risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective financial currencies of Group entities. The currency in which these transactions primarily are denominated in US Dollars. The currency risk is limited by the short-term nature of the period between the dates of the purchase and settlements of the related liability.

Interest Rate Risk

The Group manages interest rate risk on borrowings by using a combination of fixed and floating interest rate.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity

The primary responsibility for the development and implementation of controls to address operational risks is assigned to Senior Management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, Senior Management of the Group and the Board of Directors.

Credit Risk

Exposure to Credit Risk

The Carrying Amount of Financial Assets represents the maximum Credit Exposure. The maximum Exposure to Credit Risk at the Reporting date was:

As at 31st March	Carrying Amount - Group		Carrying Amount - Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Trade and other Receivables	47,466,651,864	35,838,778,497	19,052,411,281	13,768,019,952
Cash at Bank	2,972,394,159	1,868,858,699	1,732,552,569	783,541,083
Amounts Due from Related Parties	24,156,695	10,820,197	198,611,049	38,813,530
Loans Due from Related Parties	-	-	110,000,000	-
Other Financial Assets	1,412,979,204	813,262,056	-	-
Deposits at Bank	177,449,769	60,934,828	-	-
	52,053,631,690	38,592,654,277	21,093,574,899	14,590,374,565

The Maximum Exposure to Credit Risk for receivables at the Reporting Date by type of Counterparty was:

As at 31st March	Carrying Amount - Group		Carrying Amount - Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Retail Customers	33,234,674,462	28,315,831,848	6,884,447,969	7,225,287,851
Wholesale Customers	5,643,701,747	4,368,998,155	5,202,714,063	4,141,268,428
Others	8,588,498,225	3,153,948,494	6,965,249,249	2,401,463,673
Total	47,466,651,864	35,838,778,497	19,052,411,281	13,768,019,952

Impairment Analysis

The aging of Receivables at the Reporting date:

Group	As at 31st March 2022			As at 31st March 2021		
	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.
Not Past due	32,941,036,894	(319,754,315)	32,621,282,579	24,719,088,697	(274,620,289)	24,444,468,408
Past due 0-30 Days	6,929,131,997	(138,850,522)	6,790,281,475	3,860,711,508	(105,467,219)	3,755,244,289
Past due 31-120 Days	6,845,604,109	(606,019,205)	6,239,584,904	4,997,052,771	(342,963,343)	4,654,089,428
Past due more than 120 Days	5,307,326,393	(3,491,823,488)	1,815,502,905	6,243,151,199	(3,258,174,827)	2,984,976,372
Total	52,023,099,393	(4,556,447,530)	47,466,651,864	39,820,004,175	(3,981,225,678)	35,838,778,497

Company	As at 31st March 2022			As at 31st March 2021		
	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.
Not Past due	16,351,763,529	(225,259,250)	16,126,504,279	11,279,289,558	(168,688,956)	11,110,600,602
Past due 0-30 Days	1,378,955,917	(80,952,240)	1,298,003,677	609,153,817	(55,626,200)	553,527,617
Past due 31-120 Days	1,561,558,648	(264,606,751)	1,296,951,897	856,353,516	(188,028,513)	668,325,003
Past due more than 120 Days	2,684,818,416	(2,353,866,987)	330,951,430	3,712,915,099	(2,277,348,369)	1,435,566,730
Total	21,977,096,508	(2,924,685,228)	19,052,411,281	16,457,711,990	(2,689,692,038)	13,768,019,952

NOTES TO THE FINANCIAL STATEMENTS

Total impairment for the year resulted from counterparties

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	3,981,225,678	3,176,451,615	2,689,692,038	2,279,454,411
Impairment Loss Recognised	702,745,382	920,008,346	281,361,700	459,524,068
Amounts Written-off	(127,523,530)	(115,234,283)	(46,368,510)	(49,286,441)
Balance at the End of the Year	4,556,447,530	3,981,225,678	2,924,685,228	2,689,692,038

Total impairment for the Year resulted from following counterparties.

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Impairment for Hire Purchase Debtors	180,177,174	263,401,067	174,672,628	258,041,319
Impairment for Lease Rental Receivables	836,804,805	624,892,836	-	-
Impairment for Loan Receivables	670,930,574	551,415,881	-	-
Impairment for Trade Receivables	1,133,839,322	956,310,207	1,016,406,045	848,266,908
Impairment for Other Receivables	1,734,695,655	1,585,205,687	1,733,606,555	1,583,383,811
Total	4,556,447,530	3,981,225,678	2,924,685,228	2,689,692,038

A committee respective functional managers groups established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions offered for wholesale customers, sale limits are established for each customer and reviewed periodically. Any sales exceeding these limits require approvals from Directors based on amount enhanced.

The Group establishes an allowance for impairment that represent its estimate of incurred losses in respect of trade and other receivables.

All bank deposits and current accounts maintained at licensed commercial banks, which are subject to close supervision of Central Bank.

All related party receivables are from Subsidiary companies which are controlled by the same Board of Directors of Singer (Sri Lanka) PLC.

Group has done no investments in debt securities as at 31st March 2022.

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group As at 31st March 2022	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 Months or Less	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
Non-Derivative Financial Liabilities							
Secured Bank Loans	4,233,054,763	4,939,006,607	3,184,978,700	685,318,160	1,039,485,052	319,247,341	-
Unsecured Bank Loans	21,492,382,504	22,670,897,566	13,795,068,442	2,522,195,344	3,541,472,729	3,418,474,280	-
Unsecured Debenture issues	3,271,853,634	3,661,041,266	389,187,631	-	1,096,239,249	2,175,614,386	-
Lease Liabilities	5,483,031,003	5,483,031,003	456,150,066	456,150,066	945,826,580	1,853,265,020	1,771,639,271
Bank Overdrafts	1,176,127,868	1,176,127,868	1,176,127,868	-	-	-	-
Securitisation Loans	3,272,857,361	3,630,050,533	1,207,419,477	939,696,586	1,287,540,975	195,393,495	-
Security Deposits	1,462,347,054	1,462,347,054	-	-	-	-	1,462,347,054
Trade and Other Payables	19,314,620,753	19,314,620,753	18,237,697,825	1,076,922,927	-	-	-
Public Deposits	12,146,513,312	13,398,861,349	6,374,233,541	4,706,780,106	1,742,743,655	557,935,440	17,168,607
Total	71,852,788,252	75,735,983,998	44,820,863,550	10,387,063,188	9,653,308,240	8,519,929,962	3,251,154,932

Group 31st March 2021	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 Months or Less	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
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Non-Derivative Financial Liabilities

Secured bank loans

Secured bank loans	3,148,390,919	3,355,908,827	1,206,254,132	384,177,179	1,551,413,707	214,063,809	-
Unsecured Bank Loans	10,450,079,874	11,100,976,860	5,453,453,162	2,497,780,000	2,381,674,657	768,069,041	-
Unsecured Debenture issues	655,976,174	695,884,099	695,884,099	-	-	-	-
Secured Debenture issues	1,106,774,681	1,389,426,126	-	-	1,389,426,126	-	-
Bank Overdraft	1,715,350,573	1,715,350,573	1,715,350,573	-	-	-	-
Securitisation Loans	3,820,951,238	4,398,794,444	1,430,192,168	850,669,923	917,717,713	1,200,214,640	-
Lease Liabilities	4,994,013,307	4,994,013,307	343,210,643	343,210,643	664,244,370	1,922,853,838	1,720,493,813
Security Deposits	1,366,565,021	1,366,565,021	-	-	-	-	1,366,565,021
Trade and Other Payables	18,754,805,789	18,754,805,789	18,612,392,345	142,413,444	-	-	-
Public Deposits	10,465,197,791	11,030,660,567	4,131,607,071	4,445,682,662	1,687,915,778	748,445,403	17,009,653
Total	56,478,105,367	58,802,385,613	33,588,344,193	8,663,933,851	8,592,392,351	4,853,646,731	3,104,068,487

Company 31st March 2022	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 Months or Less	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
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Non-Derivative Financial Liabilities

Unsecured bank loans	19,959,104,325	20,563,076,376	11,671,362,143	2,448,377,589	3,155,033,466	3,288,303,178	-
Lease Liabilities	4,779,688,401	4,779,688,401	427,241,809	427,241,808	912,546,285	1,652,842,562	1,359,815,937
Security Deposits	1,406,990,989	1,406,990,989	-	-	-	-	1,406,990,989
Trade and Other Payables	13,765,296,952	13,765,296,952	12,688,374,024	1,076,922,927	-	-	-
Bank Overdrafts	427,132,085	427,132,085	427,132,085	-	-	-	-
Total	40,338,212,752	40,942,184,803	25,214,110,061	3,952,542,324	4,067,579,751	4,941,145,740	2,766,806,926

Company 31st March 2021	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 Months or Less	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
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Non-Derivative Financial Liabilities

Unsecured Bank Loans	10,450,079,874	11,004,976,860	5,453,453,162	2,401,780,000	2,381,674,657	768,069,041	-
Unsecured Debenture Issues	655,976,174	695,884,099	695,884,099	-	-	-	-
Lease Liabilities	4,411,045,329	4,411,045,329	312,023,957	312,023,957	614,989,949	1,667,880,943	1,504,126,523
Security Deposits	1,293,744,090	1,293,744,090	-	-	-	-	1,293,744,090
Trade and Other Payables	13,559,595,188	13,559,595,188	13,417,181,744	142,413,444	-	-	-
Bank overdrafts	1,321,739,185	1,321,739,185	1,321,739,185	-	-	-	-
Total	31,692,179,840	32,286,984,751	21,200,282,147	2,856,217,401	2,996,664,606	2,435,949,984	2,797,870,613

The Outflows disclosed in the above table represent the contractual undiscounted cash flows relating to Non-Derivative Financial Liabilities held for Risk Management purposes and which are not closed out before contractual maturity.

NOTES TO THE FINANCIAL STATEMENTS

Market Risk

Currency Risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

As at 31st March	As at 31st March 2022				As at 31st March 2021			
	USD*	CNY**	EURO***	GBP****	USD*	CNY**	EURO***	GBP****
Trade Payables	26,724,783	530,370	-	-	55,792,607	118,750	8,820	8,820
Net Exposure	26,724,783	530,370	-	-	55,792,607	118,750	8,820	8,820

* USD – United States Dollars

** CNY – Chinese Yuan

*** Euro – EU Euro

**** GBP – British pound sterling

The following significant exchange rates have been applied:

	Average Rate		Year end Spot Rate	
	2022 Rs.	2021 Rs.	As at 31st March 2022 Rs.	As at 31st March 2021 Rs.
USD	210.81	188.79	298.99	199.83
CNY	32.96	27.93	46.29	30.32
EURO	244.39	221.37	328.18	233.64
GBP	287.06	221.37	385.56	274.06

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the USD, CNY or EURO against all other currencies at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

As at 31st March	Profit or Loss		Equity net of Tax	
	Strengthening Rs. '000	Weakening Rs. '000	Strengthening Rs. '000	Weakening Rs. '000
2022				
USD (5% Movement)	(392,687)	392,687	(298,442)	298,442
CYN (5% Movement)	(1,227)	1,227	(933)	933
EURO (5% Movement)	-	-	-	-
GBP (5% Movement)	-	-	-	-
2021				
USD (5% Movement)	(557,452)	557,452	(401,365)	401,365
CYN (5% Movement)	(180)	180	(130)	130
EURO (5% Movement)	(103)	103	(74)	74
GBP (5% Movement)	(121)	121	(87)	87

LKR has been significantly depreciated compared to prior year and there would be significant adverse impact to the company

Interest Rate Risk

Profile

At the Reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Fixed Rate Instruments				
Financial Assets	33,234,451,892	28,315,831,848	6,884,447,969	7,225,287,850
Financial Liabilities	(20,823,353,966)	(16,370,203,989)	(15,559,104,325)	(9,106,879,874)
	12,411,097,926	11,945,627,859	(8,674,656,356)	(1,881,592,024)
Variable Rate Instruments				
Financial Liabilities	(4,902,083,301)	(2,808,799,577)	(4,400,000,000)	(2,000,000,000)
	(4,902,083,301)	(2,808,799,577)	(4,400,000,000)	(2,000,000,000)

Cash Flow Sensitivity for Variable Rate Instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have Increased (Decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant:

As at 31st March	Profit or Loss		Equity Net of Tax	
	1% Increase Rs. '000	1% Increase Rs. '000	1% Increase Rs. '000	1% Increase Rs. '000
31st March 2022				
Variable Rate Instruments	(49,021)	49,021	(37,256)	37,256
Cash Flow Sensitivity (Net)	(49,021)	49,021	(37,256)	37,256
31st March 2021				
Variable Rate Instruments	(28,088)	28,088	(21,347)	21,347
Cash Flow Sensitivity (Net)	(28,088)	28,088	(21,347)	21,347

NOTES TO THE FINANCIAL STATEMENTS

Fair Values

Fair Values Versus Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts in the Balance Sheet, are as follows:

Group	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
31st March 2022		Rs.	Rs.	Rs.	
Investment in Equity Securities	15.1	22,899,732	-	22,899,732	Level 3
Hire Purchase Debtors	18	-	6,884,447,969	6,884,447,969	-
Lease Rental Receivables	18	-	12,954,049,011	12,954,049,011	-
Loan Receivables	18	-	13,395,954,912	13,395,954,912	-
Trade Receivables	18	-	5,643,701,746	5,643,701,746	-
Other Receivables	18	-	8,588,498,225	8,588,498,225	-
Cash and Cash Equivalents	20.1	-	2,972,394,152	2,972,394,152	-
Investment in Treasury Bills	15.2	-	1,412,979,204	1,412,979,204	-
Deposits with Banks		-	177,449,769	177,449,769	-
Total		22,899,732	52,029,474,988	52,052,374,720	-
Debentures	25.2	-	3,271,853,634	3,271,853,634	-
Bank Loans	25.3	-	25,725,437,267	25,725,437,267	-
Securitization Loans	25.3	-	3,272,857,360	3,272,857,360	-
Bank Overdraft	25.3	-	1,176,127,868	1,176,127,868	-
Security Deposit	28	-	1,462,347,054	1,462,347,054	-
Trade and Other Payables	29	-	19,314,620,753	19,314,620,753	-
Dividend Payables	32	-	81,477,769	81,477,769	-
Amounts Due to Related Parties	34	-	1,074,260,057	1,074,260,057	-
Deposits from Customers	35	-	12,146,513,312	12,146,513,312	-
Total		-	67,525,495,074	67,525,495,075	-

Group	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
31st March 2021		Rs.	Rs.	Rs.	
Investment in Equity Securities	15.1	24,948,407	-	24,948,407	Level 3
Hire Purchase Debtors	18	-	7,225,287,851	7,225,287,851	-
Lease Rental Receivables	18	-	13,719,773,282	13,719,773,282	-
Loan Receivables	18	-	7,370,770,716	7,370,770,716	-
Trade Receivables	18	-	4,721,445,725	4,721,445,725	-
Other Receivables	18	-	3,153,948,497	3,153,948,497	-
Cash and Cash Equivalents	20.1	-	1,868,858,699	1,868,858,699	-
Investment in Treasury Bills	15.2	-	813,262,056	813,262,056	-
Deposits with Banks		-	60,934,822	60,934,822	-
Total		24,948,407	38,934,281,648	38,959,230,055	-
Debentures	25.2	-	1,762,750,855	1,762,750,855	-
Bank Loans	25.3	-	13,598,470,793	13,598,470,793	-
Securitization Loans	25.3	-	3,820,951,238	3,820,951,238	-
Lease Liabilities	11.2	-	4,994,013,307	4,994,013,307	-
Security Deposit	28	-	1,366,565,021	1,366,565,021	-
Bank Overdrafts	20.2	-	1,715,350,573	1,715,350,573	-
Trade and Other Payables	29	-	18,897,219,342	18,897,219,342	-
Dividend Payables	32	-	132,672,420	132,672,420	-
Amounts Due to Related Parties	34	-	341,304,021	341,304,021	-
Deposits from Customers	35	-	60,934,822	60,934,822	-
Total		-	46,690,232,392	46,690,232,392	-

Company	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
31st March 2022		Rs.	Rs.	Rs.	
Investment in Equity Securities	15.1	22,858,432	-	22,858,432	Level 3
Hire Purchase Debtors	18	-	6,884,447,969	6,884,447,969	
Trade Receivables	18	-	5,202,714,063	5,202,714,063	
Other Receivables	18	-	6,965,249,249	6,965,249,249	
Loans due from Related Parties	19	-	110,000,000	110,000,000	
Amounts Due from Related Parties	19	-	198,611,049	198,611,049	
Cash and Cash Equivalents	20.1	-	1,732,552,569	1,732,552,569	
Total		22,858,432	21,093,574,899	21,116,433,331	-
Derivatives		-	-	-	
Debentures	25	-	-	-	
Security Deposit	28	-	1,406,990,989	1,406,990,989	
Bank Loans	25	-	19,959,104,325	19,959,104,325	
Bank Overdraft	20.2	-	427,132,085	427,132,085	
Trade and Other Payables	11.2	-	13,765,296,951	13,765,296,951	
Dividend Payables	32	-	67,969,210	67,969,210	
Amounts Due to Related Parties	34	-	4,137,893,468	4,137,893,468	
Total		-	39,764,387,028	39,764,387,028	-

Company	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
31st March 2021		Rs.	Rs.	Rs.	
Investment in Equity Securities	15.1	24,948,407	-	24,948,407	Level 3
Hire Purchase Debtors	18	-	7,225,287,851	7,225,287,851	-
Trade Receivables	18	-	4,141,268,428	4,141,268,428	-
Other Receivables	18	-	2,401,463,673	2,401,463,673	-
Amounts Due from Related Parties	19	-	38,813,530	38,813,530	-
Cash and Cash Equivalents	20.1	-	783,541,083	783,541,083	-
Total		24,948,407	14,590,374,565	14,615,322,972	-
Debentures	25	-	655,976,174	655,976,174	-
Bank Loans	25	-	10,450,079,874	10,450,079,874	-
Bank Overdrafts	20.2	-	1,321,739,185	1,321,739,185	-
Security Deposit	28	-	1,293,744,090	1,293,744,090	-
Lease Liabilities	11.2	-	4,411,045,329	4,411,045,329	-
Trade and Other Payables	29	-	13,702,008,630	13,702,008,630	-
Dividend Payables	32	-	58,822,197	58,822,197	-
Amounts Due to Related Parties	34	-	4,259,226,264	4,259,226,264	-
Total		-	36,152,641,743	36,152,641,743	-

Wherever the assets and liabilities are not fair valued, it was assumed that the carrying value of such assets and liabilities are a reasonable approximation to it's fair value as majority of such assets and liabilities are with shorter maturity periods.

NOTES TO THE FINANCIAL STATEMENTS

(l) Fair Value Versus Carrying Amounts

(a) The following table show the valuation techniques used in measuring Level 2 fair values, as well as significant unobservable inputs used:

Type	Valuation Technique	Significant Unobservable Inputs	Relationship of Unobservable Input to Fair Value
Derivative	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on forward interest ratio and forward currency rates. Estimated cash flows are discounted using a yield curve constructed from similar sources.	Not Applicable	Not Applicable

(b) Level 3 Recurring Fair Value

Reconciliation of Level 3 Fair Value

The following shows a reconciliation from the opening balance to closing balances for Level 3 fair value.

As at 31st March	Group Rs.	Company Rs.
Balance as at 1st April 2021	24,948,407	24,948,407
Net charge in fair value (Unrealised)	(2,089,975)	(2,089,975)
Balance as at 31st March 2022	22,858,432	22,858,432
Loss Included in OCI	(2,089,975)	(2,089,975)

Net Asset per share as at 31st March 2022 Rs.13.73

The Group holds an investment in equity shares of Equity Investment Lanka Limited with a fair value of Rs. 22,858,432, measured at Net Asset basis. Fair value of this investment was categorized as level 3 as at 31st March 2022. This was because the shares were not listed on an exchange and there were no recent observable arm's length transactions in the shares.

Refer Note 15.1 for share investment details.

36.2 Capital Management

The Board's policy is to maintain a strong capital base to maintain confidence of the investors, creditors and the market while sustaining future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between higher returns facilitated through a higher level of borrowings and the benefits and security afforded by a sound capital position.

The capital structure of the Company consists of debt and equity of the Company. The capital structure of the Company is reviewed by the Board of Directors on a concurrent basis.

36.2.1 Capital Adequacy

Capital adequacy is a measure of financial institution's financial strength and stability. This is a widely accepted concept, tries to specify the limit up to which a business can expand in terms of its risk – weighted assets. Finance companies in pursuit of business expansion, could engage themselves in activities that regularly change their risk profile. In light of this, regulatory capital requirements have been established to avoid undue expansion beyond specified limits keeping a hold on companies' exposure to risk. Capital serves as a comfort to absorb unexpected losses, providing a degree of security to depositors and other key stakeholders.

This measure has been introduced by the Central Bank of Sri Lanka to protect the interest of the various stakeholders of the Company while ensuring the maintenance of confidence and stability of the financial system.

The capital adequacy ratio is calculated as a percentage on company's capital to its risk weighted assets as specified by the direction No 03 of 2018 with the effect from 1st July 2018 .

Based on the Direction No. 03 of 2018 the Listed Finance Companies which are having asset base less than 100 Billion need to have minimum Core Capital Ratio (Tier-I) of 6.5% and 10.5% based on the Total Capital Ratio (Tier-II) . This minimum requirement will increase to 7% and 11% respectively with the effect from 1st July 2020.

The core capital represents the permanent shareholders', equity and reserves created or increase by appropriations of retained earnings or other surpluses and the total capital includes in addition to the core capital, the revaluation reserves, general provisions and other hybrid capital instruments and unsecured subordinated debts.

The Risk Weighted Assets have been calculated by multiplying the value of each category of asset using the risk weight specified by the Central Bank of Sri Lanka.

Details of the computation and the resulting ratios are given below:

As at 31st March	Balance		Risk-Weighted Factor %	Risk-Weighted Balance	
	2022 Rs.	2021 Rs.		2022 Rs.	2021 Rs.
Assets					
Risk Weighted Amount for Credit Risk					
Notes and Coins	124,400,706	95,635,726	0%	-	-
Cash Items in the Process of Collection	50,363,730	70,998,226	20%	10,072,746	14,199,645
Fixed Assets	1,090,339,590	956,589,835	100%	1,090,339,590	956,589,835
Other Assets/Exposures	263,409,646	1,079,085,238	100%	263,409,646	1,079,085,238
Investment in Government Securities	1,412,979,204	813,262,057	0%	-	-
Claims on Banks					
AAA to BBB-	823,323,404	60,934,822	20%	164,664,681	12,186,964
Below B-	15,202,592	-	150%	22,803,888	-
Claims on Corporates					
AAA to AA-	15,992,156	-	20%	3,198,431	-
Unrated	41,000	-	100%	41,000	-
Retail claims in respect of motor vehicles and machinery	13,372,894,093	14,097,149,903	100%	13,372,894,093	14,097,149,903
Claims Secured by Gold					
Outstanding claim portion up to 70% of the market value	3,526,048,852	72,516,062	0%	-	-
Remaining outstanding claim portion over 70% of the market value	97,230,297	518,188,357	100%	97,230,297	518,188,357
Retail claims secured by immovable property					
Retail claims that do not qualify for regulatory capital purposes	101,712,550	-	100%	101,712,550	-
Other retail claims	7,991,316,739	6,669,423,507	125%	9,989,145,924	8,336,779,383
Non-performing retail claims secured by immovable property					
Specific provisions are equal or more than 20%	2,972,304	-	50%	1,486,152	-
Other Non-Performing Assets					
Specific provisions are equal or more than 20%	322,042,290	1,012,408,755	100%	322,042,290	1,012,408,755
Specific provisions are less than 20%	40,838,842	-	150%	61,258,263	-
Total Risk - Weighted Assets	29,251,107,994	25,446,192,488		25,500,299,550	26,026,588,080

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Balance		Risk-Weighted Factor %	Risk-Weighted Balance	
	2022 Rs.	2021 Rs.		2022 Rs.	2021 Rs.
Risk Weighted Amount for Operational Risk					
Interest Income	4,260,975,533	3,915,057,910	15%	639,146,330	587,258,687
Interest Expenses	(1,916,865,584)	(1,823,242,150)	15%	(287,529,838)	(273,486,323)
Non-interest income	670,248,482	554,035,932	15%	100,537,272	83,105,390
	3,014,358,430	2,645,851,692		452,153,765	396,877,754
Risk-Weighted Amount for operational Risk under the Basic Indicator Approach				4,110,488,769	3,779,788,131
Total Risk - Weighted Assets	32,265,466,425	28,092,044,180		29,610,788,319	29,806,376,211
Total Capital Base Computation					
Stated Capital				1,996,444,457	1,996,444,457
Reserved Fund				234,111,556	203,054,547
Published Retained Earnings				2,544,091,637	2,118,970,479
Less:-					
Other Intangible Assets (net)				69,458,537	44,414,165
Total Core Capital				4,705,189,113	4,274,055,318
Supplementary Capital				1,733,333,333	-
Total Supplementary Capital				1,733,333,333	-
Capital Base				6,438,522,446	4,274,055,318

Capital Adequacy ratio

As at 31st March		2022 %	2021 %
Core Capital Ratio	Core Capital	15.89%	14.34%
	Risk- Weighted Assets		
Total Capital Ratio	Capital Base	21.74%	14.34%
	Risk- Weighted Assets		

37. Commitments and Contingencies - Group / Company

37.1 Financial Contingencies

Documentary Credits effected for foreign purchases amounting to Group and Company respectively Rs. 10,733 million (2021-Rs.12,774 million) and Rs.7,821 million (2021- Rs.9,214 million)

37.2 Commitments

Singer Finance (Lanka) PLC

Operating Lease commitments as at 31st March 2022 is as follows:

Within One Year	Rs. 11 million
Between One to Five Years	Nil
Over Five Years	Nil

37.3 Assets Pledged

Singer (Sri Lanka) PLC has given a Negative Pledge over the Bank Loans obtained from Commercial Bank of Ceylon PLC, Sampath Bank PLC, Hatton National Bank PLC, Nations Trust Bank PLC and Peoples Bank which having a carrying value of Rs. 7,231 million, Rs. 3,400 million, Rs. 8,151 million, Rs. 400 million and Rs. 777 million respectively as at 31st March 2022.

Singer Finance (Lanka) PLC has given a Negative Pledge amounting to Rs.13 million over the Company's Lease Receivables and Loans for the following banks over Loans, Overdrafts, Securitization and Debentures having a carrying value of Rs. 10 million as at 31st March 2022.

Bank	Exposure	Type of Facility	Outstanding Credit Facility Rs. Million	Carrying Value Rs. Million
Sampath Bank PLC	130%	Money Market Loan	500	
		Overdraft Facility	300	1,040
Commercial Bank of Ceylon PLC	150%	Term Loan	110	
		Overdraft Facility	200	465
Seylan Bank PLC	130%	Term Loan & Money Market Loan	1,608	
		Overdraft Facility	250	2,416
Nations Trust Bank PLC	130%	Term Loan & Money Market Loan	1,132	
		Overdraft Facility	200	1,732
National Development Bank PLC	130%	Money Market Loan	500	
		Overdraft Facility	100	780
Cargills Bank	130%	Money Market Loan	200	260
Bank of Ceylon PLC	130%	Term Loan & Money Market Loan	1,027	1,335
Pan Asia Bank Corporation PLC	130%	Money Market Loan	500	1,000
Trustee (Hatton National Bank PLC and National Savings Bank)	130%	Securitisation	3,126	4,064
			9,754	13,092

NOTES TO THE FINANCIAL STATEMENTS

37.4 Contingencies

- (a) Commissioner General of Inland Revenue has issued assessment notices on Singer (Sri Lanka) PLC pertaining to an additional VAT Liability/Payment on account of Deemed VAT for seven quarters for the period 1st January 2014 to 30th September 2015. The assessment was for a Deemed VAT payment of Rs. 1,076 million and penalty of Rs. 423 million totalling to Rs. 1,499 million. Commissioner General of Inland Revenue has given the determination on the appeal. Accordingly, Rs. 791 million of Deemed VAT liability and penalty of Rs. 395 million totalling to Rs. 1,186 million is payable as a Deemed VAT liability for seven quarters for the period 1st January 2014 to 30th September 2015. The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly, Company has decided to appeal to the Tax Appeal Commission against the determination. Hence, no provision has been made in the Financial Statements. The Company previously sought a clarification from the Inland Revenue Department on the interpretation of the Act and did not receive the required clarification. Deemed VAT is removed with effect from 1st January 2016 under VAT Amendment Act No. 20 of 2016.
- (b) Singer (Sri Lanka) PLC has provided bank guarantees amounting to Rs. 337 million to Director General of Customs to clear imports during the years 2008 to March 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.
- (c) Singer Finance (Lanka) PLC has provided letters of guarantee totalling to Rs. 4 million against fixed deposits of Rs. 4 million
- (d) Case bearing No. 404 has been filled against Singer Finance (Lanka) PLC by a customer in the District Court of Ampara claiming Rs. 2 million as damages caused by repossessing and selling of a vehicle leased through the Company. The lawyers of the Company are of the view that the ultimate resolution of this litigation would not likely to have a material impact.
- (e) Regnis (Lanka) PLC has provided corporate guarantees to banks on behalf of Regnis Appliances (Private) Limited amounting to Rs. 410 million for the purpose of obtaining banking facilities.
- (f) Regnis (Lanka) PLC cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee amounting to Rs. 7 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.

38. Events Occuring after the Reporting Period

There are no material events after the reporting date, which require adjustments to or disclosures in the Financial Statements except for the followings.

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 companies that have earned a Taxable Income in excess of LK 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 law imposing the surcharge tax was enacted after the Reporting Period end, the Financial Statements for the Year Ended 31 March 2022 do not reflect the tax liability that would arise in consequence, the amount of which is best estimated at Rs. 1,056 million and Rs. 805 million for Group/ Company respectively.

On 13th May 2022, Board of Directors proposed and approved a Final Dividend of Rs. 0.20 per share amounting to Rs. 225 million for the Year Ended 31st March 2022.

In accordance with LKAS 10, Events after the Reporting Period, above have not been recognised as a Liability in the Financial Statements as at 31st March 2022.

39 Related Party Transactions

39.1 Parent and Ultimate Controlling Party

The Company's Parent undertaking and Controlling Party is Hayleys PLC

39.2 (a) Transaction with Parent Company

Name of the Company	Nature of Transaction	Group		Company	
		For the Year Ended 31st March 2022 Rs. Million	For the Year Ended 31st March 2021 Rs. Million	For the Year Ended 31st March 2022 Rs. Million	For the Year Ended 31st March 2021 Rs. Million
Hayleys PLC	Expenses Reimbursed	481.8	188.5	369.3	140.8

39.2 (b) Transaction with Subsidiary Companies

Name of the Company	Nature of Transaction	Company	
		For the Year Ended 31st March 2022 Rs. Million	For the Year Ended 31st March 2021 Rs. Million
Regnis (Lanka) PLC	Corporate guarantees given on behalf of the Company	455.5	455.5
	Purchases	5,650.7	4,245.6
	Non-trade Settlement	60.0	88.4
	Funds paid for Purchases	5,419.8	4,035.0
	Expenses Reimbursed	126.8	87.5
	Sale of Fixed Assets	2.2	0.1
	Interest Income	2.9	5.8
	Dividend	-	34.1
	Interest income on Corporate Guarantee	2.2	2.3
	Balance Payable	919.6	556.5
	Loan Settlements	-	46.0
	Advances -Trade	200.0	-
Singer Industries (Ceylon) PLC	Purchases	826.2	562.3
	Sales	7.0	0.2
	Interest Income	7.7	0.01
	Lease Rental Expense	22.5	21.3
	Expenses Reimbursed	95.7	26.7
	Non Trade Settlements	42.5	11.3
	Trade Settlements	815.8	499.0
	Fixed Assets purchases	-	0.3
	Management Fee	0.1	0.1
	Balance Payable	63.3	98.5
	Loans Granted	110	-

NOTES TO THE FINANCIAL STATEMENTS

Name of the Company	Nature of Transaction	Company	
		For the Year Ended 31st March 2022 Rs. Million	For the Year Ended 31st March 2021 Rs. Million
Singer Digital Media (Private) Limited	Purchases	1,054.9	2,200.6
	Expenses Reimbursed	166.7	241.1
	Net Interest Expense	146.4	159.8
	Royalty paid through Singer (Sri Lanka) PLC	18.9	89.6
	Loans Granted	8,959.7	1,873.5
	Loan Settled	10,167.9	3,824.8
	Balance Payable-Loan	1,483.50	2,691.7
	Balance Payable – Non-Trade	21.1	23.3
	Balance Payable – Trade	285.7	416.1
Regnis Appliances (Private) Limited	Purchases	2,131.1	1,462.4
	Non-Trade Settlement	125.1	14.0
	Trade Settlements	2,086.2	1,373.2
	Expenses Reimbursed	18.0	18.9
	Rent Charged	-	0.1
	Interest Expense	0.5	1.9
	Interest Income	5.6	
	Balance Payable	322.1	177.2
	Sale of Fixed assets	2.0	-
Reality Lanka Limited	Rent Expense	6.7	6.3
	Balance Payable Non-Trade	13.5	9.5
Singer Business School (Private) Limited	Brand Utilisation Charge	1.2	3.7
	Rent Expense	4.8	0.1
	Expenses Reimbursed	2.7	1.8
	Balance Payable Trade	3.5	6.2
Singer Finance (Lanka) PLC	Withdrawals of Rental collections from Singer (Sri Lanka) PLC	1,570.0	2,308.8
	Sales Financed to Purchase goods from Singer (Sri Lanka) PLC	14.7	414.0
	Loans Settled During the Year	-	400.0
	Sale of Fixed Assets	53.9	22.9
	Net Interest Expense/Income	12.2	17.1
	Rental Collections through Singer (Sri Lanka) PLC	2,005.0	3,099.8
	Service Charge Income	1.6	21.1
	Collection Commission paid	17.9	24.0
	Royalty paid through Singer (Sri Lanka) PLC	45.6	49.5
	Rent Reimbursed	12.0	18.9
	Expenses Reimbursed	389.5	540.8
	Advance Paid	39.6	-
	Dividend Paid	129.2	-

39.2 (c) Transactions with Companies under Common Control of Hayleys PLC

For the year Ended 31st March		Group		Company	
Name of the Company	Nature of Transaction	2022 Rs. Million	2021 Rs. Million	2022 Rs. Million	2021 Rs. Million
Hayleys Aventura (Private) Limited	Purchases	8.1	15	8.1	15.0
Alumex PLC	Sales	-	3.1	-	3.1
The Kingsbury PLC	Sales	-	0.9	-	0.9
Fentons Limited	Purchases	176.0	107.7	176.0	97.4
Energynet (Private) Limited	Purchases	-	9.4	-	8.2
Ravi Industries Ltd	Purchases	2.6	-	-	-
Dipped Products PLC	Sales	-	12	-	12.0
Toyo Cushion Lanka (Private) Limited	Purchases	160.4	92.9	160.0	92.9
Logiwiz Limited	Service Provided	552.0	331.7	552.0	331.7
Mabroc Teas (Private) Limited	Sales	-	0.1	-	0.1
	Purchases	-	3.1	-	3.1
Haycarb Value Added Products (Private) Limited	Sales	-	1.2	-	1.2
Haycarb PLC	Sales	48.7	-	48.7	-
Advantis Project Engineering (Private) Limited	Sales	-	0.05	-	0.1
	Purchases	-	0.6	-	0.6
Hayleys Fibre PLC	Sales	-	1.2	-	1.2
Hayleys Fabric PLC	Sales	-	3.5	-	3.5
Creative Polymats (Private) Limited	Purchases	210.0	77.3	210.0	77.3
Advantis Freight (Private) Limited	Service Provided	575.5	67.7	514.5	67.7
IML Delivery Systems (Private) Limited	Service Provided	-	42	-	42.0
Sri Lanka Shipping Company Limited	Service Provided	49.6	4.2	49.6	4.2
Ravi Industries (Private) Limited	Purchases	-	13.1	-	6.1
	Sales	-	6.2	-	-
Puritas (Private) Limited	Purchases	2.6	2.3	1.6	2.3
Hayleys Business Solutions International (Private) Limited	Service provided	2.5	0.4	2.0	0.4
CEVA Logistics Lanka (Private) Limited	Service provided	45.7	-	45.7	-
South Asia Textiles (Private) Limited	Sales	6.5	-	6.5	-

39.2 (d) Transactions with Other Related Parties

Company	Relationship	Name of Director	Nature of Transaction	For the Year Ended 31st March	
				2022 Rs. Million	2021 Rs. Million
Vallibel One PLC	Control/Significant Shareholder	K.D.D Perera	Expense Reimbursed	45.8	36.1

There are no Related Party Transactions other than those disclosed in Note 39 in the Financial Statements.

No securities have been obtained or given for Related Party Receivables and Payables respectively where all Related Party dues are payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March	Group		Company	
	2022 Rs. Million	2021 Rs. Million	2022 Rs. Million	2021 Rs. Million
Provisions for doubtful debts related to amount outstanding	Nil	Nil	Nil	Nil
Expense/(Reversal) recognised during the year in respect of bad or doubtful debts due from related parties	Nil	Nil	Nil	Nil

Terms and Conditions of Transactions with related parties

The Group and the Company carried out transactions in the ordinary course of business with its related parties as arms length transactions. The list of Directors at each of the subsidiary companies have been disclosed in the Group Directory under the Supplementary Information section of the Annual Report.

Non-recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group as per the latest audited financial statements, which required additional disclosures in the 2021/2022 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the Group revenue of the Group as per the latest audited financial Statements, which required additional disclosures in the 2021/2022 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

39.2 (e) Transactions with Associate Companies

Investment in Telshan Network (Private) Limited amounting to Rs. 20,000,000 had been written off since it carried negative net asset position. Telshan Network (Private) Limited is an Associated company of Singer (Sri Lanka) PLC, with whom Singer (Sri Lanka) PLC or its Subsidiary Companies had no transactions During the Financial Year 2021/2022 to disclose.

39.3 Transactions with Key Management Personnel

39.3.1 According to Sri Lanka Accounting Standard (LKAS) 24 – “Related Party Disclosure”, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Directors (Including Executive and Non-Executive Directors) are the Key Management Personnels of the Group.

39.3.2 Transactions with Close Family Members of Key Management Personnel (KMP)

“Close Family Members are defined as Spouse or Dependant. A dependant is defined as any one who depends on the respective Director for more than 50% of his/her financial needs.”

For the Year Ended 31st March	2022 Rs. Million	2021 Rs. Million
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(i) Transactions with Key Management Personnel or Close Family Members		
Deposits kept by Key Management Personnel or their Close Family Members at Singer Finance (Lanka) PLC	131	82

For the Year Ended 31st March	Group		Company	
	2022 Rs. Million	2021 Rs. Million	2022 Rs. Million	2021 Rs. Million
(ii) Compensation of Key Management				
Short Term Employee Benefits	98	117	56	86
Post-Employment Benefits paid	65	22	57	-

(iii) In Addition to their Salaries, the Company contributes to a Post Employment Defined Benefit Plan on their behalf. Directors’ emoluments are disclosed in Note 8 to the Financial Statements.

40. Non - Controlling Interest

The following table summarises the Information relating to each of the Group's Subsidiaries that has material NCI.

31st March 2022	Singer Finance (Lanka) PLC Rs	Singer Industries (Ceylon) PLC Rs.	Regnis (Lanka) PLC Rs.	Other Individually Immaterial Rs.	Total Rs
NCI Percentage (%)	20.07	12.3	41.7		
Non-Current Assets	12,723,511,977	1,732,321,521	1,396,117,450	-	-
Current Assets	17,539,504,948	605,486,180	2,520,268,539	-	-
Non-Current Liabilities	8,704,854,298	339,026,716	299,352,294	-	-
Current Liabilities	16,783,514,947	389,544,305	2,009,261,240	-	-
Net Assets	4,774,647,680	1,609,236,680	1,607,772,456	-	-
Net Assets Attributable to NCI	958,271,789	197,936,112	670,441,114	144,432,797	1,971,081,812
Revenue	5,172,837,329	943,685,966	5,244,283,013	-	-
Profit	621,140,170	32,751,006	(843,592)	-	-
OCI	(3,302,743)	206,967,069	109,929,667	-	-
Total Comprehensive Income	617,837,427	239,718,074	109,086,075	-	-
Profit Allocated to NCI	124,662,832	4,028,374	(351,778)	-	-
OCI Allocated to NCI	(662,861)	25,456,949	45,840,671	-	-
Cash Flows from Operating Activities	(2,586,706,779)	(98,306,576)	(6,731,466)	-	-
Cash Flows from Investment Activities	(796,472,707)	40,494,614	(10,209,430)	-	-
Cash Flows from Financing Activities –	2,901,644,441	48,982,281	25,590,132	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(481,535,046)	(8,829,681)	8,649,236	-	-

31st March 2021	Singer Finance (Lanka) PLC Rs	Singer Industries (Ceylon) PLC Rs.	Regnis (Lanka) PLC Rs.	Other Individually Immaterial Rs.	Total Rs
NCI Percentage (%)	20.07	12.3	41.7	-	-
Non-Current Assets	12,059,828,220	1,504,355,467	1,333,056,383	-	-
Current Assets	12,611,383,015	464,866,145	1,714,656,742	-	-
Non-Current Liabilities	6,862,817,184	242,206,222	279,514,823	-	-
Current Liabilities	13,489,924,537	288,538,605	1,262,845,486	-	-
Net Assets	4,318,469,513	1,438,476,784	1,505,352,816	-	-
Net Assets Attributable to NCI	866,716,831	176,932,644	627,732,124	107,161,743	1,778,543,342
Revenue	4,457,132,774	629,615,889	3,941,940,208	-	-
Profit	410,126,942	(13,900,829)	172,273,728	-	-
OCI	(839,785)	111,054,916	39,391,238	-	-
Total Comprehensive Income	409,287,157	97,154,087	211,664,966	-	-
Profit Allocated to NCI	82,312,477	-1,709,802	71,838,145	-	-
OCI Allocated to NCI	(168,545)	13,659,755	16,426,146	-	-
Cash Flows from Operating Activities	3,635,465,469	(41,643,128)	(137,490,238)	-	-
Cash Flows from Investment Activities	(26,121,771)	(1,604,539)	(33,345,515)	-	-
Cash Flows from Financing Activities –	(2,486,202,619)	16,956,188	(33,069,205)	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,123,141,079	(26,291,479)	(203,904,958)	-	-

40.1 Business Combinations and Acquisition of Non-Controlling Interests

No acquisitions or disposals of Subsidiaries and Equity Accounted Investees occurred During the Financial year 2021/22.

INGENUITY MADE BETTER

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PARENT, SUBSIDIARIES AND RELATED COMPANIES

Company name	Principal activity	Directors
Hayleys PLC Parent Company	Global marketing and manufacturing, agriculture, power and energy, domestic and industrial lighting, transportation and logistics, leisure and aviation, consumer, investments and services.	Mr. Mohan Pandithage - Chairman and Chief Executive Mr. Dhammika Perera – Co-Chairman Mr. Sarath Ganegoda Mr. Rajitha Kariyawasan Dr. Harsha Cabral Mr. Ruwan Waidyaratne Mr. Hisham Jamaldeen Mr. Aravinda Perera Ms. Jayanthi Dharmasena Mr. Rohan Karunaratne Mr. Gamini Gunaratne Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera)
Singer Finance (Lanka) PLC Singer - Interest 79.9%	Leasing, hire purchasing, lending and accepting deposits.	Mr. Aravinda Perera – Chairman Mr. Priyath Salgado (resigned with effect from 07th August 2021) Mr. Thushan Amarasuriya – CEO Mr. Jayanth Perera Mr. Mahesh Wijewardene – Group CEO Ms. Darshini Talpahewa Mr. Sadeep Perera Mr. Ranil De Silva Mr. Saman Herath (appointed on 02nd September 2021)
Singer Industries (Ceylon) PLC Singer - Interest 87.7%	Manufacturing and assembling sewing machines.	Mr. Mohan Pandithage – Chairman Mr. Mahesh Wijewardene – Group CEO Mr. Hisham Jamaldeen Mr. Noel Joseph Mr. Gamini Gunaratne Mr. Sarath Ganegoda Mr. Dilip De S. Wijeyeratne Mr. Kelum Kospelawatte Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022) Mr. Roshan Kulasuriya (Alternate Director to Mr. Mahesh Wijewardene - appointed on 20th April 2022)
Regnis (Lanka) PLC Singer - Interest 58.3%	Manufacturing refrigerators.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Hisham Jamaldeen Mr. Noel Joseph Mr. Gamini Gunaratne Mr. Sarath Ganegoda Mr. Dilip De S. Wijeyeratne Mr. Kelum Kospelawatta Mr. Mohamed Irzan (Alternate Director to Mr. Kelum Kospelawatta) Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022) Mr. Shanil Perera (Alternate Director to Mr. Mahesh Wijewardene - appointed on 20th April 2022)

Company name	Principal activity	Directors
Reality Lanka Limited Singer - Interest 92.2% (indirect)	Investment on properties.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Thulitha Mendis (appointed on 20th April 2022)
Regnis Appliances (Private) Limited Singer - Interest 58.3% (indirect)	Manufacturing washing machines.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Kelum Kospelawatte Mr. Malin Fernando Mr. Vajira Tennakoon (appointed on 20th April 2022) Mr. Thulitha Mendis (appointed on 20th April 2022)
Singer Digital Media (Private) Limited Singer - Interest 100%	Marketing mobile phones.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Jagath Perera Mr. Ramesh Chitrasiri (appointed on 20th April 2022) Mr. Thulitha Mendis (appointed on 20th April 2022)
Singer Business School (Private) Limited Singer - Interest 100%	Providing educational services.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Roshan Kulasuriya (appointed on 20th April 2022) Mr. Vajira Tennakoon (appointed on 20th April 2022)
Domus Lanka (Private) Limited Subsidiary - Interest 100%	Designing, manufacturing and trading furniture.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Vajira Tennakoon (appointed on 20th April 2022)

A DECADE IN PERSPECTIVE

Year Ended	31st March (12 Months) 2022 Rs. '000	31st March (12 Months) 2021 Rs. '000	31st March (12 Months) 2020 Rs. '000	31st March (12 Months) 2019 Rs. '000	31st March (15 Months) 2018 Rs. '000	31st December (12 Months) 2016 Rs. '000	31st December (12 Months) 2015 Rs. '000	31st December (12 Months) 2014 Rs. '000	31st December (12 Months) 2013 Rs. '000	31st December (12 Months) 2012 Rs. '000
GDP Growth - %	3.7	(3.60)	(4.90)	3.2	3.2	4.1	6.00	7.40	7.30	6.00
Market Capitalisation Growth - %	(0.18)	(0.14)	(19.20)	(37.81)	(4.44)	(8.48)	17.00	32.50	(13.00)	(22.90)
Trading Results										
Group Revenue - Net	76,847,842	67,412,239	54,751,038	58,505,395	65,122,304	46,924,144	38,710,834	29,699,602	25,485,561	25,441,494
Profit Before Tax	5,535,560	3,818,007	610,717	672,129	2,049,052	3,126,233	1,895,275	1,155,608	728,440	1,777,160
Tax Expense	1,425,769	1,210,485	183,450	286,149	828,758	768,477	659,236	373,974	206,375	561,451
Profit for the Year	4,109,791	2,607,521	427,268	385,981	1,220,295	2,357,756	1,236,039	781,634	522,066	1,215,710
Total Comprehensive Income for the Year, Net of Tax	4,554,012	2,809,992	449,249	1,006,328	691,655	2,623,507	1,206,343	891,279	519,059	1,320,383
Property, Plant and Equipment	7,521,444	6,805,750	6,911,741	6,704,649	5,649,424	5,426,841	2,715,401	2,667,909	2,505,355	2,151,208
Investment in Equity Accounted Investees	-	-	-	-	-	-	54,831	55,189	53,226	52,663
Right-of-Use Assets	4,807,413	4,433,003	4,448,560	-	-	-	-	-	-	-
Other Investments	22,900	24,990	113,258	17,061	17,061	17,061	17,061	17,061	17,061	17,061
Deferred Tax Assets/ (Liabilities)	801,299	497,329	155,734	(246,869)	(467,236)	124,061	144,913	65,235	9,482	36,358
Other Non-Current Assets	12,790,242	12,236,793	11,647,255	11,809,824	9,508,817	8,467,619	7,472,596	6,021,845	5,867,311	5,234,046
Total Non-Current Assets****	25,943,298	23,997,865	23,276,547	18,531,534	15,175,302	14,035,582	10,404,803	8,947,028	8,561,974	7,605,262
Current Assets	62,938,881	44,929,302	41,670,719	39,510,816	35,406,813	28,214,282	21,857,494	18,444,957	16,000,553	13,795,274
Current Liabilities	53,539,227	42,577,157	39,861,199	35,409,664	35,192,785	22,189,446	15,417,138	15,213,903	13,030,817	12,849,830
Net Current Assets	9,399,653	2,352,145	1,809,520	4,101,152	214,028	6,024,836	6,440,356	3,231,054	2,969,736	945,444
Total Assets Less Current Liabilities	35,342,951	26,350,010	25,086,068	22,632,687	15,389,331	20,060,398	16,959,979	12,178,083	11,531,711	8,550,706
Security Deposit	1,462,347	1,366,565	1,394,611	1,388,433	1,199,127	1,018,452	851,794	732,124	651,765	576,648
Interest Bearing Loans and Borrowings and Lease Liabilities Repayable after One Year	16,682,914	11,436,878	12,450,161	10,640,159	4,319,898	8,381,885	8,091,907	4,226,596	4,334,165	1,633,823
Employee Benefit Obligations	1,041,152	946,775	900,984	871,971	794,645	651,144	486,465	383,912	320,033	270,539
Other Financial Liabilities Repayable after One Year	2,317,848	2,091,132	1,979,089	804,556	411,394	454,013	645,008	798,492	756,232	342,535
Total Equity	13,540,625	10,258,638	8,187,907	8,451,644	8,184,568	9,554,905	6,769,985	5,917,169	5,359,975	5,613,235
Equity										
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,635,092	1,232,580	1,092,442	1,118,123	577,919	1,057,964	857,580	870,358	762,034	773,312
Other Component of Equity	4,437	6,026	-	-	-	-	-	-	-	-
Statutory Reserve	223,763	198,939	182,548	163,096	136,009	95,361	37,318	136,128	128,447	78,425
Revenue Reserves	9,080,204	6,416,501	4,667,856	5,035,831	5,495,478	6,374,444	4,728,455	3,842,675	3,447,544	3,778,395
Total Equity Attributable to Equity Holders of the Company	11,569,544	8,480,094	6,568,891	6,943,097	6,835,455	8,153,817	6,285,401	5,475,208	4,964,073	5,256,181
Non-Controlling Interests	1,971,082	1,778,543	1,619,012	1,508,546	1,349,114	1,401,088	484,584	441,960	395,902	357,054
Total Equity	13,540,625	10,258,638	8,187,907	8,451,644	8,184,569	9,554,905	6,769,985	5,917,169	5,359,975	5,613,235

Year Ended	31st March (12 Months) 2022 Rs. '000	31st March (12 Months) 2021 Rs. '000	31st March (12 Months) 2020 Rs. '000	31st March (12 Months) 2019 Rs. '000	31st March (15 Months) 2018 Rs. '000	31st December (12 Months) 2016 Rs. '000	31st December (12 Months) 2015 Rs. '000	31st December (12 Months) 2014 Rs. '000	31st December (12 Months) 2013 Rs. '000	31st December (12 Months) 2012 Rs. '000
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Ratio and Statistics .										
Profitability										
Earnings per Share - Rs. *	3.51	2.18	0.25	0.22	0.93	1.88	1.02	0.63	0.41	1.01
Net Assets per Share - Rs. *	10.27	7.53	5.83	6.16	6.07	7.24	5.58	4.86	4.41	4.66
Return on Average Equity - %	34.57	28.27	5.14	4.64	13.76	28.89	19.50	13.90	9.50	22.90
Dividends										
Amount - Rs. '000	1,239,575	713,695	93,907	244,159	826,383	1,101,845	525,880	313,024	313,024	751,258
Per Share - Rs. *	1.10	0.63	0.08	0.22	0.73	0.98	0.47	0.28	0.28	0.67
Cover - times	3.15	2.45	0.14	0.58	1.21	1.00	1.63	1.48	0.96	1.37
Others										
Market Price per Share - Rs.	14.00	17.40**	20.20	25.00	40.20	126.20	137.90	117.90	89.00	102.30
Price Earnings Ratio - times	4.03	11.23	2,020.00	208.33	45.17	128.78	181.45	287.56	329.63	113.67
Annual Sales Growth - %	14.00	23.13	(6.42)	N/A ***	38.78	21.22	30.30	16.50	0.20	15.50
Current Ratio - times	1.18	1.06	1.05	1.12	1.00	1.27	1.40	1.20	1.20	1.10
Average Annual Inflation - %	21.50	4.70	4.20	4.30	4.20	3.75	0.90	3.30	7.30	7.60
Net Income to Net Revenue - %	5.35	3.87	0.78	0.66	1.87	5.02	3.20	2.60	2.00	4.80

* Information for the previous years have been restated to reflect the subdivision of shares in March 2021.

** Market price per share for 31st March 2018 was after subdivision of shares.

*** Not Comparable due to change in Financial year in 2017/18

**** Total Non-current Assets after deducting the Net of Deferred Tax Assets and Liabilities.

HORIZONTAL AND VERTICAL ANALYSIS

Horizontal Analysis - Group

For the Last Five Years Statement of Profit or Loss

Period Ended	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (12 Months) 2019	31st March (15 Months) 2018
Revenue	118%	104%	84%	90%	100%
Cost of Sales	116%	103%	80%	90%	100%
Direct Interest Cost	150%	146%	143%	99%	100%
Gross Profit	122%	102%	90%	88%	100%
Other Income	73%	61%	83%	94%	100%
Selling and Administrative Expenses	101%	93%	86%	87%	100%
Impairment Loss on Trade Receivables and Other Receivables	191%	250%	275%	213%	100%
Operating Profit	170%	111%	85%	83%	100%
Finance Income	97%	492%	145%	118%	100%
Finance Cost	92%	79%	128%	120%	100%
Net Finance Cost	92%	50%	126%	120%	100%
Value Added Tax on Financial Services	147%	113%	120%	113%	100%
Profit Before Tax	270%	186%	30%	33%	100%
Income Tax Expense	172%	146%	22%	35%	100%
Profit for the Year	337%	214%	35%	32%	100%

Horizontal Analysis - Company

For the Last Five Years Statement of Profit or Loss

Period Ended	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (12 Months) 2019	31st March (15 Months) 2018
Revenue	135%	108%	87%	86%	100%
Cost of Sales	136%	109%	85%	85%	100%
Gross Profit	131%	106%	92%	87%	100%
Other Income	18%	24%	28%	54%	100%
Selling and Administrative Expenses	96%	89%	83%	84%	100%
Impairment Loss on Trade Receivables and Other Receivables	205%	335%	460%	346%	100%
Operating Profit	216%	128%	86%	74%	100%
Finance Income	39%	185%	105%	132%	100%
Finance Cost	85%	87%	133%	111%	100%
Net Finance Cost	93%	71%	138%	108%	100%
Value Added Tax on Financial Services	178%	151%	97%	59%	100%
Profit Before Tax	456%	238%	-14%	8%	100%
Income Tax Expense	1062%	823%	-158%	-49%	100%
Profit for the Year	391%	175%	1%	14%	100%

Horizontal Analysis - Group

For the last five years Statement of Financial Position

	2022	2021	2020	2019	2018
ASSETS					
Property, Plant and Equipment	133%	120%	122%	119%	100%
Right-of-Use Assets	108%	100%	100%	0%	0%
Intangible Assets	195%	112%	91%	95%	100%
Other Non - Current Assets	92%	94%	96%	98%	100%
Other Investments	134%	146%	664%	100%	100%
Trade and Other Receivables	133%	129%	124%	125%	100%
Deferred Tax Assets	145%	106%	100%	0%	0%
Non-Current Assets	174%	161%	158%	122%	100%
Inventories	183%	145%	128%	112%	100%
Income Tax Receivables	97%	37%	1243%	152%	100%
Trade and Other Receivables	171%	116%	114%	110%	100%
Amounts due from Related Parties	3066%	1373%	4242%	0%	100%
Other Financial Assets	0%	0%	32%	100%	0%
Deposits with Banks	218%	75%	124%	102%	100%
Short Term Investments	210%	121%	103%	93%	100%
Cash in hand and at bank	222%	140%	47%	138%	100%
Current Assets	178%	127%	118%	112%	100%
Total Assets	177%	137%	130%	115%	100%
Equity					
Stated Capital	100%	100%	100%	100%	100%
Capital Reserves	283%	213%	189%	193%	100%
Other Component of Equity	74%	100%	0%	0%	0%
Statutory Reserve	165%	146%	134%	120%	100%
Revenue Reserves	165%	117%	85%	92%	100%
Total Equity attributable to Owners of the Company	169%	124%	96%	102%	100%
Non - Controlling Interests	146%	132%	120%	112%	100%
Total Equity	165%	125%	100%	103%	100%
Liabilities					
Interest - Bearing Loans and Borrowings	280%	165%	189%	246%	100%
Lease Liability	106%	101%	100%	0%	0%
Deferred Tax Liability	124%	56%	100%	0%	0%
Employee Benefit Obligations	131%	119%	113%	110%	100%
Security Deposits	122%	114%	116%	116%	100%
Other Financial Liabilities	563%	508%	481%	196%	100%
Deferred Tax Liability	0%	0%	0%	53%	100%
Deferred Revenue	87%	85%	73%	68%	100%
Other Non - Current Liabilities	132%	175%	57%	100%	0%
Non-Current Liabilities	304%	225%	240%	194%	100%
Trade and Other Payables	238%	231%	115%	90%	100%
Deferred Revenue	168%	174%	146%	157%	100%
Income Tax Payables	257%	121%	100%	0%	0%
Dividends Payable	37%	60%	56%	40%	100%
Amounts Due to Related Parties	276%	88%	58%	66%	100%
Other Financial Liabilities	204%	173%	104%	107%	100%
Lease Liability	133%	126%	100%	0%	0%
Interest - Bearing Loans and Borrowings	105%	63%	113%	101%	100%
Bank Overdrafts	55%	80%	116%	137%	100%
Current Liabilities	153%	121%	114%	101%	100%
Total Liabilities	179%	139%	135%	117%	100%
Total Equity and Liabilities	177%	137%	130%	115%	100%

HORIZONTAL AND VERTICAL ANALYSIS

Horizontal Analysis - Company

For the last five years Statement of Financial Position

	2022	2021	2020	2019	2018
ASSETS					
Property, Plant and Equipment	124%	116%	118%	113%	100%
Right-of-Use Assets	107%	97%	100%	0%	0%
Intangible Assets	204%	107%	95%	97%	100%
Investment in Subsidiaries	101%	101%	101%	99%	100%
Other Investments	2%	3%	2%	66%	100%
Trade and Other Receivables	52%	60%	62%	107%	100%
Deferred Tax Assets	1616%	1195%	1111%	380%	100%
Non-Current Assets	154%	144%	145%	104%	100%
Inventories	191%	150%	133%	113%	100%
Loans Due From Related Parties	9%	0%	37%	100%	100%
Income Tax Receivables	0%	0%	255%	152%	100%
Trade and Other Receivables	151%	107%	102%	106%	100%
Amounts due from Related Parties	107%	21%	17%	2%	100%
Other Financial Assets	0%	0%	32%	100%	0%
Short Term Investments	0%	0%	192%	100%	0%
Cash in hand and at bank	170%	77%	39%	131%	100%
Current Assets	161%	118%	112%	111%	100%
Total Assets	159%	124%	121%	109%	100%
Equity					
Stated Capital					
Capital Reserves	152%	138%	135%	137%	100%
Other Component of Equity	74%	100%	0%	0%	0%
Statutory Reserve	0%	0%	0%	100%	0%
Revenue Reserves	178%	99%	67%	0%	100%
Total Equity attributable to Owners of the Company	163%	106%	83%	97%	100%
Total Equity	163%	106%	83%	97%	100%
Liabilities					
Interest - Bearing Loans and Borrowings	257%	118%	243%	291%	100%
Lease Liability	102%	98%	100%	0%	0%
Employee Benefit Obligations	125%	114%	111%	110%	100%
Security Deposits	117%	108%	111%	111%	100%
Deferred Revenue	87%	85%	73%	68%	100%
Other Non - Current Liabilities	131%	100%	57%	100%	0%
Non-Current Liabilities	290%	203%	274%	216%	100%
Trade and Other Payables	229%	226%	111%	85%	100%
Deferred Revenue	165%	153%	140%	152%	100%
Income Tax Payables	1721%	100%	0%	0%	0%
Dividends Payable	41%	35%	23%	30%	100%
Amounts Due to Related Parties	137%	141%	113%	92%	100%
Other Financial Liabilities	0%	0%	0%	0%	100%
Lease Liability	167%	122%	100%	0%	0%
Interest - Bearing Loans and Borrowings	95%	57%	89%	94%	100%
Bank Overdrafts	35%	107%	121%	115%	100%
Current Liabilities	135%	114%	100%	92%	100%
Total Liabilities	158%	127%	127%	111%	100%
Total Equity and Liabilities	159%	124%	121%	109%	100%

Vertical Analysis - Group

For the Last Five Years Statement of Profit or Loss

	31st March (12 Months) 2022		31st March (12 Months) 2021		31st March (12 Months) 2020		31st March (12 Months) 2019		31st March (15 Months) 2018	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
Revenue	76,848	100.0%	67,412	100.0%	54,751	100.0%	58,505	100.0%	65,122	100.0%
Cost of Sales	(52,736)	68.6%	(47,028)	69.8%	(36,538)	66.7%	(41,140)	70.3%	(45,632)	70.1%
Direct Interest Cost	(1,920)	2.5%	(1,872)	2.8%	(1,829)	3.3%	(1,265)	2.2%	(1,282)	2.0%
Gross Profit	22,192	28.9%	18,511	27.4%	16,384	30.0%	16,100	27.5%	18,209	27.9%
Other Income	262	0.3%	221	0.3%	300	0.5%	338	0.6%	360	0.6%
Selling and Administrative Expenses	(13,514)	17.6%	(12,430)	18.4%	(11,551)	21.1%	(11,658)	19.9%	(13,362)	20.5%
Impairment Loss on Trade Receivables and Other Receivables	(703)	0.9%	(920)	1.4%	(1,011)	1.8%	(783)	1.3%	(368)	0.6%
Operating Profit	8,237	10.7%	5,383	7.9%	4,122	7.6%	3,997	6.9%	4,839	7.4%
Finance Income	170	0.2%	864	1.3%	255	0.5%	208	0.4%	176	0.3%
Finance Cost	(2,490)	3.2%	(2,136)	3.2%	(3,456)	6.3%	(3,241)	5.5%	(2,707)	4.2%
Net Finance Cost	(2,320)	3.0%	(1,272)	1.9%	(3,200)	5.8%	(3,033)	5.1%	(2,531)	3.9%
Value Added Tax on Financial Services	(382)	0.5%	(292)	0.4%	(311)	0.6%	(292)	0.5%	(259)	0.4%
Profit Before Tax	5,536	7.2%	3,818	5.6%	611	1.2%	672	1.3%	2,049	3.1%
Income Tax Expense	(1,426)	1.9%	(1,210)	1.8%	(183)	0.3%	(286)	0.5%	(829)	1.3%
Profit for the Year	4,110	5.3%	2,608	3.8%	427	0.9%	386	0.8%	1,220	1.8%

Vertical Analysis - Company

For the Last Five Years Statement of Profit or Loss

	31st March (12 Months) 2022		31st March (12 Months) 2021		31st March (12 Months) 2020		31st March (12 Months) 2019		31st March (15 Months) 2018	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
Revenue	68,652	100.0%	54,864	100.0%	44,126	100.0%	43,618	100%	50,910	100%
Cost of Sales	(50,090)	73.0%	(39,897)	72.7%	(31,128)	70.5%	(31,321)	71.8%	(36,728)	72.1%
Gross Profit	18,562	27.0%	14,967	27.3%	12,998	29.5%	12,297	28.2%	14,182	27.9%
Other Income	196	0.3%	265	0.5%	300	0.7%	590	1.4%	1,088	2.1%
Selling and Administrative Expenses	(11,344)	16.5%	(10,528)	19.2%	(9,810)	22.2%	(9,972)	22.9%	(11,825)	23.2%
Impairment Loss on Trade Receivables and Other Receivables	(281)	0.4%	(460)	0.8%	(631)	1.4%	(475)	1.1%	(137)	0.3%
Operating Profit	7,132	10.4%	4,245	7.8%	2,857	6.6%	2,441	5.6%	3,308	6.5%
Finance Income	135	0.2%	639	1.2%	362	0.8%	454	1.0%	345	0.7%
Finance Cost	(2,129)	3.1%	(2,175)	4.0%	(3,323)	7.5%	(2,775)	6.4%	(2,494)	4.9%
Net Finance Cost	(1,994)	2.9%	(1,536)	2.8%	(2,961)	6.7%	(2,321)	5.4%	(2,150)	4.2%
Value Added Tax on Financial Services	(94)	0.1%	(80)	0.1%	(51)	0.1%	(31)	0.1%	(53)	0.1%
Profit Before Tax	5,044	7.4%	2,629	4.9%	(156)	-0.2%	89	0.1%	1,106	2.2%
Income Tax Expense	(1,135)	1.7%	(880)	1.6%	168	0.4%	52	0.1%	(107)	0.2%
Profit for the Year	3,909	5.7%	1,749	3.3%	13	0.2%	141	0.0%	999	2.0%

HORIZONTAL AND VERTICAL ANALYSIS

Vertical Analysis - Group

For the last five years Statement of Financial Position

	2022	2021	2020	2019	2018
ASSETS					
Property, Plant and Equipment	8.42%	9.82%	10.53%	11.55%	11.17%
Right-of-Use Assets	5.38%	6.40%	6.78%	0.00%	0.00%
Intangible Assets	0.61%	0.45%	0.39%	0.46%	0.56%
Other Non - Current Assets	0.07%	0.09%	0.09%	0.11%	0.13%
Other Investments	0.03%	0.04%	0.17%	0.03%	0.03%
Trade and Other Receivables	13.63%	17.11%	17.27%	19.78%	18.12%
Deferred Tax Assets	1.42%	1.26%	1.26%	0.00%	0.00%
Non-Current Assets	29.56%	35.17%	36.49%	31.93%	30.01%
Inventories	25.77%	26.23%	24.46%	24.34%	24.86%
Income Tax Receivables	0.05%	0.02%	0.88%	0.12%	0.09%
Trade and Other Receivables	39.49%	34.60%	35.90%	39.06%	40.90%
Amounts due from Related Parties	0.02%	0.02%	0.06%	0.00%	0.00%
Other Financial Assets	0.00%	0.00%	0.04%	0.15%	0.00%
Deposits with Banks	0.20%	0.09%	0.15%	0.14%	0.16%
Short Term Investments	1.58%	1.17%	1.06%	1.07%	1.33%
Cash in hand and at bank	3.33%	2.70%	0.96%	3.19%	2.65%
Current Assets	70.44%	64.83%	63.51%	68.07%	69.99%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Stated Capital	0.71%	0.90%	0.95%	1.07%	1.23%
Capital Reserves	1.83%	1.78%	1.66%	1.93%	1.14%
Other Component of Equity	0.00%	0.01%	0.00%	0.00%	0.00%
Statutory Reserve	0.25%	0.29%	0.28%	0.28%	0.27%
Revenue Reserves	10.16%	9.26%	7.11%	8.68%	13.51%
Total Equity attributable to Owners of the Company	12.95%	12.24%	10.01%	11.96%	1.00%
Non - Controlling Interests	2.20%	2.56%	2.47%	2.60%	2.67%
Total Equity	15.15%	14.80%	12.48%	14.56%	16.18%
Liabilities					
Interest - Bearing Loans and Borrowings	13.56%	10.29%	12.46%	18.33%	8.55%
Lease Liability	5.12%	6.22%	6.51%	0.00%	0.00%
Deferred Tax Liability	0.52%	0.54%	1.02%	0.00%	0.00%
Employee Benefit Obligations	1.17%	1.37%	1.37%	1.50%	1.57%
Security Deposits	1.64%	1.97%	2.13%	2.39%	2.37%
Other Financial Liabilities	2.59%	3.02%	3.02%	1.39%	0.81%
Deferred Tax Liability	0.00%	0.00%	0.00%	0.43%	0.92%
Deferred Revenue	0.12%	0.16%	0.14%	0.15%	0.25%
Other Non - Current Liabilities	0.21%	0.21%	0.12%	0.25%	0.00%
Non-Current Liabilities	24.93%	23.78%	26.77%	24.44%	14.47%
Trade and Other Payables	21.62%	27.05%	14.21%	12.62%	16.04%
Deferred Revenue	0.23%	0.30%	0.27%	0.32%	0.24%
Income Tax Payables	0.80%	0.40%	0.35%	0.00%	0.00%
Dividends Payable	0.09%	0.19%	0.19%	0.15%	0.44%
Amounts Due to Related Parties	1.20%	0.49%	0.35%	0.44%	0.77%
Other Financial Liabilities	11.00%	12.08%	7.67%	8.87%	9.54%
Lease Liability	1.02%	0.99%	0.83%	0.00%	0.00%
Interest - Bearing Loans and Borrowings	22.64%	17.44%	33.11%	33.58%	38.10%
Bank Overdrafts	1.32%	2.48%	3.77%	5.02%	4.22%
Current Liabilities	59.92%	61.42%	60.75%	61.00%	69.35%
Total Liabilities	84.85%	85.20%	87.52%	85.44%	83.82%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

Vertical Analysis - Company

For the last five years Statement of Financial Position

	2022	2021	2020	2019	2018
ASSETS					
Property, Plant and Equipment	7.04%	8.47%	8.90%	9.43%	9.06%
Right-of-Use Assets	7.67%	9.15%	9.72%	0.00%	0.00%
Intangible Assets	0.78%	0.53%	0.48%	0.54%	0.61%
Investment in Subsidiaries	5.48%	7.03%	7.23%	7.82%	8.60%
Other Investments	0.04%	0.06%	0.04%	1.66%	2.73%
Trade and Other Receivables	1.29%	1.90%	2.03%	3.86%	3.94%
Deferred Tax Assets	2.08%	1.97%	1.89%	0.71%	0.20%
Non-Current Assets	24.38%	29.11%	30.29%	24.02%	25.14%
Inventories	37.93%	38.24%	34.79%	32.71%	31.59%
Loans Due From Related Parties	0.20%	0.00%	1.09%	3.28%	3.58%
Income Tax Receivables	0.00%	0.00%	0.98%	0.65%	0.47%
Trade and Other Receivables	33.92%	30.70%	30.28%	34.66%	35.69%
Amounts due from Related Parties	0.37%	0.09%	0.08%	0.01%	0.54%
Other Financial Assets	0.00%	0.00%	0.07%	0.23%	0.00%
Short Term Investments	0.00%	0.00%	1.46%	0.83%	0.00%
Cash in hand and at bank	3.20%	1.86%	0.96%	3.61%	2.99%
Current Assets	75.62%	70.89%	69.71%	75.99%	74.86%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Stated Capital	1.16%	1.48%	1.53%	1.69%	1.84%
Capital Reserves	2.39%	2.77%	2.78%	3.12%	2.49%
Other Component of Equity	0.01%	0.01%	0.00%	0.00%	0.00%
Statutory Reserve	0.00%	0.00%	0.00%	7.69%	0.00%
Revenue Reserves	10.94%	7.76%	5.42%	0.00%	9.78%
Total Equity attributable to Owners of the Company	14.50%	12.02%	9.73%	12.50%	14.11%
Total Equity	14.50%	12.02%	9.73%	12.50%	14.11%
Liabilities					
Interest - Bearing Loans and Borrowings	12.01%	7.10%	15.00%	19.87%	7.44%
Lease Liability	7.25%	8.97%	9.40%	0.00%	0.00%
Employee Benefit Obligations	1.33%	1.55%	1.55%	1.70%	1.69%
Security Deposits	2.60%	3.06%	3.24%	3.59%	3.53%
Deferred Revenue	0.20%	0.25%	0.22%	0.23%	0.37%
Other Non - Current Liabilities	0.35%	0.34%	0.20%	0.39%	0.00%
Non-Current Liabilities	23.74%	21.27%	29.61%	25.78%	13.03%
Trade and Other Payables	25.44%	32.12%	16.18%	13.78%	17.65%
Deferred Revenue	0.37%	0.43%	0.41%	0.49%	0.35%
Income Tax Payables	0.80%	0.06%	0.00%	0.00%	0.00%
Dividends Payable	0.13%	0.14%	0.10%	0.13%	0.49%
Amounts Due to Related Parties	7.65%	10.09%	8.33%	7.44%	8.85%
Other Financial Liabilities	0.00%	0.00%	0.00%	0.00%	0.02%
Lease Liability	1.58%	1.48%	1.25%	0.00%	0.00%
Interest - Bearing Loans and Borrowings	25.00%	19.26%	30.73%	36.05%	41.86%
Bank Overdrafts	0.79%	3.13%	3.66%	3.83%	3.64%
Current Liabilities	61.76%	66.71%	60.66%	61.72%	72.86%
Total Liabilities	85.51%	87.98%	90.27%	87.50%	85.89%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

SHARE INFORMATION

Stated Capital

		31st March 2022	31st March 2021
Stated Capital (Rs.)		626,048,050	626,048,050
Number of Ordinary Shares		1,126,886,490	1,126,886,490
Class of Shares	Ordinary Shares		
Voting Rights	One Vote per Ordinary Share		

Stock Exchange Listing

The issued ordinary shares of Singer (Sri Lanka) PLC are listed with the Colombo Stock Exchange of Sri Lanka.

Distribution of shareholding – 31st March 2022

Number of shareholders: 31st March 2022 – 4,041 (31st March 2021 – 3,337).

	Number of Shareholders	Residents Number of Shares	%	Number of Shareholders	Non Residents Number of Shares	%	Number of Shareholders	Total Number of Shares	%
1 - 1,000	1,761	558,913	0.05	5	2,109	0.00	1,766	561,022	0.05
1,001 - 10,000	1,333	5,557,751	0.49	15	57,184	0.01	1,348	5,614,935	0.50
10,001 - 100,000	744	25,240,939	2.24	9	347,733	0.03	753	25,588,672	2.27
100,001 - 1,000,000	158	39,545,207	3.51	-	-	-	158	39,545,207	3.51
Over 1,000,000	16	1,055,576,654	93.67	-	-	-	16	1,055,576,654	93.67
Total	4,012	1,126,479,464	99.96	29	407,026	0.04	4,041	1,126,886,490	100.00
Category									
Individuals	3,740	87,169,920	7.73	27	322,585	0.03	3,767	87,492,505	7.76
Institutions	272	1,039,309,544	92.23	2	84,441	0.01	274	1,039,393,985	92.24
Total	4,012	1,126,479,464	99.96	29	407,026	0.04	4,041	1,126,886,490	100.00

Dividends

Interim dividends 2021/22 (2020/21 – Rs. 1.30)

- First interim dividend of Rs. 0.30 per share was paid on 18th October 2021
- Second interim dividend of Rs. 0.35 per share was paid on 25th January 2022
- Third interim dividend of Rs. 0.20 per share was paid on 09th May 2022

Final dividend 2021/22– Rs. 0.20 (2020/21 – Rs. 0.25)

Market value per share

	Twelve months ended 31st March 2022 Rs.	Twelve months ended 31st March 2021 Rs.
Highest during the year	28.20 19th January 2022	86.00* 22nd January 2021
Lowest during the year	13.50 30th March 2022	15.80 19th March 2021
Closing	14.00	17.40

* Prior to subdivision of shares

Twenty largest shareholders

Name of Shareholder		As at 31st March 2022	
		Number of Shares	%
1	Hayleys PLC	783,801,111	69.55
2	Hayleys Advantis Limited	111,382,980	9.88
3	Volanka (Private) Limited	34,787,235	3.09
4	Hayleys Aventura (Private) Limited	31,595,745	2.80
5	Carbotels (Private) 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	People's Leasing & Finance PLC/Mr. D.M.P. Disanayake	1,697,617	0.15
10	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Private) Limited	1,500,000	0.13
11	Mrs. Anoma Kamalika Amarasuriya	1,200,000	0.11
12	Miss Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.11
13	Jafferjee Brothers (Exports) Limited	1,126,800	0.10
14	Hatton National Bank PLC - Astrue Alpha Fund	1,011,088	0.09
15	Hatton National Bank PLC/Mr. H.G. Balasuriya	1,001,101	0.09
16	Mrs. Vasudevan Saraswathi & Mr. S. Vasudevan	1,000,516	0.09
17	Mrs. Enoka Kamali Wickramasinghe	884,571	0.08
18	Mr. Abeysiri Hemapala Munasinghe	810,268	0.07
19	Mr. Nai Kaluge Anura Deepal De Silva & Miss. S.H. De Silva	662,385	0.06
	Mr. Nai Kaluge Anura Deepal De Silva and Mrs. G.V. De Silva	662,385	0.06
20	Sisira Investors Limited	651,348	0.06
		1,059,247,611	94.00
	Others	67,638,879	6.00
	Total	1,126,886,490	100.00

There were no non-voting shares as at 31st March 2022.

SHARE INFORMATION

Name of Shareholder	As at 31st March 2021	
	Number of Shares	%
1 Hayleys PLC	783,801,111	69.55
2 Hayleys Advantis Limited	111,382,980	9.88
3 Volanka (Private) Limited	34,787,235	3.09
4 Hayleys Aventura (Private) Limited	31,595,745	2.80
5 Carbotels (Private) Limited	29,042,553	2.58
6 Hayleys Agriculture Holdings Limited	28,404,255	2.52
7 Mr. Kulappuarachchige Don Dhammika Perera	20,807,739	1.85
8 Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	7,476,390	0.66
9 Mrs. Mihiri Virani Fernando	6,000,000	0.53
10 Commercial Bank of Ceylon PLC/Andaradeniya Estate (Private) Limited	1,600,000	0.14
11 Mrs. Anoma Kamalika Amarasuriya	1,200,000	0.11
12 Ms. Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.11
13 Jafferjee Brothers (Exports) Limited	1,126,800	0.10
14 Mr. Abeysiri Hemapala Munasinghe	985,932	0.09
15 Mrs. Enoka Kamali Wickramasinghe	884,571	0.08
16 Dr. Ananda Krishnakumar Abeytunga Jayawardene	830,214	0.07
17 Mr. Murtaza Ali Jafferjee	691,800	0.06
18 Mr. Sinnadurai Vamathevan	682,116	0.06
19 Mr. Nai Kaluge Anura Deepal De Silva and Miss. S.H. De Silva	662,385	0.06
Mr. Nai Kaluge Anura Deepal De Silva and Mrs. G.V. De Silva	662,385	0.06
20 Sisira Investors Limited	651,348	0.06
	1,064,468,473	94.46
Others	62,418,017	5.54
Total	1,126,886,490	100.00

Share trading

For the year ended	31st March 2022	31st March 2021
Number of transactions	30,418	16,427
Number of shares traded	91,027,464	19,832,127
Value of shares traded (Rs.)	1,824,053,080	1,048,872,452

Public holdings as at 31st March 2022

The percentage of shares held by the public is 7.72% (2021 – 7.72%).

Number of shareholders representing public holding – 4,033 (2021 – 3,329)

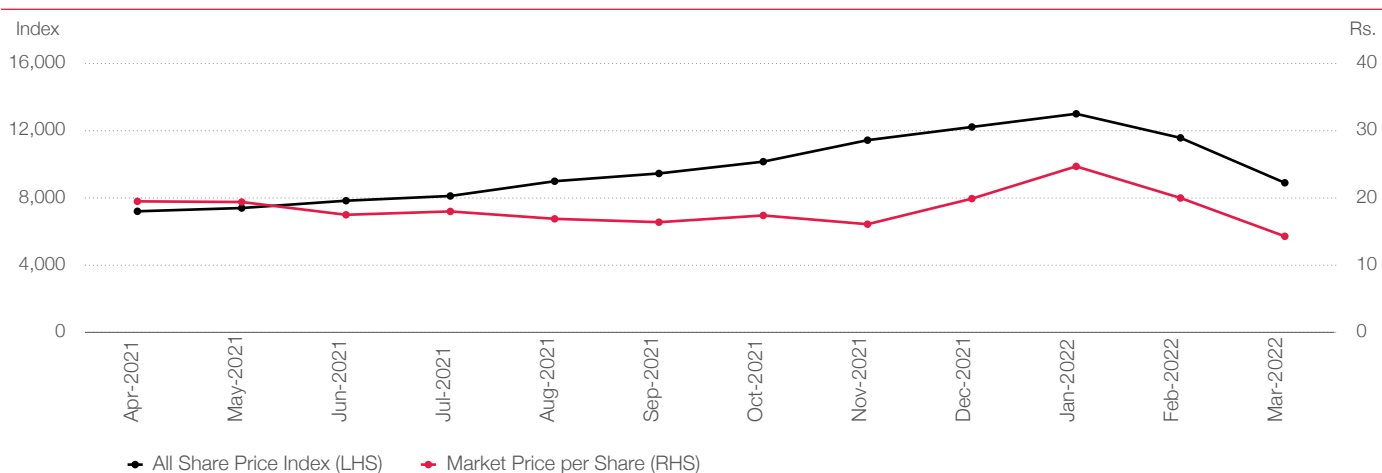
Float adjusted market capitalisation – Rs. 1,217,938,918.39 (2021 – Rs. 1,513,724,084.28)

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 capitalisation of less than Rs. 2.5 billion to maintain a minimum public holding of 20%.

Record of Scrip Issues

Year ended 31st March	Issue	Basis	Number of Shares	Cumulative Share Capital Rs. '000
1981	Prior to public issue	–	1,855,200	18,552
1982	Public issue	–	463,800	23,190
1984	Bonus	2:01	1,159,500	34,785
1985	Bonus	3:01	1,159,500	46,380
1989	Bonus	1:01	4,638,000	92,760
1992	Bonus	4:01	2,319,000	115,950
1992	Rights (at Rs. 40.00)	8:01	1,449,375	130,444
1994	Bonus	5:01	2,608,875	156,533
1996	Bonus	9:02	3,478,500	191,318
1996	Rights (at Rs. 50.00)	9:02	1,855,766	209,875
1998	Bonus	11:03	5,723,868	267,114
2000	Bonus	5:01	5,342,276	320,537
2004	Bonus	4:01	8,013,415	400,671
2005	Bonus	4:01	10,016,769	500,838
2006	Bonus	4:01	12,520,961	626,048
2011	Subdivision	1 for 1	62,604,805	–
2017	Subdivision	3 for 1	250,419,220	–
2021	Subdivision	3 for 1	751,257,660	–
Total number of shares			1,126,886,490	626,048

All share price index Vs market price per share



Listed debentures

Details regarding the listed debentures are as follows:

	Interest rates of comparable Government Securities as at issue date (%)
12% senior rated listed unsecured redeemed on 28th September 2021	9.51

The debentures were not traded during the year ended 31st March 2022.

Debt/equity ratio, interest cover and quick assets ratio are given in highlights on page 7 of this report.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Code of best practice on corporate governance

We set out below the corporate governance practices adopted and practiced by the Company, the extent of adoption of the Code of Best Practice on Corporate Governance issued in year 2017 by The Institute of Chartered Accountants of Sri Lanka and the Rules set out in Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance.

Section A

This section covers Company's extent of adherence to the requirements of the Code of Best Practice on Corporate Governance issued in year 2017 by The Institute of Chartered Accountants of Sri Lanka covering following eight fundamental aspects:

- Directors
- Director Remuneration

- Relationship with Shareholders
- Accountability and Audit
- Institutional Investors
- Other Investors
- Internet of things and cyber-security
- Environment, society and governance

These are discussed in the sections that follows.

A. Directors

A.1 – The Board

Main principle

Every public company should be headed by an effective Board, which should direct, lead and control the company.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Board Meeting	A.1.1	The Board should meet regularly, at least once in every quarter.	The Board meets at least four times a year and additional meetings are held as necessary. The Board Subcommittees also met on a regular basis. Circular Resolutions are passed as per the requirements. The Board met four times during the period ended 31st March 2022. Details of the meetings and attendance of the members are set out on page 110. The meetings convened by the Board Subcommittees during 2021/22 are also provided on page 110.	☑
		The regularity of Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	A board pack containing all relevant information is submitted to the Board of Directors.	☑
Responsibility of the Board	A.1.2	Board should be responsible for matters including: Ensuring the formulation and implementation of a sound business strategy.	The Board is responsible for the strategic planning process of the Company. This includes the responsibility for the formulation of the strategic vision and mission of the Company, setting the overall corporate policy and strategy, monitoring performance and reviewing risks and major investments. The Board also takes on the added responsibility of directing Company performance towards achieving the best results possible and increasing shareholder value. The Board sets the broad parameters of the Company's business. The Company's business units are then tasked with their application, in achieving specific targets and objectives.	☑
		Appointing the Chair and the Senior Independent Director if relevant.	Not applicable	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Ensuring that the CEO and Management Team possess the skill, experience and knowledge to implement strategy.	<p>The profile of the Group CEO is provided in this Annual Report on page 95.</p> <p>While the Board of Directors is ultimately responsible for the operations and financial soundness of the Company, the day-to-day management of the Company is entrusted to the Group CEO. There is extensive staff participation in decision-making at all levels, with strategic recommendations on material matters flowing to the Board for final decision.</p> <p>The Group CEO chairs the Executive Committee. The Executive Management Committee, comprising all Key and relevant Senior Managers who are divisional heads together with Group CEO meets every week for performance review and decision-making.</p> <p>The Company's Annual Plan addresses the requirements of all business units and divisions. This ensures that the entire Company follows the set plans and objectives as articulated in the Annual Plan. These in turn become the primary objectives of the Management Committee which is represented by all Heads of Divisions, and are shared with Divisional Heads and Heads of all SBUs. The Management Committee together with the Heads of Divisions and SBUs have the autonomy and freedom to translate these objectives to specific goals that are achievable.</p> <p>Key programmes are identified by the Group CEO for each year in line with the Annual Plan after they are discussed at Executive Committee meetings. A review of progress on plan implementation is a key item on the agenda of the monthly Management Review meetings.</p>	☑
		Ensuring the adoption of an effective CEO and Senior Management succession strategy.	<p>Succession planning is given due recognition in the corporate culture. Effective succession planning is a criterion in the performance appraisals of the Senior Management and Key Management.</p> <p>Addition to that, as part of the development and succession programme, the "3x3x3" initiative seeks to ensure that all positions of Key Managers, Senior Managers, Middle Managers and Junior Managers have been identified and are groomed for succession.</p>	☑
		Approving budgets and major capital expenditure.	Budgets and major capital expenditure are reviewed and approved by the Board.	☑
		Determining the matters expressly reserved to the Board and those delegated to the Management including limits of authority and financial delegation.	<p>The Board has agreed and reserved power to determine matters including approving of major capital expenditure, appointing the Secretary to the Board and seeking professional advice as and when needed.</p> <p>Limits of authority and financial delegation are agreed by the Board in order to manage affairs efficiently.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Ensure effective systems to secure integrity of information, internal control and risk management.	<p>The Board has delegated this responsibility to the Audit Committee.</p> <p>The Audit Committee is empowered to review and monitor the financial reporting process of Singer Group so as to provide additional assurance on the reliability of Financial Statements through a process of independent and objective review.</p> <p>As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities on ensuring the quality of financial reporting and related communication to the shareholders and the public.</p> <p>Audit Committee framework, composition, responsibilities and duties are given in the Audit Committee Report on page 112.</p> <p>Risk Management framework is given in the Risk Management Report appearing from pages 116 to 119.</p>	☑
		Ensuring compliance with laws, regulation and ethical standards.	<p>The Board follows a policy of strict compliance with laws and regulatory requirements and ensures that stakeholder interests are considered in key corporate direction.</p> <p>A compliance checklist is provided to Audit Committee and Board members in every quarter by the Compliance Officer indicating compliance with applicable laws, regulations etc.</p> <p>The Company has also issued a Code of Ethics and Human Resources Policies and Procedures applicable to all employees.</p>	☑
		All stakeholders' interests are considered in corporate decisions.	<p>The Board adopted core values and standards which set out the conduct of staff in their dealings with shareholders, customers, community, environment, suppliers and other stakeholders. Once the core values are set and communicated to all levels of the Organisation, there is a belief that the highest standards of integrity are maintained in business.</p> <p>The Board relies on the integrity and due diligence of Key Managers, Senior Managers, Auditors and Advisors to oversee the Group's overall performance objectives, financial plans and annual budgets, investments, financial performance reviews, risk management and corporate governance practices.</p>	☑
		Recognising sustainable business development in corporate strategy, decisions and activities and consider the need for adopting "integrated reporting".	<p>Development of sustainable value is embedded in the corporate strategies and embrace the principles of Integrated Reporting, to produce Singer (Sri Lanka) PLC's 1st Integrated Annual Report in 2021/22.</p>	☑
		The Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	<p>The Group enshrines the highest ethical standards in the conduct of its business affairs and its Board of Directors are tasked with ensuring that the resultant regime of exemplary governance across all aspects of business are in the best interests of stakeholders. Ethically correct conduct comprising integrity, honesty, fair play and loyalty pervade all Group actions.</p> <p>Accounting policies are reviewed annually in light of changing business requirements, evolving international and local accounting standards and industry best practice. As mentioned above, significant emphasis is placed on compliance with applicable regulations. Group continues to adopt same accounting policies adopted previous year and which are given as part of the Financial Reports on pages 141 to 163 and the related changes to significant accounting policies are described in Note 2.13.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks.	Performance and progress of strategy implementation, budgets, plans and risks are monitored through a formal reporting process.	☑
		Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company.	The Board ensures compliance to annual and quarterly corporate reporting requirements.	☑
		Fulfilling such other Board functions as relevant to the Organisation.	<p>The Board makes every endeavour to ensure a balanced and objective assessment of the Company's position, performance and prospects.</p> <p>Members from professional accounting bodies are on the Board ensuring financial and economic acumen, knowledge and other Board members from the professional marketing bodies ensure stimulation of marketing knowledge of the Board members.</p>	☑
Compliance with laws and seeking independent professional advices	A.1.3	The Board collectively, and Directors individually, must act in accordance with the laws of the country and there should be a procedure agreed by the Board of Directors to obtain independent professional advice where necessary, at the Company's expense.	<p>As mentioned above, there is a significant emphasis across the organisation to ensure compliance with applicable laws and regulations.</p> <p>The Board members are permitted to obtain independent professional advice from a third party including the Company's External Auditors and other professional consultants whenever deemed necessary at the expense of the Company.</p>	☑
Company Secretary	A.1.4	All Directors should have access to the advice and service of the Company Secretary, who is responsible to the Board in ensuring, that the Board procedures are followed and that the applicable rules and regulations are complied with. Any question of the removal of the Company Secretary should be a matter for the Board as a whole.	The Company Secretary ensures that all Board Terms of Reference are followed and applicable rules and regulations are adhered to. The Company Secretary advises the Board and ensures that the Company complies with its Articles of Association, Companies Act and such regulatory publication, Board procedures and other applicable rules and regulations are followed. All Directors have access to the Company Secretary. The Secretary possesses the required qualifications as set out in the Companies Act.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		The Company should obtain appropriate insurance cover as recommended by the Nomination Committee for the Board, Directors and Key Management Personnel.	The parent Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.	☑
Independent judgement of Directors	A.1.5	All Directors should bring independent judgement to bear on issues of strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	<p>The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.</p> <p>In advance of every Board meeting, each Director receives a comprehensive set of Board papers and any additional information requested by the Directors. It is the Group CEO's duty to ensure that all members are properly briefed.</p> <p>None of the Independent Directors have held executive responsibilities in the Company, and have submitted a declaration confirming their independence in accordance with Section 7 of the CSE Listing Rules on Corporate Governance as at 31st March 2022.</p>	☑
Dedication of adequate time and effort by the Directors	A.1.6	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owned to the Company are satisfactorily discharged.	<p>The Board met on four occasions during the year.</p> <p>The Board is satisfied that the Chairman and the Non-Executive Directors committed sufficient time during 2021/22 to fulfil their duties.</p>	☑
	A.1.7	One-third of Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the Company to do so.	As per Articles of Association, resolutions could be passed with majority voting. However, if a single Director deems it necessary that such resolution must be decided at a Board meeting and not by circulation, the Chairman shall put the resolution to be decided in a meeting.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Training for new and existing Directors	A.1.8	Every Director should receive appropriate training when first appointed to the Board of a company, and subsequently as necessary. The training curricular should encompass both general aspects of directorship and matters specific to the particular industry/ company concerned. A Director must recognise that there is a need for continuous training and expansion of the knowledge and skill required to effectively perform his duties as a Director. The Board should regularly review and agree on the training and development needs of the Directors.	<p>The Directors are given the opportunities to familiarise and obtain an in-depth understanding of the Company's business, its strategies, risks and processes at their discretion.</p> <p>Training is provided to Executive Directors and Alternate Directors to equip themselves to discharge their responsibilities effectively. This includes training provided by principles, external and in-house training. Training and development needs are reviewed on a regular basis.</p> <p>Directors are briefed on changes in laws and regulations, tax laws and accounting standards from time to time either during the Board meetings or at specially convened sessions.</p>	☑

A.2 Chairman and Group Chief Executive Officer (Group CEO)

Main Principle

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Separation of the roles of Chairman and Group CEO	A.2.1	The positions of Chairman and Group CEO are separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority.	<p>Although Chairman acts as Executive Chairman, the Chairman's and Group CEO's functions are separated to ensure a balance of power of authority and this dual panel structure has been continued throughout the year 2021/22.</p> <p>The Chairman of the Board of Directors functions in an executive capacity.</p> <p>The Group Chief Executive Officer functions as an Ex-Officio Director of the Board and is the apex executive in charge of the day-to-day management of operations and business of the Company, while providing the link between the, Board of the Parent Company and Divisional Heads (Key Management).</p>	☑

CORPORATE GOVERNANCE COMMENTARY

A.3 Chairman's role

Main principle

The Chairman's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Role of Chairman	A.3.1	The Chairman should conduct Board proceedings in a proper manner and ensure, inter alia, that –		
		➤ The agenda for Board meetings is developed in consultation with the CEO, Directors and the Company Secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance.	Agenda for Board meetings is developed in consultation with the Group CEO, Directors, Finance Director and the Company Secretary.	☑
		➤ Sufficiently detailed information of matters included in the agenda should be provided to Directors in a timely manner.	Required information are provided to Directors in a timely manner.	☑
		➤ All Directors are made aware of their duties and responsibilities and the Board and Committee structures through which it will operate in discharging its responsibilities.	All Directors are aware of their duties and responsibilities and Chairman and Group CEO provide a comprehensive overview of the Company and its operations once a new Director is appointed to the Board.	☑
		➤ The effective participation of both Executive and Non-Executive Directors is secured.	The Chairman is responsible for leading the Board and for its effectiveness. In practice, this means taking responsibility for the Board's composition, ensuring that the Board focuses on its key tasks and supports the Group CEO in managing the day-to-day running of the Company. The Chairman is also the ultimate point of contact for shareholders, particularly on corporate governance issues.	☑
		➤ All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company.	The Chairman satisfies himself that the information available to the Board is sufficient to make an informed assessment of the Company's affairs as well as to discharge their duties to all stakeholders.	☑
		➤ All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusion of matters of corporate concern on the agenda.	Necessary information and presentations are done if necessary to the agenda items. All Directors are free to communicate with Divisional Heads and Head of Risk Management to call additional information necessary.	☑
		➤ A balance of power between Executive and Non-Executive Directors is maintained.	The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ The views of Directors on issues under consideration are ascertained; and ➤ The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders. 	<p>Chairman ensures that regular meetings are conducted at least once a quarter and the minutes of the meetings are accurately recorded.</p> <p>Chairman approves the agenda prepared by the Company Secretary.</p>	☑

A.4 Financial acumen

Main principle

The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Financial acumen and knowledge	A.4.1	Availability of sufficient financial acumen and knowledge.	<p>The Board includes a member who is a Fellow Member of the Association of Certified Chartered Accountants, UK, a member who is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka and a member of the Institute of Certified Management Accountants of Australia, a member who is an Associate Member of The Institute of Chartered Accountants of Sri Lanka (ACA), and Fellow Member of the Chartered Institute of Management Accountants, UK, (FCMA). Other members of the Board have the ability to offer guidance on matters of finance to the Board.</p> <p>The profiles of the Board of Directors are provided in this Annual Report from pages 94 to 99.</p>	☑

A.5 Board balance

Main principle

It is preferable for the Board to have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Presence of strong team of Non-Executive Directors	A.5.1	<p>The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions.</p> <p>The Board should include at least three Non-Executive Directors or such number of Non-Executive Directors equivalent to one-third of total number of Directors, whichever is higher. In the event, the Chairman and Group CEO is the same person, Non-Executive Directors should comprise a majority of the Board.</p>	Seven out of nine Directors on the Board are Non-Executive Directors which is well above the minimum prescribed by the Code. This ensures views of Non-Executive Directors carry a significant weight in the decisions made by the Board.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Independent Non-Executive Directors	A.5.2	Where the constitution of the Board of Directors includes only three Non-Executive Directors, all three Non-Executive Directors should be “independent”. In all other instances three or two-third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be “independent”.	Five out of seven Non-Executive Directors on the Board are independent based on the criteria set by this Code and the Listing Rules of the Colombo Stock Exchange. The names of the Independent Non-Executive Directors are disclosed in Code A.5.5 and on the back page of the Annual Report.	☑
Independence of Non-Executive Directors	A.5.3	For a Director to be deemed “independent” such Director should be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.	The Company maintains the “Interest Register” required by the Companies Act No. 07 of 2007, which also shows details of Director Interest in Contracts/ Company or Group. A disclosure on related party transactions is available on pages 227 to 230.	☑
Annual Declaration	A.5.4	Each Non-Executive Director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria set out in the Specimen in Schedule K.	Every Non-Executive Independent Director of the Company has made written submissions as to their independence against the specified criteria set out by the Company, which is in line with the requirements of Schedule K of this Code.	☑
Determination of Independence of Director	A.5.5	The Board should make a determination annually as to the independence or non-independence of each Non-Executive Director based on such a declaration made of decided criteria and other information available to the Board, and should set out in the Annual Report the names of Directors determined to be “independent”. The Board should specify the criteria not met and the basis for its determination in the Annual Report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary.	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence, as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: Mr. Deepal Sooriyaarachchi Mr. Hisham Jamaldeen Mr. Dumith Fernando Mr. Dilip De S. Wijeyeratne Ms. Gayani de Alwis	☑
Appointment of Alternate Director	A.5.6	If an Alternate Director is appointed by a Non-Executive Director such Alternate Director should not be an executive of the Company. If an Alternate Director is appointed by an Independent Director, the person who is appointed also should meet the criteria of Independence and the provision on minimum number of independent Directors also should be satisfied.	Independent Non-Executive Director has appointed an Executive Director within the Singer Group as his Alternate Director. Non Independent Non-Executive Directors have appointed Non-Executive/Executive Directors within the Singer Group as their Alternate Directors. However, any decision by the Alternate Director is arrived at in consultation with his appointor and hence there is no compromise of the independence of his appointor during Board proceedings.	☑
Requirement to appoint “Senior Independent Director”	A.5.7	In the event the Chairman and Group CEO is the same person, or the Chairman is not an Independent Director or the Chairman is immediately preceding Group CEO, the Board should appoint one of the Independent Non-Executive Directors to be the “Senior Independent Director” (SID) and disclose this appointment in the Annual Report.	Chairman and the Group CEO is not the same person.	☒

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Confidential discussion with Senior Independent Director	A.5.8	The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company.	Not Applicable.	☑
Chairman's meetings with Non-Executive Directors	A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Chairman meets with Non-Executive Directors without the presence of Executive Directors, whenever necessary.	☑
Recording of concerns in Board Minutes	A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board minutes.	Concerns raised by the Directors during the period, if any, are recorded in the minutes of Board meetings with adequate details by the Company Secretary.	☑

A.6 Supply of information

Main principle

The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Management obligation to provide appropriate and timely information to the Board	A.6.1	Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by Management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings.	<p>The Company ensures that the Directors receive adequate information in a timely manner. On urgent matters, every effort is made to provide the information, as early as possible.</p> <p>The Board receives a standard set of documents, which are timely, accurate, relevant and comprehensive. These papers include a detailed analysis of financial and non-financial information. The Board may call for additional information or clarify issues with any member of the Executive Committee.</p> <p>If necessary, all Directors are adequately briefed by the Group CEO on matters arising at Board meetings. The Secretary and the Compliance Officer ensure that Board papers are circulated in advance prior to Board meeting.</p> <p>If necessary, members of the Executive Committee, External Auditors and outside Consultancies makes presentations on issues of importance.</p> <p>The Chairman ensures that all Directors are briefed adequately on issues arising at Board meetings.</p>	☑
Adequate time for effective conduct of Board meetings		The minutes, agenda and papers required for a Board meeting should ordinarily be provided to Directors at least seven (7) days before the meeting, and the minutes of the meeting should ordinarily be provided to Directors at least two weeks after the meeting date.	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.	☑

CORPORATE GOVERNANCE COMMENTARY

A.7 Appointments to the Board

Main Principle

There should be a formal and transparent procedure for the appointment of new Directors to the Board.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Nomination Committee	A.7.1	<p>A Nomination Committee should be established to make recommendations to the Board on all new Board appointments. Terms of Reference for Nomination Committees are set out in Schedule A.</p> <p>The Chairman and members of the Nomination Committee should be identified in the Annual Report.</p>	<p>The Committee consists of one Independent Non-Executive Director, one Non-Executive Director, and one Executive Director. The Chairman of the Committee is an Executive Director.</p> <p>Please refer page 114 for new appointments in year 2021/22.</p>	☑
		A separate section of the Annual Report should describe the work of the Nomination Committee including the process it has used in relation to Board appointments.	Details of work of the Nomination Committee are given on page 114.	☑
Assessment of Board composition by the Nomination Committee	A.7.2	The Nomination Committee should annually assess Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.	Board as a whole annually assessed the composition of the Board to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the Company. The findings of such assessments are taken into account when new Board appointments are considered.	☑
Disclose of required details of new Directors to shareholders	A.7.3	<p>Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders:</p> <ul style="list-style-type: none"> ➤ a brief résumé of the Director; ➤ the nature of his expertise in relevant functional areas; ➤ the names of companies in which the Director holds directorships or memberships in Board committees; and ➤ whether such a Director can be considered “independent”. 	<p>All new appointments are communicated to the shareholders via the Colombo Stock Exchange.</p> <p>The details of the current Board of Directors and new appointments are provided on pages 94 to 99 in this Annual Report.</p>	☑

A.8 Re-election

Main principle

All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Re-election of Non-Executive Directors, Chairman, and CEO	A.8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their reappointment should not be automatic.	In terms of the Articles of Association, one-third of the Directors, except for Chairman, Managing Director/Group CEO, retire by rotation and may offer themselves for re-election at the AGM. By virtue of being the Chairman, Managing Director/Group CEO are not required to make themselves available for re-election as per the Articles of Association. The Company's Articles of Association provides that any Director appointed by the Board during the period shall hold office until the next Annual General Meeting and seek reappointment by the shareholders at the said AGM.	☑
	A.8.2	All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a résumé minimally as set out in paragraph A.7.3 above, to enable shareholders to make an informed decision on their election.	Based on the Articles of Association and the current composition of the Board, a Director seeks for re-election, every three years. A résumé of the Directors coming up for re-election at the AGM, 2021/22 is available on pages 94 to 99. The Chairman and Group Chief Executive Officer do not retire by rotation.	☑
Resignation	A.8.3	In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Written communications are provided to the Board by Directors who resign prior to completion of his appointed term.	☑

A.9 Appraisal of Board performance

Main principle

Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Annual performance evaluation of the Board and its Committee	A.9.1	The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities as set out in A.1.2.	The performance of the Board and the Subcommittee is reviewed and evaluated by the Board and Chairman based on a self-appraisal basis.	☑
	A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its committees. The evaluation should be carried out by each Director individually. The collective outcome should be compiled and made available to Nomination Committee, which should make recommendations to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and company knowledge, training of Directors, governance processes, strategy review and other factors relevant to its effectiveness.	Annual self-evaluation forms were circulated to the directors.	☑

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	A.9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election.	Not Complied.	<input checked="" type="checkbox"/>
	A.9.4	The Board should state how such performance evaluations have been conducted, in the Annual Report.	Not Complied.	<input checked="" type="checkbox"/>

A.10 Disclosure of information in respect of Directors

Main principle

Shareholders should be kept advised of relevant details in respect of Directors.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Details in respect of Directors	A.10.1	The Annual Report of the Company should set out the following information in relation to each Director:		
		i. Name, qualifications and brief profile;	Available on pages 94 to 99 of Board of Directors.	<input checked="" type="checkbox"/>
		ii. The nature of his/her expertise in relevant functional areas;	Available on pages 94 to 99 of Board of Directors.	<input checked="" type="checkbox"/>
		iii. Immediate family and/or material business relationships with other Directors of the Company;	Not Applicable.	<input checked="" type="checkbox"/>
		iv. Whether Executive, Non-Executive and/or Independent Director	Available on pages 94 to 99 of Board of Directors.	<input checked="" type="checkbox"/>
		v. Names of listed companies in Sri Lanka in which the Director concerned serves as a Director;	Available on pages 94 to 99 of Board of Directors.	<input checked="" type="checkbox"/>
		vi. Names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies;	Available on pages 94 to 99 of Board of Directors.	<input checked="" type="checkbox"/>
		vii. Number/percentage of Board meetings of the Company attended during the year;	Available on page 110.	<input checked="" type="checkbox"/>
		viii. The total number of Board seats held by each Director indicating listed and unlisted companies and whether in an executive or non-executive capacity;	Not disclosed in the Annual report. But can be obtained from Company Secretary.	<input checked="" type="checkbox"/>
		ix. Committees in which the Director serves as Chairman or a member;	Available on page 127.	<input checked="" type="checkbox"/>
		x. Number/percentage of Committee meetings attended during the year.	Available on page 110.	<input checked="" type="checkbox"/>

A.11 Appraisal of Group Chief Executive Officer

Main principle

The Board should be required, at least annually, to assess the performance of the Group CEO.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Setting annual targets and the appraisal of performance of the CEO	A.11.1	At the commencement of every fiscal year, the Board in consultation with the CEO, should set, in line with the short, medium and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the Group CEO during the year.	The Annual Business Plan is prepared setting up short-term, medium-term and long-term financial and non-financial goals. The Annual Business Plan is initially approved by the Board.	☑
	A.11.2	The performance of the Group CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.	Assessment of performance of the Group CEO is carried out by the Board at the end of each year to ensure that pre-agreed targets have been achieved or if not whether there are acceptable reasons for not achieving them.	☑

B. Directors' remuneration

B.1 Remuneration procedure

Main principle

Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Establishment of the Remuneration Committee	B.1.1	To avoid potential conflicts of interest, the Board of Directors should set up a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Company's framework of remunerating Executive Directors. (These also include Post-Employment Benefits as well as Terminal Benefits.) Terms of Reference for Remuneration Committees are set out in Schedule C.	<p>The scope of the Committee is to consider and recommend to the Board remuneration and perquisites of Independent Directors, Executive Directors of the Board of the Company including Key Managers and approve recommendations made by the Group Chief Executive Officer and the Parent Company.</p> <p>Remuneration and perquisites of Group CEO is considered and recommended by the Parent Company – Hayleys PLC Remuneration Committee.</p>	☑
Composition of the Remuneration Committee	B.1.2	Remuneration Committees should consist exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be Independent. The Chairman should be an independent Non-Executive Director and should be appointed by the Board.	The Committee consists of three Independent Non-Executive Directors. The Committee is chaired by an Independent Non-Executive Director. Finance Director serves as the Secretary to the Committee. Chairman of the Company participates as an observer to the Committee. Group CEO and the Finance Director assist the Committee by providing the relevant information and participating in its analysis and deliberations.	☑

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Chairman and Members of the Remuneration Committee	B.1.3	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year.	Please refer page 113 of the Remuneration Committee Report for details of the Chairman and members of the Board Remuneration Committee.	☑
Determination of remuneration of Non-Executive Directors	B.1.4	The Board as a whole, or where required by the Articles of Association the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a subcommittee of the Board, which might include the CEO.	After consideration of the recommendation made by the Group Chief Executive Officer and the Parent Company, the Committee as a whole decides the remuneration of the Non-Executive Directors. The Non-Executive Directors receive a fee for being a Director of the Board and separate fee for either chairing or being a member of a Board Subcommittee. They do not receive any performance/incentive payments.	☑
Consultation of the Chairman and access to professional advice	B.1.5	The Remuneration Committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of other Executive Directors and have access to professional advice from within and outside the Company, in discharging their responsibilities.	The Committee has the authority to seek internal and external independent professional advice on matters falling within its purview, at the Company's expense. Views of the Chairman and Group CEO are obtained as they too assist and participate in its analysis and deliberations to the said Board Subcommittee.	☑

B.2 Level and make-up of remuneration

Main principle

Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Executive Directors' remuneration package	B.2.1	The Remuneration Committee should provide the packages needed to attract, retain, and motivate Executive Directors of the quality required but should avoid paying more than is necessary for this purpose.	The Board Remuneration Committee and also the Board ensure that Executive Directors (Including Alternate Directors to the Non-Executive Directors) who are on the Board and Key Management are provided with an attractive remuneration package. Remuneration package of the Group CEO is considered at Parent Company Remuneration Committee.	☑
	B.2.2	Executive Directors' remuneration should be designed to promote the long-term success of the Company.	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company/Group.	☑
Comparison of remuneration with other companies/ Other companies in the Group	B.2.3	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	A primary objective of compensation packages is to attract and retain a highly qualified and experienced workforce and reward performances. These compensation packages should provide compensation appropriate for each business within the Group and commensurate with each employee's level of experience and contribution, bearing in mind the business performance and long-term shareholder returns.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	B.2.4	The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or Group of which it is a part, especially when determining annual salary increases.	Remuneration and annual salary increases are decided considering industry practices, performance of the Company/Group, each employee's level of experience and contribution bearing in mind the business performance and the long-term shareholder returns.	☑
Performance-based remuneration of Executive Directors	B.2.5	The performance-related elements of remuneration of Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at the highest levels. The performance-related elements should be transparent, stretching and rigorously applied.	Objectives for Group CEO, Executive Directors and Key Management are set at the beginning of the year and the remuneration including the performance bonus is decided based upon the degree of achievement of such pre-set targets subject to the remuneration policy.	☑
Executive share options	B.2.6	Executive share options should not be offered at a discount (i.e. less than market price prevailing at the time the exercise price is determined), save as permitted by the Listing Rules of the Colombo Stock Exchange. Shares granted under share options schemes should not be exercisable in less than three years and the Remuneration Committee should consider requiring Directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	Presently the Company does not have an Executive Share Option Scheme.	☑
Designing the remuneration of Executive Directors	B.2.7	In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule E. The schemes should include provisions that would enable the Company to recover sums paid or withhold a portion of such performance-related remuneration and specify the circumstances in which a company may not be entitled to do so.	Please refer Remuneration Committee Report on page 113.	☑
Early termination of Executive Directors	B.2.8	Remuneration Committee should consider what compensation commitments (including pension contributions) their Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committee should in particular, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.	Not applicable to the Board except for Group CEO and other Executive Directors (Including Alternate Directors to the Non-Executive Directors) who are employees of the Company, and their terms of employment are governed by the contract of service/employment.	☑

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	B.2.9	Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	Not applicable.	<input checked="" type="checkbox"/>
Level of remuneration of Non-Executive Directors	B.2.10	Levels of remuneration for Non-Executive Directors should reflect the time commitment and responsibilities of their role, taking into consideration market practices. Remuneration for Non-Executive Directors should not normally include share options. If exceptionally options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the Non-Executive Director leaves the Board. Holding share options could be relevant to the determination of a Non-Executive Director's independence. (as set out in provision A.5.5).	Non-Executive Directors of the Company are paid nominal fees commensurate with their time and role in the Company and taking into consideration market practices. Non-Executive Directors are not included in share options as there is no scheme in existence.	<input checked="" type="checkbox"/>

B.3 Disclosure of remuneration

Main principle

The Company's Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of remuneration	B.3.1	The Annual Report should set out the names of Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Remuneration Committee, contain a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Please refer Remuneration Committee Report on page 113 for disclosure on the names of Remuneration Committee members and Remuneration Policy of the Company. Please refer Note 8 to the Financial Statements on page 167 for aggregate remuneration paid to Executive and Non-Executive Directors.	<input checked="" type="checkbox"/>

C. Relations with shareholders

C.1 Constructive use of Annual General Meeting (AGM) and Conduct of General Meetings

Main principle

Boards should use the AGM to communicate with shareholders and should encourage their participation.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Adequate Notice of the AGM	C.1.1	Companies should arrange for the Notice of AGM and related papers to be sent to shareholders at least as determined by statute, before the meeting.	A copy of the Annual Report including Financial Statements is posted on corporate website as well as CSE website. The Notice of Meeting and the Form of the Proxy are sent to shareholders 15 working days prior to the date of the AGM, as required by statute, in order to provide the opportunity to all the shareholders to attend the AGM.	<input checked="" type="checkbox"/>
Separate resolution for all separate issues at the AGM	C.1.2	Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The Proxy Form and any announcements of the results of a vote should make it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.	Company proposes a separate resolution at the AGM on each substantially separate issue. Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.	<input checked="" type="checkbox"/>
	C.1.3	The Company should ensure that all valid proxy appointments received for General Meetings are properly recorded and counted. For each resolution where a vote has been taken on a show of hands, the Company should ensure that the following information is given at the Meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the Company: ➤ The number of shares in respect of which proxy appointments have been validly made; ➤ The number of votes for the resolution; ➤ The number of votes against the resolution; and ➤ The number of shares in respect of which the vote was directed to be withheld; When, in the opinion of the Board a significant proportion of votes have been cast against a resolution at any General Meeting, the Board should take steps to understand the reasons behind the vote results and determine if any actions are required.	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Availability of all Subcommittee Chairmen	C.1.4	The Chairman of the Board should arrange for the Chairmen of the Audit, Remuneration, Nomination and Related Parties Transactions Review Committees and the Senior Independent Director where such appointment has been made, to be available to answer questions at the AGM if so requested by the Chairman.	The Chairman of the Company ensures that Chairmen of all Board Subcommittees namely, Audit, Remuneration, Nomination and Related Party Transactions Review Committees are present at the AGM to answer the questions under their purview.	☑
Procedures of Voting at AGM	C.1.5	Companies should circulate with every Notice of General Meeting, a summary of the procedures governing voting at General Meetings.	A summary of the procedures governing voting at General Meeting is circulated to shareholders with every Notice of General Meeting.	☑

C.2 Communication with shareholders

Main principle

The Board should implement effective communication with shareholders.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Channel to reach all shareholders of the Company	C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	<p>The primary modes of communication between Company and the shareholders are the CSE announcements, Interim Financial Statements, Shareholders Circulars/Notices, Annual Report and AGM. Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the business of Company, either verbally or in writing prior to the AGM.</p> <p>The Company used the following channels to disseminate timely information;</p> <ul style="list-style-type: none"> ➤ Shareholders meetings ➤ Financial and other notices as and when required through the Colombo Stock Exchange ➤ Corporate website ➤ Press notices. 	☑
Policy and methodology for communication with shareholders	C.2.2	The Company should disclose the policy and methodology for communication with shareholders.	The Company will focus on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. The Company will ensure information is communicated accurately and in such a way as to avoid the creation or continuation of a false market.	☑
Implementation of the Policy and methodology for communication with shareholders	C.2.3	The Company should disclose how they implement the above policy and methodology.	<p>Printed copies of Annual Report are provided to all shareholders on request without charge and soft copies are available in CSE website and corporate website.</p> <p>All other announcements are also posted on the CSE website and corporate website.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Contact person for the communication	C.2.4	The Company should disclose the contact person for such communication.	Details of Company Secretary are disclosed in Corporate Information Section. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company. In addition, Head of Investor Relations is assigned to handle communications related to investor relations. Such questions, requests and comments should be addressed to the Company Secretary and in the absence of him the Group Chief Executive Officer.	☑
Process to make Directors aware of major issues and concerns of shareholders	C.2.5	The Company should have a process to make all Directors aware of major issues and concerns of shareholders and this process should be disclosed by the Company.	The Company Secretary shall maintain a record of all correspondence received and will deliver as soon as practicable such correspondence to the Board or individual Director/s as applicable. The Board or individual Director/s, as applicable, will generate an appropriate response to all validly received shareholder correspondence and will direct the Company Secretary to send the response to the particular shareholder.	☑
	C.2.6	The Company should decide the person to contact in relation to shareholders' matters.	Company Secretary or head of Investor Relations can be contacted in relation to shareholders' matters.	☑
	C.2.7	The process for responding to shareholders matters should be formulated by the Board and disclosed.	Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.	☑

C.3 Major transactions

Main principle

Further to compliance with the requirements under the Companies Act, Directors should disclose to shareholders all proposed corporate transactions, which if entered into, would materially alter/vary the Company's net assets base or in the case of a company with subsidiaries, the consolidated Group net asset base.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure on "Major Transaction"	C.3.1	Prior to a company engaging in or committing to a "Major Related Party Transaction", with a related party, involving the acquisition, sale or disposition of greater than one third value of the Company's assets or that of a subsidiary which has a material bearing on the Company and for consolidated net assets of the Company, or a transaction which has or is likely to have the effect of the Company acquiring obligations and liabilities, of greater than one third of the value of the Company's assets, the Directors should disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by ordinary resolution at an EGM. It also applies to transactions or series of related transactions which have the purpose or effect of substantially altering nature of the business carried on by the Company.	During the year, there were no major transactions as defined by Section 185 of the Company's Act No. 07 of 2007 which materially affect the Net Assets Base of the Company or Consolidated Group Net Asset Base. Transactions which materially affect the net assets base of the Company will be disclosed in the Quarterly/Annual Financial Statements, if any.	☑

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	C.3.2	Public listed companies should in addition comply with the disclosure requirements and shareholder approval by special resolution as required by the Rules and Regulations of the Securities and Exchange Commission and by the Colombo Stock Exchange.	Not applicable since no such transactions were carried out during the period.	<input checked="" type="checkbox"/>

D. Accountability and audit

D.1 Financial reporting

Main principle

The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Board's responsibility for Statutory and Regulatory Reporting	D.1.1	The Board should present an annual report including Financial Statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	An annual report is presented including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations.	<input checked="" type="checkbox"/>
	D.1.2	The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements.	<p>The Board is well aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the Statement of Directors' Responsibility on page 129 confirming this position.</p> <p>The Company had strictly complied with the requirements of the Companies Act No. 07 of 2007 in the preparation of Quarterly and Annual Financial Statements which are prepared and presented in conformity with Sri Lanka Accounting Standards. Further, Company has complied with the reporting requirements prescribed by the regulatory authority such as the Colombo Stock Exchange.</p>	<input checked="" type="checkbox"/>

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance																		
			<p>In case of Subsidiary Company – Singer Finance (Lanka) PLC has also complied with the requirements of the Finance Companies Act No. 78 of 1988 and amendments thereto and reporting requirements prescribed by the regulatory authorities such as the Central Bank of Sri Lanka and the Colombo Stock Exchange. Given below is a table containing the dates on which the Annual and Interim Financial Statements were uploaded to the CSE website/dispatched to the shareholders in the year under review:</p> <table><tr><th>Report</th><th>Date of Dispatch/ Upload</th><th>Status</th></tr><tr><td>Annual Report for the year ended 31st March 2021</td><td>04th June 2021</td><td>Compliant</td></tr><tr><td>Interim Financials for 3 months ended 30th June 2021</td><td>27th July 2021</td><td>Compliant</td></tr><tr><td>Interim Financials for 6 months ended 30th September 2021</td><td>25th October 2021</td><td>Compliant</td></tr><tr><td>Interim Financials for 9 months ended 31st December 2021</td><td>25th January 2022</td><td>Compliant</td></tr><tr><td>Interim Financials for 12 months ended 31st March 2022</td><td>10th May 2022</td><td>Compliant</td></tr></table>	Report	Date of Dispatch/ Upload	Status	Annual Report for the year ended 31st March 2021	04th June 2021	Compliant	Interim Financials for 3 months ended 30th June 2021	27th July 2021	Compliant	Interim Financials for 6 months ended 30th September 2021	25th October 2021	Compliant	Interim Financials for 9 months ended 31st December 2021	25th January 2022	Compliant	Interim Financials for 12 months ended 31st March 2022	10th May 2022	Compliant	<div>☑</div>
Report	Date of Dispatch/ Upload	Status																				
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Interim Financials for 3 months ended 30th June 2021	27th July 2021	Compliant																				
Interim Financials for 6 months ended 30th September 2021	25th October 2021	Compliant																				
Interim Financials for 9 months ended 31st December 2021	25th January 2022	Compliant																				
Interim Financials for 12 months ended 31st March 2022	10th May 2022	Compliant																				
	D.1.3	The Board should, before it approves the Company's Financial Statements for a financial period, obtain from its Group Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the system of risk management and internal control was operating effectively.	<p>It is assigned to the Chief Financial Officer, Head of Risk Management and Compliance Officers of the respective subsidiary companies.</p> <p>Chief Financial Officer, Head of Risk Management and Compliance Officers (financial accountants) review quarterly and year end Financial Statements before submitting to the Audit Committee and Board and ensure that, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.</p>	<div>☑</div>																		

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Directors' Report in the Annual Report	D.1.4	<p>The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that:</p> <ul style="list-style-type: none"> ➤ the Company has not engaged in any activity which contravenes laws and regulations; ➤ the Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested; ➤ the Company has made all endeavours to ensure the equitable treatment of shareholders; ➤ the Directors have complied with best practices of corporate governance ➤ Property, plant and equipment is reflected at fair value, where it is different from fair value adequate disclosures are made ➤ the business is a going concern, with supporting assumptions or qualifications as necessary; and ➤ they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if it is unable to make any of these declarations, to explain why it is unable to do so. 	<p>The Annual Report of the Board of Directors on the affairs of the Company given on pages 123 to 128 covers all of these sections.</p> <p>In addition to that Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. The Accountants of respective companies within the Group act as Compliance Officers and are responsible for ensuring proper compliance with applicable laws and regulations.</p> <p>A compliance statement is tabled at each Board meeting by the Compliance Officer.</p> <p>The Company's compliance with Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance and details of such compliance are discussed on pages 287 and 290 of this Report.</p>	☑
Statements of Directors' and Auditors' Responsibility for the Financial Statements	D.1.5	<p>The Annual Report should contain a statement setting out the responsibilities of the Board for the preparation and presentation of Financial Statements, together with a statement by the Auditors about their reporting responsibilities. Further the Annual Report should contain a report/statement on internal control.</p>	<p>The "Statement of Directors' Responsibility" is given on page 129.</p> <p>The "Independent Auditors' Report" on pages 130 to 133 Statement of the Auditor's responsibility.</p> <p>The Statement on Internal Control is given on page 129 in the Statement of Director's Responsibilities.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Management Discussion and Analysis	D.1.6	<p>The Annual Report should contain a "Management Discussion and Analysis", discussing, among other issues:</p> <ul style="list-style-type: none"> ➤ business model; ➤ industry structure and developments; ➤ opportunities and threats; ➤ risk management; ➤ internal control systems and their adequacy; ➤ governance; ➤ stakeholder relationships; ➤ social and environmental protection activities carried out by the Company; ➤ financial performance; ➤ investment in physical and intellectual capital; ➤ human resource/industrial relations activities carried out by the company; and ➤ prospects for the future. <p>The Management Discussion and Analysis may be structured based on the integrated reporting framework issued by International Integrated Reporting Council and "a preparer's guide to integrated Corporate Reporting" issued by CA Sri Lanka.</p>	<p>Please refer Chairman's Statement on pages 12 and 13, Group Chief Executive Officer's Review on pages 14 to 16, and Management Discussion and Analysis on pages 18 to 91 of this Annual Report.</p> <p>Management Discussion and Analysis is structured based on the Integrated Reporting Framework in this Annual Report.</p>	☑
Summon on EGM to notify serious loss of capital	D.1.7	<p>In the event the net assets of the Company falling below 50% of the value of the Company's shareholders' funds, the Directors shall forthwith summon an Extraordinary General Meeting of the Company to notify shareholders of the position and of remedial action being taken. The Directors should report periodically to the shareholders progress on these remedial actions.</p>	<p>Likelihood of such occurrence is remote. However, should the situation arises, an EGM will be called for and shareholders will be notified.</p>	☑

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of related party transaction	D.1.8	<p>The Board should adequately and accurately disclose the Related Party Transactions in its Annual Report:</p> <ul style="list-style-type: none"> ➤ Each Company within the Group to submit signed and dated quarterly declarations mentioning whether they have related party transactions with the Company as defined in this Code; ➤ The Company Secretary keeps a record on related party transactions and make necessary disclosures accordingly; ➤ There should be a process to capture related parties and related party transactions. This process needs to be operationalised and related party transactions should be properly documented; ➤ A record/register either in hard or soft form on related party and related party transaction should be maintained by the Company; ➤ This record should ensure that the company captures information to comply with the respective related party disclosure requirements imposed by SEC/Accounting Standards/Auditing Standards and similar regulations. 	<p>Each Company within the Singer Group has submitted signed and dated declarations mentioning whether they had related party transactions with the Company during the period ended 31st March 2022.</p> <p>Related party transactions review committee reviewed related party transactions of the Singer Group which is described in this Annual Report in page 115.</p> <p>Related parties and related party transactions are captured and documented by the Company.</p>	☑

D.2 Risk management and internal control

Main principle

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. Broadly, risk management and internal control is a process, effected by a company's Board of Directors and Management, designed to provide reasonable assurance regarding the achievement of Company's objectives.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Annual Review of the effectiveness of Group's system of internal control	D.2.1	<p>The Board should monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the Annual Report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.</p>	<p>The Company's Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. This framework is designed to provide reasonable but not absolute assurance that all aspects are safeguarded.</p> <p>The Company has its own internal audit processes, implemented to ensure that effective controls are in place. These processes extend across all Company operations.</p> <p>The internal audit function is headed by the Head of Risk Management, who reports to the Board Audit Committee and Group CEO.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
			<p>In relation to the retail network, the internal audit function includes an individual risk assessment for every outlet directly operated by Singer (Sri Lanka) PLC, based on five criteria:</p> <ol style="list-style-type: none"> 1. Receivables management 2. Inventory management 3. Cash management 4. Internal checks and balances 5. Effectiveness of internal controls <p>Each location is graded by the Internal Audit Department based on its adherence to controls and its administrative performance on the management of the five criteria mentioned above.</p>	☑
Review the need for internal audit function	D.2.2	The Directors should confirm in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Directors should describe those risks and explain how they are being managed or mitigated.	Please refer pages 116 to 119 in the Risk Management report.	☑
	D.2.3	Companies should have an internal audit function.	Risk Management and Internal Audit are responsible for internal audit functions.	☑
Review of the process and effectiveness of risk management and internal controls	D.2.4	The Board should require the Audit Committee to carry out reviews of the process and effectiveness of risk management and internal controls, and to document to the Board and Board takes the responsibility for the disclosures on risk management and internal controls.	The Internal Audit Division of the Company carries out regular reviews on the risk management function and internal control system including internal control over financial reporting. The Audit Committee monitors, reviews and evaluates the effectiveness of internal control system including the internal controls over financial reporting. In the reporting period ended 31st March 2022, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company. Refer the Directors' Statement on Internal Control on page 129 for details.	☑

CORPORATE GOVERNANCE COMMENTARY

D.3 Audit committee

Main principle

The Board should establish formal and transparent arrangements for considering how they should select and apply accounting policies, financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management principles and for maintaining an appropriate relationship with the Company's Auditors.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Composition of the Audit Committee	D.3.1	The Board should establish an Audit Committee exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom at least two should be independent. If there are more Non-Executive Directors. The majority should be independent. The Committee should be Chaired by an Independent Non-Executive Director. The Board should satisfy itself that at least one member of the Audit Committee has recent and relevant experience in financial reporting and control.	All members of the Board audit committee are Independent Non-Executive Directors. Details of the members, invitees and Secretary of the Committee are found on page 112 of the Audit committee report under the heading Composition of the Committee.	☑
Terms of Reference of the Audit Committee	D.3.2	The Audit Committee should have a written Terms of Reference, dealing clearly with its authority and duties. The Audit Committee's written Terms of Reference must address: The Committee's purpose – which, at minimum, must be to – ➤ Assist Board oversight of the: ➤ Preparation, presentation and adequacy of disclosures in the Financial Statements, in accordance with the Sri Lanka's Accounting Standards; ➤ Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements; ➤ Process to ensure that the Company's internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards; ➤ Assessing the Company's ability to continue as a going concern in the foreseeable future: ➤ Performance of the Company's internal audit function; ➤ Process to the identification, monitoring and management of significant business/financial risk; and ➤ Independence and performance of the Company's external audit. ➤ The duties and responsibilities of the Audit Committee should at a minimum include those set out below:	Company established written Audit Committee charter which addressed Terms of Reference of the audit committee and further details are disclosed in Audit committee report on page 112 of this Annual Report.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ Making recommendations to the Board, pertaining to appointment, reappointment and removal of External Auditors and to approve the External Auditors; ➤ To develop and implement policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; ➤ To review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Sri Lankan professional and regulatory requirements; ➤ Discussion of the audit plan, key audit issues, their resolution and management responses; ➤ Review the Company's annual Audited Financial Statements and Quarterly Financial Statements with management and the Auditor to ensure compliance with the Sri Lanka Accounting Standards and other relevant laws and regulations; ➤ To review significant financial reporting judgements; ➤ Review the Company's earnings press releases and financial information and earnings guidance provided to analysts and rating agencies; ➤ Discussion of policies and practices with respect to risk assessment and risk management; ➤ Ensuring that a process of sound system of internal control is in place; 		

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ Ensuring that at least once in every three years a review of the Board's risk management, internal controls, business continuity, planning and information security systems are carried out and appropriate remedial action recommended to the Board; ➤ Ensuring that an effective internal audit function is in place and monitor and review the internal audit activities; ➤ Meeting separately, periodically, with Management, Auditors and Internal Auditors; ➤ Ensuring that there is a mechanism for the confidential receipt, retention and treatment of complaints alleging fraud, received from internal/ external sources and pertaining to accounting, internal control or other such matters; ➤ Assuring confidentiality to whistle-blowing employees; ➤ Setting clear hiring policies for employees or former employees of the Auditors; and ➤ Reporting regularly to the Board of Directors. 		☑
Disclosure of names of the members of the Audit Committee	D.3.3	<p>A separate section of the Annual Report should describe the work of the Committee in discharging its responsibilities. The report should include –</p> <ul style="list-style-type: none"> ➤ The names of the Directors (persons in the Parent Company's Committee in the case of a Group Company) comprising the Audit Committee should be disclosed in the Annual Report. ➤ The number of meetings held and attendance of each Director; ➤ The scope of work and how its roles and responsibilities were discharged; ➤ An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external audit, and information on the length; 	Names of the members of the Audit Committee are given on page 112 under the section on the Composition of the Committee and disclosure on the independence of the Auditors is found on page 135 under the Auditors' in the Annual Report of the Board of Directors on the Affairs of the Company on pages 123 to 128.	☑
		If the External Auditor provides non-audit services, an explanation of how audit objectivity and independence are safeguarded; and the Committee should also make a determination of the independence of the Auditors and should disclose the basis of such determination in the Annual Report.	Report by the Audit Committee is given on page 112.	☑
		The Annual Report should contain a Report by the Audit Committee, setting out the manner of compliance by the Company, in relation to the above, during the period to which the Annual Report relates.	Report by the Audit Committee is given on pages 112.	☑

D.4 Related party transactions review committee

Main principle

The Board should establish a procedure to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favourable treatment” than that accorded to third parties in the normal course of business.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Related Party Transactions Review Committee	D.4.1	A related party and related party transactions will be as defined in LKAS 24.	Related party and related party transactions are defined as per LKAS 24.	☑
	D.4.2	The Board should establish a Related Party Transactions (RPT) Review Committee consisting exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be independent. Executive Directors may attend by invitation. The Chairman should be an Independent Non-Executive Director appointed by the Board.	In compliance with Section 9 of the Listing Rules of the CSE, the Committee comprises two Independent Non-Executive Directors, and one Executive Director. The Committee is chaired by an Independent Non-Executive Director.	☑
	D.4.3	RPT Review Committee should have written terms of reference dealing clearly with its authority and duties which should be approved by the Board of Directors. The RPT Review Committee's written terms of reference must address – A procedure for documenting related parties in accordance with the definitions in LKAS 24 and the CSE Listing Rules. ➤ A procedure to obtain a statement of related party interest from each such related party at least once in each quarter, when there's a change in the status and in any event prior to entering into any transaction between such related parties and the Company, its parent or any of subsidiaries, sub-subsidiaries, fellow subsidiaries, associates, joint ventures and any other entities which are considered related parties as defined in LKAS 24 unless they are exempted related party transactions as defined in CSE Listing Rules. ➤ Key Management Personnel of the Company responsible for contracting, procurement, payments, and any other channel through which an inflow or outflow of resources can result, should have a list of all related parties and have a process in place to capture and report any related party transaction within their area of responsibility.	The Related Party Transactions Review Committee Report sets out the functions of the Committee which is given on page 115.	☑

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ A procedure to inform all related parties of what constitutes exempted related party transactions. ➤ A procedure and guideline to delegate to Key Management Personnel to deal with recurrent related party transactions as defined in the CSE Listing Rules. ➤ A procedure for the RPT Review Committee to review and recommend to the Board matters relating to such transactions. ➤ Any interested Directors should not participate at the meeting at which the transaction relating to him/her is discussed unless invited to seek clarification/information. ➤ A procedure and definition of disclosure required to be made by the Company on an annual basis, those requiring immediate disclosure and those requiring shareholder approval. ➤ A procedure to identify related party transactions which require immediate disclosure as per the CSE Listing Rules and to ensure that required disclosures are made by the Company to the Colombo Stock Exchange in accordance with the CSE Listing Rules. ➤ A procedure to identify related party transactions which require shareholder approval by special resolution at an Extraordinary General Meeting. ➤ The Company Secretary should maintain a permanent record in manual or electronic form of such statements, submissions, approvals, and minutes. ➤ Review and recommend to the Board the related party disclosures to be made in the Annual Report of the Company. 		

D.5 Code of business conduct and ethics

Companies must adopt a Code of Business Conduct and Ethics for Directors, Key Management Personnel and all other employees including but not limited to; dealing with shares of the Company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent and unethical behaviour be promptly reported to those charged with governance. The Company must disclose waivers of the code for Directors, if any –

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Code of Business Conduct and Ethics	D.5.1	<p>All companies must disclose whether they have a Code of Business Conduct and Ethics for Directors and Key Management Personnel and if they have such a code, make an affirmative declaration in the Annual Report that all Directors and Key Management Personnel have declared compliance with such code, and if unable to make that declaration, state why they are unable to do so.</p> <p>Each company may determine its own policies in the formulation of such a code, but all companies should address the following important topics in their respective codes:</p> <ul style="list-style-type: none"> ➤ Conflict of interest; ➤ Bribery and corruption; ➤ Entertainment and gift; ➤ Accurate accounting and record-keeping; ➤ Fair and transparent procurement practices; ➤ Corporate opportunities; ➤ Confidentiality; ➤ Protection and proper use of company assets including information assets; ➤ Compliance with laws, rules and regulations (including insider trading laws); and ➤ Encouraging the reporting of any illegal, fraudulent or unethical behaviour. 	<p>Company has an internally-developed Code of Conduct. All employees including Directors, Key Managers and Senior Managers are bound by the Company's written Code of Ethics that includes the following aspects:</p> <ul style="list-style-type: none"> ➤ Exercise honesty, objectivity and diligence when performing one's duties. ➤ Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance. ➤ Maintain confidentiality of commercial and price sensitive information. ➤ Work within applicable laws and regulations. ➤ Safeguard the Company's assets. ➤ Avoid conduct that will reflect badly on the person concerned or the Company's image. ➤ Strictly avoid giving or accepting any kind of bribe, either directly or indirectly. ➤ Strictly avoid making contributions for political funds, either directly or indirectly. ➤ Strictly avoid any kind of sexual harassment. <p>The Company has implemented a formal whistle-blowing procedure and encourages any employee who suspects wrong doing at work, whether by Management, peers or any other employee, to raise their concerns.</p> <p>Other Policies</p> <p>In addition, the Company implements policies covering:</p> <ul style="list-style-type: none"> ➤ Recruitment and selection ➤ Financial integrity/Financial Manual ➤ Use of Company property including computers ➤ Non-harassment in the workplace ➤ Environment, safety and health ➤ Security of IT system 	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	D.5.2	The Company should have a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.	Company has established policy and process to ensure that material and price sensitive information is immediately disclosed to the Colombo Stock Exchange immediately after relevant decisions are made by the Board of Directors. This task is assigned to the Company Secretary and it is a prime responsibility of the Company Secretary.	☑
	D.5.3	The Company should establish a policy, process for monitoring and disclosure of shares purchased by any Director, Key Management Personnel or any other employee involved in financial reporting.	The policy in place and any share transaction done by Board Director need to be immediately disclosed to the Company Secretary and Company Secretary will inform such transactions to the Colombo Stock Exchange. Any share transaction done by Key Management Personnel other than Board Directors should inform such transactions to Compliance Officer of the Company.	☑
Affirmative Statement by the Chairman	D.5.4	The Chairman must affirm in the Company's Annual Report that a code of conduct and ethics has been introduced company-wide and the procedure for disseminating, monitoring and compliance with that code. He must also disclose that he is not aware of any violation of any of the provisions of the code of business conduct and ethics.	Please refer Chairman's statement on pages 12 and 13 in this Report.	☑

D.6 Corporate governance disclosures

Directors should be required to disclose the extent to which the Company adheres to established principles and practices of good corporate governance.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Corporate Governance	D.6.1	The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this Code.	This Report from pages 103 to 111 and 248 to 290 sets out the manner and extent to which Singer (Sri Lanka) PLC has complied with the principles and provisions of the Code.	☑

Shareholders

E. Institutional investors

E.1 Shareholder voting

Main principle

Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Communication with Shareholders	E.1.1	A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	<p>In order to avoid conflict of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regards, the Annual General Meeting (AGM) and Extraordinary General Meetings (EGM) of the Company plays a critical role. Voting of the shareholders is crucial in carrying a resolution at the AGM/EGM. The Chairman who plays the role of the agent and communicates the views and queries of the shareholders to the Board and the Key and Senior Management in order to ensure that the views are properly communicated to the Company.</p> <p>Head of Investor Relations is a dedicated position to communicate with shareholders if necessary. Investors and shareholders can directly communicate and share their views and it will be communicated to the Board for necessary actions.</p> <p>Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principle communication with them and other stakeholders. These reports are also available on the Company's website – www.singer.lk and are provided to the Colombo Stock Exchange.</p> <p>Any information that the Board considers as price sensitive is disseminated to the shareholders as necessary.</p>	☑

E.2 Evaluation of Governance Disclosures

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Due weight by Institutional Investors	E.2.1	When evaluating Companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	The Institutional Investors are at liberty to give due weight to matters relating to the Board structure and composition, when they consider resolutions relating to Board structure and composition.	☑

CORPORATE GOVERNANCE COMMENTARY

F. Other investors

F.1 Investing/Divesting decision

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Individual Shareholders	F.1	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	<input checked="" type="checkbox"/>
Individual Shareholder Voting	F.2	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Individual shareholders are encouraged to participate in General Meeting of the Company and exercise their voting rights.	<input checked="" type="checkbox"/>

G. Internet of things and cybersecurity

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	G.1	The Board should have a process to identify how in the organisation's business model, IT devices within and outside the organisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business. Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the Company's network to send and receive data. Such access could be authorised or unauthorised.	<p>The Board assigned this responsibility to the Information Technology Division and Director - IT is mainly assigned to complete this task.</p> <p>IT policy and Cybersecurity policies have been developed and needs to be presented to the Board for approvals.</p>	<input checked="" type="checkbox"/>
	G.2	<p>The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a cybersecurity risk management policy which should be approved by the Board.</p> <p>The policy should include a robust cybersecurity risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, reporting and the need for cybersecurity insurance.</p>	<p>Director IT is appointed as a Chief Information Security Officer.</p> <p>IT policy and cybersecurity policy has been developed</p>	<input checked="" type="checkbox"/>

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	G.3	<p>The Board should allocate regular and adequate time on the Board meeting agenda for discussions about cyberrisk management:</p> <ul style="list-style-type: none"> ➤ The matters taken up for the discussion on the Board meeting agenda may include; Potential cybersecurity risks in the Company's business model. ➤ CISO's security strategy and status of the current projects. ➤ Compliance with the cybersecurity risk management process and incident report. ➤ Findings and recommendations from independent reviewers. 	<p>Not Complied.</p> <p>IT policies and Cybersecurity policies are being compiled and to be presented to the Board.</p>	✗
	G.4	<p>The Board should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance.</p> <p>The scope and the frequency of the independent periodic reviews could be determined based on the industry vulnerability, Company's business model and incident findings.</p>	Security assessment has been carried out and corrective actions are taken.	✓
	G.5	The Board should disclose in the Annual Report, the process to identify and manage cybersecurity risks.	IT Risk assessments are carried out according to ISO 27001:2013 and ISO 31000:2018 standards, at least annually to identify the risks on the IT environment of SSLP. Identified risks will be evaluated and proper measures are taken by the SSLP IT team to mitigate or minimise the threats. The Board of Directors shall be updated regarding the controls in place to mitigate cyberrisks, and on possible cyberrisks that the company is exposed to.	✓

CORPORATE GOVERNANCE COMMENTARY

H. Environment Society and Governance (ESG)

H.1 ESG reporting

Main principle

The Company's Annual Report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported.

Environmental, social and governance considerations can affect a company's ability to execute its business strategy and create value. While many ESG factors are "non-financial", their management and likely impact have financial consequences. Hence, they are important factors to be built into a company's business model, strategy, governance and risk management framework. ESG factors relevant to the Company could impact the followings:

- Access to financial capital
- Cost savings and productivity
- Brand value and reputation
- Employee recruitment
- Employee retention
- Access to markets
- License to operate
- Market capitalisation

Integrating ESG policies and practices into a company's strategy, business model, governance and risk management and reporting its likely impact and implications are increasingly seen by investors as material to their investment decisions. Further, investors want to understand how well companies are managing the risk associated with ESG issues, as this is seen as a key test of the long-term sustainability of the Company. They are also increasing interested in the opportunities presented by the low carbon economy and are allocating capital to companies that are well equipped to benefit from this.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.1	<div>Companies should provide information in relation to –<ul style="list-style-type: none">➤ The relevance of environmental, social and governance factors to their business models and strategy.➤ How ESG issues may affect their business.➤ How risks and opportunities pertaining to ESG are recognised managed, measured and reported.</div>	Sustainability principles related to ESG factors are embedded in the operations of the Company and initiatives implemented to ensure the adherence of the Company.	<input checked="" type="checkbox"/>

H.1.2 Environmental factors

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.2	<p>Environmental governance of an organisation should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications of their decisions and activities, including:</p> <ul style="list-style-type: none"> ➤ pollution prevention. ➤ sustainable resource use (e.g. water, energy). ➤ climate change. ➤ protection of environment. ➤ biodiversity. ➤ restoration of natural resources. 	<p>Sustainability principles related to environmental factors are embedded in the operations of the Company and initiatives implemented to ensure adherence to environmental governance by the Company are discussed in the Management Discussion and Analysis and Compliance section of this report.</p>	☑

H.1.3 Social factors

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.3.1	<p>Social governance of an organisation should include its relationship with the community, customers, employees, suppliers, outsourced providers, and any other party that can influence or be influenced by the organisation's business model.</p> <ul style="list-style-type: none"> ➤ The organisation should adopt an integrated approach to building a relationship with the community and striving for sustainable development including responsible community engagement, fair competition, thereby demonstrating corporate social responsibility. ➤ The organisation should adopt an integrated approach to building a relationship with customers. This includes establishing a process for customer engagement, product responsibility and product recall and other matters relevant to the organisation's business model. ➤ The labour practice related governance of an organisation should encompass all policies and practices in relation to work performed by or on behalf of the organisation in accordance with its business model, and should also include policies and practices such as equal opportunity, career development and training, reward and recognition, conditions of work, work-life balance and industrial relations. ➤ The organisation should have policies and procedures to ensure that suppliers and outsourced providers comply with social governance norms of the Company. 	<p>Sustainability principles related to social factors are embedded in the operations of the Company and initiatives implemented to ensure adherence to social governance by the Company are discussed in the Management Discussion and Analysis and Compliance section of this report.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

H.1.4 Governance

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.4.1	<p>Companies should establish a governance structure to support its ability to create value and manage risks in the short, medium and long-term, recognising managing and reporting on all pertinent aspects of ESG.</p> <p>The Company should recognise the key resources/capitals deployed in its business and establish financial and non-financial measures for resource/capital management and related outputs and outcomes.</p> <p>The Company should have a process to ascertain, assess and manage risks which have an impact on the sustainability of the Company.</p> <p>The Company should have a process to recognise material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.</p> <p>The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organisational culture, code of conduct and business model supports sustainability of the Company in the short, medium and long term.</p>	Process of managing risks in line with ESG aspects is discussed in the Risk Management Report.	☑

H.1.5 Board's role on ESG factors

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.5.1	<p>ESG reporting is a Board's responsibility and it is designed to add value by providing a credible account of the Company's economic, social and environmental impact. ESG reporting and disclosure should be formalised as part of the Company's reporting process and take place on a regular basis. ESG reporting should link sustainable issues more closely with strategy.</p> <p>ESG reporting may be built on a number of different guidelines, such as –</p> <ul style="list-style-type: none"> ➤ Integrated Reporting Framework ➤ The Global Reporting Initiative Guidelines 	The Company follows ESG reporting in line with Global Reporting Initiatives (GRI) guidelines in this Annual Report and described from pages 40 to 43 and 299.	☑

Section B

This section covers the Company's extent of adherence to the requirements of the Continuous Listing Requirements Section 7.10 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange. This reflects the Company's level of conformity to CSE's Listing Rules which comprise the following fundamental principles:

- Non-Executive Directors
- Independent Directors
- Disclosures Relating to Directors
- Remuneration Committee
- Audit Committee

The following table presents the details of the Company's compliance with Section 7.10 and Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2022:

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Board of Directors				
Non-Executive Directors	7.10.1	Number of Non-Executive Directors - One-third of the total number of Directors, subject to a minimum of two.	The Board of Directors comprises nine Directors, seven of whom are Non-Executive Directors.	☑
Independent Directors	7.10.2 (a)	Number of Independent Directors - One-third of Non-Executive Directors, subject to a minimum of two.	Five of the Non-Executive Directors are independent.	☑
	7.10.2 (b)	Each Non-Executive Director should submit a declaration of independence/non-independence.	All Non-Executive Directors have submitted declarations. Independent Non-Executive Directors have submitted declarations confirming their independence.	☑
Disclosures relating to Directors	7.10.3 (a)	Names of Independent Directors should be disclosed in the Annual Report.	Please refer page 256.	☑
	7.10.3 (b)	The Board shall make a determination annually as to the independence or non-independence of each Non-Executive Director.	The Board has determined the independence of Non-Executive Directors.	☑
	7.10.3 (c)	A brief résumé of each Director should be included in the Annual Report including the area of experience.	Please refer Board of Directors section of this Report on pages 94 to 99.	☑
	7.10.3 (d)	Provide brief résumé of any new Director appointed to the Board.	Please refer Board of Directors section of this Report on pages 94 to 99.	☑
Remuneration committee				
Composition	7.10.5 (a)	Number of Independent Non-Executive Directors in the Committee to be –		
		<ul style="list-style-type: none"> ➤ a minimum of two (where a company has only two Directors on the Board), or ➤ in all other instances majority of whom to be independent. 	The Committee comprises three Independent Non-Executive Directors.	☑

CORPORATE GOVERNANCE COMMENTARY

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
		Separate committee to be formed for the Company or the Listed Parent's Remuneration Committee to be used.	A separate Remuneration Committee was formed for the Company.	☑
		Chairman of the Committee to be a Non-Executive Director.	The Committee is chaired by an Independent Non-Executive Director.	☑
Function	7.10.5 (b)	Function of the Committee.	The Remuneration Committee Report sets out the functions of the Committee.	☑
Disclosure in the Annual Report	7.10.5 (c)	The Annual Report should set out –		
		➤ Names of Directors comprising the Remuneration Committee	Please refer page 113.	☑
		➤ Statement of Remuneration policy	Please refer Remuneration committee report on page 113.	☑
		➤ Aggregate remuneration paid to Executive and Non-Executive Directors	Please refer page 113.	☑
Audit committee				
Composition	7.10.6 (a)	Number of Independent Non-Executive Directors in the Committee to be –		
		➤ a minimum of two (where a company has only two Directors on the Board), or	The Committee comprises three Independent Non-Executive Directors.	☑
		➤ in all other instances of Non-Executive Directors a majority of whom to be independent.		
		Separate committee to be formed for the Company or the Listed Parent's Committee to be used.	A separate Audit Committee was formed for the Company and the Singer Group.	☑
		Chairman of the Committee to be a Non-Executive Director.	The Committee is chaired by an Independent Non-Executive Director.	☑
		Chairman or one member of the Committee to be a member of a recognised professional accounting body.	The Chairman of the Committee is a member of a recognised professional accounting body.	☑
		CEO and CFO to attend Committee meetings, unless otherwise determined by the Audit Committee.	Group CEO attends by invitation. Finance Director attends by invitation.	☑
Function	7.10.6 (b)	Function of the Committee.	The Audit committee report sets out the functions of the Committee.	☑
Disclosure in the Annual Report	7.10.6 (c)	Names of Directors comprising the Audit Committee	Please refer page 112.	☑
		The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination	Please refer Audit committee report on page 112.	☑
		The Annual report shall contain a Report of the Audit Committee in the prescribed manner.	Please refer Audit committee report on page 112.	☑

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Related party transactions review committee				
Composition	9.2.2	Combination of Non-Executive Directors and Independent Non-Executive Directors and may include Executive Directors at the option of the Company.	The Committee comprises two Independent Non-Executive Directors, and one Executive Director.	☑
	9.2.3	Separate committee to be formed for the Company or the Listed Parent's Committee to be used.	A separate Related party transactions review committee was formed for the Company and the Singer Group.	☑
		Function of the Committee.	The Related party transactions review committee Report sets out the functions of the Committee.	☑
Disclosure in the Annual Report	9.3.2 (c)	The Annual Report shall contain a Related party transactions review committee report in the prescribed manner.	Please refer Related party transactions review committee report on page 115.	☑

The following table presents the details of the Company's compliance with Section 7.6 of the CSE Listing Rules on Annual Report Disclosure as at 31st March 2022:

Rule No.	Applicable requirement	Details of compliance	Compliance
7.6 (i)	Names of persons who were Directors of the Entity.	Board of the Directors on pages 94 to 99.	☑
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Management Discussion and Analysis on pages 18 to 91 and Notes to the financial statements on pages 141 to 231.	☑
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held.	Share Information on pages 244 to 247.	☑
7.6 (iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Share Information on pages 244 to 247.	☑
7.6 (v)	A statement of each Director's holding and Group Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year.	Annual Report of the Board of Directors on the Affairs of the Company on pages 123 to 128.	☑
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Risk Management on pages 116 to 119.	☑
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Management Discussion and Analysis on pages 18 to 91.	☑
7.6 (viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Information on the Freehold Land and Buildings of the Group/Company on pages 172 to 184.	☑
7.6 (ix)	Number of shares representing the Entity's stated capital.	Share Information on pages 244 to 247.	☑
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Share Information on pages 244 to 247.	☑
7.6 (xi)	Financial ratios and market price information.	Highlights on page 7, Share Information on pages 172 to 184, ten year summary on Page 236 and 237	☑
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year.	Notes to the Financial Statements on pages 141 to 231.	☑
7.6 (xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year.	Not Applicable	☑

CORPORATE GOVERNANCE COMMENTARY

Rule No.	Applicable requirement	Details of compliance	Compliance
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes.	Not Applicable	☑
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules.	Corporate Governance on pages 103 to 111 and 248 to 290	☑
7.6 (xvi)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower.	Notes to the Financial Statements on pages 141 to 231.	☑

Section C

This section covers the adherence to the requirements of the Companies Act No. 07 of 2007 on Annual report disclosure.

The following table presents the details of the Company's compliance pertaining to Companies Act No. 7 of 2007 on Annual Report Disclosure as at 31st March 2022:

Section reference	Requirement	Details of compliance	Compliance
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period.	Notes to the Financial Statements on pages 141 to 231.	☑
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed.	Financial Statements on pages 134 to 231.	☑
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company.	Independent Auditors' Report on pages 130 to 133.	☑
168 (1) (d)	Accounting Policies and any changes therein.	Notes to the Financial Statements on pages 141 to 231.	☑
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period.	Annual Report of the Board of Directors on the Affairs of the Company on pages 123 to 128.	☑
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Notes to the Financial Statements on pages 141 to 231.	☑
168 (1) (g)	Corporate donations made by the Company during the accounting period.	Notes to the Financial Statements on pages 141 to 231.	☑
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period.	Annual Report of the Board of Directors on the Affairs of the Company on pages 123 to 128 and Board of the Directors on pages 94 to 99.	☑
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period.	Notes to the Financial Statements on pages 141 to 231.	☑
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries.	Annual Report of the Board of Directors on the Affairs of the Company on pages 123 to 128.	☑
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board.	Annual Report of the Board of Directors on the Affairs of the Company on pages 123 to 128.	☑

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING



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Independent Assurance Report to the Board of Directors of Singer (Sri Lanka) PLC in the Integrated Annual Report-2021/22

Scope

We have been engaged by the management of Singer (Sri Lanka) PLC ("the Company") to perform an independent assurance engagement, as defined by the Sri Lankan Standard on Assurance Engagements, on the following elements of its Integrated Annual Report for the year ended 31 March 2022 (the "Integrated Report").

- Reasonable assurance engagement on the information on financial capital management as specified on pages 46 - 50 of the Integrated Report.
- Limited assurance engagement on other information on management of the capitals (other than financial capital), stakeholder engagement, business model, strategy, organizational overview & external environment and outlook presented in the Integrated Report.

Criteria applied by Singer (Sri Lanka) PLC

The Integrated Report is prepared based on the Guiding Principles and Content Elements of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework) (the "criteria") publicly available at IIRC's website at "www.integratedreporting.org"

Singer (Sri Lanka) PLC's responsibilities

Singer (Sri Lanka) PLC's management is responsible for selecting the criteria, and for presenting the Integrated Report in accordance with the said criteria, in all material respects.

This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Integrated Report, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Integrated Report in accordance with the Guiding Principles and Content Elements of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework) based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka and the terms of reference for this engagement as agreed with Singer (Sri Lanka) PLC in the engagement letter dated 31 May 2022.

The standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Integrated Report in order for it to be in accordance with the criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our independent assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka and have the required competencies and experience to conduct this assurance engagement.

EY also applies Sri Lanka Standard on Quality Control (SLSQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

We performed our procedures to provide reasonable and limited assurance engagement in accordance with SLSAE 3000.

Procedures performed in the reasonable assurance engagement depend on our judgement, including the assessment of the risks of material misstatement whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the reasonable assurance indicators in order to design the assurance procedures that are appropriate in the circumstances. Our procedures also included assessing the appropriateness of the reasonable assurance indicators, the suitability of the criteria in preparing and presenting the reasonable assurance indicators within the Integrated Report

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING



and obtaining an understanding of the compilation of the financial information to the sources from which it was obtained.

Procedures performed in the limited assurance engagement consisted of making inquiries, primarily of persons responsible for preparing the Integrated Report and related information and applying analytical and other appropriate procedures. These procedures vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

We also performed the below procedures as we considered necessary in the circumstances:

- Perform a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework).
- Perusing the Integrated Annual Report – Financial Capital element information to understand whether the information contained are properly derived from the audited financial statements.

- Interviewing the selected key management personnel and relevant staff to understand the internal controls, governance structure and reporting process relevant to the Integrated Report.

- Obtaining an understanding of the relevant internal policies and procedures developed by the Company, including those relevant to determining what matters most to the stakeholders, how the Company creates value, the external environment, strategy, approaches to putting members first, governance and reporting.

- Obtaining an understanding of the description of the Company's strategy and how the Company creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.

- Perusing the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.

- Perusing the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.

- Perusing the Integrated Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.

Emphasis of matter

Social, natural and intellectual capital management data/information are subjected to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Integrated Report.

Restricted use

This report is intended solely for the information and use of Singer (Sri Lanka) PLC and is not intended to be and should not be used by anyone other than the specified party.

Conclusion

Based on our procedures and the evidence obtained, we conclude that:

- The information on financial capital management as specified on pages 46 - 50 of the Integrated Report are properly derived from the audited financial statements of the Company for the year ended 31 March 2022.
- Nothing has come to our attention that causes us to believe that other information presented in the Integrated Report are not fairly presented, in all material respects, in accordance with the Guiding Principles and Content Elements of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework).

Chartered Accountants

Colombo

13th May 2022

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W R B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuna FCA FCMA LLB (London), Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeevan FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: G B Goubian ACMA, Ms. P S Paranavitane ACMA LLB (Colombo), T P M Ruberu FCA FCMA

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INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING



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Independent Assurance Report to the Board of Directors of Singer (Sri Lanka) PLC on the Sustainability Reporting Criteria Presented in the Integrated Annual Report- 2021/22

Scope

We have been engaged by the management of Singer (Sri Lanka) PLC ("the Company") to perform an independent assurance engagement, as defined by the Sri Lankan Standard on Assurance Engagements, on the sustainability reporting criteria presented in the Integrated Annual Report for the year ended 31 March 2022 (the "Report").

- Reasonable assurance on the information on financial performance as specified on page 23 of the Report.
- Limited assurance on other information presented in the Report, prepared in accordance with the GRI Standards.

Criteria applied by Singer (Sri Lanka) PLC

The sustainability reporting criteria presented in the Report has been prepared in accordance with The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at GRI's global website www.globalreporting.org.

This Report has been prepared in accordance with the GRI Standards.

Singer (Sri Lanka) PLC's responsibilities

Singer (Sri Lanka) PLC's management is responsible for selecting the criteria, and for presenting the Report in accordance with the said criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and

making estimates that are relevant to support the sustainability reporting process of the Report, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Report in accordance with the GRI Standards based on the evidence we have obtained. We conducted our engagement in accordance with the Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka and the terms of reference for this engagement as agreed with Singer (Sri Lanka) PLC in the engagement letter dated 31 May 2022.

The standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Report in order for it to be in accordance with the criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our independent assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka and have the required competencies and experience to conduct this assurance engagement.

EY also applies Sri Lanka Standard on Quality Control (SLSQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

We performed our procedures to provide an independent assurance engagement in accordance with SLSAE 3000.

Procedures performed in the reasonable assurance engagement depend on our judgement, including the assessment of the risks of material misstatement whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the reasonable assurance Indicators in order to design the assurance procedures that are appropriate in the circumstances. Our procedures also included assessing the appropriateness of the reasonable assurance indicators, the suitability of the criteria in preparing and presenting the reasonable assurance indicators within the Report and obtaining an understanding of the compilation of the financial information to the sources from which it was obtained.

Procedures performed in the limited assurance engagement consisted of making inquiries, primarily of persons responsible for preparing the Report and related information and applying analytical and other appropriate procedures. These procedures vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING



of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

We also performed the below procedures as we considered necessary in the circumstances:

- Perform a comparison of the content of the Report against the Global Reporting Initiative (GRI) - GRI Standards guideline.
- Interviewing relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data.
- Review and validation of the information contained in the Report.
- Check the calculations performed by the organization on a sample basis through recalculation.

- Advice, make recommendations and suggestions on the Sustainability Reporting indicators to improve the presentation standard.
- Independently review the content of the Report and request changes if required.
- Express an independent assurance conclusion on the performance indicators presented in the Sustainability Reporting criteria.

Emphasis of matter

Social, natural and intellectual capital management data/information are subjected to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Report.

Restricted use

This report is intended solely for the information and use of Singer (Sri Lanka) PLC and is not intended to be and should not be used by anyone other than the specified party.

Conclusion

Based on our procedures and the evidence obtained, we conclude that:

- The information on financial performance as specified on page 23 of the Report is properly derived from the audited financial statements of the Company for the year ended 31 March 2022.
- Nothing has come to our attention that causes us to believe that other information presented in the Report are not fairly presented, in all material respects, in accordance with the Company's sustainability practices and policies some of which are derived from the GRI Standards.

Chartered Accountants

Colombo

13th May 2022

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W R B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuna FCA FCMA LLB (London), Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: G B Goudan ACA, Ms. P S Paranavitane ACA LLB (Colombo), T P M Ruberu FCA FCMA

A member firm of Ernst & Young Global Limited

GRI CONTENT INDEX

Statement of use	Singer (Sri Lanka) PLC has reported in accordance with the GRI Standards for the period starting from 1st April 2021 to 31st March 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	refer the following index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	142	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	6				
	2-3 Reporting period, frequency and contact point	5-6				
	2-4 Restatements of information	6				
	2-5 External assurance	5 , 293-294				
	2-6 Activities, value chain and other business relationships	18				
	2-7 Employees	59				
	2-8 Workers who are not employees	59				
	2-9 Governance structure and composition	104				
	2-10 Nomination and selection of the highest governance body	258				
	2-11 Chair of the highest governance body	95				
	2-12 Role of the highest governance body in overseeing the management of impacts	108				
	2-13 Delegation of responsibility for managing impacts	108				
	2-14 Role of the highest governance body in sustainability reporting	109				
	2-15 Conflicts of interest	281				
	2-16 Communication of critical concerns	108				
	2-17 Collective knowledge of the highest governance body	103				
	2-18 Evaluation of the performance of the highest governance body	259				
	2-19 Remuneration policies	259				
	2-20 Process to determine remuneration	261				
	2-21 Annual total compensation ratio	167				
	2-22 Statement on sustainable development strategy	13				
	2-23 Policy commitments	42				
	2-24 Embedding policy commitments	42				
	2-25 Processes to remediate negative impacts	71				
	2-26 Mechanisms for seeking advice and raising concerns	108				
	2-27 Compliance with laws and regulations	29				
	2-28 Membership associations	72				
	2-29 Approach to stakeholder engagement	28				
	2-30 Collective bargaining agreements	61				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	33	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	34-36				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	23				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	23				
	201-2 Financial implications and other risks and opportunities due to climate change	115				
	201-3 Defined benefit plan obligations and other retirement plans	157-158, 206				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	59				
	202-2 Proportion of senior management hired from the local community	59				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	23				
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	23				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	68				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	67				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	160				
GRI: 207: Tax	207-1 Approach to tax	170				
	207-2 Tax governance, control, and risk management	160, 161				
	207- 3 Stakeholder engagement and management of concerns related to tax	160, 161, 169, 170				
	207-4 Country-by-country reporting	169				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	88				
	301-2 Recycled input materials used	88				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	89				
	302-2 Energy consumption outside of the organization	89				
	302-3 Energy intensity	82				
	302-4 Reduction of energy consumption	89				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	88				
	303-2 Management of water discharge-related impacts	88-89				
	303-3 Water withdrawal	88				
	303-4 Water discharge	89				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	88				
	305-2 Energy indirect (Scope 2) GHG emissions	88				
	305-3 Other indirect (Scope 3) GHG emissions	88				
	305-4 GHG emissions intensity	82				
	305-5 Reduction of GHG emissions	88				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	89				
	306-2 Management of significant waste-related impacts	89				
	306-3 Waste generated	89				
	306-5 Waste directed to disposal	89				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	60				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	62				
	401-3 Parental leave	66				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	60				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	60				
	403-2 Hazard identification, risk assessment, and incident investigation		403-2, a,b,c,d	Not applicable	The Group does not currently have a hazard identification system in place	
	403-3 Occupational health services		403-3 a	Not applicable	Not available at present	
	403-5 Worker training on occupational health and safety	60				
	403-6 Promotion of worker health	60				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		403-7 a	Information unavailable	This information is not available at present	
	403-8 Workers covered by an occupational health and safety management system	60				
	403-9 Work-related injuries	61				
	403-10 Work-related ill health		403-10 a, b,c,d	Not applicable	No fatalities recorded	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	63				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	63				
	404-2 Programs for upgrading employee skills and transition assistance programs	63-64				
	404-3 Percentage of employees receiving regular performance and career development reviews	63				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	65				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	65				
	405-2 Ratio of basic salary and remuneration of women to men	62				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	59				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	59				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	61			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	74-75			
	413-2 Operations with significant actual and potential negative impacts on local communities	74			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	68			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	68			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	70			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	70			
	417-2 Incidents of non-compliance concerning product and service information and labeling	70			
	417-3 Incidents of non-compliance concerning marketing communications	70			

DISTRIBUTION NETWORK

Singer Shops

Ampara

Akkaraipattu
Ampara 'A'
Ampara 'C'
Dehiattakandiya
Hingurana
Kalmunai 'A'
Kalmunai 'B'
Padiyatalawa
Pottuvil
Samanthurai
Uhana

Anuradhapura

Anuradhapura 'A'
Anuradhapura 'B'
Anuradhapura 'C'
Anuradhapura 'D'
Eppawela
Galenbindunuwewa
Galnewa
Horowpathana
Kahatagasdigiliya
Kebithigollawa
Kekirawa
Kekirawa 'B'
Medawachchiya
Nochchiyagama
Rambewa
Shomes- Anuradhapura
Tambuththegama
Tambuththegama 'B'
Thalawa
Thirappane

Badulla

Badulla
Badulla 'B'
Badulla 'C'
Bandarawela 'A'
Bandarawela 'B'
Bandarawela 'C'
Diyathalawa
Girandurukotte
Hali-Ela
Haputhale
Mahiyanganaya
Mahiyanganaya 'B'
Passara
Shomes-Badulla
Welimada
Welimada 'B'

Batticaloa

Batticaloa 'A'
Batticaloa 'B'
Chenkaladi
Kalawanchikudi
Kattankudy
Vaharai
Valaichchenai

Colombo

Angoda
Athurugiriya
Attidiya
Avissawella
Avissawella 'B'
Battaramulla
Battaramulla 'B'
Boralesgamuwa
Borella
Borella 'B'
Budget Shop-Moratuwa
Colpetty
Dehiwela
Delkanda
Gothatuwa
Hanwella
Homagama
Homagama 'B'
Kaduwela
Kaduwela 'B'
Katubedda
Kirulapona
Kohuwala
Kosgama
Kotahena
Kottawa
Maharagama 'A'
Maharagama 'B'
Malabe
Maradana
Mattakkuliya
Merit-Shop Udahamull
Milagiriya
Moratuwa
Moratuwa 'B'
Mount Lavinia
Padukka
Pelawatta-MATU
Pelawatte
Piliyandala 'A'
Pitakotte
Piliyandala 'B'
Piliyandala 'C'
Ratmalana
Samsung Showroom

Nugegoda
Samsung Showroom
Ratmalana
Shomes- Godagama
Thalawathugoda
Thimbrigasyaya
Union Place
Union Place 'B'
Ward Place
Wellampitiya
Wellawatta

Galle

Ahangama
Ambalangoda
Baddegama
Elpitiya
Galle 'A'
Galle 'B'
Galle 'C'
Hikkaduwa
Imaduwa
Neluwuwa
Piliigala
Pinnaduwa
Udugama
Wanduramba

Gampaha

Delgoda
Divulapitiya
Dompe
Eheliyagoda - B
Gampaha
Gampaha 'B'
Ganemulla
Ja-Ela
Ja-Ela 'B'
Kadawatha 'A'
Kadawatha 'B'
Kadawatha 'C'
Kandana
Katana
Kiribathgoda 'B'
Kiribathgoda 'C'
Kirindiwela
Kirindiwela 'B'
Kochchikade
Maradagahamulla
Mawaramandiya
Minuwangoda
Minuwangoda 'B'
Mirigama
Mirigama 'B'
Negombo

Negombo 'C'
Nittambuwa
Nittambuwa 'B'
Pasyala
Peliyagoda
Pugoda
Ragama
Seeduwa
Shomes-Kadawatha
Shomes-Negombo
Veyangoda
Veyangoda 'B'
Wattala
Weliweriya
Yakkala

Hambantota

Agunakolapelessa
Ambalantota
Ambalantota 'B'
Beliatta
Hambantota
Middeniya
Suriyawewa
Tangalle
Tissamaharamaya
Tissamaharamaya 'B'

Jaffna

Chavakachcheri
Chenkanai
Chunnakam
Chunnakam 'B'
Hospital Road Jaffna
Jaffna
Jaffna 'C'
Kodikanam
Manipay
Nelliady
Point Pedro
Puthukkudiyirippu

Kalutara

Agalawatta
Aluthgama
Baduraliya
Bandaragama
Beruwala
Budget Shop-Horana
Bulathsinghala
Darga Town
Horana
Ingiriya
Kalutara 'A'

Kalutara 'B'
Matugama
Matugama 'B'
Panadura
Panadura 'B'
Shomes-Kalutara
Wadduwa

Kandy

Akurana
Budget Shop-K-Gtota
Digana
Digana 'B'
Galaha
Gampola
Gampola 'B'
Gampola 'C'
Geliya
Ginigathhena
Kandy
Kandy 'B'
Katugastota
Katugastota 'B'
Kundasale
Nawalapitiya
Peradeniya
Pilimalalawa
Pilimalalawa 'B'
Poojapitiya
Rikillagaskada
Shomes- Kandy
Wattegama

Kegalle

Deraniyagala
Kegalle 'A'
Kegalle 'B'
Kegalle 'C'
Kotiyakumbura
Mawanella
Mawanella 'B'
Rambukkana
Ruwanwella
Ruwanwella 'B'
Shomes-Kegalle
Warakapola
Warakapola 'B'
Yatiyanthota

Kilinochchi

Kilinochchi
Kilinochchi - B

Kurunegala

Alawwa
Galgamuwa
Giriulla
Hettipola
Hiripitiya
Ibbagamuwa
Kaduruwela B
Kuliyapitiya
Kuliyapitiya 'B'
Kurunegala 'A'
Kurunegala 'B'
Kurunegala 'C'
Kurunegala 'D'
Maho
Mawathagama
Melsiripura
Narammala
Narammala 'B'
Nikaweratiya
Nikaweratiya 'B'
Pannala
Polgahawela
Polpithigama
Pothuhera
Rideegama
Wariyapola

Matara

Akuressa
Akuressa 'B'
Deniyaya
Dikwella
Dikwella 'B'
Hakmana
Issadeen Town
Kamburupitiya
Matara 'A'
Matara 'B'
Morawaka
Shomes-Matara
Urubokka
Weligama

Mannar

Mannar

Mullaitivu

Mullaitivu

Matale

Dambulla
Dambulla 'C'
Galewela

Galewela 'B'
Habarana
Matale
Matale 'B'
Naula
Rattota
Shomes- Matale
Wilgamuwa

Moneragala

Bibile
Buttala
Kataragama
Moneragala
Moneragala 'B'
Siyabalanduwa
Wellaway

Nuwara Eliya

Hatton
Maskeliya
Nuwara Eliya 'A'
Nuwara Eliya 'B'
Nuwara Eliya 'C'
Pussellawa
Talawakelle

Polonnaruwa

Aralanganwila
Bakamuna
Diyasenpura
Hingurakgoda
Hingurakgoda 'B'
Jayanthipura
Kaduruwela 'A'
Medirigiriya
Minneriya
Polonnaruwa
Welikanda

Puttalam

Anamaduwa
Bingiriya
Chilaw
Chilaw 'B'
Dankotuwa
Nattandiya
Norochcholai
Puttalam
Shomes- Chilaw
Wennappuwa

Ratnapura

Balangoda

Balangoda 'B'
Budget Shop-E-Goda
Dehiowita
Eheliyagoda
Embilipiti New Town
Embilipitiya
Godakawela
Godakawela 'B'
Kahawatta
Kahawatta 'B'
Kalawana
Kiriella
Kuruwita
Nivitigala
Pelmadulla
Pelmadulla 'B'
Ratnapura 'A'
Ratnapura 'B'
Ratnapura 'C'
Shomes-Rathnapura

Trincomalee

Kanthalai
Mutur
Trincomalee 'A'
Trincomalee 'B'

Vavuniya

Mallavi
Murunkan
Parakramapura
Vavuniya
Vavuniya 'B'

Singer Mega

Beko & Sony
Boralasgamuwa
Colpetty
Gampaha
Ja-Ela
Kaduvela
Kalutara
Kandy
Kandy B
Katubedda
Kiribathgoda
Kottawa
Kotte
Kurunagala
Maharagama
Malabe
Mount Lavinia
Negombo

Nugegoda
Nugegoda B
Panadura
Peliyagoda
Rajagiriya
Rathmalana
Shangri-La
Thalawathugoda
Thurstan Road
Wattala

Approved Dealers

Ampara
Polwatta

Anuradhapura

Wilachchiya

Badulla

Ettampitiya
Haldemmulla
Hasalaka
Meegahakiula
Tissapura
Ududumbara

Colombo

Moragahahena

Galle

Batapola
Habaraduwa
Karandeniya
Labuduwa
Talgaswala
Uragasmanhandiya
Yakkalamulla

Hambantota

Ranna
Walasmulla
Weeraketiya

Kandy

Alawathugoda
Galagedara
Kadugannawa
Menikhinna

Kegalle

Bulathkohupitiya
Hemmatagama

Kurunegala

Abanpola
Dummalasuriya
Katupotha

Matale

Pallepola
Yatawatte

Matara

Pitabeddara
Thihagoda

Moneragala

Badalkumbura
Medagama
Thanamalwila

Nuwara Eliya

Udupussellawa
Walapane

Polonnaruwa

Diyabeduma

Puttalam

Kobeigane

Ratnapura

Kolonne
Pallebadda
Rakwana

Vavuniya

Settikulam

Other

Katunayake Duty Free Store

DISTRIBUTION NETWORK

Fashion Academies

Ambalangoda	Gampola	Kurunegala	Peliyagoda
Angoda	Hatton	Mahiyanganaya	Pelmadulla
Anuradhapura	Hingurakgoda	Malabe	Pilimathalawa
Avissawella	Homagama	Maradana	Piliyandala
Baddegama	Horana	Matale	Polonnaruwa
Badulla	Ja-Ela	Matara-A	Rathnapura
Bandarawela	Jaffna-B	Mawanella	Singer Finance Wellawatte
Borella	Kaduwela	Mega-Kandy	Thalawathugoda
Chilaw	Kalutara	Minuwangoda	Tissamaharama
Dambulla	Kandana	Mount Lavinia	Union Place
Dickwella	Kandy	Nawalapitiya	Warakapola
Eheliyagoda	Katubedda	Negombo	Wellawatte
Embilipitiya	Katugastota	Nittambuwa	Wennappuwa
Galewela	Kegalle	Nugegoda	
Galle	Kiribathgoda	Nuwaraeliya	
Gampaha	Kirindiwela	Panadura	

SERVICE NETWORK

Aluthgama

Air Cool
Amal Ref & Electricals
Ashan Electronics & Electricals
Benaragama Engineering
Cool Line Air Condition
Cool Tech Engineering (Sc Aluthgama)
Dinan Machine Centre
Eranda Malti Electrical R.Centre
Gloabal Electricals
Gulf Motors
Lal-Electronics
Mendis Cool Solution Work Shop
New Air Tech
New Darshana Electronics
Nilana Electricals
Nimnethu Electronics
Nishantha Repair Center
Pradeep Ref & Electricals Engineering
Premalal Motors
Ruwan Sofa Work Shop
S J Ref & Air
S P Quick Service
Sausiri Electrical
Senevirathne Air Condition
Silver Dale Electronics
Siri Electricals
Sola Edge Cooling & Power Solution
Suranjith Motors
Video Visions

Ampara

Air Golden Enterprises
Aira Motors
Akele
Ameesha Electricals
Amila Srilal Dissanayake
Aruna Ref & Electricals
Chill Air Refrigeration
Cool Air Rel & Electrical
Duminda Ref & Electricals
Eastern Tech Institute
Hitech Electronics
Isuru Electrical
Isuru Sameera Cushion Work
Januda Ref & Electricals
Life Line Enterprises
Magic Cool Air Con
Musthafa Motors
R.M.M.Sofa Repair
Ravie
Rukshan Motors
S R Vikum Prasanna

Sahana Motors
Sampath Asela
Smart Cool Air
Speed Cool
Techno Cool
ULTRACOOOL
Umjah

Anuradhapura

B T Technology
Buddhika Electricals
D J Furniture
Dream Home Furniture
Hashen Electrical & Ref Engineer
Indunil Ref
J C Lanka Machinery
Luck Cool Ref Engineers
Madawa Motors
Malik Ref Electricals
New Gihan Service
Pujana Electrical & Cellular
Ransri Electronics
Ruwani Trade Centre
Samantha Motors
Sumedha Electronics
Sumudu Electricals
Wimalaweera Industrees

Badulla

Aruna Electricals
Chamari Ref And Electrical
Cool Air Engineering (Pvt) Ltd
Dias Electricals
Gunathilake Motors
Hemantha Motors -Mahiyangana
Hiruna Electronics
Hishan Electricals
Jayantha Refrigeration_B
Keshala Electricals
Machine Centre - Bibile
Mohan Motors
Piyal Motors
Rajapaksha Electricals
Ravi Service Technology
Ravindu Electricals
Refco Electricals
Sameera Cooling Service
Sathsara Sound_B
Sewing Tec Machine Service
Shenu Electricals
Sivamotors
Tele Lab
Telstar Electronic
Tharindu Electricals
Wasantha Mechanical & Electrical

Wasantha Sofa Coordinator
Weerathunga Smart Ref
Youth Electronics

Colombo

Ad Ref Electricals - Colombo
C & D Ref Engineers - Colombo
Cafco Engineering
Chamath Enterprises - Colombo
Chandima Electronic
Chandrasena Brothers
Chirathma Electronics - Colombo
Colombo - Kulasiri Fernando
Coolzer Air Condition - Colombo
Dandy Coolant Air Conditioner-Colombo
Echo Green - Colombo
Econ Air - Colombo
Elect Air - Colombo
Electro Frost - Colombo
Electro-Frost
Geliater Engineering-Colombo
Hydro Air Conditioning Services (Pvt) Ltd-Colombo
J A R Associates
Kapila Machine Repair
Keen Air
M & E Engineering Services
Melona Aircon Services - Colombo
MLK Electronics
New Ashen Electricals - Colombo
New Dynamic Ref Engineers - Colombo
Power Link - Colombo
R D Electronics
R&T Ref Engineering - Colombo
Rathnayake Electronics
Ref Air Electricals - Colombo
Ref Air Engineers
Royal Cool - Colombo
S K Electricals - Colombo
Samagi Ref Center - Colombo
Sewwandi Ref Engineers - Colombo
Sharp Electronics - Colombo
Smart Cooling Technology
Sna Ref Air - Colombo
SSB Enterprises
Sun Ref Engineers - Colombo
Super Tech Ref Engineers - Colombo
Tech Way Services - Colombo
Tech-Way-Services
Tempcool Engineering - Colombo
United Air Cool-Colomobo
Wasantha Electronics
Yellowma Air-Conditioning -

Colombo
Yoshitha Machine Center
Arotel Mobile
Colombo Trading International
Yurani Technologies

Jaffna

City Link Coolers
Cool Air Kings
JTN Electronics
Kugan Coolers
Nijeem Sewing Machine
North Air
Pacifica Cool Mount Engineering Pvt Ltd
Snow Eagles
SSV Cool Air Service
The Best Chill Air Conditioning
TNR Electricals & Electronics

Kandy

Chandarasekara Electrical
Chilled Air
Cool Mart
Dismitha Electricals
Edirisinghe Electricals
Frank Hood Works
Gayan Electricals
Hesara Enterprises
I Tec Electronics
Janka Electricals
Jayasooriya Sewing Machine
Kalhara Electricals
Lakmal Electricals
Leshani Electronics
Lional Wijesinghe
Maduranga Electricals
Micro Electricals
N.S.Sofa City
New Sameera Electricals
New Vision Electronics
Neon Electrical
Ominda Technical Service
Prabath Electrical,
Sachintha Electricals
Sandamini Multi Electrical Engineers
Senadeera Ref Centre
SGK New Electronics
Shehan Multi Service (Pilimathalawa)
Sisilto Electricals & Technical Services
Snow Cool Engineers
Srimal Electrical
Super Air Electrical Works
Super Electronics And Air Technics

SERVICE NETWORK

(Kandy)
Tech Mart Ref Engineers
Thapobaane International
Thisara Electronics And Electricals
Thushara Electronics
Thushara Engineers & Motor Works
Vimod Electricals
Vithanage Electricals

Kuliyaipitiya

Adhikari Ref
Anuradha Electricals
Bandara Auto
Bandara Auto Mobile
CS Ref Engineers
Dasuna Motors
Freezair
High Cool Engineer
Imasha Tec Vision
Isuru Engineering
Janaka Electronics
Mahesh Electricals & Services
Malaka Machine Service Center
Modern Air Condition
Modern Electricals
Nethushi Taylors & Machine S/C
New Leeds Electronics
Prabath Ref And Air
S P L Technologies
Samodha Electronics & Services
Sanjeeva Auto Works
Senarathne Air Condition
Shehan Multi Service
Sisira Furniture
Sri Ishara Madushika Furniture
Techno Frost
Thapobaane International
Wasantha Air Condition
World Air Conditioner

Maharagama

A C N Elect
Anujaya Enterprises - Maharagama
Cool Way - Maharagama
D R M Elect
Dhanushka Ref - Maharagama
Duminda Ref Engineering - Maharagama
Green Air-Condition Service - Maharagama
Hasitha Electricals - Maharagama
Maharagama - E M P Electricals
Maharagama - Easy Cool
Maharagama - Keerthi De
Jayasinghe Engineering

Maharagama - Kulasiri Fernando
Maharagama - Life Cool Ac
Engineers
Maharagama - Ranmadu Sewing
Machine Agent
Maharagama - Super Cool
Maharagama - Ushan Electricals
Nuwan Engineering - Maharagama
P R Creations & Refrigeration (Pvt)
Ltd-Maharagama
Prasad Ref Centre - Maharagama
R P M Engineers
Re Cool - Maharagama
Ruwan Electricals
Sandaruwan Cool Engineers - Maharagama
Smart Ref Engineers - Maharagama
Super Cool Ac - Maharagama
Sri Lanken Engineering-Maharagama
Techmax Electronics (Pvt) Ltd - Maharagama
Zenon Sewingmachine Service

Matara

C.J. Electricals
Chaminda Air Ref Engineering
Dammika Sewing Machine Service
Dharshana Industries
Emano Air Cooler
Isuru Aero Tec
Janapriya Electronics
Jayoda Cushion Works
Lal Electronics
Lalith Cushion Works
Lion Electronics
Max Cool Electricals
New Shiney Electronics
New Freeze Air
Nilanka Pathirana Ref Centre
Penguin International
Prince Electricals

Priyantha Ref Engineers
Rohan Ref Centre
Ruhunu Ref & Air Services
Sampath Engineering Works
Sd Machine Service Centre
Sigma Electronics
Super Cool Air
Thisara Ref & Electricals
U D Ref Engineering
Uduwella Ref Engineering

Pasyala

A C T Engineering
Aloka Engineers

Ariyathilaka Electrical
Arotel Mobile
Ayesha Ref & Ac Engineering
Cellnet Lanka Technology
Chicko Ac Mec
Cool Plus
Deepthi Sewing Machine Service
G P J Ref Engineers
Herath Electrical & Ref Centre
Jayalath Sewing Machine Service
Centre
Jeewan Cool Air
Kavia Engineering
Kavindu Ref N-Air
New Ashen Electricals
New Pc House
Nushan Ref & Air Centre
P Wickramasinghe
Pradeep Ref Engineers
S D Machine Repair
Saleena Electronics
Seseni Engineers
Shehan Multi Service
Silicon Electronics
Sisira Furniture & Steel Furniture
Specialist Services Engineering (Pvt)
Ltd
Sts Technical Service
Sumith Motors
Super Electronics And Air Technics
Susantha Ref Electricals
Technico Electronics
Techno Ref & Air Enterprises
Thilak Electricals
Thilaka Machine Repair And Service
Centre
Udaya Ref
Zuhail Brothers
Sfaa2 Test

Polonnaruwa

Ananda Electricals
Ashoka Ref
Dilenatharu Cushion Works
Dj Engineers
Express Cooling Centre
I Mec Engineering
J & P Electronics
Mahaweli Electronics
Manjula Ref & Cool
Mayura Ref & Electricals
Mr K.P.G.C.K. Kottagepitiya
Mudalige Electronics
Niluka Ref & Electricals
Nipuna Marasinghe Ref Cool
Pradeep Ref Engineers

(Polonnaruwa)
Prasanna Electronics
Subasinghe Ref Engineers
Thilak Electronics
Udarata Motors
Udaya Motors
Yehara Sewing Machine Centre

Ratnapura

Amangi Electronics
Cool Lab Engineer
D G Services
Disara Furniture
Hi Frost Ref
High Cool Air & Ref Center
Indika Ref Engineers
Lakmal Ref
Mahesh Duly Electronic
New Air Tech Engineering
Quick Cool
Ranjith Electronic
S M Electricals
Samagi Deisel Engineering
Sanjaya Electronics
Senadheera Multi Ref & Air
Engineering
Shashei Service
Smart Wood Creations
Solanta Electronics
Star Ref Electricals
Sunil Sewing Machines

Vavuniya

Ayesha Electricals
Daikin Electricals (Vavuniya)
Emil Electronics
Europa Spears
Express Air Conditioners &
Refrigerators
Hishan Electricals - Vavuniya
Lakmali Ref Cool Electricals
Luxman Ref & Electrical (Vavuniya)
Majee A/C & Electrical (Vavuniya)
Nilanthi Motors
Presad Signees
Raj Motor Winding
Sisila Technicals
Tushara Service Center

Air Conditioning Division

A D Ref Electricals
Air Cool Temp
Air Mech Airconditioning
Alwis Engineering Centre
Anujaya Enterprises
C & D Ref Engineers
Cool Care Solutions Pvt Ltd
Cool Way
Coolzer Air Condition
Dandy Coolant Air Conditioner
Dhanushka Ref
Duninda Ref Engineers
Eco Green Energy
Elect Air Engineering
Electro Frost
ER Engineers
Geliater Engineering
Green Air Condition Services
Hydro Air Conditioning Services (Pvt) Ltd
Internal Sfa
Keenair
Kool Rite Services
Kool Tech Engineers
Lahiru Ref
Leondce Holdings (Pvt) Ltd
Melona Air Con Services
Metro Engineering
New Ashen Electricals
New Dynamic Ref Engineers
ON Task
P R Creations & Refrigeration (Pvt) Ltd
Powerlink Electro Mechanical
Qualit Cool
R&T Ref Engineering
Rathna Technical Maintenance
Re Cool
Ref & Air Con
Ref Air Electricals
Royal Cool Enterprises
Sandaruwan Cool Engineers
Sewwandi Ref
Smart Asia Solutions Pvt Ltd
Snow Feel
Specialist Services Engineering
Sri Lanken Engineering
Sun Ref Engineers
Sunco Engineering Pvt Ltd
Suncool Enterprises
Super Cool Air Condition
Sure Ref
Techway Services
Tempcool Engineering

United Air Cool
Ushan Electrical
Wishu Air Cool
Yellowma Airconditioning
Zurich Mec Engineers

Mobile Phone & Computers Service Franchise Agents

Akila-Ambalanthota (Shadow Computer And Video House)
Ashoka-Piliyandala (Atn Computers)
Buddi-Avissawella (Bestway Computers)
Care Technology
Cellnet-Lanka Technology
Chandana-Nikawaratiya (Cure Computer)
Deepal-Homagama (Netplus Technologies)
G.P.W.Electronics
Leshani Electrical
Loshantha-Nuwaraeliya (A Soft Computer)
Manoj Udayanga (Mc Link)
Mchip Anuradhapura-Tsa
Mchip Engineering - Nuwan
Mchip Engineering - Vibash
Mchip Engineering-Chandima
Mchip Engineering-Kalpa
Mchip Engineering-Mangala
Mchip Engineering-Namal
Mchip Engineering-Ravindra
Mchip Engineering-Test
Mchip Jaffna-Tsa
Mchip Kandy-Tso
Mchip Mathara-Tso
Millennium Web
Nadeeshan Boraless - Monaragala (Boralessa Technology)
Nalin Indunil - Embilipitiya (World It Solutions & Mobile)
Nalin-Ja_Ela (Leem Technology)
Nuwan -Mahiyanganaya (Nw Net Computer System)
Nuwan-Kuliypitiya (Eye Computers)
Padmika-Bandarawela (Pc Systems)
Pc Friends
Praneeth-Nattandiya (Ez Tech Computers)
Rangana Perera - Kelaniya (Progres Computer Technology)
Rayan Saliya - Kandy (Rayan Zone)
Really Techzone
Robin-Batticaloa (N.R. Outschoom)

Rosana Sandun - Rathnapura (Video World And Computers)
Ruwan-Gampaha (R & D Engineers)
Ruwan-Kurunagala (Cosmo Computers)
Sahan Joseph - Rajagiriya (Icon Technologies)
Saminda-Mathara (Gold Lion Electronic)
Samitha-Kaluthara (Sp Computers)
Sampath-Mirigama (Techno World)
Sarasi Car Audio
Sayantech Computer
Singercare Operation - Computer Division
Sumudu-Kegalle (St Computers)
Supreme Tech Computers
Suranga - Ampara (SSR Computer Solutions)
Suranga-Kottawa (Western Digital Computer System)
Surenthiraraj-Jaffna (Comtal Manpower System)
Tharindu-Waligama (Tharindu Electronics)
Weerakoon-Dambulla (Eteam Technologies)
Wimal-Anuradhapura (Rapid Computer)

Return Product Repair Centers

B M N Engineering
Danushka Ref Engineer
Drs Silva
K Tronic
K V Electronic
Kariyawasam
Kumara Electronic
M K P S Sunimal Perera
Pradeep Chaminda Perera
R P M Engineer
S J V Bulathgama
S N Com Sys
Sampath Electrical
Shanika Electronic
Smart-Ref
Super Tec
T.S.Electronic

GLOSSARY

Accounting Policies

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Acid Ratio

Current asset less inventory divided by current liabilities.

Amortisation

The expense of writing off over a fixed period, the initial value of an intangible asset such as goodwill, patents etc.

Available-for-Sale

All assets not in any of the three categories namely held to maturity fair value through profit or loss and loan and receivables. It is a residual category does not mean that the entity stands ready to sell these all the time.

Borrowings

All interest bearing loans, fixed deposits and saving deposits.

Capital Employed

Total of interest bearing loans and borrowings, bank overdraft and total equity.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents

Liquid investments with original maturity periods of three months or less.

Contingent Liabilities

Conditions or situations at reporting date the financial effect of which are to be determined by future events which may or may not occur.

Credit Rating

An evaluation of a corporate's ability to repay its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Current Ratio

Current assets divided by current liabilities. A measure of liquidity.

Debt

Total liabilities, excluding deferred income.

Debt to Equity

Total borrowings less cash and cash equivalents divided by total equity.

Debt Ratio

Total liabilities divided by total assets.

Deferred Taxation

The net tax effect on items which have been included in the Income Statement, which would only qualify for inclusion on a tax return at a future date.

Dividend Cover

Profit attributable to ordinary shareholders divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Payout

Dividend per share divided by earnings per share of the Company.

Earnings Per Share

Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

Equity

Shareholders' funds.

Fair Value

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Financial Instruments

Financial instrument is any contract that gives rise to both financial assets in one entity and a financial liability or equity instrument in another entity.

Gearing Ratio

Proportion of borrowings to capital employed.

Gross Dividend

Portion of profits inclusive of tax withheld, distributed to shareholders.

Held-to-Maturity

Debt assets acquired by the entity with positive intention to be held-to-maturity.

Interest Cover

Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Impairment

This occurs when recoverable amount of an asset is less its carrying value.

Market Capitalisation

Number of shares in issue multiplied by the market value of a share at the reporting date.

Net Assets Per Share

The equity attributable to owners of the Company divided by the weighted average number of ordinary shares in issue.

Non-controlling Interest

Equities in subsidiary not attributable, directly or indirectly to a parent.

Price Earnings Ratio

Closing market price of a share divided by earnings per share as at reporting date.

Related Parties

Parties who could control or significantly influence the financial and operating policies of the business.

Return on Average Net Assets Equity

Profits for the year divided by average total equity.

Revenue Reserves

Reserves considered as being available for distributions and investments.

Segment

Constituent business units grouped in terms of similarity of operations and location.

Value Addition

The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of materials and services bought in.

Working capital

Capital required to finance the day-to-day operations computed as the excess of current assets over current liabilities

NOTES

NOTICE OF ANNUAL GENERAL MEETING

SINGER (SRI LANKA) PLC (Company Registration No. PQ 160)

NOTICE IS HEREBY GIVEN THAT THE FORTY SEVENTH ANNUAL GENERAL MEETING OF SINGER (SRI LANKA) PLC will be held on Wednesday, 29th June 2022 at 12.15 p.m. via an online meeting platform for the following purposes:

1. To receive, consider and adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2022 with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. Dilip De S. Wijeyeratne, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.
3. To re-elect as a Director Mr. Deepal Sooriyaarachchi, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.
4. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. Mohan Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007, who retires having attained the age of seventy one years.

Ordinary Resolution

'That Mr. Abeyakumar Mohan Pandithage, who has attained the age of seventy one years be and is hereby re-appointed a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director'.

5. To authorise the Directors to determine donations and contributions to charities for the ensuing year.
6. To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the year 2022/23 and to authorise the Directors to determine their remuneration.
7. To consider any other business of which due notice has been given.

By Order of the Board,

SINGER (SRI LANKA) PLC

HAYLEYS GROUP SERVICES (PRIVATE) LIMITED

Secretaries

Colombo

01st June 2022

Notes:

1. The Annual Report of the Company for 2021/22 is available on the corporate website www.singer.lk and on the Colombo Stock Exchange website - www.cse.lk.
2. In the interest of protecting public health the Annual General Meeting of the Company will be held as a virtual meeting via an online meeting platform. Details are given in the circular to shareholders.
3. A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at No. 400, Deans Road, Colombo 10, Sri Lanka or must be emailed to sinslagm@secretarial.hayleys.com not less than forty-eight (48) hours before the time fixed for the Meeting.

SHAREHOLDER FEEDBACK FORM

To request information or submit a comment / query to the Company, please complete the following and return this page to -

Hayleys Group Services (Private) Limited,
Company Secretaries for Singer (Sri Lanka) PLC,
No. 400, Deans Road,
Colombo 10

Name :

Permanent Mailing Address :

Contact Numbers - (Tel) :
County Code Area Code Number

- (Fax) :
County Code Area Code Number

E-mail :

Name of Company :
(If Applicable)

Designation :
(If Applicable)

Company Address :
(If Applicable)

Queries / Comments :

FORM OF PROXY

SINGER (SRI LANKA) PLC (Company Registration No. PQ 160)

I/We* (full name of shareholder**)
 NIC No./Reg. No. of shareholder (**) of
 being shareholder/shareholders* of SINGER (SRI LANKA) PLC hereby appoint:
 (1) (full name of proxy holder**)
 NIC No. of proxy holder (**) of
 or, failing him/them,

(2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our* proxy to attend and vote as indicated hereunder for me/us* and on my/our* behalf at the Forty-Seventh Annual General Meeting of the Company to be held on Wednesday, 29th June 2022 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2022 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Mr. Dilip De S. Wijeyeratne, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Mr. Deepal Sooriyaarachchi, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To propose the Ordinary Resolution as set out in the notice for the reappointment of Mr. Mohan Pandithage as a Director, in terms of Section 211 of the Companies Act No. 07 of 2007, who retires having attained the age of seventy one years.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the year 2022/23 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

(***) The proxy may vote as he thinks fit on any other resolution brought before the Meeting of which due notice has been given.

As witness my/our* hands this day of 2022.

Witness :

Signature : Signature of Shareholder

Name :

Address :

NIC No :

Notes:

- * Please delete the inappropriate words.
- A shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company.
 ** Full name of shareholder/proxy holder and their NIC Nos. and Witness are mandatory. Your proxy Form will be rejected if these details are not completed.
- A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- Instructions are noted on the reverse hereof.
- This Form of Proxy is in terms of the Articles of Association of the Company.

INSTRUCTIONS AS TO COMPLETION:

1. To be valid, the completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka or must be emailed to sinlagm@secretarial.hayleys.com not less than forty-eight (48) hours before the start of the meeting.
2. In perfecting the Form of Proxy, please ensure that all requested details are filled in legibly including mandatory details. Kindly sign and fill in the date of signing.
3. If you wish to appoint a person other than the Chairman of the Company (or failing him, one of the Directors) as your proxy, please insert the relevant details at (1) overleaf. The proxy need not be a member of the Company.
4. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy in his discretion will vote as he thinks fit. Please also delete (***) if you do not wish your proxy to vote as he thinks fit on any other resolution brought before the Meeting.
5. In the case of a company/corporation the proxy must be under its common seal which should be affixed and attested in the manner prescribed by its Articles of Association or by a duly authorised Director. In the case of the individual shareholders, the signature of the shareholder should be witnessed by any person over 18 years of age.
6. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
7. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

CORPORATE INFORMATION

Name of the Company

Singer (Sri Lanka) PLC

Legal form

Public company with limited liability. Incorporated as a public company in Sri Lanka on 30th December 1974 under the Companies Ordinance and re-registered under the Companies Act No. 07 of 2007 on 13th June 2008.

Founded in 1877 as a Branch of Singer Sewing Machine Company, USA. The shares of the Company are listed on the Colombo Stock Exchange.

Accounting Year End 31st March.

Registered office

Singer (Sri Lanka) PLC
No. 112, Havelock Road,
Colombo 05, Sri Lanka.
Phone: +94 11 231 6316 (13 lines)
Facsimile: +94 11 242 3544
Email: singer@singersl.com
Website: www.singer.lk

Company registration number

New – PQ 160

Old – PBS 802 (S.P.)

Tax payer Identification Number

124008026

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank Sri Lanka
Hatton National Bank PLC
MCB Bank Sri Lanka
Nations Trust Bank PLC
NDB Bank PLC
Pan Asia Bank PLC
People's Bank
Seylan Bank PLC
Sampath Bank PLC
Standard Chartered Bank (Sri Lanka) Limited
The Hongkong & Shanghai Banking Corporation
Union Bank PLC

Auditors

KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha,
P.O. Box 186,
Colombo 3, Sri Lanka.

Registrars

Hayleys Group Services (Private) Limited
No. 400, Deans Road,
Colombo 10, Sri Lanka.

Company secretaries

Hayleys Group Services (Private) Limited
No. 400, Deans Road,
Colombo 10, Sri Lanka.

Lawyers

Neelakandan & Neelakandan
Attorneys-at-Law & Notaries Public
M&N Building (Level 5),
No. 2, Deal Place,
Colombo 3, Sri Lanka.

Directorate

Mohan Pandithage
Chairman (Executive)
Dhammika Perera
Co-Chairman (Non-Executive)
Mahesh Wijewardene
Group Chief Executive Officer
Deepal Sooriyaarachchi
Dumith Fernando
Hisham Jamaldeen
Sarath Ganegoda
Dilip De S. Wijeyeratne
Gayani de Alwis
Sujeewa Perera
(Alternate Director to Mahesh Wijewardene)
Kawshi Amarasinghe
(Alternate Director to Dhammika Perera)
Kapila Perera
(Alternate Director to Hisham Jamaldeen– Appointed on 20th April 2022)
Ramesh Chitrasiri
(Alternate Director to Sarath Ganegoda – Appointed on 20th April 2022)

Senior management

Mahesh Wijewardene
Group Chief Executive Officer
Janaka Mendis
Director – Credit
Sujeewa Perera
Factory Director – Furniture Factory
Kapila Perera
Director – Information Technology
Thulitha Mendis
Director – Commercial
Jagath Perera
Director – Operations
Thushan Amarasuriya
Chief Executive Officer – Singer Finance (Lanka) PLC
Vajira Tennakoon
Director – Sales
Roshan Kulasuriya
Director – Human Resources and Business Integration
Shanil Perera
Director – Marketing
Ramesh Chitrasiri
Finance Director
Priyanjith Meegoda
Head of Risk Management
Mohamed Irzan
Head of Manufacturing Finance & Treasury
Kasun Udayanga
Head of Service and Process
Asantha Karunaratne
Senior Manager – Merchandising and Promotions
Viresh Gomes
Head of Financial Services
Indika Gunathilake
Head of Credit
Ransiri Perera
Group Administration Manager
Nandana Wijesundara
Sales Manager – Agro and Transportation
Hemantha Perera
Senior Manager – Budget and Planning
Terrence Martyn
Senior Manager – Sewing & Business School
Piyum Jayatilake
Marketing Manager
Thanuja Senaviratne
Senior Manager IT – Systems & Operations

Koshitha Peramunugamage
Head of Business Development – Signature
Rohan Perera
Business Development Manager – Retail Operations
Nadeera Kuruppuarachchi
Head of Legal
Saman Serasinghe
Senior Manager – Distribution
Nishan Ranasinghe
Senior Manager – Revenue and Margin
Pramila Liyanage
Finance Manager
Rahula Gaspe
Business Development Manager – E-Commerce
Indika Perera
Business Development Manager – Whole Sale (South)
Ranisha Silva
Business Development Manager – Institutional Sales
Suren Kanishka
Senior Manager – Promotions
Upul Peiris
Business Development Manager – Retail (South)
Sampath Jayatilake
Senior Manager – Human Resources
Mohamed Hanas
Business Development Manager – Digital Media
Dr. Mahinda Balasuriya
Head of Regulatory and Quality Assurance
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