

SINGER®

BIG



Challenges | Opportunities

SINGER (SRI LANKA) PLC | ANNUAL REPORT 2022/23



Challenges | Opportunities



“You cannot overtake 15 cars in sunny weather... but you can when its raining.” Ayrton Senna.

At Singer, we embrace the belief that our greatest challenges are our greatest opportunities, to learn, grow and venture forth steadily. Having battled tumultuous circumstances in the past years, Singer has remained steadfast by striding ahead positively and responsibly.

As we persevere, we remain dedicated to exploring our connections, enriching lives through the implementation of innovative solutions while securing and protecting our people who are the corner stone of our business.

We know our future is bright because we have learnt the art of looking for opportunities in every challenge we face.

CONTENTS



Chairman’s Message

10
Page



Group Chief Executive Officer’s Review

Page
14

- About this report..... 4
- Performance Highlights 2022/23..... 6
- Non-Financial Highlights 7
- Year at a glance 8
- Awards and accolades..... 9
- Chairman’s Message..... 10
- Group Chief Executive Officer’s Review 14
- Who We Are..... 19
- Portfolio 20
- Milestones 22
- Group Structure..... 24
- Socio-economic impact..... 25

Management Discussion & Analysis

- Value Creation Model 30
- Stakeholder Relationships 32
- Operating landscape 34
- Determining materiality 38
- Our Strategy 42
- Sustainability Reporting at Singer 44

The Capitals Report

- Financial Capital 48
- Human Capital 58
- Social And Relationship Capital 66
- Manufactured Capital 72
- Intellectual Capital..... 76
- Natural Capital..... 80



Scan the QR Code with your smart device to view this report online.



Purpose

Elevating and enriching lives of people.



Stewardship

Board of directors.....	88
Management team	94
Corporate Governance	97
Audit Committee Report.....	106
Remuneration Committee Report	107
Nomination Committee Report.....	108
Related Party Transactions	109
Risk Management	110

Financial Reports

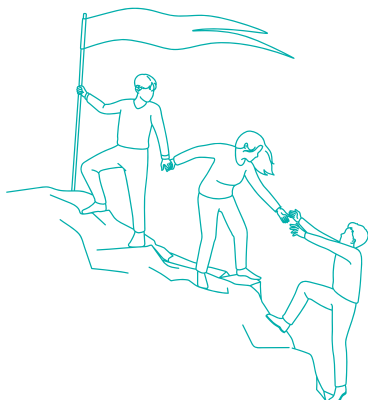
Financial Calendar	118
Annual report of the Board of Directors on the affairs of the Company	119
Statement of Directors' Responsibility.....	126
Statement of Changes In Equity	134
Statement of Cash Flows	137
Notes To The Financial Statements	139
Independent Auditor's Report.....	127
Statement of Profit or Loss and Other Comprehensive Income	132
Statement of Financial Position.....	133
Statement of Changes In Equity	134
Statement of Cash Flows	137
Notes to the Financial Statements	139

Supplementary Information

Parent, Subsidiaries and Related Companies.....	234
A Decade in Perspective	236
Quarterly Analysis.....	238
Horizontal and Vertical Analysis.....	239
Share information	245
Compliance With Corporate Governance Frameworks	249
Independent Assurance on Integrated Reporting	294
Independent Assurance on Sustainability Reporting	296
GRI Content Index	298
Distribution Network.....	306
Service Network	309
Glossary	312
Notes.....	313
Notice of Annual General Meeting	316
Shareholder Feedback Form.....	317
Form of Proxy	319
Corporate Information.....	IBC

Mission

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



Values

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

ABOUT THIS REPORT



About this report

This is the Integrated Annual report of Singer (Sri Lanka) PLC for the financial year ended 31st March 2023 which provides a balanced and concise overview of the Group's performance using financial, environmental, social and governance information. This is the second report using the <IR> Framework and seeks to provide a fair account of how its resources were allocated to create value for its key stakeholders.

Reporting Frameworks and Assurance



Financial statements and information	Narrative report	Sustainability Reporting	Gender Reporting	Corporate Governance
Sri Lanka Financial Reporting Standards and external assurance provided by Messrs. KPMG	Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). External assurance on Integrated Reporting provided by Messrs. Ernst & Young	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 Multiline and Specialty Retailers & Distributors	Gender Parity Reporting Framework issued by the Institute of Chartered Accountants of Sri Lanka	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 2023

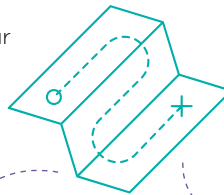
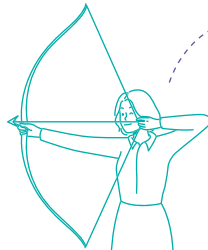
Frequency

Annual

Reporting concepts

Strategic focus

Demonstrates how our activities are guided by clearly defined strategic priorities.



Connectivity

Interrelatedness and dependencies shown through navigation icons and signposting

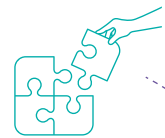
Stakeholder relationships

Chapter on stakeholder engagement, concerns and responses



Materiality

Systematic materiality assessment process



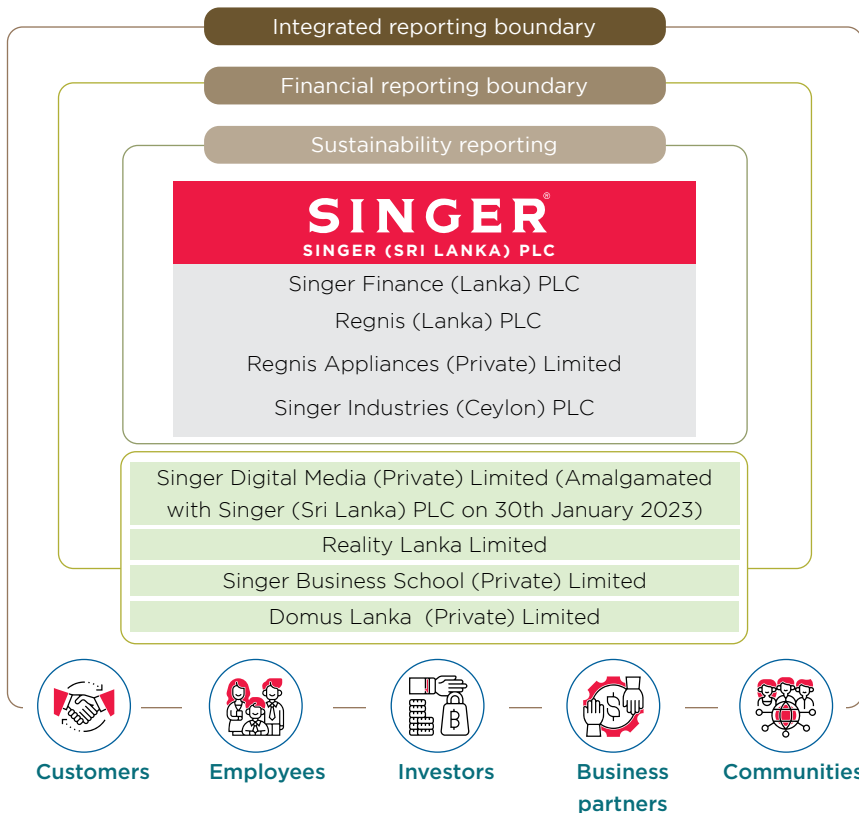
Consistency and comparability

Comparable information for the previous year provided wherever relevant



Reporting boundary

The financial reporting included in this Report represents the Singer Group (comprising Singer (Sri Lanka) PLC or the “Company”) and 7 subsidiaries as illustrated below. The boundary for sustainability reporting is limited to the Company and 4 key subsidiaries, which collectively account for 99% 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.



Connectivity of information

Navigation icons



Governance



Risk

The Capitals

- Financial Capital
- Human Capital
- Intellectual Capital
- Social & Relationship Capital
- Manufactured Capital
- Natural Capital

Stakeholders

- Customers
- Employees
- Business Partners
- Government & Regulators
- Communities
- Investors

Strategy

- Unparalleled Customer Centricity
- Above Industry Growth and Profitability
- Loved Employer Brand
- Manufacturing and Supply Chain Excellence

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 page 38 to 41 of this Report.

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 2022/23 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

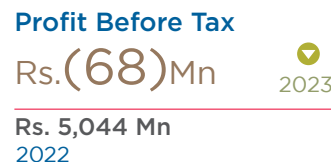
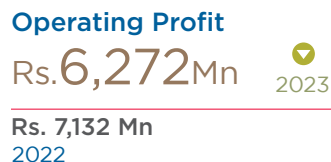
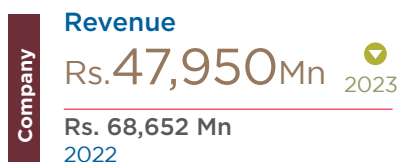
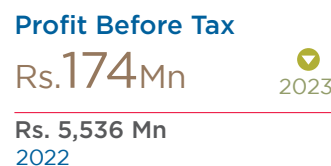
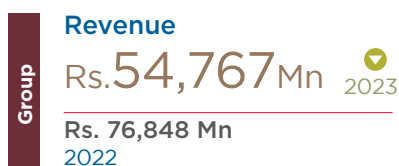
We are committed to consistently improving the quality and readability of our corporate reporting and welcome your feedback and suggestions on our Annual Report. Please direct your feedback to,

Finance Director,
Singer (Sri Lanka) PLC,
112, Havelock Road,
Colombo 5
Email: shalinkas@singersl.com

PERFORMANCE HIGHLIGHTS 2022/23

For the year ended 31st March	Group			Company		
	2023	2022	Increased/ (Decreased)	2023	2022	Increased/ (Decreased)
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue - Net	54,767,234	76,847,842	(28.7%)	47,950,386	68,652,290	(30.2%)
Gross Profit	18,872,257	22,191,504	(15.0%)	16,215,934	18,561,891	(12.6%)
Operating Profit	6,687,768	8,237,352	(18.8%)	6,272,838	7,131,998	(12.0%)
Net Finance Cost	6,118,864	2,320,221	163.7%	6,263,475	1,994,123	214.1%
Profit/(Loss) Before Tax	174,192	5,535,560	(96.9%)	(68,636)	5,043,875	(101.4%)
Profit for the Year	95,931	4,109,791	(97.7%)	220,599	3,908,641	(94.4%)
Total Comprehensive Income/(Loss) for the Year (Net of Tax)	(136,459)	4,554,012	(103.0%)	201,872	4,001,150	(95.0%)
Stated Capital	626,048	626,048	0.0%	626,048	626,048	0.0%
Revenue Reserves	7,916,760	9,080,204	(12.8%)	4,818,730	5,919,944	(18.6%)
Capital Reserves	1,350,892	1,635,092	(17.4%)	1,199,234	1,291,762	(7.2%)
Statutory Reserves	244,215	223,763	9.1%	-	-	-
Non-Controlling Interest	1,946,904	1,971,082	(1.2%)	-	-	-
Total Equity	12,089,984	13,540,625	(10.7%)	6,647,515	7,842,191	(15.2%)
Property, Plant and Equipment - Net	7,652,258	7,521,444	1.7%	3,852,273	3,807,243	1.2%
Other Investments	23,645	22,890	3.3%	21,524	22,858	(5.8%)
Net-Current Assets	14,015,396	9,399,654	49.1%	7,115,250	7,501,792	(5.2%)
Gross Dividends	N/A	N/A	-	225,377	1,239,575	(81.8%)
Dividend per Share - Rs.	N/A	N/A	-	0.20*	1.10	(81.8%)
Dividend Payout Ratio - %	N/A	N/A	-	102.17*	31.70	222.3%
Dividend Yield - %	N/A	N/A	-	0.36	7.90	(95.5%)
Earnings per Share - Rs.	0.01	3.51	(99.8%)	0.20	3.47	(94.4%)
Price Earnings Ratio - times	N/A	N/A	-	75.00	4.03	1,761.0%
Net Assets per Share - Rs.	9.00	10.27	(12.3%)	5.90	6.96	(15.2%)
Market Price per Share - Rs.	N/A	N/A	-	15.00	14.00	7.1%
Gross Profit Margin - %	34.46	28.88	19.3%	33.82	27.04	25.1%
Operating Profit Margin - %	12.21	10.72	13.9%	13.08	10.39	25.9%
Net Profit Margin - %	0.18	5.35	(96.7%)	0.46	5.69	(91.9%)
Return on Average Net Assets/Equity - %	0.75	34.57	(97.8%)	3.04	60.49	(95.0%)
Return On Capital Employed - %	0.48	12.73	(96.2%)	-0.34	21.56	(101.6%)
Equity Assets Ratio - %	15.34	15.15	1.3%	14.95	14.49	3.2%
Debt Ratio - %	84.66	84.85	(0.2%)	85.05	85.51	(0.5%)
Debt to Equity - Times	4.88	3.56	37.2%	4.46	3.00	48.6%
Gearing Ratio - Times	0.82	0.78	5.0%	0.81	0.75	7.6%
Interest Cover - Times	1.03	3.39	(69.6%)	0.99	3.53	(72.0%)
Dividend Cover - Times	N/A	N/A	-	0.98	3.15	(68.9%)
Current Ratio - Times	1.33	1.18	12.9%	1.29	1.22	5.7%
Quick Assets Ratio - Times	0.86	0.75	14.7%	0.55	0.61	(9.3%)

* 2021/22 Final Dividend paid on 13th May 2022



NON-FINANCIAL HIGHLIGHTS

Manufactured capital

432

Customer touch points across 25 districts in the country

4

Manufacturing facilities in Sri Lanka producing goods which generate 30% to the Group Revenue

Rs. 7.7 Bn

Property, plant and equipment with Rs. 889 Mn investment in 2022/23

Brand Strength

People Brand of the Year 2023

at SLIM-KANTAR People Awards for the 17th consecutive year

Top 10 Strongest Sri Lankan Brands

Brand Finance

Top 40 Business Today

Top 50 Hall of Fame LMD

>2 Mn

Loyalty customer base

Environmental impact

Adoption of Hayleys Lifecode

Group's comprehensive ESG Roadmap

11%

GHG emissions reduced

17.9 MT

E-waste collected

9 refrigerator models under the Sisil brand received Minimum Energy Performance (MEP) label by the Sri Lanka Sustainable Energy Authority (SLSEA)

Responsible employer

2,986

Employees

18%

Female representation rate

Rs. 4.0 Bn

Payments to employees

42,223+

Training hours

14.14

Average training hours/employee

84%

Retention Rate

Government & Society

Rs. 7.5 Bn

Total direct and Indirect taxes paid to the Government

2500+

Indirect employment through entrepreneurial branch model

Social and Relationship Capital

Customers

5.8Mn

Customers

86%

Net Promoter Score

16

Service Centres

416

Singer Showrooms

Business Partners

669

Suppliers

Rs. 34.9Bn

Payments to suppliers

1,250+

Dealers

Community

Rs. 6.2Mn

CSR Investment

6,000+

Beneficiaries

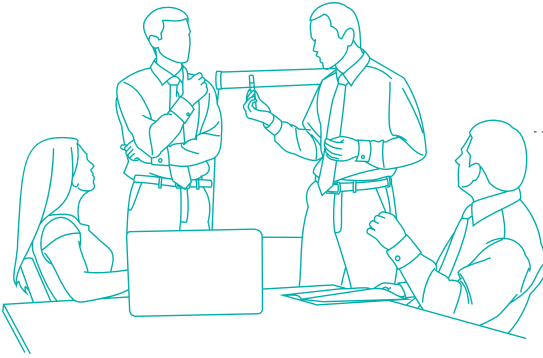
2,424

Employment outside western province

YEAR AT A GLANCE

REVIEW OF 2022/23

The year 2022/23 was unparalleled in Sri Lankan history, putting the resilience, adaptability, and perseverance of employees of every level to the test. Singer managed to overcome the multitude of obstacles by employing pertinent strategies and seizing market opportunities in order to safeguard the interests of stakeholders.



Group resilience strategies

- Continued strategic focus to make Singer a world class brand, by re-focusing the 8 Must Win Battles to 4 core focus areas through the Singer SMART plan.
- Focus on technology growth by emphasizing e-commerce, digital marketing initiatives, and ERP optimization for internal process developments.
- Ensuring relevancy of product portfolio according to global and regional trends by bringing in new products and brands
- Enhancement of Singer's customer loyalty program with the introduction of Singer Red Points and an associated website
- Strengthening service centres to provide unparalleled service through Singer Care App
- People strategy focusing on creating a performance-oriented culture through engagement and collaboration

Macro-economic headwinds

- The temporary suspension of 'non-essential imports' impacting key product categories
- Shortages in foreign currency resulting in import limitations
- Interruptions to energy supply and difficulties sourcing fuel impacting the manufacturing process
- Escalation in interest rates leading to high borrowing cost
- Disruptions to supply chain and distribution channels
- Tightening of monetary and fiscal policy discouraging consumption
- Cost escalations leading to sharp inflation of products impacting affordability



OUTLOOK FOR 2023/24

- Continue our journey towards world-class status by ensuring robust structures and procedures are in place.
- Maintain the relevance of our brand and products in response to rapidly changing consumer demand
- Foster a performance-driven and collaborative work culture in order to be a well-loved employer brand

AWARDS AND ACCOLADES

Singer won the coveted SLIM-KANTAR 'People Brand of the year' award for the 17th year in a row, reaffirming its dominance in the Consumer Durables industry. Singer also won the 'People Durable Brand of the year award at the same award ceremony. These accolades fortify Singer's commitment to driving its brand purpose and showcases the widespread brand recognition and relevance even during volatile market conditions.



SLIM Kantar people durable brand of the year - Singer

SLIM KANTAR people awards 2023

Winner



SLIM Kantar people brand of the year - Singer

SLIM KANTAR people awards 2023

Winner



Honouring 10 years of partnership

Huawei



Retailer of the year - consumer

Dell Business partner meet 2022

Winner



Distributor of the year - consumer

Dell Business partner meet 2022

Winner



Best Integrated Report - Trade & Commerce Sector

CMA Excellence in Integrated Reporting Awards

Winner



Best Integrated Report - Trade & Commerce Sector

CMA Excellence in Integrated Reporting Awards

Merit



Trading sector - Gold award

CA Sri Lanka TAGS Awards 2022

Winner



Business today top 40



Best Presented Annual Report Awards, Integrated Reporting Awards and

SAARC Anniversary Awards for Corporate Governance Disclosures 2021

Gold Award

Winner

CHAIRMAN'S MESSAGE



Mohan Pandithage
Chairman

Dear Shareholder,

Singer (Sri Lanka) PLC weathered a storm in 2022 and I am pleased to say that we are more agile and more determined to forge a path to profitability. The choices we make today shape the future and that is what we continued to focus on as we steered through the most difficult year in living memory.

Creating value for Sri Lankans

Singer has been shaping lives of Sri Lankans for 146 years from the first sewing machines introduced to the country, which now powers the country's largest export sector. Our role has always been that of a catalyst, introducing technology for the home and the office that enriched lives and created more time for the things that truly mattered. Our products have reached every household, taking the toil out of daily chores and creating more time for families. They have powered the careers of thousands of micro entrepreneurs who rely on these carefully selected products for their livelihoods. More recently our products have connected Sri Lankans as we became the largest mobile retailer, changing lifestyles of estate workers and professionals alike. Singer has been Sri Lankans' link to technology in their homes which is now more important than ever as we seek to increase the female participation in the labour force to accelerate economic growth. As the world moves into the 5th industrial revolution, we continue to play an important role in ensuring that Sri Lankans have access to the wide range of products that will facilitate integration with an increasingly technology driven era. An islandwide network connects us to the people, enabling us to create value across the country.

The Manufacturing companies within the Group, Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC and Regnis Appliances (Private) Limited play a vital role in import substitution with its own

range of branded products made to worldclass standards. Collectively, this group has created 338 jobs and create considerable value to the economy through resource transformation and innovation.

The Singer Fashion Academy which has always been popular is aligned to creating talent pools in the country for the Apparel manufacturing sector. The Academy is now aligning to create talent pools to support the increase in value addition within Sri Lanka through its partnership with Lovely Professional University of India.

More recently, the Group has looked to support local manufacturers and innovators through the gradual increase of local sourcing. This has greater potential to be explored further.

Context to performance

There was little in the economy that was supportive to the Singer Group or retailers of consumer durables. The sharp devaluation of the rupee, soaring inflation, rising interest rates and increased direct and indirect taxation reduced household budgets and disposable income. The devaluation and inflation had a dual impact as these increased our costs of purchases which resulted in increased prices for budgets that had already shrunk due to the same. Demand for electronics and home appliances plummeted as a result.

The import restrictions also had a multi-dimensional impact on the Group with the obvious one being the limitations in the types of products which we could import. The more insidious but less visible one is the growth of the grey market which is inevitable whenever restrictions are imposed. As a result, competing products were entering the market with a complete absence of the governance standards that we uphold as a responsible corporate.

Additionally, the avoidance of import duties not only results in loss of revenue to the government but also makes it difficult for businesses that do pay their dues to compete effectively on price.

The paucity of foreign exchange was a challenge as we were unable to procure inputs required for manufacturing which had a significant impact on the factories. We were also unable to import even items off the restricted list due to the same reason.

With extreme pressure on the top line there was no headroom for cost increases. As inflation surged, operating costs also trended upwards exerting pressure on margins. Additionally, the impact of the economic pressures on our teams were keenly felt as many citizens decided to migrate to other countries. Diminishing talent pools in the country made it difficult to replace these people with others of a similar calibre. Planned power cuts which continued for 9 months and a significant tariff hike further dampened consumer interest in appliances while also increasing operating costs across an islandwide network of 416 showrooms.

The sharp rise in interest rates had a significant impact on Singer Finance operations as well as the rest of the Group, deterring consumers purchases while eroding the profitability.

A determined performance

Singer Group recorded turnover of Rs.54.77 Bn for the year ended 31st March 2023, 29% below the previous year reflecting the impact of the challenges discussed above. However, dynamic pricing and close monitoring of costs enabled the Group to improve its gross margins and operating profit margins. Accordingly, the Group delivered an operating profit of Rs.6.69 Bn for the year. Finance costs increased by 173% as interest rates took a toll on profits

CHAIRMAN'S MESSAGE

Singer has been shaping lives of Sri Lankans for 146 years from the first sewing machines introduced to the country, which now powers the country's largest export sector. Our role has always been that of a catalyst, introducing technology for the home and the office that enriched lives and created more time for the things that truly mattered.

resulting in profit before tax declining sharply from Rs.5.54 Bn to Rs.174.19 Mn. Profit after tax followed suit moving from Rs.4.11 Bn to Rs.95.93 Mn reflecting the sharp movement of critical variables.

Working capital management was a priority as movement of inventory needed to be managed with borrowings. Total assets and net assets decreased as inventory levels and receivables declined, right sizing the balance sheet to manage exposures. The balance sheet remains healthy as borrowings were carefully managed at the same level as the previous year to reduce the impact of high interest rates.

Leadership matters

The Board priority was to guide management through its most difficult year, keeping stakeholder concerns balanced while maintaining liquidity and managing exposures. Increased oversight of performance and risk management supported agile strategy and resource allocation to seize the few opportunities for growth in a market with negative consumer sentiments. Working capital management was carefully monitored to balance liquidity and profitability. Singer Finance and the Group's Hire purchase portfolio were key closely monitored as credit risk levels increased during the year. Getting fundamentals right was key and this enabled the Group to reduce its impairments compared to the previous year. It also enabled the Group to curtail expansion of borrowings as interest rates continued upward till the end of the 3rd quarter, with a marginal easing in the fourth quarter. The steady guidance of the Board reflects the skills and experience of the members of the Board as we maintained a conservative approach to risk management, given the uncharted terrain we were navigating.

The Group used this year to look inward and do the necessary transformations that would enable them to emerge as a future ready organisation that is ready to shape the Sri Lankan lifestyles for another generation. Technology and AI play a key role in our future enabling us to target our marketing efforts. Consequently, the Board has enhanced its digital governance to ensure that data privacy is upheld and our systems are secured against increased cybersecurity threats.

Mainstreaming ESG

The Singer Group embraced the Hayleys Lifecode in the previous year and the focus of this year was to institutionalise the policies and commitments articulated in this document which seeks to shape

the future with the right choices today. As a B2C business, Singer can play a critical role in helping consumers manage their carbon footprint and this is now getting factored into the sourcing strategies supported by high levels of awareness on the need for reducing energy. It also influenced the range of solutions offered and as a result, we saw rooftop solar installations recording noticeable growth during the year as more customers sought to reduce their energy costs with long term solutions.

The framework and the Hayleys concern for people ensured that we supported our employees through this difficult time as their purchasing power was also affected. Accordingly, Singer Group's remuneration committee approved upward adjustments to salaries and a bonus to ease the inflationary and taxation pressures on the employees.

There is clearly an urgency to mainstreaming the ESG Framework to green our supply chains and the products that move through us as climate change is now a priority as we observe its devastating impacts around the world. The year ahead will see the commitments being institutionalized to move the needle on climate change.

Outlook

2022 saw seismic shocks as key variables moved up sharply with little time for people or entities to brace for the shocks, particularly as they came soon after the pandemic years. Encouragingly, stability has been restored to a large extent and we have now witnessed 7 consecutive months of inflation trending downwards with policy interventions. The approval of the Extended Fund Facility by the IMF was encouraging and the disbursement of the first tranche helped to stabilize the rupee. Downside risks remain as the recovery is yet to be consolidated with

improved performance. The government debt restructuring to restore the debt sustainability to desired level is yet to be finalized.

The private sector has been the strength of the economy, providing the necessary buffers with increased taxation, maintaining employment and driving economic growth in the country. It is vital that its views are considered by the government in its policy decisions and we urge policymakers to engage the corporate sector as a key stakeholder in consultations on policy. It is in the government's interest to facilitate the conduct of business, encouraging private sector investment and foreign investment through an enabling policy framework. Representations made by industry bodies must be considered in drafting policy to ensure that stakeholder concerns are balanced.

The import restrictions in place are quite wide-ranging and a necessary part of a contemporary lifestyle. While understanding the concerns, we believe it is necessary to review this list with a view to a judicious easing in discussion with key stakeholders.

We are excited about the internal transformations, some of which were rolled out during the year and others which will come in over the next. The year under review tested our mettle and ingenuity and we believe it has opened our mind to new possibilities that we are eager to explore.

Acknowledgements

I wish to commend the able leadership provided by the CEO, Mahesh Wijewardene in rallying his team to power through a negative outlook in the country. I take this opportunity to extend my appreciation to Mr.Dhammika Perera who served as Co-Chairman and resigned from the Board in June 2022 for his invaluable contributions and counsel over the years. On behalf of the Board I also thank Ms.Kawshi Amarasinghe and Mr.Ramesh Chitrasiri who resigned from the Board during the year under review. I also welcome Ms.Brindhiini Perera to the Board, whose appointment has strengthened the Board's skill profile and diversity. I thank the team at Singer Group for their loyalty and commitment during the year and commend their untiring efforts. We are appreciative of the support of our loyal customers who continue to trust Singer to enrich their lives. We thank our business partners and other stakeholders for their support and confidence in the Group as we seek to deliver increased stakeholder value in the year ahead.

Thank You,



Mohan Pandithage

Chairman

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



Mahesh Wijewardene
Group Chief Executive Officer

A continuous hire purchase customer base and a loyalty customer base are testament to the fact that our relationships have moved beyond transactional relationships to relationships that are trusted to add value to their lives. We have strengthened these relationships with technology enhancements to increase our reach and enhance customer convenience through digital marketing, ecommerce and payment gateways.

2022 was undoubtedly a year in which we needed to be agile, performing a high wire balancing act to steer the company through one of the toughest years known in history. This required ingenuity, resolve and resilience and support from our parent company, Hayleys PLC, proved invaluable in navigating the year as Group-wide initiatives to manage specific issues and knowledge sharing cleared numerous potential blockages.

It was difficult to find a macroeconomic factor that supported our business or consumers. Tightening fiscal and monetary policy was targeted at reducing consumption which resulted in declining purchasing power of our consumers. Additionally, the devaluation of the rupee led to higher prices of goods, exacerbating consumer challenges. The energy crisis followed by sharp increases in electricity tariffs dampened consumer sentiments. Increased taxation and tariffs impacted both the costs of sourcing and the disposable income of consumers. Inflation had the highest impact on consumer disposable income as the CCPI soared during the year. These factors combined to put many essential white goods beyond the reach of a large proportion of consumers, affecting their quality of life.

The foreign exchange liquidity crisis led to many products being classified as non-essential and placed on a temporary restricted list which was a monumental challenge that could not be overcome through agile strategy. The sharp decline in disposable income exerted pressure on salaries and wages while also diminishing talent pools in the country as professionals at all levels sought routes for economic migration. Despite the overwhelming odds, Singer Group was able to record an operating profit of Rs.6.69 Bn, reflecting the hard work done to recalibrate strategy to volatile factors. However, the sharp spike in Interest rates to over 30% was a

body blow to profitability, resulting in a post tax profit of Rs.95.93 Mn, compared to Rs.4.11 Bn post tax profit in the previous year.

The gradual decline in inflation and the even more gradual easing of interest rates and exchange rates are encouraging. However, many essential white goods still remain on the restricted list which continues to be a concern as it gives rise to a gray market with all the evils of tax and tariff avoidance schemes and more that will be difficult to control once established.

While navigating through obstacles in 2022/23, we also used this time to look inward to strengthen our business and value propositions for stakeholders. We strategised and are readying for our next wave of growth at the opportune moment.

Relevant

Operating in Sri Lanka for 146 years, Singer touches the lives of almost every Sri Lankan. This is affirmed by the Group's winning the People Brand of the Year Award at the SLIM- KANTAR People awards organised by the Sri Lanka Institute of Marketing for the 17th consecutive year. In words borrowed from the Marketing Director, it reflects the share of heart' that our brand holds within our customers.

We are valued as we transform lives of Sri Lankans with technology, creating time and enriching experiences every day through a comprehensive portfolio of products. A continuous hire purchase customer base and a loyalty customer base are testament to the fact that our relationships have moved beyond transactional relationships to relationships that are trusted to add value to their lives. We have strengthened these relationships with technology enhancements to increase our reach and enhance customer convenience through digital marketing,

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

The Group is committed to creating a place where people love to come and contribute, performance is recognised and competencies are developed creating happy employees. We will also drive manufacturing and supply chain excellence through lean manufacturing processes, responsible sourcing and streamlined logistics. Our values remain unchanged as we will not compromise on these as these are what binds us together, shaping our culture.

ecommerce and payment gateways. The Singer Loyalty program was simplified and enhanced. Singer is prominent in digital marketing as we extend our reach, ensuring we increase our relevance to the lives of people.

Adroit & Agile Strategy

We evolved our strategy from the Must win battles implemented over the past two years, paving the way to align our business to the new strategy - A world class brand. We articulated the three dimensions to it which are a respected corporate brand, a trusted consumer brand and a loved employer brand. Unparalleled customer centricity is a core theme focusing on creating positive customer experiences that strengthen relationships through an unparalleled product and service offering. We will drive growth and profitability outpacing the industry by instilling a strong profit orientation in our businesses and developing new channels and business while growing current ones. The Group is committed to creating a place where people love to come and contribute, performance is recognised and competencies are developed creating happy employees. We will also drive manufacturing and supply chain excellence through lean manufacturing processes, responsible sourcing and streamlined logistics. Our values remain unchanged as we will not compromise on these as these are what binds us together, shaping our culture.

There were quick fixes that were implemented immediately pending the roll out of a state of the art CRM system. Accordingly, our loyalty programme was activated fast enabling us to reach out to our customers with Singer Red Points which has been a success. After sales service was another priority area as customers were more reliant on after sales as affordability and availability became

key issues and people wanted to use their appliances much longer. Training of staff was key to driving success and a comprehensive programme was rolled for the Retail staff. Progress on strategy is monitored monthly.

Opportunities seized

We kept looking for opportunities as we were trying to grow in a policy environment that promoted reducing consumption. Disposable income was a key issue and we decided to promote hire purchase as a tool to be used cautiously to address this. Education is an area where people were still spending money and we continued to maintain supply. Agri business revived as the last harvest was positive. Customers were also interested in solutions to manage their energy bills. This included a replacement market for energy efficient products such as refrigerators which enable customers to realise savings fast. Customers were also seeking solutions to generate renewable energy in the solar category which was also a growth category during the year. There was increased interest in security and surveillance solutions as well. The Apartment and Construction industry are recommencing activity and there is room to provide total solutions for this segment. Demand for furniture also increased and the category's gross sales crossed the Rs.5 Bn mark which witnessed accelerated growth.

We added new brands to our portfolio, Honour and Panasonic. Our focus turned to local manufacturing and expanding the furniture business which is a thrust category supported by a large manufacturing facility. Customer interest was maintained by adding new items on the omnichannel platform on a regular basis. As with every crisis, there are opportunities to be seized and we are focusing on identifying and addressing them.

Driving performance by seeking out opportunities will be the main priority in the year ahead as we look to restore our top line and returns to stakeholders. Retaining critical talent and developing talent will be a key strategy to drive our aspirations.

We also took this opportunity to take time to get things right. Productivity and cost structures are being reviewed and realigned to our goals so we can take off as things pick up. We are optimising and restructuring legacy systems and processes to integrating technology in a more meaningful manner. The organisation structure will be leaner and more efficient. Our branch network will also be reviewed to rationalize. The ERP system is being rolled out supporting growth with business intelligence and AI. The system will cover manufacturing segments as well. We will continue to invest to drive lean. These initiatives prepare us for a new era of retail in consumer durables.

A loved employee brand

The Singer Team numbers around 3,000 permanent employees and a further 3,500 in geographically spread out 416 showrooms, factories, warehouses and offices. Retaining, inspiring, and motivating them amidst the economic downturn was a challenge in 2022. Accordingly, we engaged with the staff to

explain the situation, and the challenges we faced. There were no salary cuts, additional allowances were given regularly and a bonus was paid although we made losses to help employees tide over. Economic migration of skilled employees was a critical factor and our retention rate declined as a result.

Our focus will be on professionalism in everything we do and ensuring that we have the right person for the right job, from divisional heads to the shop floor employee. This is a challenge, but we are committed to developing and building quality talent as it is fundamental to running any successful organization.

Against the tide

From the beginning of the financial year, the deck was stacked against retail businesses simply because the need of the hour was to reduce consumption and all economic and fiscal policy was designed to achieve this purpose. As a result the Group's top line declined by 29% to Rs.54.77 Bn reflecting both negative consumer sentiments and the impact of tightening monetary and fiscal policies. Financial services and Furniture were the bright spots recording 18% and 12% growth during the year while all other categories recorded a decline.

Managing operation was the main focus. When the top line comes down, we needed to trim the costs which proved to be a significant challenge. With factories, we needed to curtail production. We also needed to look at costs in a very disciplined manner to identify potential savings which was a Group-wide exercise. Demand for after sales services increased and we needed to redeploy resources to this area as customers held onto products longer. Gross margins also came under pressure as disposable income declined resulting in gross profit declining by 15% to Rs.18.8 Bn.

Costs were also managed to a large extent. It is also commendable that we were able to reduce the impairment charge by 126%, reflecting prudent credit controls. Operating profit of Rs.6.69 Bn reflects the pain points and efforts to trim costs as discussed above. The biggest hurdle during the year was finance cost as interest rates soared to over 30%. As a result, Finance costs increased by 173% to Rs.5.25 Bn although borrowings remained virtually unchanged. Profit before tax was Rs.174.19 Mn compared to Rs.5.54 Bn in the previous year reflecting the severity of impact of external factors on the performance of the Singer Group despite our rigorous efforts to manage its impacts. The impact of increased tax rates on deferred taxes chipped away at the profit after tax, reducing profit after tax to a mere Rs.95.93 Mn for the reporting year compared to Rs.4.11 Bn in the previous year, a meagre but hard earned profit.

Total assets declined by 11.8% to Rs.78.79 Bn as we zealously guarded liquidity. Working capital management was critical to managing liquidity, borrowings and finance costs. Our efforts are reflected in the improvement of the current ratio from 1.18 to 1.33 and the quick asset ratio from 0.75 to 0.85. Debt equity declined from 3.56 to 4.88 as revenue reserves dipped with the payment of dividends for the previous year. Borrowings remained largely unchanged due to our focus on working capital management and liquidation of inventory.

ESG at Singer

Singer is aligned to the Hayleys ESG Framework-Hayleys Lifecode and greening our operations is a key part of it. This year there was a strong focus on greening our customer journey as energy efficiency has also been a key concern of our customers. Refrigerators in particular have come a long way in improved energy

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

efficiency which is key to managing energy consumption in households and businesses. Our rooftop solar was a growth area as stated above. Similarly, water efficiency is a key consideration with appliances such as washing machines and dishwashers. As our business is in consumer durables, we are conscious of the difference in the carbon and water footprints of customers and the country as a whole by ensuring that the products we source and sell are environmentally conscious.

We have increased our local sourcing this year which supports local businesses as well as reduces the length of our supply chain for these products. Currently, we have over 300 local businesses working with us. Additionally, we have increased local manufacture as well supporting jobs in the country. The Singer Fashion Academy continues to provide training for over 6,500 people through a network of 54 branches, supporting the apparel industry with talent pools and creating microentrepreneurs. Its recent partnership with Lovely Professional University in India expands the curriculum to degree level, paving the way for Sri Lankans to get a recognised qualification in this field.

Our ranking at #16 of the Most Respected Entities is a reflection of the high standards of conduct that we uphold. Conduct and governance shape our reputation and is the bedrock that has sustained our existence of 146 years.

Future Outlook

There are signs of easing pressures which is encouraging but we are aware that it needs to be consolidated with the finalization of the debt restructuring and structural reforms that will put our country on a path to recovery. Our activities continue to be hampered by import restrictions which still include essential white goods including washing machines, televisions, refrigerators, air conditioners and kitchen appliances. As more women seek to contribute to household budgets, many of these items are not luxuries but necessities that allow them to find time to work.

The rise of the grey market with undeclared goods smuggled into the country is a hindrance to the progress of the industry and depriving a larger portion of tax revenue to the government. The government must act fast to control this effectively as they did with worker remittances.

Driving performance by seeking out opportunities will be the main priority in the year ahead as we look to restore our top line and returns to stakeholders. Retaining critical talent and developing talent will be a key strategy to drive our aspirations.

The way we work and live are being transformed by technology at a mind blowing pace. Singer seeks to be a catalyst that supports Sri Lanka's pace of development by putting technology into the hands of Sri Lankans, supporting their integration to a new era of digitalisation.

Acknowledgements

It was a year of swimming against the tide and we couldn't have turned in a profit, however small, if everyone didn't flex their minds and muscle to create a collective energy. I am deeply appreciative of the efforts of all our people and thank them for their commitment and loyalty. We are committed to enhancing the value propositions of our stakeholders and thank them for their patronage and support during the year.

I wish to thank the Chairman for his effective leadership during a difficult year and also thank the Board for their invaluable insights and contributions. I close by thanking our shareholders and all other stakeholders for their continued confidence.

Thank You,



Mahesh Wijewardene

Group Chief Executive Officer

WHO WE ARE

A Glance at Singer

Singer is a renowned household brand in Sri Lanka with an established track record of over 146 years. Its brand heritage stems from the trust built over generations and a vision to enrich and elevate the lives of Sri Lankans across the country. Singer has a formidable market presence with an island wide reach through 416 retail outlets, 1,250+ dealer

points, 300+ service points and a state-of-the-art e-commerce channel. Singer is the market leader in Sri Lanka's consumer durables industry, with a portfolio of over 52 international brands and a dominant presence in numerous product segments. Singer's local manufacturing presence is considerable through the contributions of its subsidiaries Regnis (Lanka) PLC,

Regnis Appliances (Private) Limited, Singer Industries (Ceylon) PLC and Singer (Sri Lanka) PLC-Furniture Factory which produce a wide variety of high-quality home appliances, sewing machines, furniture and other components. The Group is a subsidiary of Hayleys PLC, one of Sri Lanka's largest and most prestigious conglomerates.

Purpose

Elevating and enriching lives of people.



Mission

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



Values

Lead with Respect

Demonstrate responsibility and integrity.

Improve and innovate passionately.

Collaborate for success.

Respond with agility.

Drive sustainability



Singer is one of Sri Lanka's best loved brands, having been ranked as the People Brand of the Year at the SLIM-Kantar People Choice Awards for 17 consecutive years.

61 Mn USD

Brand value (by Brand Finance)

Strength Of Our Brand

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

Customer Reach

416

Singer showrooms

16

Service Centres and Singer Care App

5

Social Media Platforms

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

600+

Electronic items

50+

International brands

Extensive Product Portfolio

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

1,250+

Home appliances

PORTFOLIO

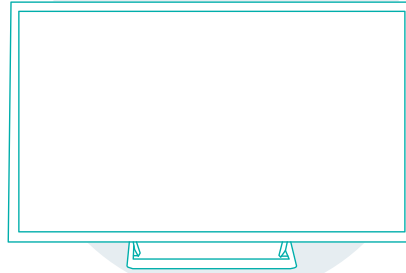
CONSUMER ELECTRONICS

Entertainment and audio-visual equipment including televisions, DVDs, home theatres and audio solutions

Highlights of

2022/23

Focus on local procurement



Rs. 4,358Mn
Revenue

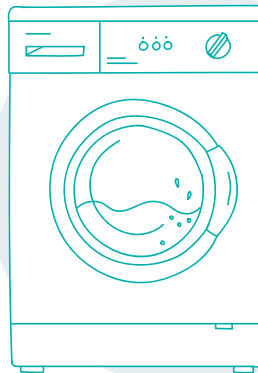
HOME APPLIANCES

Refrigerators, washing machines, kitchen items and a comprehensive array of other appliances

Highlights of

2022/23

Focus on locally manufactured products



Rs. 18,226Mn
Revenue

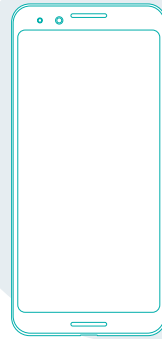
DIGITAL PRODUCTS

Computers, mobile phones and headphones

Highlights of

2022/23

Focus on new Brand acquisition



Rs. 12,728Mn
Revenue

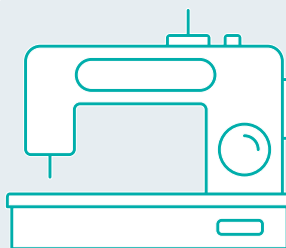
SEWING MACHINES

Domestic and industrial sewing machines

Highlights of

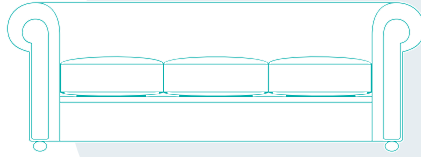
2022/23

Partnering with Lovely Professional University of India



Rs. 2,453Mn
Revenue

Rs. 4,147Mn
Revenue



FURNITURE

Range of solid and modular, living room, bedroom and office furniture

Highlights of

2022/23

Introduced 83 number of models to the Furniture category

Rs. 9,653Mn
Revenue



FINANCIAL SERVICES

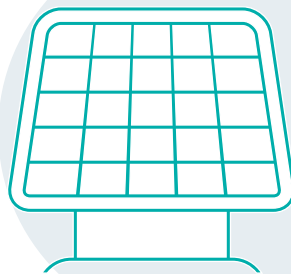
Leasing, hire purchases, loans, provision of a range of financial services such as acceptance of utility bill payments and insurance premiums

Highlights of

2022/23

Introduced 7 new branches

Rs. 682Mn
Revenue



SOLAR

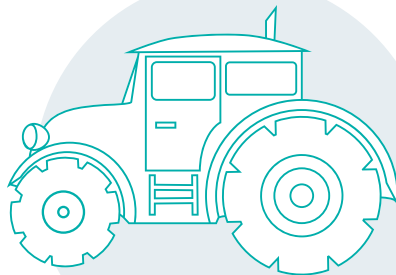
Solar powered solutions

Highlights of

2022/23

Focus on domestic demand for solar powered solutions

Rs. 2,520Mn
Revenue



OTHER

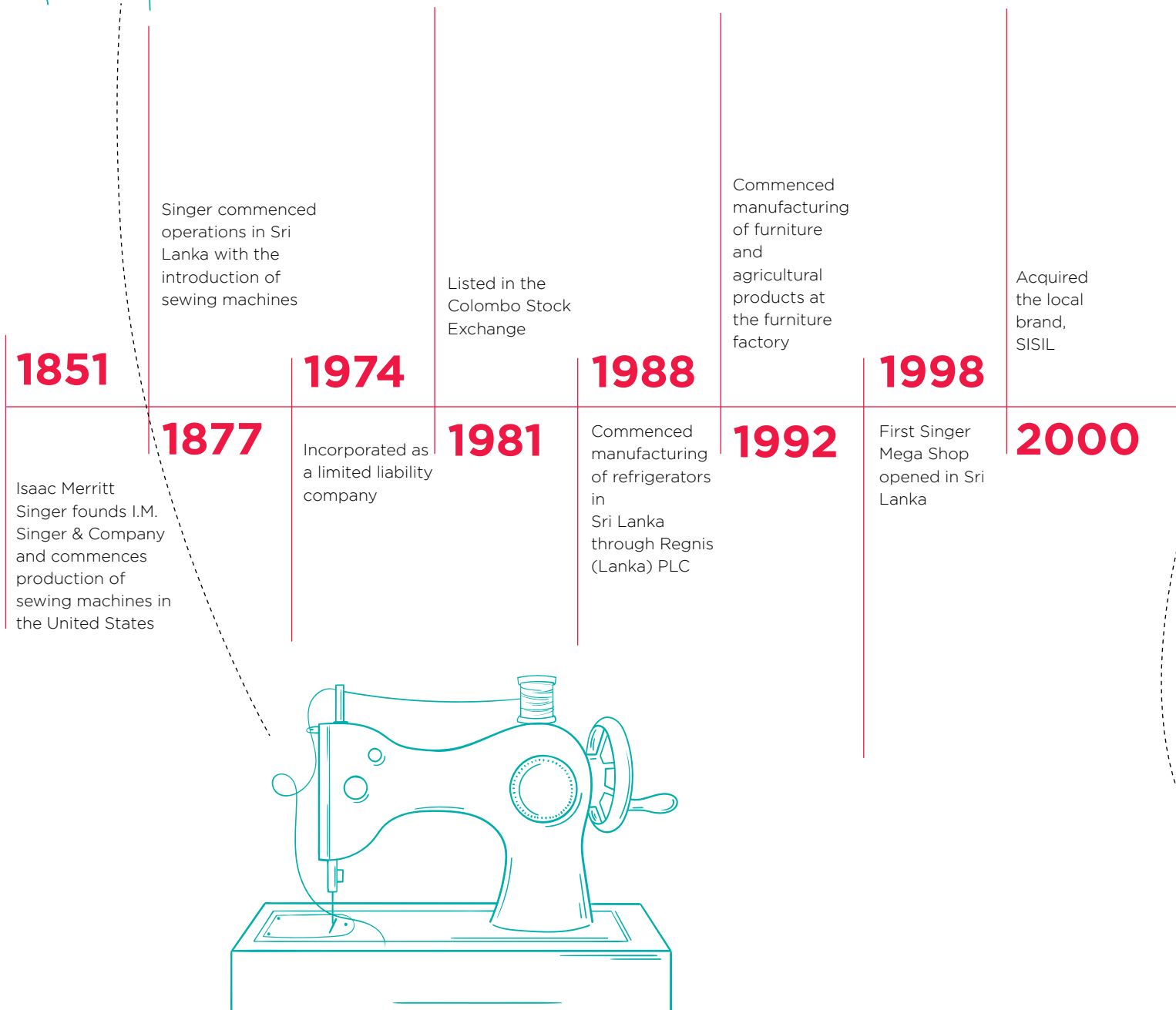
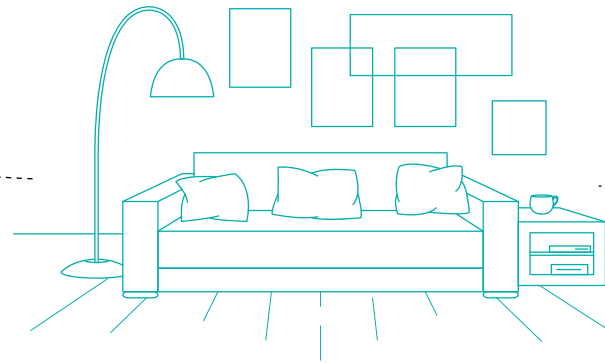
Tractors, Water pumps, agricultural equipment, other personal and household appliances

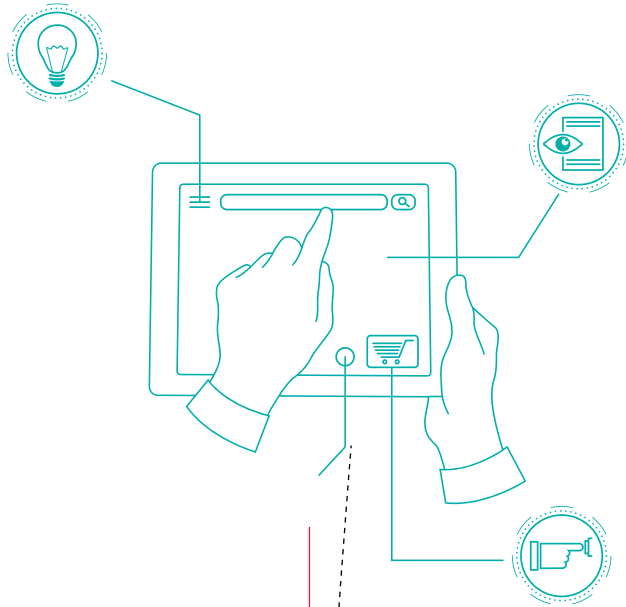
Highlights of

2022/23

Operating profit recorded Rs. 347 Mn

MILESTONES





2004

Introduced a range of refrigerators with R600a refrigerant technology for the first time in South Asia
Opened 400th shop at Kundasale

2016

Hayleys PLC acquired a controlling stake of Singer (Sri Lanka) PLC

2020

Launch a new e-commerce website and Singer Care App

Singer rebranding initiative

2023

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

Established Singer Finance (Lanka) PLC

2013

Conducted a group restructuring and acquired majority stake of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC

2017

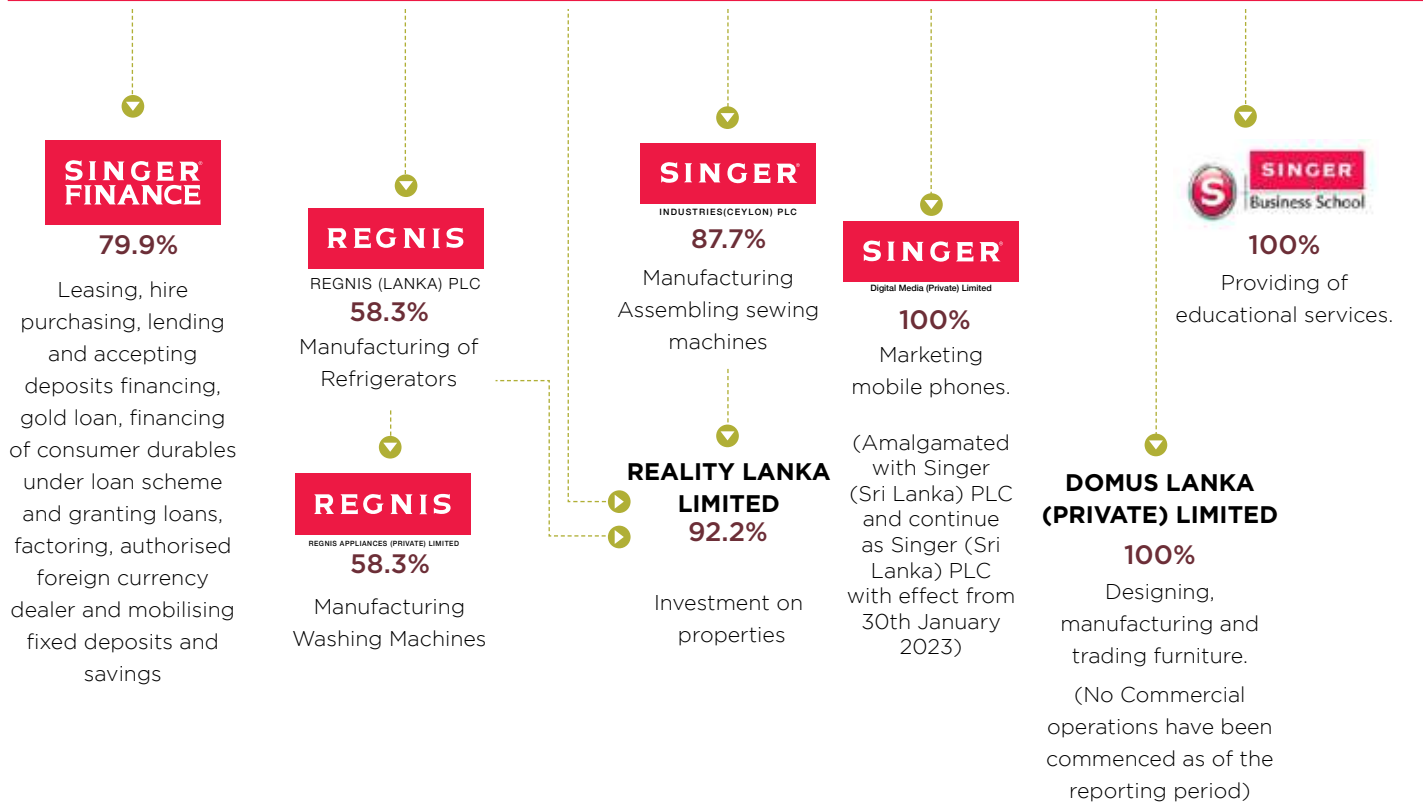
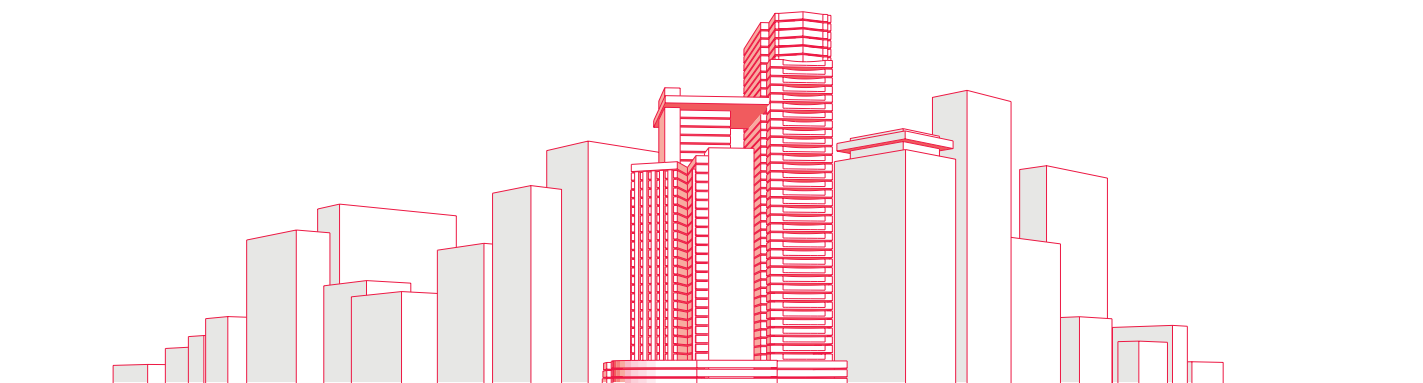
2021



GROUP STRUCTURE



SINGER (SRI LANKA) PLC



SOCIO-ECONOMIC IMPACT

Integrating ESG at Singer

As part of the Hayleys Group, Singer adopted the Hayleys Lifecode launched in January 2022 to harmonise ESG integration across all entities in the Hayleys Group. The Lifecode sets out the ESG policy framework for the Group and governance mechanisms, clearly outlining the need for a holistic approach to decision making.



ESG Approach



These aspirations represent the Group's goals in pre-COVID operating conditions

SOCIO-ECONOMIC IMPACT

Strengthening oversight of ESG Implementation

A full-time, dedicated sustainability executive supports the CEO and the Board in implementing ESG across Singer's islandwide network. The Group tracks performance against commitments set out in the Lifecode on a quarterly basis facilitating progress. As ESG reporting continues to evolve at a rapid pace, we are preparing to enhance our own implementation, ensuring that areas relevant to the business of Singer are given sufficient weightage.

Improving Alignment in 2023/24

Singer is following the developments in sustainability reporting and is looking to improve its integration of ESG as follows:



Improve alignment with IFRS Hayleys Lifecode

Support management of consumer footprints through energy, water and resource efficient products

Manage our own materials, energy and water consumption

Support circularity of products

Managing Climate Risk and opportunities

Review our metrics to align to the Lifecode and ensure our priorities are included

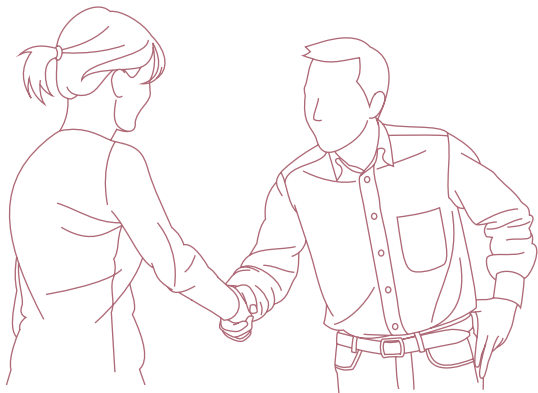
Statement of Value added - Group

CATEGORY	Twelve Months ended 31 st March 2023		Twelve Months ended 31 st March 2022	
	Rs. '000	%	Rs. '000	%
Group Revenue - Gross	58,625,516		80,039,226	
Other Income	248,027		262,197	
Less: Cost of Material and Services	40,539,488		57,778,805	
Value Added	18,334,054	100.0	22,522,618	100.0
Distribution of value Added to Employees and Dealers				
Salaries, Commissions and Other Benefits	4,032,322	22.0	4,302,685	19.1
To Government				
Income taxes, Turnover Taxes, Value Added Taxes and Other Taxes	7,501,070	40.9	9,786,117	43.4
To Banks, Deposit Holders and other Lenders				
Interest and Bank Charges on Borrowings and Customer Deposits	6,118,864	33.4	2,320,221	10.3
To Suppliers of Capital				
Dividends to Shareholders	-	-	1,239,575	5.5
Retained for Reinvestment and future Growth				
Depreciation, Amortisation and Impairment	818,257	4.4	784,674	3.5
Retained Profits	(136,459)	(0.7)	4,089,346	18.2
Value Distributed	18,334,054	100.0	22,522,618	100.0

Our Impacts

The Group's socio-economic impact is significant given its extensive geographical footprint and operating model. As a consequence of its supply and distribution channels, the Company promotes the economic empowerment of around 10,000 households across the island.

Social



Rs. 4.0 Bn

Payments to employees

6,510

Students enrolled in Singer Fashion Academy Extensive product portfolio offering better quality of life

Rs. 7.5 Bn

Total direct and indirect taxes paid to the Government of Sri Lanka

2500+

Indirect employees through entrepreneurial branch model

Economic



Environment



A range of next-generation technologies and solutions with environmental engineering for a better tomorrow

9 refrigerator models under the Sisil brand received Minimum Energy Performance (MEP) label by the Sri Lanka Sustainable Energy Authority (SLSEA)

**REMAINING
STRONG
& STEADFAST**

Management Discussion & Analysis

Value Creation Model.....	30
Stakeholder Relationships.....	32
Operating landscape.....	34
Determining materiality	38
Our Strategy.....	42
Sustainability Reporting at Singer.....	44

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 which are transformed through implementation of a holistic strategy across different business activities and processes. This transformation results in the creation of value for the Group's stakeholders including shareholders, employees, customers, supplier and other business partners.

Capital Inputs


Financial Capital
 Funding and financial resources available to the Group (Pg. 48-57)
 Shareholders' funds: **Rs. 12,089 Mn**
 Borrowings: **Rs. 30,221 Mn**




Manufactured Capital
 Physical infrastructure and manufacturing capabilities (Pg. 74-75)
 4 manufacturing facilities
 Total Capital Expenditure - Rs. 889 Mn
 Shop Rebranded - 49
 Shop Renovated - 15




Human Capital
 Capabilities, skills and industry knowledge of our 2,986 - strong employees (Pg. 58-65)



Intellectual Capital
 Organisational capital, brands, systems and processes (Pg. 76-79)



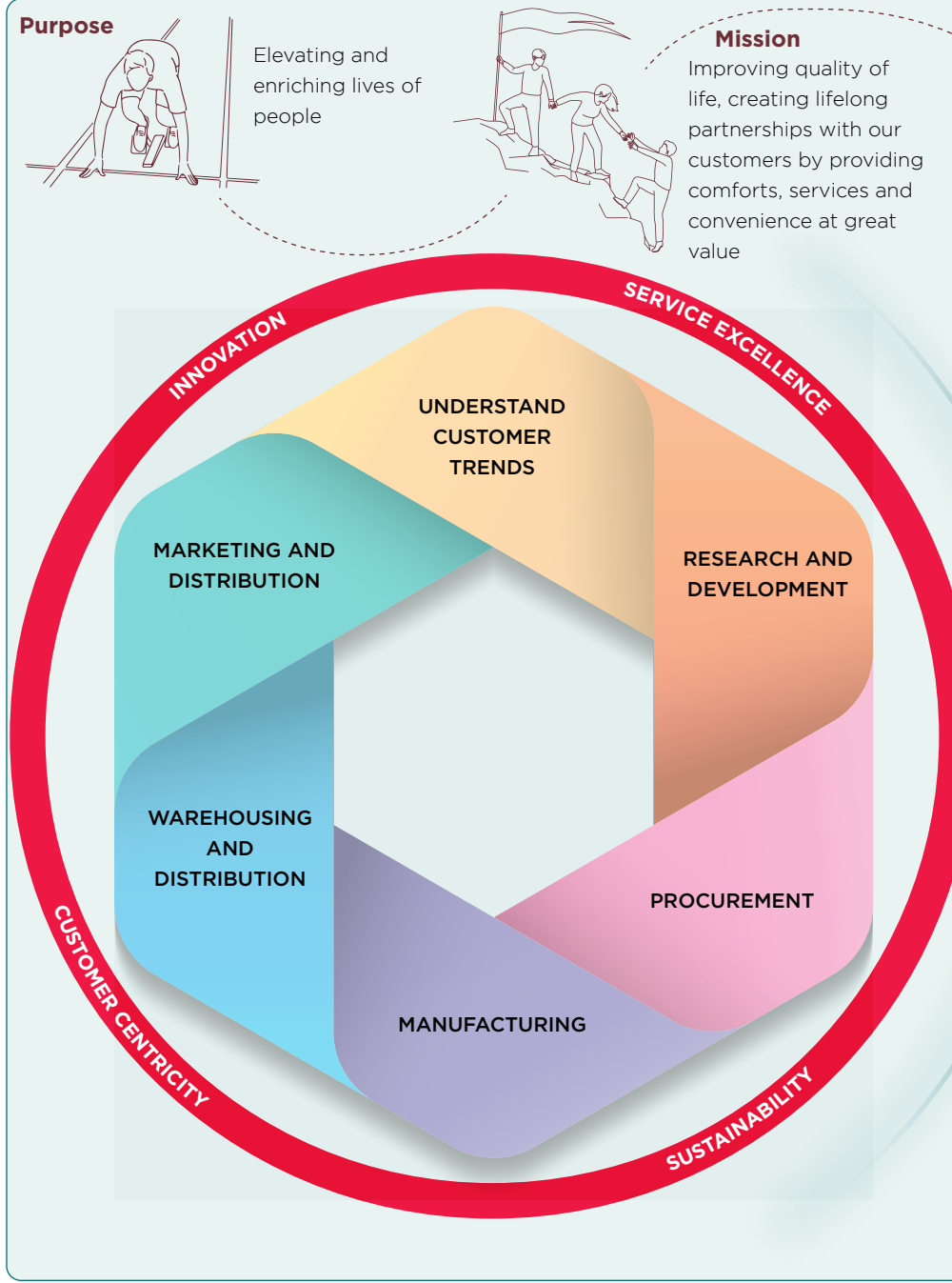
Social and Relationship Capital
 Relationships which facilitate continuity of operations (Pg. 66-71)
5.8 Mn customers
650+ Suppliers
1,250+ Dealers



Natural Capital
 Cognisant of our responsibility in mitigating adverse environmental impacts (pg. 80-85)
11% reduction in emission



Capital transformation



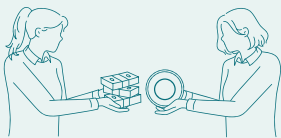
Corporate Governance (Pg. 97)

Risk management (Pg. 110)

Planning and budgeting

Our values

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

Unparalleled customer centricity**Above industry growth and profitability****A place where people love to come and contribute****Manufacturing and supply chain excellence**

Information technology

Outputs**Rs. 54,767 Mn**

Revenue generated

Rs. 6,688 Mn

Operating Profit

46,530

Refrigerators manufactured

31,190

Washing machines manufactured

7,272

Sewing machines manufactured

4,148 Mn

Revenue from Furniture

548

New product Models

1,604

Employees over 5 years service

6%

energy Increase

11%

emission reduction

Supply chain management

Outcomes**Financial Capital**

- + Gross Profit Margin : 34.5%
- + Operating Profit : Rs. 6,688 Mn
- + Total Assets : Rs. 78,798 Mn
- + Net assets per share: Rs 9.00

Manufactured Capital

- +Capital expenditure : Rs. 889 Mn
- +Enhancing manufacturing technology
- Stores rebranded : 49
- Stores renovated : 15

Human Capital

- +Rs. 4,032 Mn Payments to employees
- +Rs. 21 Mn investment in training
- + 18% Female representation

Intellectual Capital

- +Increased digitization of processes
- + Investment in brand building initiatives

Social and Relationship Capital




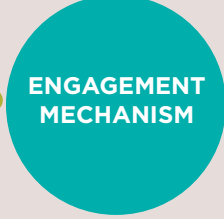
- + Loyalty points redemption rate : 15%
- + Net promoter score : 86%
- + Investment in CSR : 6.2 Mn
- + Payments to suppliers: Rs 35 Bn

Natural Capital

- + Energy consumption: 70,515 GJ
- +Water consumption: 120 Mn Litres
- + Renewable input material used: 40%
- + e-waste collected: 17,994 kg
- +Carbon footprint: 13,932 tco2

STAKEHOLDER RELATIONSHIPS

We recognize the significance of strong stakeholder relationships for long-term value generation and place a strategic emphasis on identifying and addressing the issues of key stakeholders via open and consistent discussions. The Group has established a range of formal engagement platforms to interact with its stakeholders. The group identifies stakeholders based on their impact. Persisting macroeconomic uncertainty prompted additional strengthening of stakeholder involvement throughout the year. The Group’s stakeholder engagement during the year is summarised below:

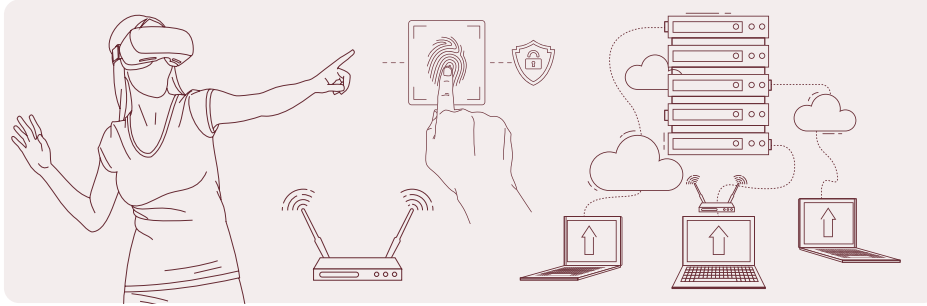
Customers	Shareholders	Employees	KEY
<ul style="list-style-type: none"> Product availability Affordability of products Customer service Quality and reliability Financing options After-sales service 	<ul style="list-style-type: none"> Return commensurate with risk undertaken Implications of macro-economic conditions on performance and stability Transparency of communication Corporate governance and risk management practices Preservation of the brand 	<ul style="list-style-type: none"> Safety and wellbeing Attractive remuneration and benefits Effective performance management schemes Job security Opportunities for training and development Career progression 	 <p>KEY CONCERNS</p>
<ul style="list-style-type: none"> Launched Red Points customer loyalty program Focus on customer service center Customer centricity Hire purchase and easy payment programs Extended warranty scheme 	<ul style="list-style-type: none"> Maintained ongoing and transparent relationships with our shareholders Focused implementation of Singer SMART plan with medium-to-long term strategy Deliver operational excellence 	<ul style="list-style-type: none"> Focus on performance-based culture Capability enhancement through training and development Creating the climate for success through engagement and collaboration 	 <p>OUR RESPONSE</p>
<p>Strong Net promoter score: 86%</p>	<p>Strong Return on equity: 0.75%</p>	<p>Good Employees retention rate 84%</p>	 <p>STRENGTH OF RELATIONSHIP</p>
<ul style="list-style-type: none"> Digital platforms including website, 5 social media platforms and Singer Care App Advertising and promotions Branch Network Service Centres Call Centre 	<ul style="list-style-type: none"> Annual General Meeting Annual Report Publication of quarterly results One-to-one engagement (when required) Board participation of majority shareholder (ongoing) 	<ul style="list-style-type: none"> Multi-level staff meetings (ongoing) Satisfaction surveys (periodic) Performance appraisals (annual) Engagement via digital platforms (ongoing) Open door policy (ongoing) 	 <p>ENGAGEMENT MECHANISM</p>

Suppliers/Principals	Dealers/Distributors	Government/Regulators
<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"> 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 restrictions in importing products Job creation and economic value creation Timely payment of taxes Responsible corporate citizenry
<ul style="list-style-type: none"> Enhanced engagement with international suppliers Expansion of local procurement Manufacturing and supply chain excellence 	<ul style="list-style-type: none"> Strengthened support to ensure survival of dealers and distributors Elevate customer care 	<ul style="list-style-type: none"> Maintain compliance to all relevant regulations and guidelines Proactive engagement with relevant authorities
<p>Good</p> <p>Introduction of new product models : 500+</p>	<p>Good</p> <p>Streamlining distribution channel to optimize resources</p>	<p>Good</p> <p>Fully compliant to all relevant regulations, laws and guidelines</p>
<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 wholesale channel Regular meetings 	<ul style="list-style-type: none"> Engagement through industry associations and forums (ongoing) Direct engagement with relevant regulatory authorities (ongoing)

OPERATING LANDSCAPE

Being a particularly volatile year, close monitoring of changing dynamics and managing risks was imperative to the Group's performance. The numerous socio-economic and environmental factors that are of significance to the Group and its ability to create value is discussed through the PESTEL analysis presented below:

Technology



Changes in technology leading to transformations in the way organizations operate and providing new opportunities for growth and innovation.

- **Artificial Intelligence (AI)** : AI is being adopted in organizations to automate processes, enhance decision-making, and improve consumer experiences.
- **Big Data**: With the prevalence of data, businesses are employing big data analytics tools to gain insights into customer behaviour, market trends, and other crucial business metrics.
- **Mobile Technology**: Mobile devices and applications are gaining importance in the workplace, allowing employees to work remotely while remaining connected to the office.
- **Cybersecurity**: As organizations become increasingly dependent on technology, investment in robust security measures become important to protect sensitive data

Singer has been a catalyst for change in the country, bringing in new technologies and driving digital enablement.

- Importing appliances and devices with the most recent technological advances and manufacturing products of world-class quality to facilitate a convenient and modern lifestyle.
- Increased connectivity through smartphones, laptops and tablets contributing towards digital enablement of the country
- Driving reductions in customer's carbon footprint through offering energy efficient products

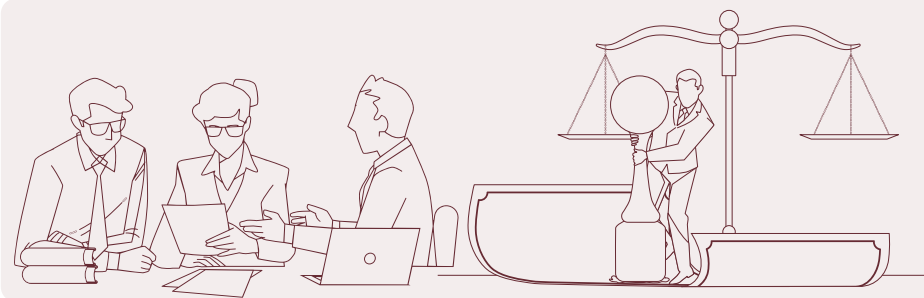
Implications for Singer

- Utilizing emerging technologies to improve decision-making and enhancing the customer experience
- Increased flexibility and efficiency through new technology
- Opportunities for cost rationalization through automation
- Transforming engagement with internal and external customers
- Market opportunities created to introduce the latest technological advancements through imported and manufactured product portfolio.

Strategic response

- Enhance focus on increasing customer engagement through digital platforms
- Drive efficiencies through digitalization and automation
- Agile response to changing customer demand

Political/Legal



Implications for Singer

- Disruption to supply chain and challenges to ensure continued supply of imported products
- Increased price and margin volatility
- Slowdown in domestic demand and weakened consumer sentiments
- Increased focus on local manufacturing

Strategic response

- Strategic focus on preserving liquidity
- Expand local manufacturing and reliance on local input material
- Focus on product portfolio with varying price points

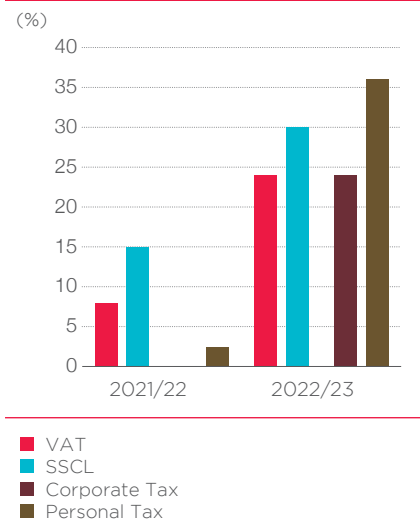
Political instability

Shortages of essential items, accompanied by power blackouts across the country led to an unprecedented political crisis through the first half of 2022. Widespread anti-government protests led to a change in political leadership and the revival in supply of essential items, restoring political stability in the second half of the year.

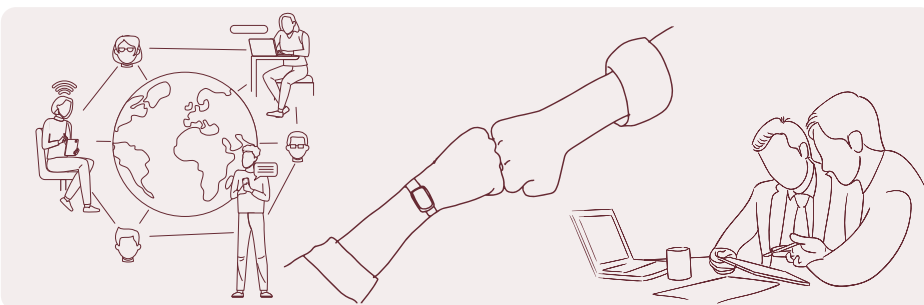
Taxation

VAT, corporate and personal taxes were increased in September and October 2022 to bridge the growing budget deficits as demonstrated below.

Taxation



Social



Implications for Singer

- Increased price sensitivity of customers
- Limited opportunity for product prices increases impacting margins
- Shift in consumer demand towards low-cost products
- Reduced loyalty towards branded products

Strategic response

- Pursued increase growth through targeted marketing
- Introduction of products at various price points to drive value-for-money portfolio

Income Inequality

In the first half of 2022, economic uncertainty caused widespread social unrest across the country. Although it has mostly steadied with the revival of supply of essential items, persisting inflation has exerted pressure on inequality, poverty, and food security.

Migration

The country's prolonged economic crisis has resulted in a large surge in migration, with young professionals pursuing employment prospects outside the country. The brain drain will have a negative impact on the country and organizations in the short-to-medium term.

OPERATING LANDSCAPE

Economic



Implications for Singer

- Product price escalations for import products and increased input cost for manufactured products
- Increase in borrowing cost due to increases in interest rates
- Impact on consumer's disposable income and sentiments
- Increased opportunities in the value-for-money segment

Strategic response

- Strategic priority given to optimizing inventories and available resources
- Right pricing of product to preserve margins while protecting demand
- Focus on operational excellence and productivity improvements

Economic Environment

Macro-economic instability, power shortages, import restrictions and FOREX regulations resulted in Sri Lanka's economy contracting by 7.8% while industries shrank by 16%. Outstanding domestic and foreign debt swelled up to Rs. 25 trillion in July 2022 leading to a suspension of external debt servicing. The country's inability to service its debt commitments and the weak economic development prospects led to Sri Lanka's sovereign credit rating being downgraded to Selected Default (S&P) in the second quarter of 2022.

Import restrictions

The temporary suspension of 'non-essential imports' issued by the Department of Import and Export Control was relaxed for several items including Refrigerators and Washing machines in November 2022. Restrictions for other import goods are expected to be lifted gradually as the economy begins to stabilize following the approval of the Extended Fund Facility (EFF) by the International Monetary Fund (IMF).

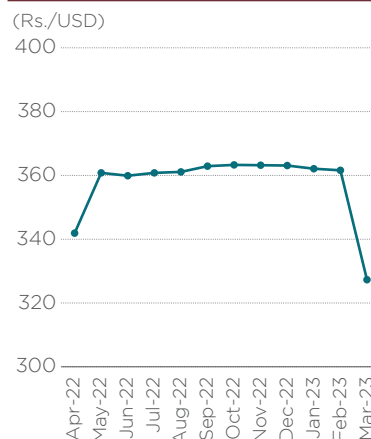
Reforms

Successful debt restructuring negotiations with the IMF has led to the approval of an Extended Fund Facility (EFF) of approximately US\$ 2.9 Bn to support Sri Lanka's economic policies and reforms while Sri Lanka continued to progress in the macroeconomic policy adjustment programs.

Exchange Rate

The free float of the exchange rate from March 2022 resulted in the Sri Lankan Rupee to depreciate by 46% against the US Dollar and the interbank forex market posed severe foreign currency shortages. Policy measures implemented including import restrictions and tariffs resulted in the rupee beginning to appreciate by the 4th quarter.

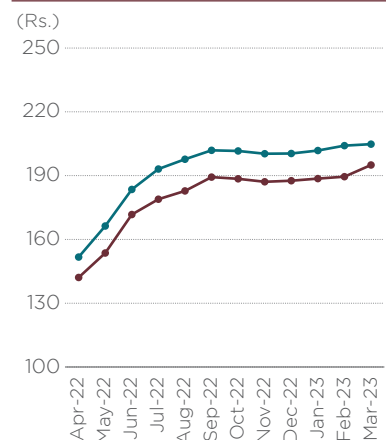
Movement in Exchange Rate



Inflation

Inflation (NCPI) peaked at 73.7% y-o-y in September 2022 leading to worsening of household and corporate balance sheets. Tight monetary policy stance by the Central Bank of Sri Lanka (CBSL) was adopted to contain runaway inflation, coupled with tax adjustments, bringing inflation down to 59.2% in December 2022

Inflation



◆ CCPI
◆ NCPI

Environmental



Climate change

Climate change may have significant implications on global value chains, agricultural outputs, communities, and businesses.

- Natural disasters leading to infrastructure damages, disruptions to supply chain and operations.
- New regulations, policies and taxes imposed by governments to address climate change
- Increased concern of consumers and investors on organization's contribution and commitment towards the environment
- Innovation opportunities to develop new products and services that reduce greenhouse gas emissions, adapt to changing weather patterns and support sustainable development.

Greening the customer journey

Singer is aptly positioned to drive reductions in customers' environmental impacts.

- Sustainable supply chain management by evaluating the entire life cycle of the product from design to disposal
- Sourcing from reputed industry leaders who are at the forefront of driving innovative solutions for sustainability
- Local manufacturing of products featuring energy and water efficient technology

Implications for Singer

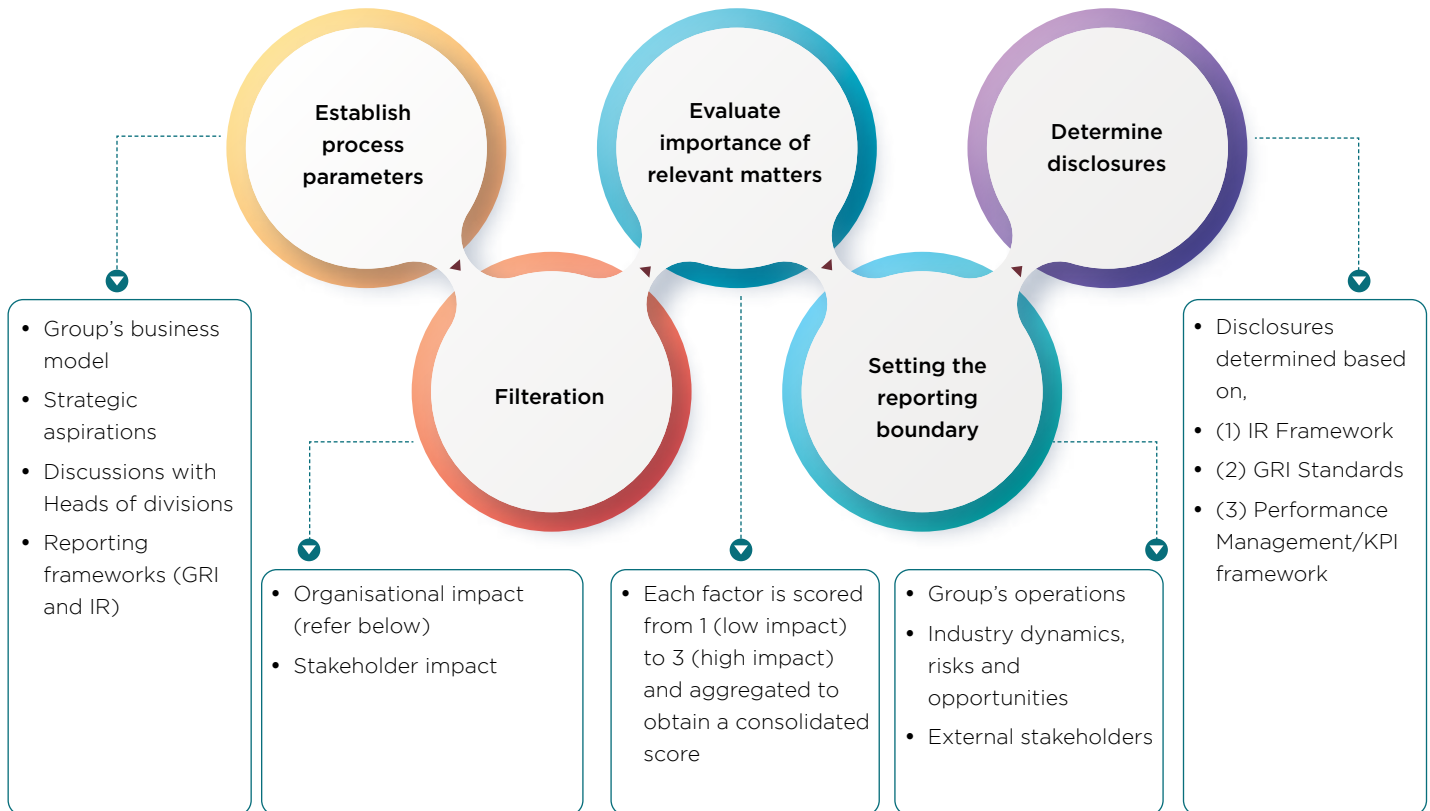
- Development of strategies to build long term business resilience through assessing risks and opportunities associated with climate change
- Opportunity to advocate reductions in customers' carbon footprint by offering energy-efficient products

Strategic response

- Adoption of the Hayley's Lifecode with the aim of managing socio-economic and environmental impacts and building resilience
- Focus on life cycle management of sourced products

DETERMINING MATERIALITY

The Group has adopted the comprehensive 7-part materiality test formulated by the Hayleys Group to determine the materiality assessment process. 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.



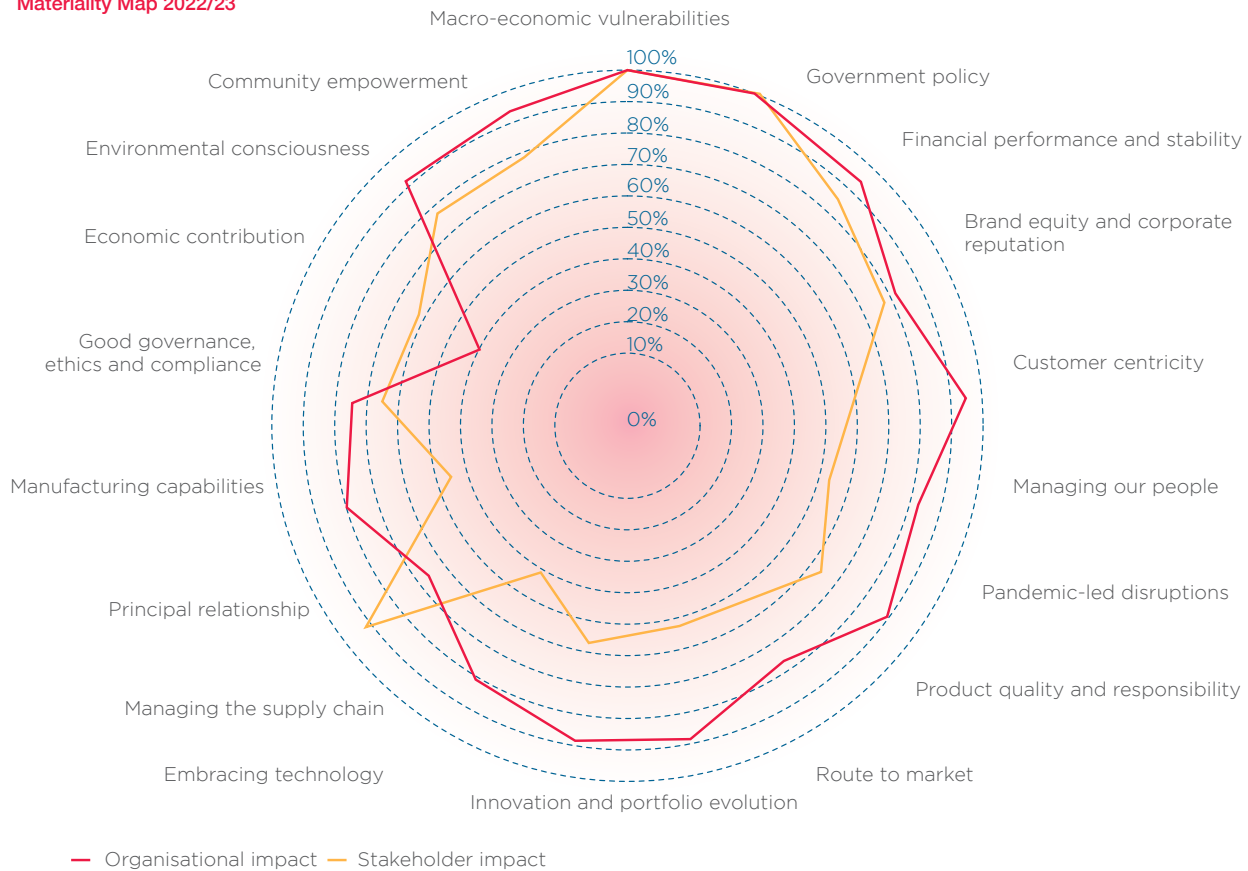
The following filters are used in determining the organisational and stakeholder impacts






- | | | |
|---|---|--|
| <div data-bbox="99 1442 418 1843" data-label="List-Group"> <p>Organisational impact</p> <ul style="list-style-type: none"> Financial Impact Innovation Opportunity Reputation Externalities Strategic link Risk </div> | <div data-bbox="435 1442 755 1843" data-label="List-Group"> <p>Stakeholder impact</p> <ul style="list-style-type: none"> Customers Employees Shareholders Suppliers Business partners Government Communities </div> | <div data-bbox="779 1442 1531 1997" data-label="List-Group"> <ol style="list-style-type: none"> Financial impact: Potential impact on Group's short, medium and long-term financial performance, cash flow generation and financial stability Innovation opportunity: Opportunity for new product or process development arising from the relevant material issue that could lead to a sharpening of the Company's competitive edge Reputation: Potential impacts on the organisation's reputation Externalities: Potential impacts from external variables including (but not limited to) exchange rates, interest rates, commodity prices, climate change etc. Strategic link: Matters related to value creation which form the basis of boardroom discussions Risk: The magnitude and likelihood of exposure to both external and internal risk factors Importance to stakeholders: Level of impact on stakeholder decisions </div> |
|---|---|--|

Material topics for 2022/23









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









Materiality Map 2022/23



Material topic and why it is material to us	Corresponding GRI topic	Topic boundary	Strategic response
<p>Macro-economic vulnerabilities</p> <p>Shortage in foreign currency, rising inflation and decline in disposable incomes have a direct impact on our supply and demand dynamics</p>		All Group's operations in Sri Lanka	 
<p>Government policy</p> <p>Import restrictions as well as monetary and fiscal policy developments have a significant impact on our operations, growth and profit margins</p>		All Group's operations in Sri Lanka	 
<p>Financial performance and stability</p> <p>Maintaining good profitability and a healthy balance sheet is essential in delivering long-term shareholder value and enhancing business resilience</p>		All Group's operations in Sri Lanka	

DETERMINING MATERIALITY

Material topic and why it is material to us	Corresponding GRI topic	Topic boundary	Strategic response
<p>Brand equity and corporate reputation</p> <p>The Group's established track record and strong brand name is a key source of competitive edge</p>		All Group's operations in Sri Lanka	
<p>Customer centricity</p> <p>Customer centricity is critical in preserving our competitive edge given rapidly evolving and increasingly sophisticated customer needs</p>	GRI 418: Customer Privacy	Relates to the Group's extensive customer base across all products/ services	
<p>Managing our people</p> <p>Attracting, developing and retaining the right talent is an essential pre-requisite in driving our strategic aspirations</p>	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 Group's operations in Sri Lanka	
<p>Product quality and responsibility</p> <p>Offering good quality products and engaging in responsible business practices is critical in preserving our brand and market share</p>	GRI 416: Customer health and safety GRI 417: Marketing and labelling	All Group's operations in Sri Lanka	
<p>Route to market</p> <p>Efficient and effective distribution channels is essential in increasing the availability of our products</p>		Topic boundary extends to our distribution and dealer networks	
<p>Innovation and portfolio evolution</p> <p>We continue to evolve and innovate our portfolio to be in line with the dynamic customer needs</p>		All Group's operations in Sri Lanka	
<p>Embracing technology</p> <p>Technology offers significant advantages in driving process efficiencies, transforming the customer experience and providing better information for decision making.</p>		All Group's operations in Sri Lanka	
<p>Managing the supply chains</p> <p>Disruptions to supply chains due to global and domestic factors impacted the cost and uninterrupted supply of input materials and finished goods</p>	GRI 204: Procurement practices GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 414: Supplier Social Assessment	Boundary includes our local and international supply chain partners	

Material topic and why it is material to us	Corresponding GRI topic	Topic boundary	Strategic response
<p>Principal relationships</p> <p>Singer represents over 50+ international brands, which is a key source of the Group's competitive edge</p>	<p>GRI 409: Forced or Compulsory Labour</p> <p>GRI 414: Supplier Social Assessment</p>	Boundary extends to all international brands we represent in Sri Lanka	
<p>Manufacturing capabilities</p> <p>The Group's local manufacturing footprint contributes to approximately 30% of consolidated revenue</p>		All Group's operations in Sri Lanka	
<p>Good governance, ethics and compliance</p> <p>Essential for the continued creation of shared value while preserving our social license to operate</p>	<p>GRI 205: Anti Corruption</p> <p>GRI 206: Anti-competitive Behaviour</p> <p>GRI 406: Non-discrimination</p>	All Group's operations in Sri Lanka	
<p>Economic contribution</p> <p>The Group's extensive footprint and relationships along its value chain, places it in a strong position to drive economic value creation</p>	<p>GRI 201: Economic performance</p> <p>GRI 203: Indirect economic impacts</p> <p>GRI 207: Tax</p>	Extends beyond our operations to our supply/distribution chain and communities	 
<p>Environmental consciousness</p> <p>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</p>	<p>GRI 301: Materials</p> <p>GRI 302: Energy</p> <p>GRI 303: Water and effluents</p> <p>GRI 305: Emissions</p> <p>GRI 306: Waste</p>	All Group's operations in Sri Lanka	 
<p>Community empowerment</p> <p>Maintaining healthy relationships within the communities we operate, is essential in supporting our social sustainability aspirations</p>	GRI 413: Local communities	Extends to the communities in which we operate	



Unparalleled
Customer Centricity



Above Industry Growth
and Profitability



Loved Employer Brand

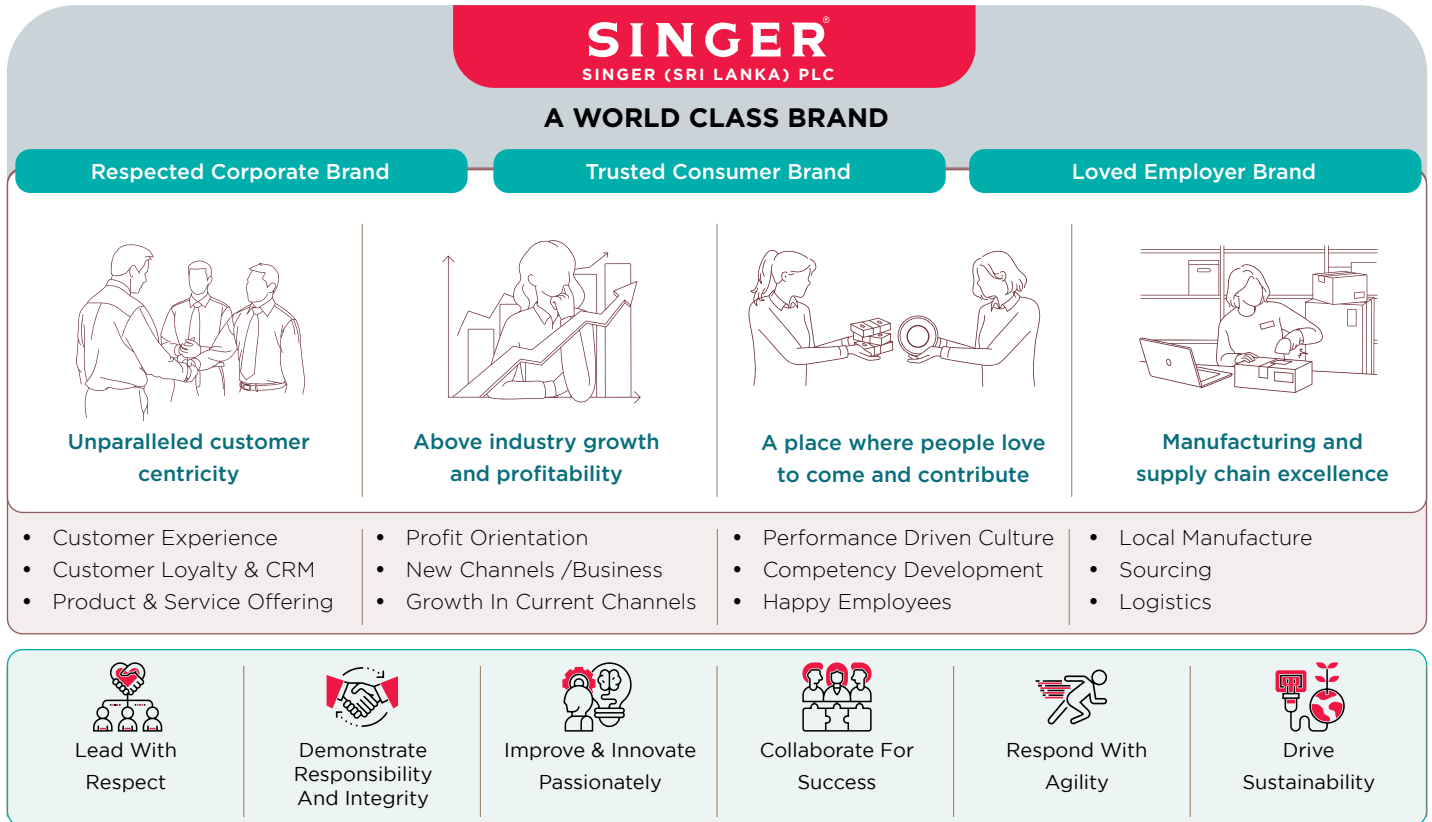


Manufacturing and
Supply Chain Excellence

OUR STRATEGY

Singer's focus on the 8 Must-Win Battles over the last two years paved the way for the business to be aligned holistically, making significant progress to demonstrate outstanding performance. During the current fiscal year, the Group further refined its strategic goals for transforming Singer into a world-class brand by developing a respected corporate Brand, a trusted consumer brand, and a loved employer brand.

The Singer SMART plan was launched encapsulating the 4 pillars of focus and areas of efficiency for each pillar.



Progress against strategy in 2022/23

Unparalleled customer centricity

Developments and Highlights

- New loyalty program themed Singer Red Points launched with new website
- Focus on enhanced after sales service with dedicated team to follow up on service requests and resolve problems
- Use of Business Intelligence platforms including operational dashboards to optimize customer statistics
- Recognition programs to reward best service centre, franchise agents and technicians
- Implementation of SOPs to enhance customer care at dealer points

Measuring progress

- 88% Customer satisfaction rate in after sales service
- 86% Net promoters score
- 49 showrooms rebranded
- 15 Shops renovated

Above industry growth and profitability



Developments and Highlights

- Proactive measures to activate customer base through the relaunch of the loyalty program.
- On going engagement with suppliers and timely increase in inventory to minimize impact of import restrictions
- Continued focus on expanding product portfolio with 9 new brand partnerships
- Increased penetration into solar power segment with additional sales of Rs. 400 Mn
- Focus on Hire purchase sales and improve number of accounts to 250,000
- Stringent focus on cost management through lean operations and focus on reducing stagnant and slow-moving inventory

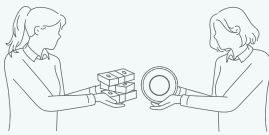
Measuring progress

Sales from Solar business increased by 240% to Rs. 682 Mn

Introduced 9 new brands including 2 international brands

Inventory reduced by Rs, 2,795 Mn

A place where people love to come and contribute



Developments and Highlights

- Launch of new Group values in line with Singer's SMART plan to align employee focus and contribution.
- Launch of the Singer Life App to encourage employees to demonstrate values and provide feedback
- Focus on enhancing employee capabilities and strengthening the performance management system
- Comprehensive talent development agenda to mitigate impact of talent migration from the country

Measuring progress

Implemented SMART goals for all management employees aligned with business outcome

Investment in training - Rs. 21 Mn

Re launch of holiday plans for employees

Manufacturing and Supply chain excellence



Developments and Highlights

- Focus on local manufacturing amidst constraints faced in sustaining imported supplies
- Proactive engagement with local and international suppliers to minimize supply disruptions
- Initiatives to drive operational efficiency and optimize resources
- Continued innovation to broad the product portfolio through local manufacturing

Measuring progress

56% capacity utilization

Introduced 15 new suppliers

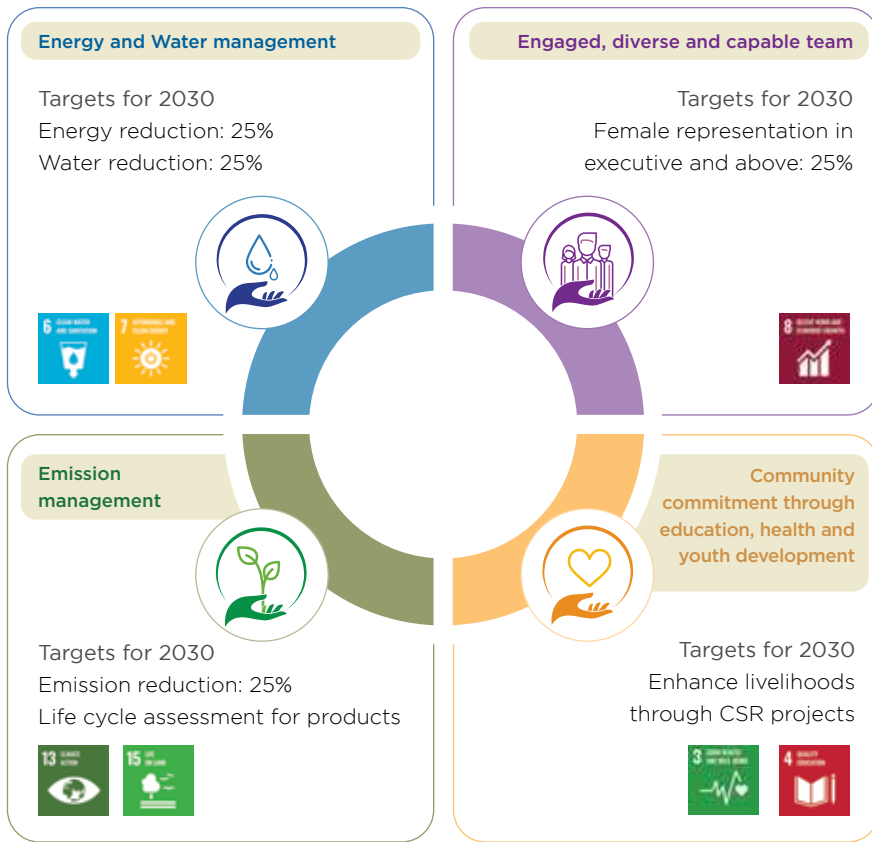
47% local purchases

Rs. 35 Bn payments to suppliers

SUSTAINABILITY REPORTING AT SINGER

Our approach to Sustainability

The Singer Group’s sustainability commitments are clearly set out in ‘Singer-Paramarthayen 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 organization, as reflected in the inclusion of ‘Sustainability’ to the Group’s recently launched Core Values. The Framework is centered on 4 pillars 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 (SDG) 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.

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 Multiline and Specialty Retailers & Distributors (2018) are presented in the table below:

Multi-line and Specialty Retailers & Distributors - Sustainability Disclosure topics and accounting metrics

Topic	Accounting metric	Unit of measure	Disclosure	Page
Energy Management in Retail & Distribution	Total energy consumed	GJ	60,101 GJ	80
	% grid electricity	%	100%	
	% renewable	%	N/A	
Data Security	Description and approach to identifying and addressing data security risks	n/a	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	100

Topic	Accounting metric	Unit of measure	Disclosure	Page
	Number of data breaches	No.	Nil	100
	% involved personally identifiable information	%	Nil	
	Number of customers affected	No.	Nil	
Labour practices	(1)Average hourly wage	No.	Rs.164/- (Non-Executive)	58
	(2)% of in-store employees earning minimum wage by region	%	100%	
	(1)Voluntary turnover rate for in-store employees	%	16%	58
	(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	Rs.million	Nil	58
Workforce diversity & inclusion	Percentage of gender and racial/ethnic group representation for			58
	(1) management	%	Male 86%/Female 14%	
	(2) all other employees	%	Male 81%/Female 19%	
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Rs.million	Nil	58
Product sourcing, packaging and marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Rs.million	N/A	80
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products		We manufacture all of our refrigerators with R600a refrigerant, which minimize the harm to O3 and energy is efficient.	80
	Discussion of strategies to reduce the environmental impact of packaging		In refrigerator packaging the Group has replaced Styrofoam packaging with paper pulp packaging for top and side panels	80

**MAKING A
POSITIVE
IMPACT**

The Capitals Report

Financial Capital	48
Human Capital	58
Social And Relationship Capital.....	66
Manufactured Capital	72
Intellectual Capital	76
Natural Capital.....	80



FINANCIAL CAPITAL



Highlights 2022/23

- EBIT margin widened to 12.2% from 10.7%
- Net Finance cost increased by 173%

Rs. 54,767Mn

Revenue

Rs. 6,688Mn

Operating Profit

Rs. 12,090Mn

Total Equity

Rs. 78,798Mn

Total Assets

on its local manufacturing capabilities. Despite these obstacles, the Group delivered a resilient performance, as detailed in the following pages.

Revenue

Due to the decline in volumes caused by category-wide import restrictions, consolidated Revenue decreased by 29% to Rs. 54.8 billion during the year, while at Company level, revenue decreased by 30% to Rs. 48 billion. Inflationary pressures necessitated price increases, which contributed substantially to top-line growth despite industry-wide volume declines. Strategic focus on local manufacturing resulted in the Furniture Segment reaching its highest sale of Rs. 4.1 billion. Singer Finance (Lanka) PLC contributed Rs. 6.4 billion to Group top line with a 25% increase in revenue. All other segments were impacted by the temporary suspension of 'non-essential imports', although market leadership was maintained for key product categories as a result of timely and relevant marketing strategy.

Basis of Preparation

The Financial Statements presented herein represent Consolidated Financial Statements of Singer (Sri Lanka) PLC for the year ended 31st March 2023. The Consolidated statements include the Company, Singer (Sri Lanka) PLC along with its subsidiaries, Singer Finance (Lanka) PLC, Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Singer Business School (Private) Limited as well as indirect subsidiaries Regnis Appliances (Private) Limited and Reality Lanka Limited.

Overview

The Group's performance in 2022/23 should be set out in the context of the operating landscape that prevailed during the year. The country's weakened macro-

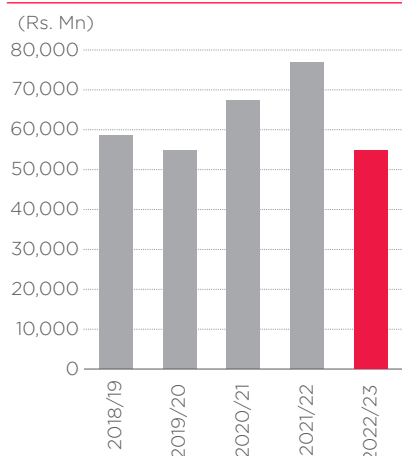
economic climate led to considerable challenges for businesses. For the Singer Group these difficulties were compounded due to its reliance on imported goods, as the severe shortage in foreign exchange liquidity, resultant restrictions on imports had a sharp adverse impact on supply and sluggish market conditions persisted as a result of the significant rise in inflation and high interest rates, which had an impact on disposable income and consumer sentiment.

Nevertheless, periodic price increases implemented early in the financial year partially offset the impact of unprecedented exchange losses and interest expenses. Amidst supply chain difficulties, the Group was able to continue operations due to timely decisions to increase inventory levels and capitalizing

Income

Revenue

Rs. 54,767.2 Mn



Impairment costs

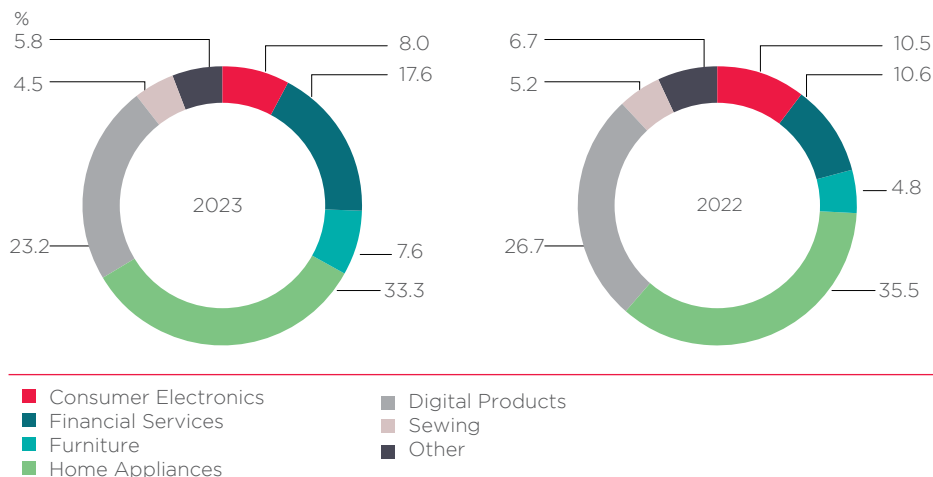
The weakened macro-economic conditions had an adverse impact on collections of trade debtors, hire purchases and lease receivables of the Company. During the fourth quarter of the fiscal year 2022/23, the most recent macroeconomic forecast data was incorporated into the impairment model to ensure more prudent provisions for bad debts in accordance with SLFRS 9. Consequently, the group and company's bad debt provisions decreased by Rs. 884.6 million and Rs. 421.3 million, respectively, compared to the prior year.

Net Finance Cost

Group and Company finance costs on loans and borrowings increased by Rs 3,323.2 million and Rs 3,723.8 million, respectively, during the period under review, as a result of increased borrowing levels and higher interest rates from a tightening of monetary policy. Due to the significant devaluation of the rupee in March and April 2022, the group's net exchange losses increased from Rs. 393.9 million to Rs. 869.3 million. Group

Charges and Expenses

Net Revenue Analysis



and Company interest costs comprise interest on Lease liabilities of Rs. 540.5 million and Rs. 543.2 million, respectively.

The interest income gained from investments in treasury bonds and Repos raised Group and Company Finance Income by Rs. 1,127 million and Rs. 198 million, respectively

Gross Profit

Given the market's lacklustre conditions, we were compelled to compromise profit margins to maintain the sales momentum. The company focused on sustaining its revenue lines through a careful mix of price, profits, and customer affordability. This brought about a 15% decline in consolidated gross profit to Rs. 18,872 million and a 12.6% decline in company gross profit to Rs. 16,216 million. During Q4 margins were impacted by promotions to induce customers in light of slow market conditions and to clear out slow-moving inventory. Despite operating environment challenges, the Group's gross margin percentage rose from 28.9% to 34.5% and the company's gross profit margin rose from 27% to 33.8% during FY 2022/23.

Operating Profit

Despite the contraction in sales Singer Group and the Company operating profit margins were 12.2% (PY-10.7%) and 13.1% (PY-10.4%) respectively. During the period under review, the operating profits for Group and Company were Rs. 6,688 million and Rs. 6,273 million, respectively. The group's selling and administrative expenses for the period decreased by Rs. 899 million to Rs. 12,614 million, primarily due to the decline in revenue-driven variable and semi-variable expenses. Group and Company's fixed overhead decreased by Rs. 89 and Rs. 216 million, respectively.

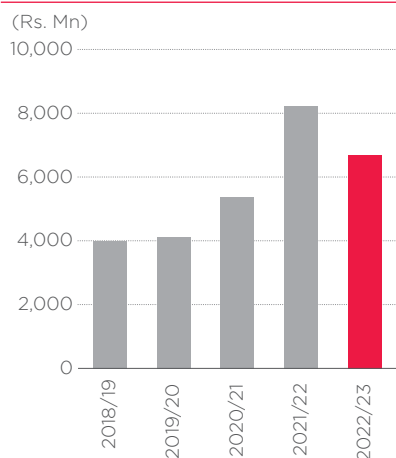
Pre and Post Tax Profits

During the year, pre-tax profit decreased by 96.9% to Rs. 174.1 million due to a decline in sales and an increase in finance costs. The change in income tax rate from 24% to 30% led to an increase in the Group's deferred tax asset, which resulted in a deferred tax credit of Rs. 291.6 million for the year ended 31 March 2023 and had a positive effect on the PAT. Singer Group and Company recorded a PAT of Rs. 96.9 million and Rs. 220.6 million, respectively, as a result of high finance costs and exchange losses that eroded profitability.

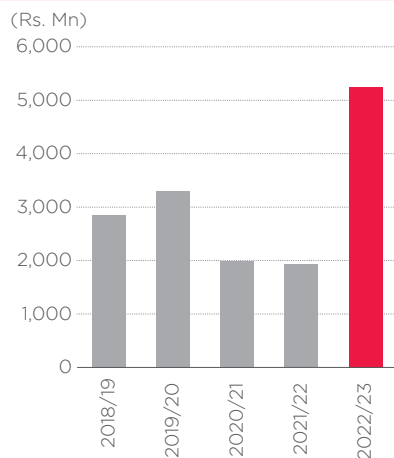
FINANCIAL CAPITAL

Profits

Operating Profit Rs. 6,687.8 Mn

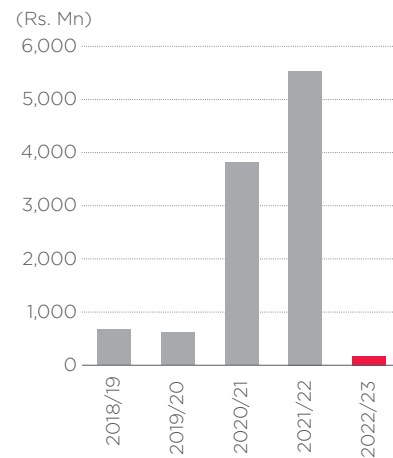


Interest Cost Rs. 5,249.5 Mn



Assets

Profit Before Tax Rs. 174.1 Mn



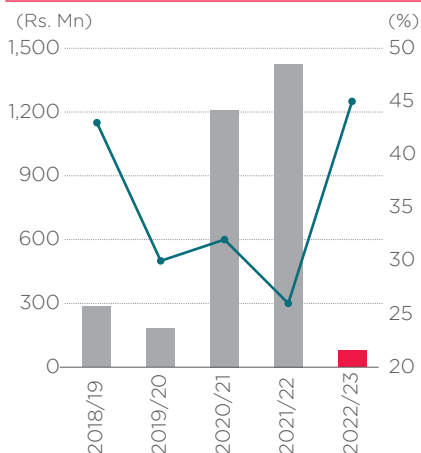
Financial Position

The company's total assets decreased by Rs. 10.5 billion against 31st March 2022 as a result of the reduction of current assets by Rs. 6.1 billion due to the net change of inventory and the significant reduction in receivables/advances due to the contraction in demand compared to March 2022. The asset composition is skewed towards current assets, which comprised 72.2% of total assets as of the end of March 2023.

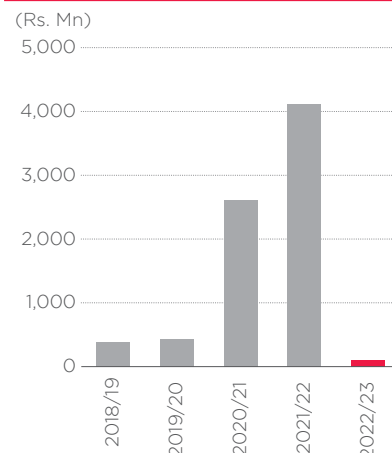
The Group's total liabilities consisted of 35.8% long-term liabilities and 64.2% current liabilities. Current liabilities decreased from Rs. 53.5 billion to Rs. 42.8 billion due to a contraction in demand, while long-term liabilities increased from Rs. 22.3 billion to Rs. 23.9 billion due to the increase of other financial Liabilities of Subsidiary Company Singer (Finance) Lanka PLC. Restrictions on importing via letters of credit compelled the company to import products via telegraphic transfer, resulting in an increase in interest-bearing borrowings as of 31 March 2023.

The Group's funding position remained relatively healthy, with 15.3% of total assets funded by equity. The Group's total equity declined by 10.7% to Rs. 12.1 billion, primarily due to the surcharge tax of Rs. 804.8 million and the payment of a dividend of Rs. 225.4 million which was partially offset by the increase in total comprehensive income.

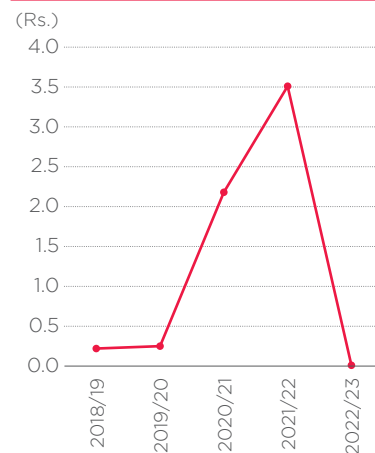
Tax Expenses



Profit after Tax



Earnings per Share



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

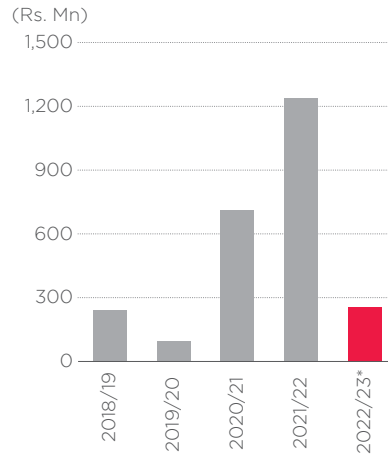
Liabilities | **Equity** | **Cashflow**

Dividend Per Share
Rs. 0.20



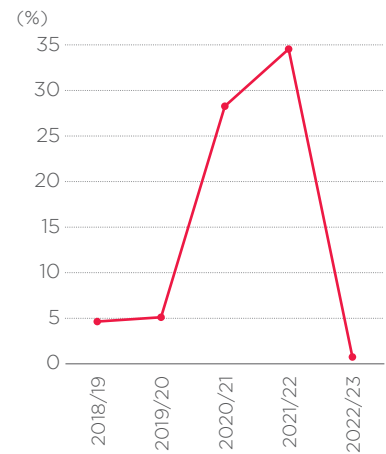
* 2021/22 Final Dividend paid on 13th May 2022

Dividends Paid
Rs. 257.8 Mn



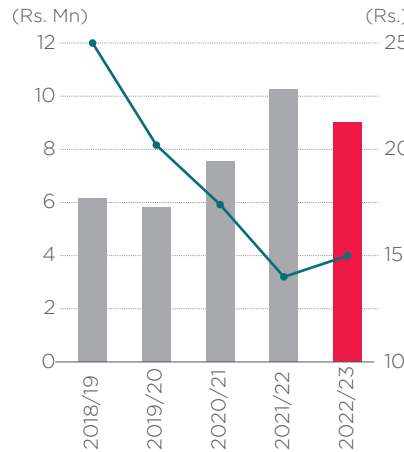
* 2021/22 Final Dividend paid on 13th May 2022

Return On Equity
0.75%



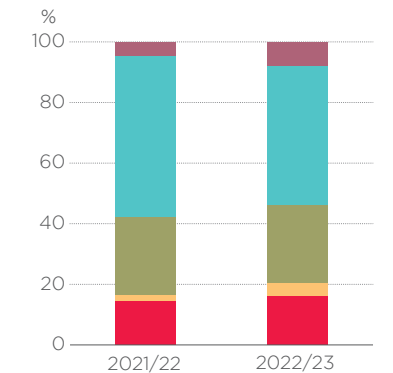
During the year, the Group's cash flow and liquidity position increased, reflecting an overall improvement in operational activities. Net Cash Inflow from Operating Activities was Rs. 958.8 billion, an increase over the previous year. Singer Finance's investments in bank deposits and other marketable securities during the financial year resulted in a net cash outflow of Rs. 1,623.4 million, compared to Rs. 1,591.2 million the previous year. The rise in customer deposits, repayment of interest-bearing loans and borrowings, and final dividend payments resulted in a net cash inflow of Rs. 1,676.8 million from financing activities.

Net Assets per Share Vs. Market Price per Share



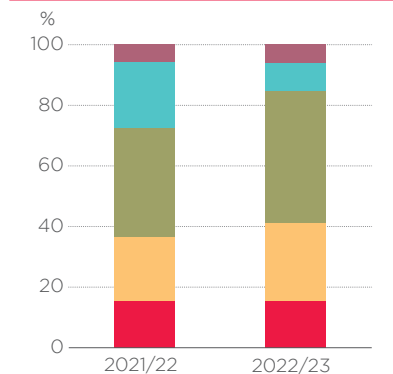
■ Net Assets/Share (Rs.)
◆ Market Price/Share (Rs.)

Financial Position Structure Assets



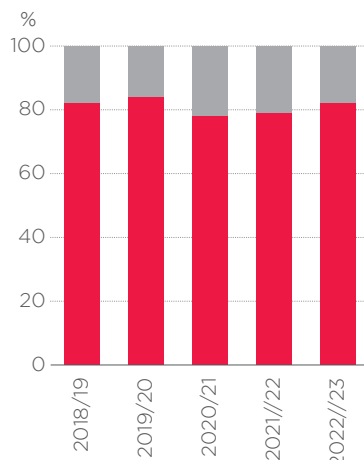
■ PPE ■ Receivables
■ Investments ■ Cash and Others
■ Inventories

Financial Position Structure Liabilities



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

Capital Structure



■ Total Borrowings
■ Total equity

FINANCIAL CAPITAL

Business Line Review

Consumer Electronics

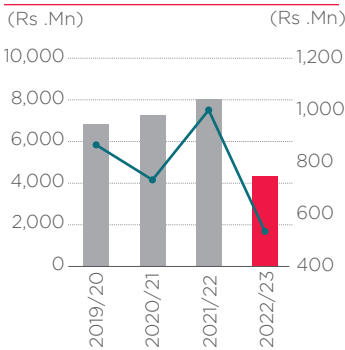
The Group is a prominent supplier of Consumer Electronics to the Sri Lankan market, offering an assortment of products at varying price points. The Group's customer reach is supported by its extensive retail and wholesale channels.



Overview

Sector Performance

Consumer Electronics



■ Revenue
◆ Operating profit

Contribution to the Group

Consumer Electronics



Revenue

Operating profit

Product Map

- ▶ Televisions
- ▶ Audio solutions
- ▶ Speakers
- ▶ Home theatres

Operating Environment

Foreign currency shortages and the temporary suspension of 'non-essential' imports had a significant impact on providing continuous inventory to this segment. Weakened consumer sentiments, dwindling disposable income and the sharp rise in inflation had negative consequences on market demand. The grey market formed as a result of high import barriers also disrupted the market by making low-cost products available.

Performance in 2023

Import restrictions had the most detrimental effect on the consumer electronics industry, resulting in a 45.9% decline in revenue to Rs. 4,357.7 Mn. Anticipating disruptions in the supply chain, inventory levels were increased through opportune product purchases, allowing for uninterrupted product supply in certain categories. However, import restrictions negatively impacted the key product category of television, resulting in a 74% decline in television sales volume, while cost inflation led to a 27% increase in television prices.

Segment Strategy

Singer continued to promote consumer electronics by venturing into the market via personal selling and door-to-door sales canvassing. Customers were further enticed to exchange their used televisions to newer ones with exchange discounts offered at all Singer branches. The affordability concerns of customers were also addressed by offering easy payment schemes and flexible payment terms.

Way Forward

With import restrictions for 'non-essential items' starting to ease we anticipate inventory levels to be built up towards the 2nd quarter of the next financial year. The appreciation of the rupee will also have a positive impact on import costs, allowing us to pass on the price benefits to consumers. Once availability and affordability of this segment begin to normalize, we are optimistic that robust demand for these product categories will resume.

Home Appliances

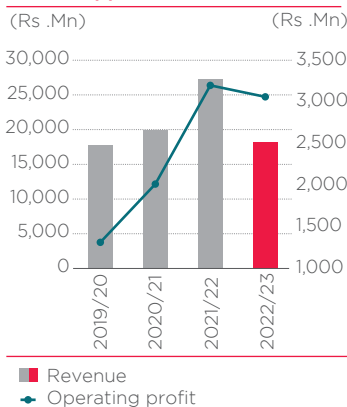
Despite the adverse market conditions, Singer continued to hold a dominant market position in the home appliances category, through the contribution of its local manufacturing strength and timely marketing approach.



Overview

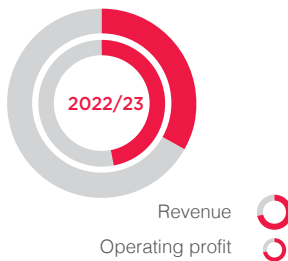
Sector Performance

Home Appliances



Contribution to the Group

Home Appliances



Product Map

- Refrigerators
- Air conditioners
- Washing machines
- Kitchen appliances
- Other household appliances

Operating Environment

Slowdown in economic activity and inflationary pressure had an effect on consumer demand and sentiment, resulting in a decline in sales for this segment. Continuous price increases were necessitated by the severe depreciation of the rupee and the rising cost of inputs. The kitchen appliances category was significantly impacted with 95% of products facing temporary import suspension.

Performance in 2023

The operating context impacted on the Segment's performance with revenue decreasing by 33.2% to Rs. 18,225.9 Mn. While the temporary suspension of imports of these item categories hampered continuous supply of inventory, the Group benefited from its local manufacturing capabilities in the production of Refrigerators and Washing Machines. The high increase in input materials necessitated the increase in prices of Refrigerators and Washing machines by 28% and 37% respectively.

Segment Strategy

Singer navigated the adverse conditions in the market with opportune strategies to maintain the market leadership in key product categories. Singer implemented continuous marketing campaigns, two of which received recognition at the SLIM Digis 2.2 ceremony. To address customers' affordability concerns, competitive pricing strategies were adopted, and flexible payment options were made available. In order to mitigate the effects of import restrictions, Singer has also strengthened its partnerships with local suppliers and improved after sales services to extend the useful life of products.

Way Forward

With the gradual easing of import restrictions and the rupee beginning to appreciate in the 4th quarter, we anticipate a rise in demand for this market segment. We will continue to prioritize the domestic production of refrigerators and washing machines and pursue the advantages of the zero-import-duty structure for certain product categories. We have also partnered with the Sri Lanka Sustainable Energy Authority to identify less energy-efficient refrigerators in homes and convert them to more energy-efficient models.

FINANCIAL CAPITAL

Furniture

The Group adds significant local value by producing a variety of home furnishings at our own manufacturing location. With sales exceeding Rs. 4.1 Bn in the current year, the Group continues to expand its production footprint in this market.

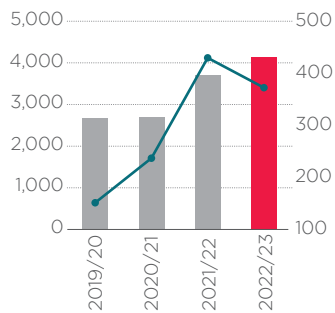


Overview

Sector Performance

Furniture

(Rs .Mn) (Rs .Mn)



■ Revenue
◆ Operating profit

Contribution to the Group

Furniture



Revenue
Operating profit

Product Map

- Solid furniture
- Modular furniture
- Signature Kitchens

Growth and profitability

The Segment recorded the revenue growth of 12.2% and profit of Rs. 373.7 Mn supported by strategic focus on increasing its local manufacturing contribution. With restrictions in imported goods impacting the market, demand conditions for locally manufactured items were favourable during the year. We are also in the process of obtaining the FSC accreditation in order to access the export market for furniture sales.

Manufacturing Capabilities

The Segment operates in a factory that produces modular and solid furniture. The modular factory is outfitted with innovative machinery and has a low labour component, whereas the solid factory is more labour-intensive. Throughout the year, the Segment concentrated on increasing efficiency through enhanced automation. While capital expenditure was kept to a minimum, we continued new product development projects by hiring several key machineries.

Innovation and new product development

Through innovative technology, quality, and aesthetics, we have continued to harness our design and production capabilities to cater to the increasingly sophisticated Sri Lankan market. Emerging client needs for more technologically advanced, user-friendly, and eco-friendly products compel us to diversify our portfolio with timely and new product offers. During the year we introduced 83 models to the furniture category.

Way Forward

We are optimistic about the development potential of Sri Lanka's furniture industry and are eager to expand our product offering, capacity in the medium to long term. Due to the restrictions on furniture imports into the country, we see significant upside potential for local manufacturers and will seek to capitalize on this while also pursuing the export market.

Digital Products

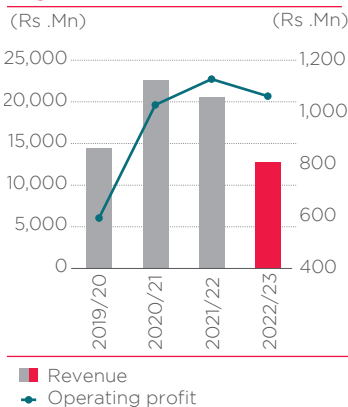
Singer is one of Sri Lanka's prominent providers of computers and mobile phones, offering a selection of world-renowned brands such as Dell, Asus, TCL, ZTE and Huawei. The Segment operates multiple distribution channels that serve the retail and commercial markets, allowing it to expand its consumer base.



Overview

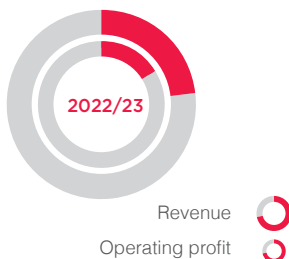
Sector Performance

Digital Products



Contribution to the Group

Digital Products



Product Map

- Computers
- Mobile phones
- Head phones
- Security Surveillance

Computers

While there was a boom in computers during the pandemic period, notably with the increase in work/study from home arrangements, demand has subsequently normalized. Singer has managed to maintain its market leadership in computers for the last 2 to 3 years, with its exclusive partnership with DELL and extensive market reach through its consumer and commercial distribution. As digital adoption continues, we expect growth opportunities to continue in this sector.

Mobile Phones

Singer distributes world-renowned mobile phone brands, including Samsung, and is the exclusive partner for Huawei, TCL mobile, and ZTE. Singer distinguishes itself from competitors by providing affordable, high-quality products along with superior customer service and after-sales support. The introduction of new smartphone brands in Sri Lanka is a challenging endeavour given the dominance of established brands. Nonetheless, Singer's brand strength and customer loyalty have enabled the company to leverage its position to introduce a range of new brands.

Security Surveillance Systems

As the need for security in Sri Lanka increases, there is a rising demand for high quality surveillance systems that can provide dependable monitoring and protection. Within a two-year time frame, the category was able to generate Rs. 816 Mn in sales revenue and hold a 25% market share, propelling the industry to the next level. To distinguish itself from competitors, Singer offers superior products, customized solutions, and value-added services such as remote monitoring and consumer education and training.

Way Forward

Demand for this segment is anticipated to be moderate in the near future, given the price-sensitivity of the market. With the rupee's appreciation and the relaxation of import regulations, we are optimistic that demand will start to increase in the second half of the year. We hope to keep strengthening our partnerships with renowned brands in order to expand our product portfolio with the latest technology.

FINANCIAL CAPITAL

Sewing Machines

Sewing machines being the Group's pioneering product, Singer dominates the sewing machine market with an estimated 70% market share. Both domestic and industrial sewing machines are assembled in Sri Lanka by the segment's subsidiary, Singer Industries (Ceylon) PLC.



Overview

Sector Performance

Sewing Machines

(Rs .Mn) (Rs .Mn)





■ Revenue
◆ Operating profit




Contribution to the Group

Sewing Machines



Revenue 
Operating profit 

Product Map

-  Domestic sewing machines
-  Industrial sewing machines
-  General merchandise

Growth and profitability

The unfavourable market conditions caused due to inflationary pressure and negative consumer sentiments resulted in a 38% decrease in revenue for domestic sewing machines compared to the previous financial year. However domestic sewing machines have retained a strong market presence with 93% market share. During the financial year, Singer Fashion academy achieved its highest-ever revenue of Rs.115.8 million, a 63% increase over the previous year, while enrolling 6,510 new students.

Marketing strategy

In recent decades, the increased preference for ready-made garments has led to a progressive decline in demand for conventional sewing machines. In response, the Segment has sought to increase demand for portable sewing machines by emphasizing their recreational value, focusing primarily on a younger demographic that could pursue sewing as a hobby and creative expression. This strategy has been effective, as the market share of portable sewing machines has steadily increased in recent years. With the introduction of non-traditional and efficient models, 54% of domestic sewing machine sales were comprised of portable and computerized sewing machines.

Singer Fashion Academy

Singer Fashion Academy, which has more than 60 years of experience in the industry, has produced innumerable entrepreneurs in sewing and fashion design. Additionally, the academy is the only institution in the country to receive course validation status from the Chartered Society of Designers (CSD) in the United Kingdom. Realizing the industry's market trends and the need for specialized knowledge, Singer Fashion Academy initiated a partnership with Lovely Professional University in India to provide students with the opportunity to earn a degree.

Way Forward

While price increases and weak consumer sentiment have dampened demand for this segment, we anticipate the market to recover as the economy gradually improves. The Segment will continue to focus on enhancing its value proposition and market share in the portable machines segment, where we see substantial growth potential.

Financial Services

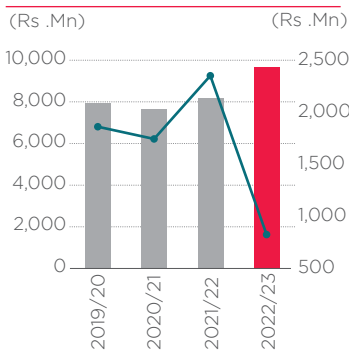
Singer Finance (Lanka) PLC, a subsidiary of Singer (Sri Lanka) PLC, providing leasing, hire purchase, and loan facilities. It is a finance and leasing institution licensed and regulated by the Central Bank of Sri Lanka, and it offers services through a network of 50 branches across the island.



Overview

Sector Performance

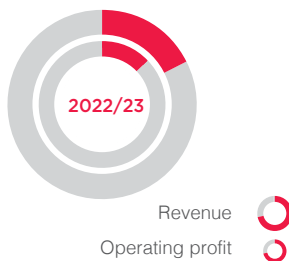
Financial Services



■ Revenue
 ◆ Operating profit

Contribution to the Group

Financial Services



Product Map

- Leasing
- Hire purchase
- Loans

Growth and profitability

The company's top-line performance was significantly impacted by the rapid increase in interest rates, which swiftly surpassed the 30% mark during the year. However, the segment generated a net revenue of Rs. 9.7 Bn, an increase of 18% from the previous year. Prudent pricing and proactive management of recoveries also enabled the segment to reverse impairment charges.

Portfolio shifts

The Segment strategically shifted focus from leasing facilities to gold loans, thereby capitalizing on the opportunity presented by the present market conditions. The lease base was decelerated rapidly by 31%, the impact of which was offset by the steady growth of gold loans. The gold loans portfolio yielded a substantial profit, which grew by 127% to Rs. 8.2 Bn by end March 2023.

Customer service and reach

Singer Finance (Lanka) PLC has sought to differentiate itself in the highly competitive financial services industry by continuing its branch expansion program to increase customer reach. During the year, 7 branches were opened, while 9 branches started offering gold loan services. The branch network attained a major milestone with the opening of the 50th branch in Jaffna. In order to achieve our growth ambitions, we also continued to invest in marketing and sales personnel to maintain close relationships with customers.

Way Forward

We are mindful of the ongoing market volatility resulting from the macroeconomic challenges and will place a strategic emphasis on preserving portfolio quality through ongoing customer engagement and proactive monitoring. We will continue to invest in employee training as we strive to enhance our competitive edge by providing a distinctive customer experience.



HUMAN CAPITAL



Highlights 2022/23

- Re invention of group values towards a purpose-driven culture
- Increased employee engagement to drive retention
- Capability enhancement to deliver business excellence

20.9Mn

Investment in training

367

promotions during the year

18%

Female representation

Key HR Policies

- Health and Safety Policy
- Whistle Blower Policy
- Recruitment and Selection Policy
- Remuneration Policy
- Sexual Harassment Policy

Management Approach

The Singer Group is a preferred employer in Sri Lanka due to the recognition it has received for its employer brand and the distinctive value propositions it offers its employees. The Group's comprehensive HR policy framework was developed in accordance with industry best practices in human resource management and applicable labour laws and regulations. The policies are reviewed by the Board and updated every three years. The Code of Conduct outlines the expectations Singer has for the professional and ethical conduct of its employees. There were no changes to the policies during the year.

Team Profile

The diverse team of 2,986 employees consists of members from various backgrounds and cultures, each of whom contributes unique insights and a variety of perspectives, experiences, and abilities. All employees are engaged on a full-time basis, while 94% of employees are in the permanent cadre. Over 1,604 employees have served the Group for at least five years, while 66% are under



Annual Service Award



Singer Retail Mind Masters - Winners

the age of 40, rendering the team well-rounded and future ready. The Group promotes economic empowerment in the communities in which it operates by recruiting members of local communities and currently employs 45% of workers from outside the Western Province.

Total Employees by Gender and Region

Region	Singer Group	
	Male	Female
Western	1,303	329
Central	271	57
Southern	238	53
North Central	106	16
North Western	154	31
Eastern	62	8
Sabaragamuwa	136	17
Uva	104	11
Northern	72	18
Total	2,446	540



Singer Medical Camp

Employees by type of Contract, Gender and Region

Region	Permanent		Contract	
	Male	Female	Male	Female
Western	1,237	297	66	32
Central	257	52	14	5
Southern	225	51	13	2
North Central	97	16	9	0
North Western	146	29	8	2
Eastern	56	8	6	0
Sabaragamuwa	130	15	6	2
Uva	93	9	11	2
Northern	68	14	4	4

Movements in Team Profile

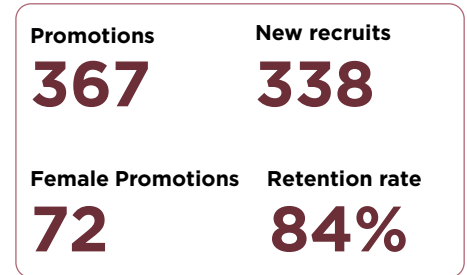
Recruitment:

While recruitment was kept to a minimal, 338 employees were hired externally to fulfill vacancies, while 367 employees were promoted internally to facilitate career advancement. 41% of employees were recruited from outside the Western Province while 125 female employees joined the Group. The Group orients all new recruits through an induction program designed to familiarize them with their job roles and company policies. The group has a total of 332 outsourced employees.

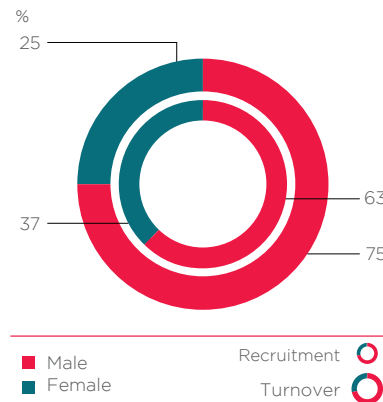
Talent Retention:

The Group has maintained relatively healthy levels of employee retention as a result of its human resource strategies to

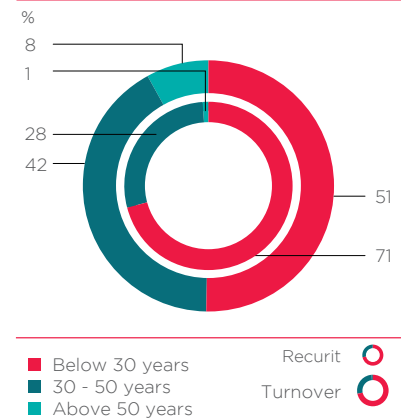
create a positive work environment and provide opportunities for personal and professional development. The overall retention rate for the year amounted to 84% with 506 employees leaving employment mainly due to talent migration out of the country.



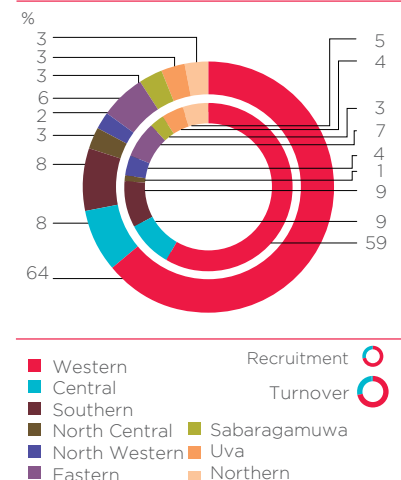
Recruitment and Turnover by Gender



Recruitment and Turnover by Age



Recruitment and Turnover by Region



HUMAN CAPITAL



Health and safety related benefits provided to employees include:

- Accident cover for field-based employees who face accidents at the workplace or on official travel
- Flexible Medical Scheme, 50% of additional hospitalization and surgery cost covered by the company with no ceiling on the amount (additional costs after entitlement)
- Annual Health camp where basic tests are administered
- Wellness programs

The Company's health and safety record for the year under review is given below.

Singer Group

Injuries- First Aid Cases
12

Total Man Days of Work
12

Injuries and first aid case occurred during the year

Employee Health and Safety

The Group's Health and Safety Framework is guided by a comprehensive Occupational Health & Safety Policy in compliance with all legal regulations. The policy outlines the company's commitment to providing a safe working environment covering all its employees and the procedures and protocols in place to maintain it. The health and safety initiatives are driven by the central H&S Committee and factory H&S Committees that meet on a regular basis to evaluate potential hazards and risks in the workplace and implement measures to mitigate them. Systematic internal audits are conducted to assess the health and safety management system and strengthen the internal processes.

Health and Safety trainings

- First aid training
- Emergency response training
- Fire Drill training 454 participants
- Fire Awareness 30 participants
- First Aid 49 participants



Blood Donation Campaign

Employee Engagement and well-being

The Group centered its employee engagement efforts on fostering a positive work environment by enhancing internal communication, providing opportunities for development, and promoting community and fellowship through recreational activities.

During the course of the year, the Singer Values App was introduced to offer employees the opportunity to enhance their interactions and express gratitude for their co-workers. Based on the newly-introduced Group values, the App enables employees to assign points in recognition of behaviour consistent with Group values.



Donation to Anuradhapura Cancer Hospital

The Singer Wellbeing program was implemented in order to highlight the sustainability of the people pillar. It is crucial that our employees, who are the company's driving force, have a balanced and healthy lifestyle so that they can contribute their all at work.

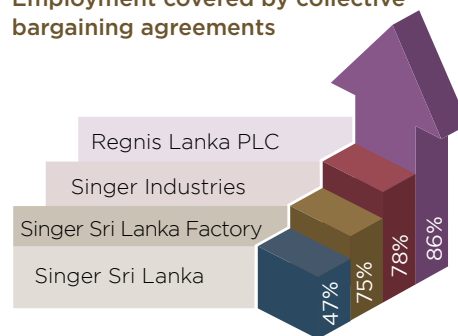
The Singer Wellbeing program consisted of four pillars: physical well-being, mental well-being, financial well-being, and social well-being. Programs conducted throughout the year are described as follows:

- 1 **Begin the day with an invigorated mindset:** Motivational Mondays- Each Monday, a series of leaflets with motivational messages were designed and distributed to all Singer group employees.
- 2 **Physical Wellness Management:** A series of awareness-raising flyers was created and sent to all employees, with a focus on significant health-related days such as National Wellness Month, World Heart Day, World Mental Health Day, and World Cancer Day.
- 3 **Contests to stimulate the mind:** The Singer group devised and executed a crossword puzzle competition centered on heart health, and the winners were awarded cash prizes.
- 4 **Singer Wellness Fair - December 2022:** As the newest addition to our Singer Wellbeing Calendar, we designed and executed a one-stop event to enhance the well-being of our staff members. To increase employee engagement, the first event was conducted in December 2022 at our own facilities and was open to all group employees.
- 5 **Online Knowledge-Sharing Session - Managing Personal Finances:** In light of the country's current economic crisis, which has posed challenges for its citizens, an online knowledge-sharing session with a practical approach was organised to develop employee skills in effective money management.

Industrial Relations

The Group has in place a structured process for proactive engagement with trade union representatives to create a fair and equitable workplace that ensures employees are treated with respect and dignity. Approximately 40% of the Group's employees are covered by Collective Agreements and a minimum weeks' notice period is given for operational changes as specified in the collective bargaining agreements. During the year under review, there were no industrial disputes or material issues involving the right to freedom of association and collective bargaining.

Employment covered by collective bargaining agreements



Creating the climate for success

During the year Singer renewed its strategic agenda in order to articulate its focus on becoming a world-class brand through the Singer SMART plan's four primary pillars. The new Group values, determined by a comprehensive survey and approved by the Board, served to reinforce the organization's commitment to the strategies.

Talent Development

Talent development is critical to attract and retain top talent, improve employee engagement and motivation and foster a culture of learning in preparation for future leadership transitions. The Group's talent development is focused on structured training utilizing internal and external resources targeting both personal and professional growth. Competency gaps are identified through performance evaluations, and training programs are designed to address required skills. Over 250 training sessions were conducted during the year at shop level and at customer care touch points with more than 2,500 participants. The 'Selfy' Singer e-learning platform was used to ensure that new knowledge of products and services reaches the sales staff in real time.



Singer Retail Academy (SRA) conducts an on-going program with a curriculum to train Singer sales employees. The accreditation program has been jointly developed in partnership with SLIM and covers a host of subjects including leadership competency, branch manager development and executive coaching for managers.

HUMAN CAPITAL

Total Training Hours

42,223

Total investment in training

Rs. 20.9 Mn

No. of attendees

9,998

Average training hours
per employee

14.14 Hours



Annual Service Award

Customer Centricity

Learning and Development efforts have aided in enhancing the customer service experience across all touchpoints by enhancing the staff's skills and competencies in addressing customer inquiries and concerns. This has led to increased customer satisfaction and loyalty for the Singer brand.

Sequence of service

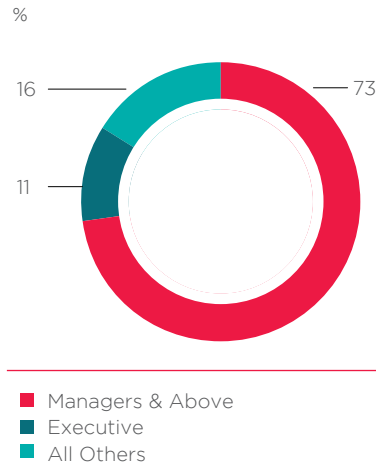
L&D collaborated with sales leaders to develop a Standard Operating Procedure (SOP) in order to establish a customer-centric culture and ensure consistent service standards that can be measured and monitored for the benefit of customers.

Singer Retail Mind Masters

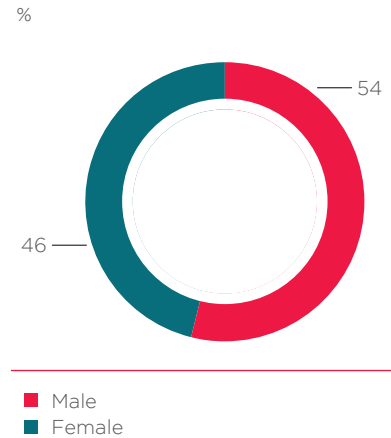
One of the most important initiatives undertaken by Singer Retail was the participation of over 3,000 employees

Average training hours by category and gender

Average Training Hours By Category



Average Training Hours By Gender



in the Singer Mind Masters program. The program included 195 competitions and more than 1,500 questions from 26 categories, including product knowledge, process knowledge, and customer service, among others. The program generated more than 500+ hours of online and physical participation.

Developing customer service at each point of contact

To enhance customer service at all customer care touchpoints, L&D adopted a blended approach with a focus on developing the key customer service-related competencies of staff at call centres, service centres, service franchise agents, and wholesale units.

Competency Development

Priorities for competency development included:

1. Leadership Development - Leadership Development was accomplished through strategic workshops and the assignment of professional mentors to a select number of managers in order to enhance their strategic thinking abilities

2. Middle Manager Development

The objective of the program was to educate newly appointed managers on contemporary leadership skills and their competency development will be assessed via a business development project.

3. Executive development - Focus on developing selected 26 executives with specific competencies for self-management and management of others.

4. Sales Staff Development - Building SOPs for retail staff to elevate service standards.

5. Technical skills development- training in technical skills pertinent to their positions and the organization's goals.

Creating, Defining and Establishing our values

Singer has undertaken a transformative endeavour to cultivate a purpose-driven culture through a value reinvention journey. The company successfully established six core values through survey over 100+ employees and validated by Senior Management and the Board of Directors. In the 2022/23 period, the L&D division together with cross section of the divisions, embarked on journey for creating, defining, and institutionalizing these values. The primary focus during this period was to drive the values inculcate these values among the senior management teams. The "Lead with Values" program was implemented to raise awareness of the significance of values and establish the leadership competencies of the senior management team in recognizing and providing feedback on the behaviours which connects to the values.

To create an unique employee experience, SINGER LIFE App was developed, enabling employees to acknowledge and appreciate the behaviours demonstrated in respect of the values, while also establishing and evaluating them.

Performance Management



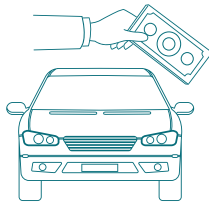
The Group's Performance Management framework is designed to align individual and team goals with the overall strategic objectives of the organization. Clear and measurable objectives are cascaded down from the Group's goals and performance expectations are set at the beginning of each year. Performance appraisals are conducted annually for 100% of employees with feedback provided to recognize and motivate employees while identifying areas for improvement. This year senior managers were provided with a 20% weightage on goal settings and defining the performance metrics in the performance management system.

Rewards and Remuneration

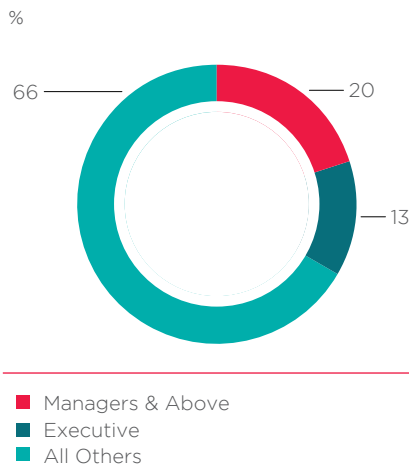
The Group has a transparent and equitable remuneration system which is determined based on industry practices and referenced to prevailing market rates. A performance-driven culture is fostered through the compensation and reward systems, which are developed to recognize and retain high-performing individuals. We do not discriminate on the

basis of gender in determining compensation, and the basic salaries of men and women are equal. All employees were paid full remuneration, increments and bonuses during the year despite the challenging operating environment, reiterating our commitment to creating shared value.

The Group offers a host of benefits to employees as listed below:

Educational	Sports and recreational	Financial
 <ul style="list-style-type: none"> • Membership subscriptions to professional bodies • Educational Aid Scheme providing financial assistance for further studies • Singer library with over 1500 books accessible to all employees 	 <ul style="list-style-type: none"> • Long-term leave for employees to support sporting careers • Gym facilities and access to recreational classes • Membership for sports such as Badminton, Soccer, Cricket, Hockey • The singer is actively participating and representing the MCA cricket tournament 	 <ul style="list-style-type: none"> • Staff discounts and easy payment schemes for Singer products • Distress loans of emergencies • Low interest loans for vehicle purchases • Financial assistance for funerals • The non-management staff are being supported with cost-of-living assistance through the provision of dry rations.

Employee Promotions



Annual Picnic

HUMAN CAPITAL

Diversity and Inclusion

Singer recognizes the significance of fostering an environment where individuals from diverse backgrounds can contribute their distinctive perspectives and ideas, resulting in a workplace that is more innovative and dynamic. Our HR policies are intended to attract and retain a diverse talent pool and to cultivate a culture of respect, understanding, and acceptance regardless of gender, ethnicity, or religion. Employees are encouraged to report any incidents of discrimination and there were no reported incidents of discrimination during the year.

Singer supports the financial empowerment of women through its franchise branch model established throughout the island. Women are



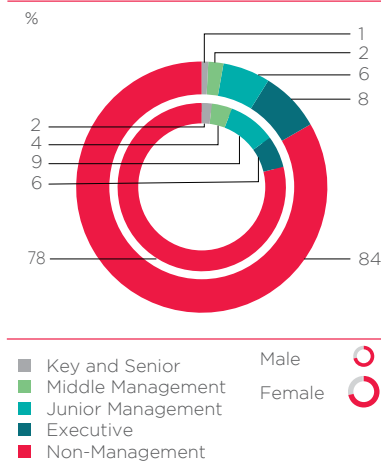
Christmas Party

encouraged to establish their own businesses and take responsibility for recruitment of branch employees and monitor the daily operations, while technical support, product knowledge and training is provided by the Group. Currently 33 no. of branch managers are female and the entrepreneurial model continues to contribute towards financial independence and the socio-economic development.

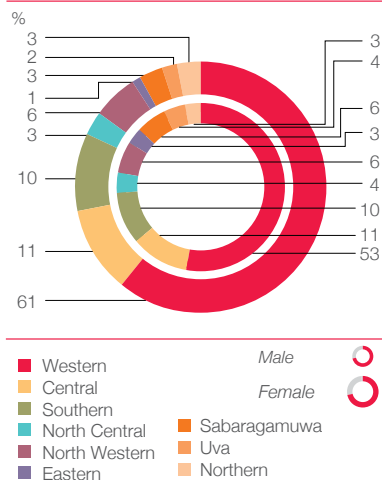
Employees by Age and Category

Category	Age							
	18 -28		29 - 39		40 - 50		Above 50	
	Male	Female	Male	Female	Male	Female	Male	Female
Key and Senior Management	0.00%	0.00%	0.23%	0.03%	0.70%	0.00%	0.90%	0.10%
Middle Management	0.00%	0.00%	0.94%	0.23%	1.77%	0.07%	0.74%	0.03%
Junior Management	1.00%	0.13%	4.02%	0.44%	2.38%	0.30%	0.20%	0.17%
Executive	0.50%	0.13%	3.05%	0.94%	0.97%	0.27%	0.23%	0.10%
Non-Management	17.72%	8.10%	23.41%	4.89%	15.47%	1.34%	7.67%	0.80%
Total	19.22%	8.37%	31.65%	6.53%	21.30%	1.98%	9.75%	1.21%

Employees by Category and Gender



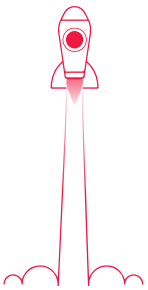
Employees by Region and Gender



Parental Leave in 2022/23	Male	Female
Employees entitled to parental leave	0	540
Employees on parental leave	0	16
Employees who returned after parental leave	0	14
Employees still in employment 12 months after returning from parental leave	0	4

Way forward

- Retain talent through employee engagement and capability building
- Build relevant capabilities, skills and attitudes necessary for the Group's aspirations to become a world-class employer
- Create a resilient culture and work environment that inspires passion and dedication in all employees





SOCIAL AND RELATIONSHIP CAPITAL



Highlights 2022/23

- Launch of Red points loyalty program and loyalty website
- Enhanced customer care and after sales service
- Focus on elevating customer experience at retail points

86%

Net Promoter Score

52

International brand partners

47%

local procurement

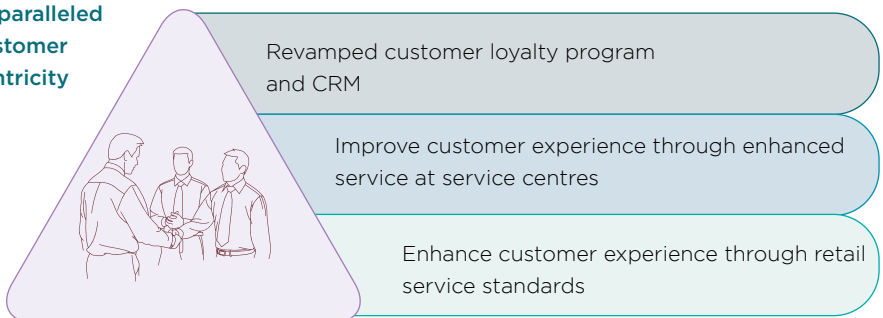
Customer Reach

Given its wide geographic footprint, Singer has a distinct competitive edge through its extensive customer reach. Singer's network spans numerous channels, with 416 contact points covered by Singer's own retail stores and a large dealer network of over 1,250+ dealer sites offering indirect access to customers. The e-commerce platform and the Singer contact centre, both powered by cutting-edge technology, continue to serve as primary points of interaction for our customers. With such a broad reach, Singer is able to serve all socioeconomic groups of the market with its product portfolio, which includes goods ranging from entry level category to luxury products.

Customers

Singer is the undisputed leader in Sri Lanka's consumer durables market and maintains a portfolio of over 600 electronic items, 1200 household appliances, and 52 international brands, backed by a 146-year legacy. Singer has one of the greatest consumer bases of any Sri Lankan company, with over 5.8 Mn patrons spread over nine different regions. During the year, we focused on expanding the customer value proposition by introducing a new set of values and relaunching the brand's purpose. As part of the Group's resilience initiatives, the Singer SMART plan prioritised customer centricity as one of four strategic pillars for making Singer a world-class brand.

Unparalleled customer centricity



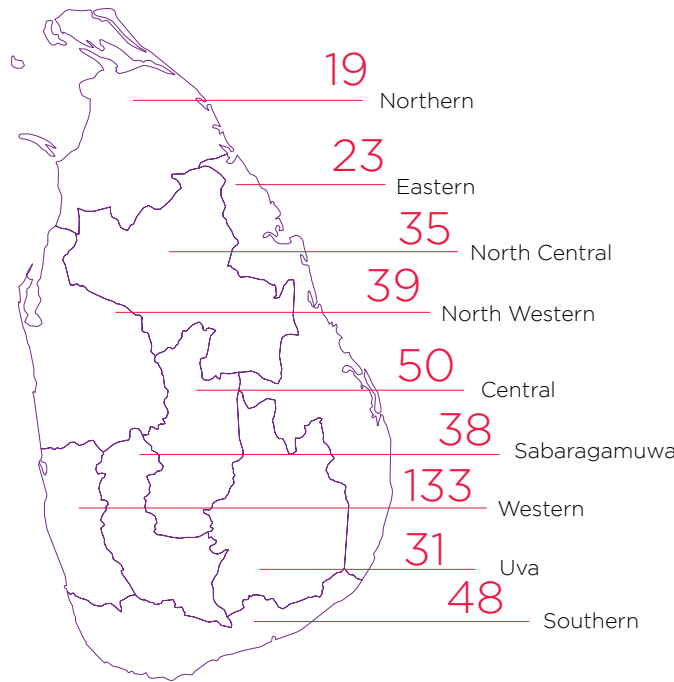
Our Sales Network includes

416
Shops

16
Service centres

1,250+
Extensive Dealer Network

200,000
Sqm retail space



Singer Red Loyalty Program

The Singer loyalty program was revamped during the year with the goal of reaching and activating Singer’s vast customer base. The new loyalty website provides a simple two-step method for customers to access their digital loyalty card and check their balances, tier status and other available benefits. The loyalty program incentivizes customers to make repeat purchases, thereby increasing customer retention. By rewarding loyal consumers, Singer focuses on fostering a sense of appreciation and strives to build long-term relationships. The Group is able to collect valuable information about the customers’ preferences, purchasing behaviour, and demographics through the customer loyalty program. This information is processed through BI tools to obtain insights into consumer trends, customise marketing initiatives, and enhance the overall customer experience.

Customer Care and Service

Customer Contact Centre

The Customer Contact Centre operates with 24 well-trained personnel, providing continuous support 365 days a year, with the strategic goal of maintaining customer service excellence. During the year, the Contact Center maintained a customer experience score of 89%, indicating an ‘excellent’ level of customer service.

After-care service

Singer facilitates the after-care service operation with 16 service centres and 481 franchise service agents across the country. The fully fledged Singer Care service app supports customers in their service and repair needs and accepts service requests around the clock. The requests are followed up Singer’s team of Service Center Employee list well trained and qualified technicians. The customer service center achieved a customer satisfaction rate of 94% and average repair time reducing to less than 8 days.

Customer satisfaction



Retail points

The year focused on upgrading the customer experience at retail contact points as part of Singer’s strategy for developing a world class brand via world class service. In order to create enhanced routines, a set of standard operating procedures (SOPs) was established using a 20-point check list. Sales staff training was conducted based on the SOPs while SOP awareness workshops were carried out for Area Sales Managers

SOCIAL AND RELATIONSHIP CAPITAL



Introducing



Loyalty Program



Earn 1 RED point for every Rs.200 you spend plus a host of other benefits

Transforming lives

Through accessibility and affordability to modern and convenient lifestyles, Singer has been a catalyst in transforming and enriching the lives of Sri Lankans. Against the backdrop of deteriorating macroeconomic conditions and impacts on disposable income, the Group increased accessibility through a variety of repayment options such as hire purchase schemes to effectively address increased price sensitivity. KANTAR's data on the ownership of durable consumer goods indicate that the country's refrigerator


penetration is 67%, whereas washing machine penetration is only 26%. We have taken a category-wide initiative to increase the accessibility of washing machines to consumers through a variety of campaigns emphasizing the machines' simplicity and convenience of use, 14-day trial period, and monthly payment options.







Digital delivery

Digitalization has been a strategic imperative for Singer, with recent investments aimed at facilitating data-driven decision-making and improving

the consumer experiences. Given today's business context, e-commerce has become a critical form of accessibility in expanding the consumer base and market reach, with Rs. 1.2Bn in revenue earned through the digital platform. By bolstering social media presence, consumer interactions have been transformed, facilitating the creation of curated content for specific audiences. Attesting to our digital presence Singer has been ranked among the top 6 most visible brands on the internet in 2021 by the Digital Outlook survey (APIDM).

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.



	Likes	658,000
	Followers	24,300
	Followers	26,330
	Followers	917
	Followers	2,908
	Subscribes	21,900

669	Suppliers
<hr/>	
13	Subcontractors
<hr/>	
16.2 Bn	Payment to local Suppliers
<hr/>	
18.6 Bn	Payment to Foreign Suppliers

Suppliers

The Group's commercial partnerships include local and international supply chain partners, service providers, Singer product dealers and distributors throughout the island. By offering technical and financial support to suppliers and subcontractors, we have actively tried to boost local procurement and drive local sustainable projects. The close ties we have developed with Singer product dealers and distributors

Supplier assessment criteria:

- Certifications including E&S certification
- Product specification and quality
- Timeliness of delivery
- Zero use of child labour/forced labour
- Environmental assessment including CEA certifications

around the island have been vital to fulfilling the value propositions included in our brand promise. There were no incidents of child labour or forced/compulsory labour during the reporting period.

To ensure that the quality of purchases is maintained, we adhere to stringent supplier selection guidelines and require suppliers to hold a variety of certifications. Regular supplier audits are conducted to ensure that all applicable criteria, including social and environmental criteria, are met. During the period under review, 100% of our suppliers underwent a comprehensive screening process and proactive measures were taken to promote supplier improvement, resulting in a commendable record of zero instances of non-compliance. There were no negative social impacts on the supply chain.



Dahua Concept Store



Singer Concept Center

Domestic supply chain

As the Group progresses in strengthening its local manufacturing footprint it has created significant socio-economic impacts across the local supply chain from sourcing raw materials, components and packaging material from over 669 local suppliers. Payments to local suppliers amounted Rs. 16 Bn during the year, bringing value to the local economy and strengthening local supply chains. Given the difficulties associated with the import of raw materials and finished goods, the Group focused on developing local sourcing, allowing local producers of kitchen and home appliances (among others) to offer their products through our network. We broadened our reliance on our domestic supplier base over the year, with local procurement accounting for 47% of supplier payments.

Global Brand Partners

Singer has developed strong partnerships with more than 52 reputable international suppliers who are at the forefront of advancing the industry through

unmatched innovation. We are committed to providing world-class products and influencing industry standards by leveraging our partnerships with global brands that are leaders in quality and sustainability. Due to import restrictions and limitations in establishing letters of credit (LCs), we have maintained close communication with our international suppliers in order to keep them abreast of pertinent policy developments.



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)



Womens' day celebration

SOCIAL AND RELATIONSHIP CAPITAL

Community Relationships

The group's approach to community engagement and CSR is governed by the sustainability agenda, which aims to effect meaningful change and uplift vulnerable segments of society nationwide. A structured mechanism is in place to select CSR initiatives through active and meaningful dialogue, and progress is monitored using clearly defined KPIs and actions. There are no significant negative impacts recorded during the period for communities from our operations.

Youth Development

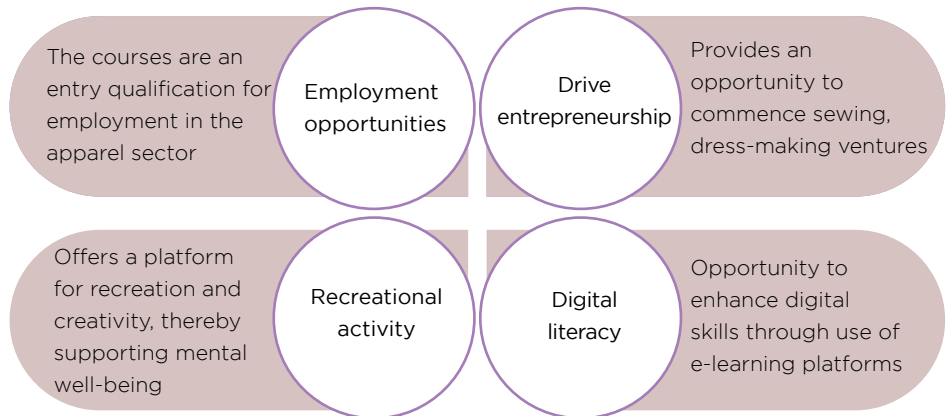
Singer Fashion Academy, the Group's education arm, has contributed to the socioeconomic empowerment of individuals via skill development, free workshops, and scholarships since its inception more than 60 years ago. Singer Fashion Academy provides a variety of low-cost sewing and fashion design courses, with an emphasis on entry-level courses to inspire aspiring young women to sew.



- Tying up with an Indian university to provide a gateway for Fashion Academy diploma holders to pursue a degree
- Affordable education with majority of courses below Rs. 30,000 which is considerably cheaper than comparable programs
- Annual Fashion Show provides opportunities for students to showcase their talents for a wider platform
- Encourages the younger generation to adopt sewing as a recreational activity and thereby promote creativity and mental well-being
- Benefits provided in the form of discounts for students of the Singer Fashion Academy when purchasing Singer sewing machines

Female empowerment

With approximately 99% of students enrolled being female, the Academy's programs have directly influenced female empowerment by providing students with the skills needed to achieve financial independence. The courses are significantly subsidised in order to provide females with the opportunity to turn their talents into careers and follow their interests as professionals. The Fashion Academy experienced the highest number of student enrolments with Fashion Academy students joining the academy during the year.



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.



Clean Water and Sanitization Project



The Singer Water Pumps Initiative successfully inaugurated a safe drinking facility at CP/W/Parameshwara Tamil Vidyalayam in Madulkelle, Panwila, and Dhammaloka Maha Vidyalaya, enabling students to access clean water and creating a conducive learning environment. This contributes to our commitment to providing clean water access to schools and promoting the well-being of students.



Clean Water and Sanitisation Project

**Employee Engagement/
Volunteerism**

Singer Cyclist



In our commitment to promoting employees' best work practices and fostering their professional and personal growth, Singer implemented several initiatives throughout the year. The inaugural Singer Cyclist event successfully encouraged employees to opt for eco-friendly modes of transportation for their daily commute, resulting in over 50 employees actively participating and consistently adopting sustainable transportation methods.

Urban Gardening at Office and Manufacturing premises

Additionally, our Urban Home Garden project was launched to inspire employees to cultivate vegetables for their personal needs, utilizing unutilised spaces within office premises. This project witnessed active participation from four departments and subsidiary manufacturing companies, showcasing their responsible approach towards fulfilling their own requirements while making efficient use of available resources. These initiatives reflect our dedication to creating a socially and environmentally conscious workplace.



DP Education Digital Classroom Initiative



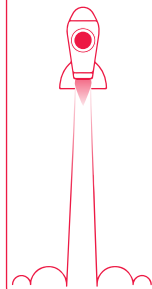
Urban Gardening at Factory premises



Singer Cyclist

Way forward

The Group continues to pursue its strategic agenda, in line with the Singer SMART plan in place, to offer world-class products to consumers through,



- Customer loyalty program with enhanced Customer Relationship Management (CRM) to improve interactions and relationships with existing and potential customers
- Enhance the customer experience through world class customer care and service
- Expand the product range to cater to emerging requirements.



MANUFACTURED CAPITAL



Highlights 2022/23

- Efficiency improvement and cost optimization through work optimization
- Continuous efforts towards new product development

56%

Capacity utilization

30%

Revenue of locally manufactured products

Rs. 6.5 Bn

Total asset base

The Group's PPE of Rs. 7,652 Mn comprises of a network of over 416 retail outlets island wide and state of the art production and laboratory facilities that are capable of manufacturing world-class products. During the course of the year, the local manufacturing capabilities played a vital role in providing a continuous flow of products to the market, while several categories of imported items were curtailed due to restrictions imposed by the government.

Key elements of our manufactured capital



Retail Outlets

- ▶ Over 416 outlets spread across 9 provinces



Manufacturing facilities

- ▶ 4 factories with a total production capacity of over 3.176 MT

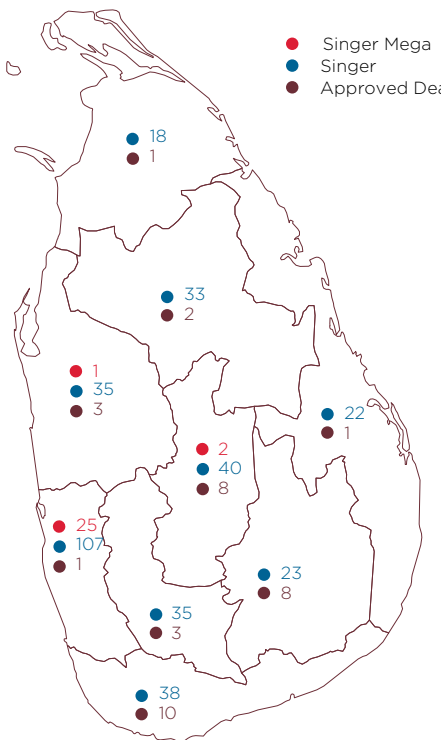


Research and Development

- ▶ Refrigerator R&D facilities

Retail Outlets

Our geographical footprint has been a crucial source of competitive advantage in improving customer reach, increasing brand exposure, and allowing the Group to access varied customer demographics. With over 416 outlets distributed throughout all 9 provinces, Singer operates the greatest retail network in Sri Lanka's consumer durables industry. In recent years, the Group's repositioning initiatives have resulted in the renovation and modernization of its showrooms to enhance the customer experience.



Singer Showrooms



351

showrooms

36

approved dealers across 9 provinces

Entrepreneurial branch model with 351 Managers and 2,500+ indirect employees

Singer Concept Center



1

showroom Located in One Galle Face Mall

9

Managers and direct employees

Singer Mega showrooms



25

showrooms Mainly in Western Province

28

Managers and 248 direct employees

Singer Duty Free Shop

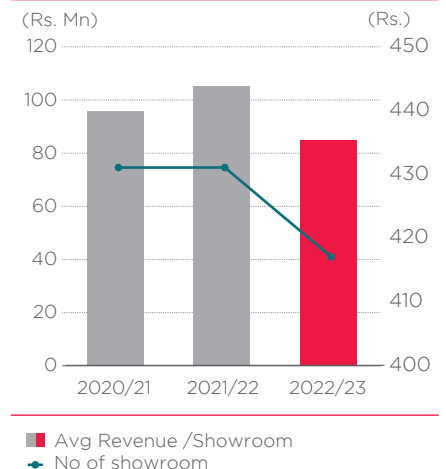


1

Showroom Located in Bandaranaike International Airport

Region	Singer Mega	Singer Plus	Approved Dealers	Total
Northern	-	18	1	19
Eastern	-	22	1	23
North Central	-	33	2	35
North Western	1	35	3	39
Central	2	40	8	50
Sabaragamuwa	-	35	3	38
Western	25	107	1	133
Uva	-	23	8	31
Southern	-	38	10	48
Total	28	351	37	416

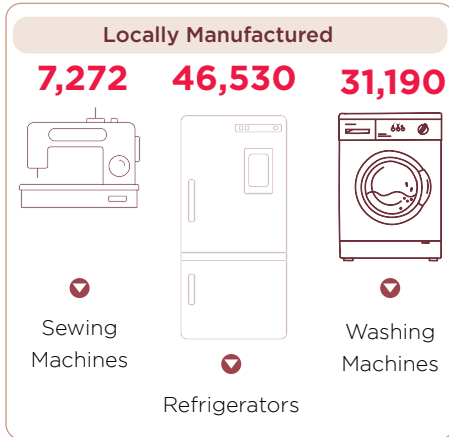
Avg Revenue /Showroom



MANUFACTURED CAPITAL

Manufacturing Capabilities

The Group's manufactured capital base of Rs. 6,463 Mn accounts for 49% of consolidated assets and contributes approximately 12% to consolidated revenue. Considering the demand, design

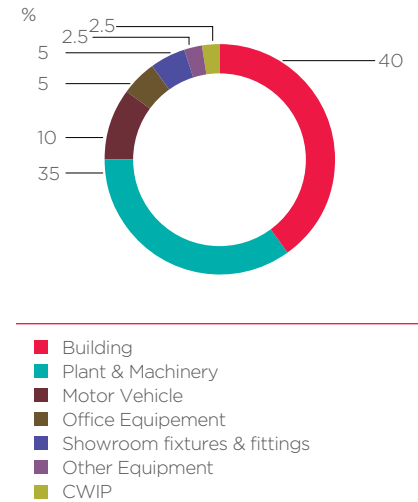


trends, and technological advancements, the Group has invested in opportune expansions to enhance its manufacturing capabilities over the past few years. During the year Capital expenditure was kept to a minimal with Rs. 61 Mn spent on machinery maintenance and upkeep.

As the Group continued to adapt its product offerings to the ongoing market conditions, the imposition of import restrictions on a number of product categories led to an increased reliance on locally produced goods. The Group caters to approximately 40% of the country's demand in both refrigerators and washing machines entirely through local manufacturing, signifying the value addition to the local economy. Our manufacturing activities also support

numerous livelihoods through direct employment and supply chain activities, such as the procurement of raw materials, packaging materials, and subcontracting.

Composition of Manufacturing Capital



Manufacturing Facilities

Regnis (Lanka) PLC

Operations:

ISO 9001:2015 Certified Manufacturing Facility, largest manufacturer of white goods, producing an estimated 40% of the country's refrigerator volumes and 42% of washing machines under the Singer and SISIL brands.

Location: Ratmalana

Manufacturing Capabilities:

Two manufacturing lines producing high-quality refrigerators of varying capacities

Capacity Utilization: 45%

Asset Base: Refrigerator plant - Rs. 3,307 mn



Regnis Appliances (Private) Limited

Operations:

Manufactures a range of washing machines, plastic chairs and plastic components for refrigerators

Location: Panadura

Manufacturing Capabilities:

Two assembly lines to produce washing machines and 6 large capacity injection molding machines for producing plastic components for washing machines and refrigerators

Capacity Utilization: 50%

Asset Base: Rs. 95 Mn



Singer Industries (Ceylon) PLC

Operations:

Operations spanning over five decades and engages in the assembly of sewing machines and the manufacture of cabinets and stands for sewing machines.

Location: Ratmalana

Manufacturing Capabilities:

Leveraging technology to enhance our efficiency and productivity, Diversified and enriched product portfolio that caters to changing consumer preferences

Capacity Utilization: 49%

Asset Base: Rs. 1,277 Mn



Singer Furniture Factory

Operations:

Engages in the manufacture of a range of furniture and the assembly of water pumps and agro based products.

Location: Piliyandala

Manufacturing Capabilities:

There are three production lines such as solid furniture, modular furniture, and water pumps & related Agro products. Modular factory focuses more on capital intensive products and solid factory focuses more on labour intensive products.

Capacity Utilization: 75%

Asset Base: Rs. 1,276 Mn



Operational Excellence

The Group's unwavering commitment to innovation and efficiency has enabled it to successfully compete with internationally renowned brands as it strives to manufacture world-class products with a local footprint. In accordance with the Group's strategic goals of maximizing production efficiency and minimizing costs, the manufacturing facilities continued to optimize resources and control expenses. While significant cost increases remained an obstacle throughout the year, fostering a cost-conscious culture through ongoing training and awareness programs became a primary objective.

Following initiatives were implemented during the year to drive operational efficiency:

Sri Lanka Standards Institution Awards Certification

ISO 9001:2015

Compliant manufacturing facilities

Product quality levels achieved

- Elimination of Saturday work by optimizing weekday operations, resulting in cost savings
- Modification of machinery to accommodate new operations in order to minimize investment in new machinery

- Upskilling of existing employees for specialized operations such as welding and painting
- In-house training of workers for maintenance and tool room operations

Our manufacturing facilities have achieved internationally recognized quality standards, with specialized quality assurance teams in place to guarantee rigorous regulatory compliance. We have invested in cutting-edge technology for our R&D centers to assure technical superiority and optimum product quality at all our manufacturing facilities. During the year we restructured our complex department concept at the sewing machine factory to adopt a simpler and flatter structure comprising of sewing and non-sewing. This has enabled faster communication and decision execution, resulting in an overall increase in our process efficiencies.

Manufacturing Innovation

Creating a culture of innovation has been a key differentiator that has aided our expansion into new markets, improve sustainability and build resilience against changing business environments. We have continued to leverage our design and production capabilities to appeal to the increasingly sophisticated Sri Lankan consumer through new technology, quality, and aesthetics. Emerging customer demands for more technologically advanced, user-friendly, and eco-friendly products compel us to broaden our portfolio with innovative and timely product offerings. While the economic conditions were challenging, we persisted in our innovative efforts to better position ourselves to emerge from the market decline with a competitive advantage.

New product developments during the year include the following:

Furniture Factory

- Cameron L Shaped sofa for the dealer market
- Introduction of the visitor chair with a steel and wood hybrid design
- Space-saving lecture hall chairs with affixed writing pads
- Emersion heater with enhanced safety specifications
- An easy-to-use changeover switch for switching between main power and generator power

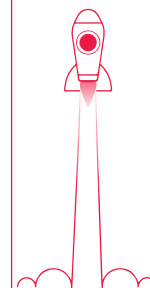
Agro Factory

- Introduction of New Look Chinese Centrifugal Pump and 2 Hp 2-inch Tube Well Pump.
- Locally Developed 2-inch Bare Shaft Pump.

Way forward

The Group is committed to expanding its manufacturing footprint by broadening its product portfolio.

- Explore avenues in the furniture export market by obtaining the FSC certification
- Introduction of new products including dining table with chairs, banquet chairs, dining room suite and veranda chairs.





INTELLECTUAL CAPITAL



Highlights 2022/23

- Relunched of brand purpose in line with rebranding strategy
- Strengthen market leadership through brand promotion and new brand introduction
- Enhanced digitization efforts to improve workflow and internal processes

4
brand awards

9 Brands
New brands introduced

Fitch rating
A+ (LKA)

Strength of our brand

Singer’s brand heritage and the trust it has garnered over the years have been crucial to the company’s success, allowing it to expand from sewing machines to domestic appliances and electronics. With a 146 year history, the Singer brand is synonymous with Sri Lankan trust and quality and plays a vital role in attracting and retaining customers. Singer is frequently cited as one of the nation’s most beloved brands due to its unparalleled customer base, geographical footprint, and extensive product portfolio. For the 17th consecutive year Singer was awarded the coveted People Brand of the year at the SLIM Kantar People award 2023, fortifying the strength of the brand.

Singer has a portfolio of over 52 internationally renowned brands, with approximately 600 electrical items and 1,200 home appliances. This is reinforced by a strong market presence and island-wide reach via 416 retail shops, 1,250+ dealer points, 481 service stations, and a cutting-edge e-commerce channel.

Brand Recognition and Awards

People Brand of the Year 2023
SLIM-KANTAR People Awards for the 17th consecutive year





















































People Durable Brand of the Year 2023
SLIM-KANTAR People Awards

Top 10 Strongest Sri Lankan Brands
Brand Finance

Top 20 Most Valuable Consumer Retail
Brand Finance

Singer markets and distributes its own manufactured range of products and locally and internationally sourced products through its house brands and exclusive and non-exclusive partnerships as illustrated below.

The Brands we Carry

Key House Brands	Exclusive Distributorship	Non - Exclusive Distributorship
      	                     	                      

During the year the following brands were added to its portfolio:

	
	 ALUMINIUM FOR THE PERFECT FINISH
	
	
	



Singer Gaming Center - Milagiriya



Service Center Training

INTELLECTUAL CAPITAL

Branding strategy

Singer's new brand purpose was relaunched during the year as a result of extensive strategising with Interbrand to incorporate the company's history, extensive customer knowledge, and experience into a holistic proposition. This stems from the recent rebranding strategy done by the Group to revitalize and reposition the brand to remain relevant and future fit amidst evolving customer needs.



Intrusion Partner of the year 2022



Chairman's Awards

Our **brand purpose** is to provide curated experiences with relevant products and services across various categories.

Brand Personality:

- We are enthusiastic in our interactions
- We are confident of our knowledge
- We are caring & prudent in everything we do

Digital Capabilities

The Group has identified digitization as a key strategy to become more efficient, cost-effective and competitive in today's digital economy. We have continued to leverage technology to drive improvements in our internal processes by constantly reviewing and upgrading our systems and processes to stay in line with the evolving business environment. The ERP system was updated to IFS App 10 with enhanced functionality and real-time connectivity to ensure integration with all core business functions. This has enabled faster and more accurate processing of information to pursue operational excellence in sourcing, retail, inventory management and manufacturing.



Gold Award in the Trading sector- CA Sri Lanka TAGS Awards 2022

IT Architecture

Core ERP (IFS)	Sub Systems	BI Dashboards	Analytical systems	Workflow systems	E commerce
----------------	-------------	---------------	--------------------	------------------	------------

Evolution

2001	AS400 ERP System was used	2004	Live Data Update	2009/2010	Introduced Mobile Based Sales	2019	IFS APP 10 ERP Upgrade	2022
Developing E Commerce platform	Before 2004	IFS ERP System Implemented	2009	Accepting Live Third-party Bill Collection	2010	Introduced 2019 - BI Dashboards and Data Analytics	2021	Workflow System Introduced

Improvements to digital capabilities during 2022/23

System Implementation		
Front end	Back office	Supervision
<ul style="list-style-type: none"> • Customer faster service • Effective customer touch points • Front end operation – Customer convenience • Product visibility through Smart screens • Service efficiency initiatives • Inventory optimization initiatives 	<ul style="list-style-type: none"> • Digitalization – System implementations & Improvements • Automations • Process efficiency improvements 	<ul style="list-style-type: none"> • System visibility improvements • Transactions convenience to work through mobility

- Workflow improvements: Digitization of manual processes and automation of workflows for faster and more accurate processing of information.
- Power BI: Advanced data analytics and interactive dashboards used to aid better decision making.
- Improved IT infrastructure: Implementation of SD WAN to all branch networks and external locations for a more cost-effective connectivity.
- Cyber security: Implementation of the Security Operations Center with a third party during the year, carrying out Information Security Assessment through external auditors.



Way forward

- Focus on improving after sales service standards to strengthen customer brand



- Revamp website to add new functionalities
- Continue to strengthen digital capabilities to obtain richer insights into the business



NATURAL CAPITAL



- Highlights 2022/23**
- 94% of refrigerators' packaging is made from recycled paper pulp
 - 9 Sisil branded refrigerators receiving MEP labelling
 - 25,239 number of units recycled through the e-waste collection program

6%

Increase in energy consumption

11%

Reduction in carbon emission reduction

240%

Growth in solar panel segment

As a Group with a large manufacturing footprint and an extensive value chain, we are mindful of our obligation to mitigate negative environmental impacts. We are conscious of how we can contribute to reducing our customers' environmental footprint through innovation and sustainable business practices, given our unparalleled customer reach.

Corporate Environmental Commitment

Singer adopted the Hayleys Group's holistic ESG Framework- the Hayleys Life code (refer to page 25), which clearly sets out Group-wide environmental targets and action plans. The policies of the Life code, together with Singer's own 'Paramarthayen Perata' (Progress through Purpose) initiative clearly articulates the Group's long term environmental and social sustainability aspirations. This year, Hayleys Life Code successfully incorporated the Singer Paramarthayen Perata initiative into our policies, allowing us to carry out a number of initiatives in line with the Group's vision.



Environmental Policy Framework

“Paramarthayen Perata”

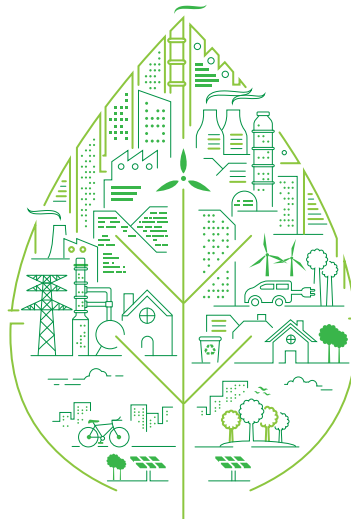
Singer Group’s Sustainability Vision

Environmental pillars:

- Energy Purpose
- Environment Purpose

Sustainability Committee and

- 1 Dedicated Sustainability Executive
- 7 Sector ESG Champions

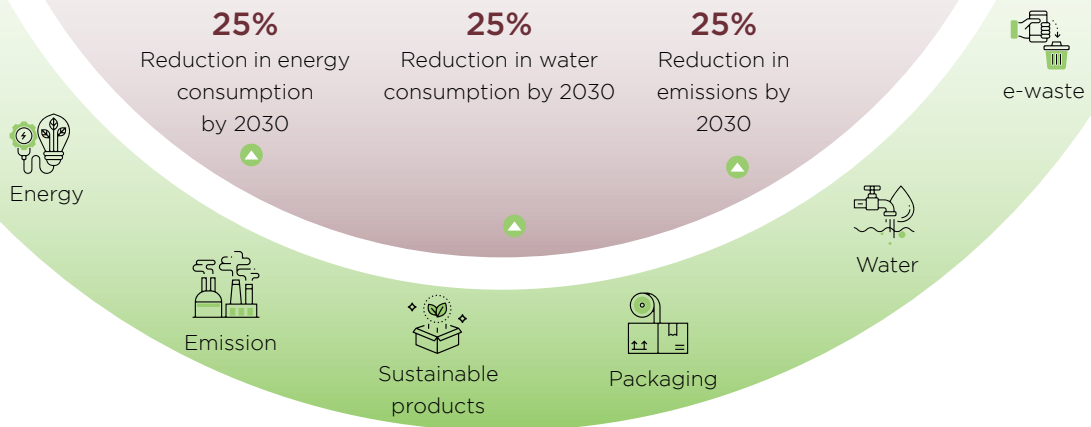


Hayleys Life code

- ◀ Energy and emission management
- ◀ Water management
- ◀ Material and waste management
- ◀ Chemical management
- ◀ Bio-diversity conservation

Singer Group Environmental Management Framework

Environmental Goals for 2030



Group CEO/ Director- HR Business Integration



Sustainability Executive



NATURAL CAPITAL

Environmental Compliance

Our manufacturing facilities have obtained an Environmental Protection License from the Central Environmental Authority and continue to comply with its requirements. Singer has also established sustainability development forums with monthly activities to encourage employee participation in company initiatives and cultivate environmental consciousness. During their onboarding, new Singer retail employees received training to raise awareness about sustainability and learn how to reduce their own carbon footprint.

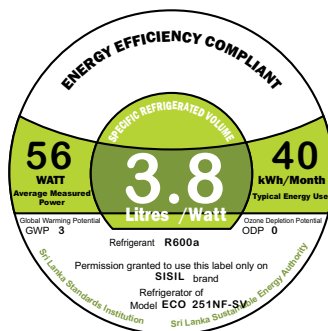
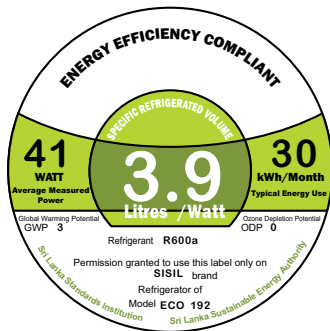
Greening the Customer Journey

With a customer base of over 5.8 Mn Sri Lankans, we are aware of our responsibility to reduce customers' environmental impact. Singer's partnerships with global suppliers at the vanguard of innovation enable the company to offer products that are designed and manufactured sustainably. We are committed to decreasing the negative environmental consequences of our products throughout their life cycle by educating consumers on responsible use and extending product life through

repairs to reduce replacements. With its local manufacture, the Group meets the country's demand for freezers and washing machines and has been a pioneer in adopting energy and water-efficient technologies. During the year 9, Sisil branded refrigerators received MEP labelling, which indicates their ability to reduce energy consumption compared to older refrigerators. Among the 9 models, the energy consumption rates are 30 kWh/hour and 40 kWh/hour, while their respective global warming potential is 3. This will have a substantial positive impact on customer energy usage and emissions.

Energy Efficient Compliant by Sri Lanka Standards Institution/ Sri Lanka Sustainable Energy Authority

Brand	Model	Average Measured Power (Watt)	Volume (Litres/ Watt)	Typical Energy Use (kWh/Month)	Refrigerant	Global Warming Potential
SISIL	ECO 192	41	3.9	30	R600a	3
	ECO 192 WR					
	ECO 192 WR - R					
	ECO 192 WR - BG					
	ECO 192 SV					
	ECO 192 WR - SV	56	3.8	40		
	ECO 192 WR - BU					
	ECO 251 NF					
	ECO 251 NF - SV					
	ECO 251 NF - SV					



Singer branded products

- First in South Asia to introduce R600A Refrigerant technology in 2012
- 9 refrigerator models under the Sisil brand received Minimum Energy Performance (MEP) label by the Sri Lanka Sustainable Energy Authority (SLSEA)
- Washing machines with reduced water consumption features
- 94% of refrigerators' packaging is made from recycled paper pulp

Other products

- Samsung Wind-Free air conditioners with 77% reduction in energy consumption
- Samsung Smartphone with sustainable packaging

Renewable Energy

- The Singer Group promotes renewable energy generation in Sri Lanka by importing and distributing Singer Solar PV systems.
- Singer has partnered with Fentons for the installation of solar solutions, taking advantage of synergies with the Hayleys Group.
- Singer has also collaborated with Sri Lanka Solar Energy Authority (SLSEA) on a solar power generation initiative to provide long-term solutions for reducing reliance on fossil fuels.
- During the year Singer has expanded its portfolio and recorded a growth of 240% in Solar Panel revenue with a Rs. 682 Mn sale.

Other products

- We are committed to minimizing the negative environmental impacts of our products throughout their entire life cycle and maximizing resource efficiency by extending the products' useful lives through repair and re-use.
- Through its island-wide network of 15 service centres, frequent service clinics, and multiple engagement platforms, consumers have the opportunity to extend the product life cycle.
- The Extended Warranty Programme Senasuma covers product repairs for up to three years for an additional fee.

462
Solar Systems sold

396,893
Total Repairs, Installations & Services

e-waste management program

Singer has conducted a large-scale, island-wide e-waste collection initiative since 2010, encouraging consumers to return used electronic items. Since the program's inception, Singer has collected 17,994 kg of e-waste from over 400 collection points across the island, directly contributing to the reduction of landfill. The Group is authorized by the Central Environmental Authority to collect and transport e-waste on the basis of a license for scheduled waste management. The collected refuse is then given to CEA-approved third-party recyclers, with Singer covering transportation and other costs.

By offering discounts on new products, the trade in program also encourages customers to dispose of their used electronic products in a responsible manner. This service is also provided island-wide, whereby customers are incentivized to exchange obsolete products for newer, more energy-efficient ones in exchange for a discount.

Items	No of Units recycled
Televisions	3,779
Refrigerators	825
Washing Machines	551
Batteries	18,714
Others	1,370

NATURAL CAPITAL

Sustainable Manufacturing

With an expanding manufacturing footprint, the Group is working to reduce the negative environmental impacts associated with raw material, energy, and water consumption while minimizing environmental impacts through re-use, re-cycling, and safe disposal of waste, effluents, and emissions. To instill a culture of environmental consciousness, concerted efforts have been taken to educate staff and involve them in sustainability activities in all our manufacturing facilities.

Material Consumption

Key raw materials used in manufacturing comprises of steel, plastic, chemicals, compressors and packaging material. Our approach to material management includes reducing plastic usage, optimizing chemical usage, and utilizing eco-friendly materials. As part of our commitment to reducing the environmental impact, at least 1% of the raw material used in our manufacturing process is recycled. The Regnis factory has effectively implemented the use of recycled materials for packaging and incorporates recycled raw materials into the manufacturing process of washing machines. In addition, we have substituted Styrofoam packaging with 70% recycled packaging by using paper pulp for refrigerator packaging.

Recycled material used

Raw Material	kg (Approx)	%
Non-Renewable	4,309,394.04	60
Renewable	2,844,190.19	40
Total	7,153,584.23	

% of renewable input materials

13%	54%
Regnis (Lanka) PLC	Singer (Sri Lanka) Factory
11%	
Singer Industries (Ceylon) PLC	

Material Consumption during the year:
40% of renewable input material used

Energy Usage

Singer Group has adopted a proactive approach to lowering energy use and developing environmentally friendly practices. Singer has established a comprehensive Energy Management Policy that includes benchmarks and targets for manufacturing, retail, and office operations. The Group's primary energy sources are national grid-sourced electricity and diesel, which is used in the generators.

In February of this year, we established an Energy Management Committee made up of representatives from each of our locations. The committee has played a significant role in identifying areas where energy consumption can be reduced and implementing initiatives to achieve this objective. Investing in energy-efficient manufacturing technology and streamlining manufacturing processes have been a part of a deliberate effort to build an energy-conscious culture.

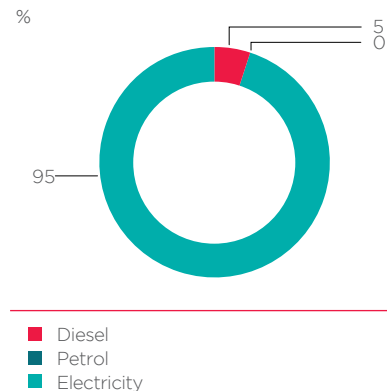
While our energy consumption has been relatively low over the last two years due to production interruptions, This year, the Singer Group saw reduction in energy consumption in manufacturing facilities due to lower production. However, energy consumption significantly increased in the company's retail shops, which opened at full capacity. As a result, Singer Group experienced a notable rise in overall energy consumption.

We are committed to reducing the environmental impact of our customers' product usage by procuring and manufacturing energy-efficient products and promoting sustainable practices among our customers. Together with our global partners, we identify and procure energy- and water-efficient products that align with our sustainability objectives. Our procurement processes incorporate supplier audits, certification checks and assessments to evaluate supplier's commitment to environmentally friendly manufacturing processes.

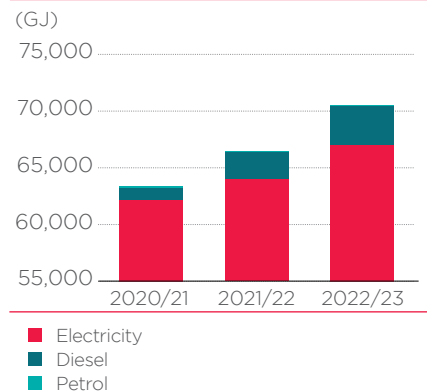
Energy consumption in 2022/23

Electricity (kWh)	18,619,561
Diesel energy consumption in GJ	3,432
Electricity consumption in GJ	67,030
Total energy consumption in GJ	70,515
Diesel energy intensity ratio GJ/Revenue (Mn)	0.06
Electricity intensity ratio GJ/Revenue (Mn)	1.22
Total energy intensity ratio GJ/Revenue (Mn)	1.29

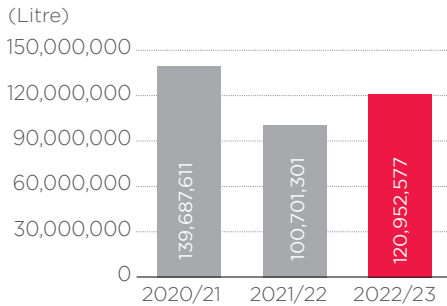
Energy Consumption by Source (GJ)



Total Energy Mix



Water Withdrawal



We consider our water withdrawal and water consumption to be the same.

Waste and effluents

Our manufacturing operation generates primarily solid waste, such as scrap metal, wood palettes, Styrofoam, plastics and polythene. Mechanisms have been put in place to decrease landfill waste via recycling, reuse, and appropriate waste disposal. Sawdust is converted into biofuel by a third-party company,

Waste Type	kg
Empty Hazardous Containers	828
Plastic waste	70,361
Mixed waste (Biodegradable)	557,407
Cardboard waste	25,268
Other	27,325
Ewaste	17,994
Food Waste	1,353
Metal	38,855
Polythene	7,954

Waste Profile

Total Waste	
Recycled	16%
Reused waste	83%
Land filling waste	less 1%
Total Waste water discharged	110,413,917.00 litres
Ground water discharged	8%
Municipal line water discharged	92%
Waste water internally treated	N/A

Water discharge

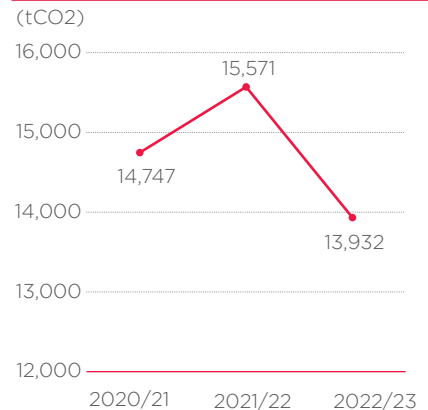
Total water discharged	litre
Municipality treatment plant / drainage line	101,536,367
Effluent discharged to ground through soakage pit	8,877,550
Total	less 1%

and dust collection systems are in place at the furniture factory to reduce its environmental impact. Water quality parameters are monitored to guarantee regulatory compliance. Our manufacturing facilities have low water intensity, and we ensure responsible management of all water intake and discharge.

Emissions

The Group's impact on emissions results from direct operations and the consumption of our products. Singer has incorporated the IPC Guideline 2006 for Greenhouse Gas Inventories and has expanded its computation to encompass all three emission scopes. As detailed in the section "Greening the customer's journey," efforts to reduce the energy consumption of our products have directly contributed to a decrease in emission intensity. Emissions are computed on a quarterly basis for all subsidiaries and during the year the carbon footprint decreased by 1,639 tCO₂ while carbon emission reduced to 11%. During the year, our scope 3 emissions were significantly reduced through a decrease in third-party vehicle transportation for distribution. This reduction was a result of both external circumstances and our effective transportation plan, leading to an overall decrease in carbon footprint. The group emission intensity is 0.25 tCO₂/ Rs.Mn.

GHG Emissions

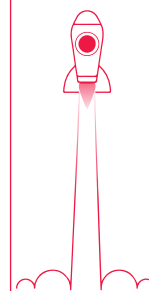


GHG emissions

Scope 1	tCO ₂
Direct emissions	271
Scope 2	tCO ₂
Emissions from purchased energy	10,731
Scope 3	tCO ₂
Other indirect emissions	2,930

Way forward

We are committed to continuing our efforts to reduce group energy consumption through the implementation of various initiatives in the future. In collaboration with the Sustainable Energy Authority, Singer intends to remove obsolete refrigerators from the national grid, to minimize the nation's energy consumption and emissions. With a long-term target of removing 500,000



refrigerators from the grid within five years, we have implemented trade-in programs to enhance the collection of refrigerator e-waste and remove obsolete refrigerators from the grid.

**REMAINING
ETHICAL AND
RESPONSIBLE**

Stewardship

Board of directors	88
Management team	94
Corporate Governance	97
Audit Committee Report	106
Remuneration Committee Report	107
Nomination Committee Report	108
Related Party Transactions	109
Risk Management	110

BOARD OF DIRECTORS



Mohan Pandithage
Executive Chairman



Mahesh Wijewardene
Group Managing Director/Group
Chief Executive Officer



Deepal Sooriyaarachchi
Independent Non-Executive Director



Hisham Jamaldeen
Independent Non-Executive Director



Dumith Fernando
Independent Non-Executive Director



Sarath Ganegoda
Non-Executive Director



Dilip De S. Wijeyeratne
Independent Non-Executive Director



Gayani de Alwis
Independent Non-Executive Director



Brindhiini Perera
Non-Executive Director



Sujeewa Perera
Alternate Director to Mahesh
Wijewardene



Kapila Perera
Alternate Director to Hisham Jamaldeen

BOARD OF DIRECTORS

Mohan Pandithage

Executive Chairman

(Appointed on 02nd October 2017)

Mr. Mohan Pandithage currently serves as the Chairman and Chief Executive of Hayleys PLC, a position he has held since his appointment in July 2009.

As an accomplished industry veteran and respected leader in the field of transportation and logistics, he was honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. Additionally, he was presented with a Lifetime Achievement Award by the Seatrade-Sri Lanka Ports, Trade and Logistics (SLPTL). He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport (CILT). He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association, in acknowledgement of his invaluable services to Sri Lanka's logistics industry.

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

As an Executive Chairman of multiple Companies within the Hayleys Group, Mr. Pandithage possesses extensive leadership experience across a broad spectrum of industries. Presently, he holds the position of Executive Chairman at Dipped Products PLC, Haycarb PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC, Hayleys Fabric PLC, Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC, The Kingsbury PLC, Hayleys Leisure PLC and Unisyst Engineering PLC. He also serves on the Board of Diesel & Motor Engineering PLC.

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 currently serves as Vice President of Sri Lanka Retailers' Association and a Member of the International Chamber of Commerce - Policy Committee. Mr. Wijewardene served as the past Chairman of Ceylon Chamber of Commerce - Import Section and Sri Lanka - China Business Council.

He serves as a Director of Singer Industries (Ceylon) PLC, Singer Finance (Lanka) PLC, Regnis (Lanka) PLC, Regnis Appliances (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, Medapp (Pvt) Ltd., 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.

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 recognized 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 recognized 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 function as Non-Executive Director of Hayleys PLC, Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Haycarb PLC and Talawakelle Tea Estates PLC. He was a former director of People's Bank, Aromatic Energy Board (Director) and a Member of the Interim Committee for Sri Lanka Cricket. He is the current Treasurer at Moors Sports Club.

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.

Dumith Fernando

Independent Non-Executive Director

(Appointed on 2nd October 2017)

Mr. Dumith Fernando is Chairman of Asia Securities Holdings (Pvt) Ltd, a leading independent Investment Bank in Sri Lanka which offers Investment Banking, Wealth Management, Stock Brokerage and Research services to international and domestic institutions, corporates and high net worth individuals. He served as the Chairman of the Colombo Stock Exchange (CSE) from 2020-2022.

Mr. Fernando has over twenty-six years of experience in international and Sri Lankan capital markets, having spent much of his career in global financial centers New York and Hong Kong with global banking firms JPMorgan Chase and Credit Suisse. There he held various roles across Equities, Investment Banking, Private Equity and Corporate Strategy. Prior to his return to Sri Lanka in 2013, Mr. Fernando was Managing Director and Group Chief Operating Officer for Credit Suisse Asia Pacific - a US\$2.5 billion revenue business across 12 countries - 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 & Economics from Middlebury College in the U.S. and an MBA from Harvard Business School.

BOARD OF DIRECTORS

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

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 (Guarantee) 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. Also an advisor to the Council of Trustees of CILT.

Brindhiini Perera**Non-Executive Director**

(Appointed on 19th October 2022)

Ms. Brindhiini Perera has earned a Masters in Mechanical Engineering from Imperial College London. Her studies included comprehensive coverage of subjects such as Manufacturing Technology and Management, Entrepreneurship, Corporate Finance, Statistics, and Mathematics.

She serves as a Non-Executive Director in several companies listed on the Colombo Stock Exchange including Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, The Kingsbury PLC and Hayleys Leisure PLC. She also serves on the Board of Eurocarb Products Ltd (UK), Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation.

Sujeewa Perera**Alternate Director to Mahesh Wijewardene**

(Reappointed to the Board on 22nd January 2019)

Mr. Sujeewa Perera is the Director SSL Factory and Logistics.

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.

Kapila Perera**Alternate Director to Hisham Jamaldeen**

(appointed on 20th April 2022)

Mr. Kapila Perera is the Director Information Technology & Credit of Singer (Sri Lanka) PLC. He counts for over 34 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.

MANAGEMENT TEAM



Thulitha Mendis
Director - Commercial



Jagath Perera
Director - Operations



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



Vajira Tennakoon
Sales - Director



Roshan Kulasuriya
Director - Human Resources
and Business Integration



Shanil Perera
Marketing - Director



Shalinka Seresinhe
Finance - Director



Indika Gunathilake
Deputy Director - Hire Purchase
and Emerging Channel



Priyanjith Meegoda
Head of Risk Management



Mohamed Irzan
Head of Manufacturing Finance
and Treasury



Kasun Udayanga
Head of Service and Process



Asantha Karunaratne
Senior Manager -
Merchandising and Promotions



Ransiri Perera
Group Administration Manager



Hemantha Perera
Senior Manager - Budget and
Planning



Terrence Martyn
Senior Manager - Sewing and
Business School



Piyum Jayatilake
Marketing Manager



Thanuja Senaviratne
Senior Manager IT - Systems
and Operations



Rohan Perera
Business Development
Manager - Retail Operations



Saman Serasinghe
Senior Manager - Distribution



Nishan Ranasinghe
Senior Manager -Revenue,
Margins and Operational
Finance



Pramila Liyanage
Financial Controller



Rahula Gaspe
Business Development
Manager - E-Commerce



Indika Perera
Business Development
Manager - Whole Sale



Ranisha Silva
Business Development
Manager - Institutional Sales



Suren Kanishka
Senior Manager - Promotions



Upul Peiris
Business Development
Manager - South



Sampath Jayatilake
Senior Manager - Human
Resources



Mohamed Hanas
Business Development
Manager - Digital Media



Dr. Mahinda Balasuriya
Head of Regulatory and
Quality Assurance



Upali Ganehiarachchi
Head of Business Development
- Agro and General Trading
Channel



Manjula Silva
Business Development
Manager - Mega



Lasanka Arunajith
Head of Logistics

MANAGEMENT TEAM



Darshana Appuhamy
Marketing Manager



Gihan Jayawardana
Operations Manager - Furniture



Sujith Sirimanne
Business Development
Manager - North



Damitha Serasinghe
Senior Manager IT -
Infrastructure and Projects



Tharindu Mahawedage
Senior Manager - Commercial



Tharaka Warnakulasuriya
Marketing Manager - Digital
Products



Waruna Wickramasinghe
Business Development
Manager - Renewable Energy
and Surveillance



Charitha Perera
Business Development
Manager - Digital Media
Computers

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 2022/23

- Mr. Dhammika Perera resigned from the Board in June 2022 and consequently Ms. Kawshi Amarasinghe ceased to be Alternate to Mr. Dhammika Perera in June 2022.
- Mr. Ramesh Chitrasiri resigned as Alternate to Mr. Sarath Ganegoda in September 2022.
- Ms. Brindhiini Perera appointed to the Board as a Non-Executive Director in October 2022.

- Review and update of several key policies including,
 - Health and Safety Policy, Whistle Blower Policy, Recruitment and Selection Policy, Sexual Harassment Policy, Grievances Policy and policies of IT Security system
 - Adoption of the Hayleys Lifecode a holistic
 - ESG Framework which was launched across all Hayleys Group entities during the year

- Assessing the implications of the import restrictions on performance and future outlook
- Ongoing monitoring of emerging macro-economic developments and potential risk
- Evaluate the safety measures put in place to support health and well-being of employees
- Pursue opportunities to expand local manufacturing foot print

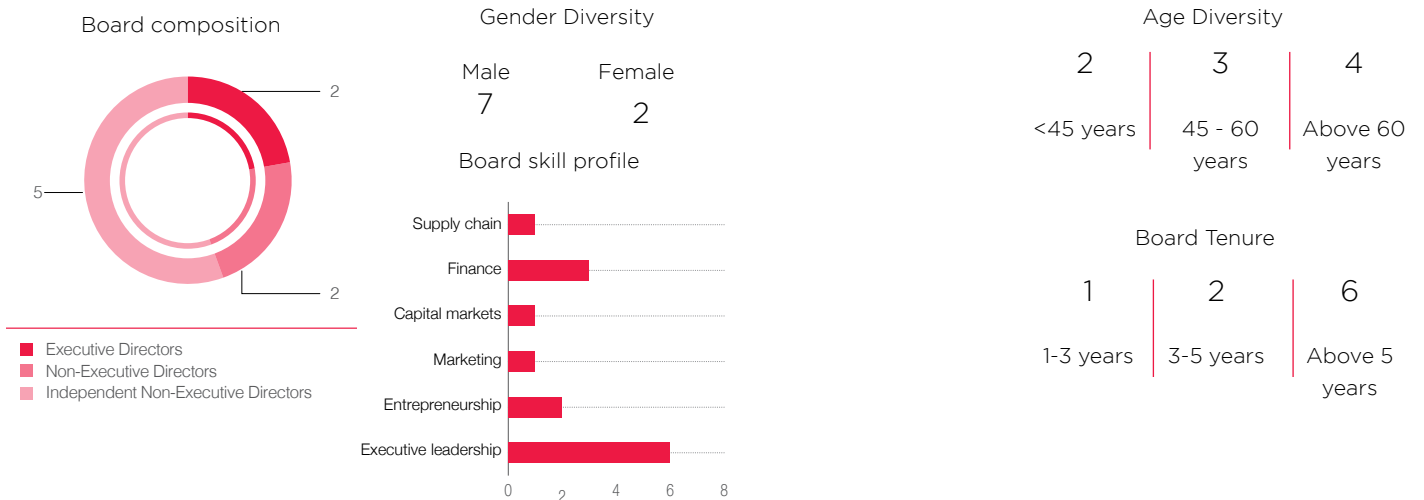
- 4 Board meetings held
- 9 Sub-Committee meetings held

- Strengthened engagement with business given prevalent uncertainty and volatility

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 249 to 293 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.



CORPORATE GOVERNANCE

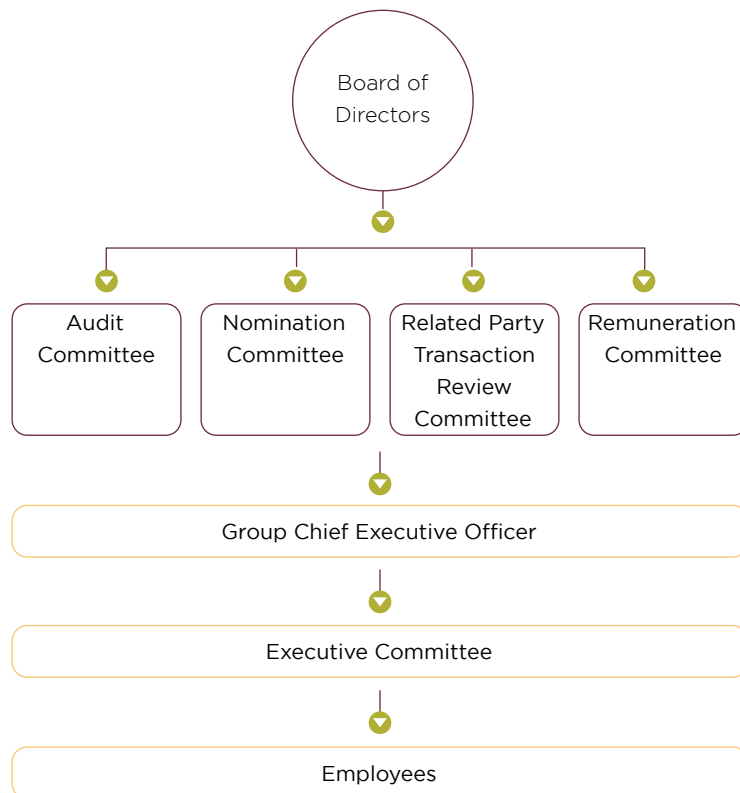
Approach to Corporate Governance

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:



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 Sub-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. 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 incorporate 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 104 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 2023 was 7.72%, which is below the minimum requirement of 20% as specified by the Listing Rules [Rule 7.14.1(i) (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 independence 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 advise of the Nomination Committee of the Company. Following details of new Directors are disclosed on their appointment to the Colombo Stock Exchange.

- a. A brief resume of the Director
- b. The nature of his expertise in relevant functional areas
- c. The names of companies in which the Director holds directorships or memberships in Board Committees
- d. Relevant interest in shares/debentures issued by the Company; and
- e. 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 to 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

CORPORATE GOVERNANCE

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.

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.

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 2022/23;

- 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, there by 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 282 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 blue print 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 110 to 115 for further information on the Group's risk management practices)

Sustainability & ESG focus

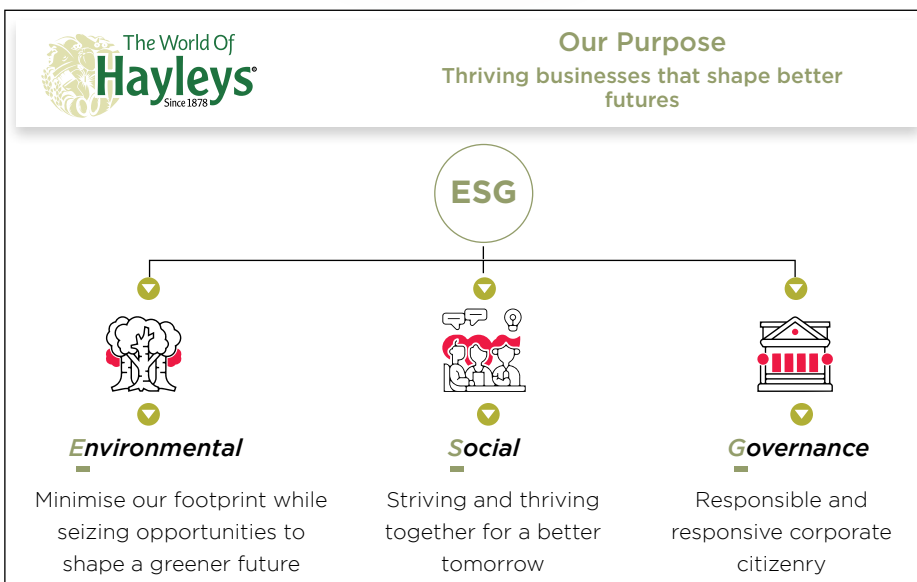
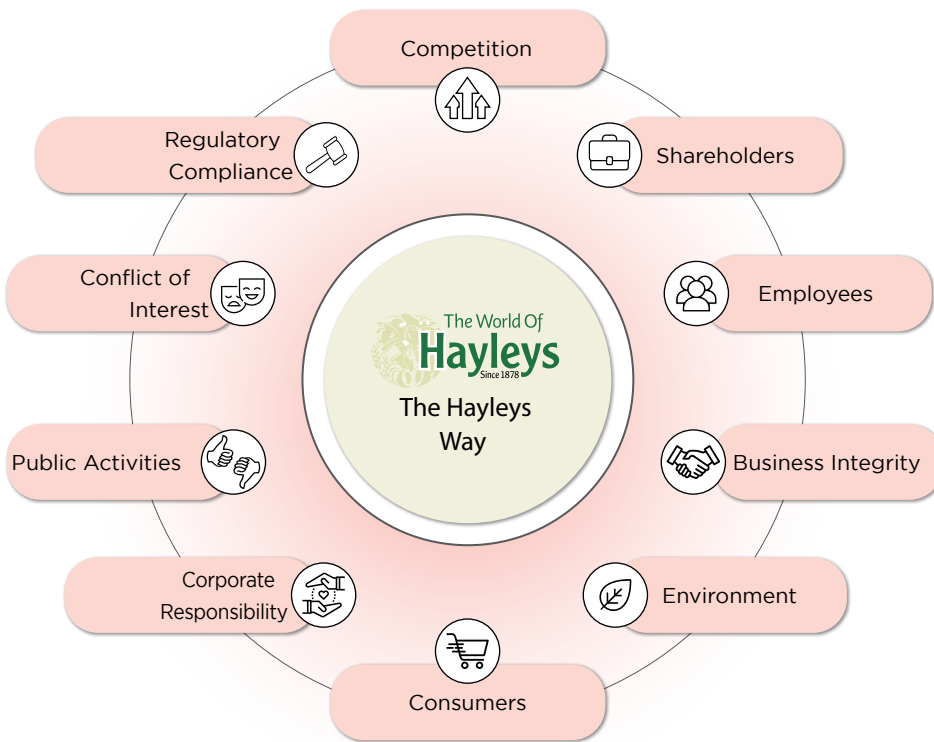
The Board is committed to embedding sustainability considerations into its strategy, decision making and operations. This commitment represents both the Group’s corporate citizenry aspirations as well as increasing awareness that identification and management of

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 25 and 44

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: 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
13th May 2022	12th May 2022	13th May 2022	-	12th May 2022
08th August 2022	04th August 2022	-	-	04th August 2022
10th November 2022	04th November 2022	-	-	04th November 2022
06th February 2023	02nd February 2023	-	-	02nd February 2023

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 (resigned with effect from 10th June 2022) Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera - ceased to be Alternate with effect from 10th June 2022)	Non-Executive	1/1	-	-	-	-
Mr. Mahesh Wijewardene – Group CEO Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene)	Executive	4/4	-	4/4	-	-
Mr. Dumith Fernando	Independent Non-Executive	4/4	-	-	-	-
Mr. Sarath Ganegoda Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - (appointed on 20th April 2022 and resigned with effect from 30th September 2022)	Non-Executive	4/4	-	-	-	-
Mr. Deepal Sooriyaarachchi	Independent Non-Executive	4/4	3/4	3/4	-	1/1
Mr. Hisham Jamaldeen Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen-appointed on 20th April 2022)	Independent Non-Executive	4/4	3/4	-	-	-
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	-	-	-	-
Ms. Brindhiini Perera (appointed on 19th October 2022)	Non-Executive	1/2	-	-	-	-

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 249 to Page 293.

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 88 to 93 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 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 2022/23

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 2023 were also discussed at the meeting held on the 08th May 2023. 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 2023 under review is given on page 104 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 2023/24, 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.

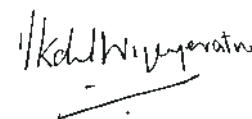
Sri Lanka accounting standards

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

08th May 2023
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 88 to 93 of this Annual Report.

Mr. Shalinka Seresinhe, 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's 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 104 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

11th May 2023
Colombo

NOMINATION COMMITTEE REPORT

Composition of the committee

Nomination Committee consists of one Independent Non-Executive Director and one Executive Director as at the end of the reporting period, 31st March 2023.

Nomination Committee Members

- Mr. Mohan Pandithage - Chairman - Executive Director
- Mr. Hisham Jamaldeen - Independent Non-Executive Director
- Mr. Dhammika Perera - Non-Executive Director (resigned with effect from 10th June 2022)

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

During the reporting period, Nomination Committee meetings were not held, whereas appointments were approved by the Board via circular resolutions.

Appointments to the Board

Ms. Brindhiini Perera was appointed to the Board with effect from 19th October 2022. In terms of Article 24 (10) of the Articles of Association of the Company, shareholders will be requested to elect her at the forthcoming Annual General Meeting.

Re-election of Directors at the Annual General Meeting

In terms of Article 24 (4) of the Articles of Association of the Company, Ms. Gayani De Alwis retires by rotation and being eligible offers herself for re-election and the shareholders will be requested to re-elect her at the forthcoming Annual General Meeting.

In terms of Article 24 (4) of the Articles of Association of the Company, Mr. Sarath Ganegoda 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.

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

11th May 2023

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

Brief profiles of the members are given on pages 88 to 93 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 2023, the Committee met four times. Attendance by the Committee Members at these meetings is given in the table on page 104 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.

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.

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.

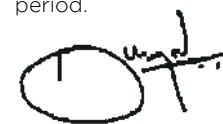
The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management and in compliance with Section 9 of the CSE Listing Rules.

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

08th May 2023
Colombo

RISK MANAGEMENT

Changes in the economic, social and political landscape were seismic when considering the severity of impact for many business entities. The impact on the retail sector was even more severe as the fiscal and monetary policy changes sought to reduce imports and consumption to manage the external account and balance of payments deficits. Wide ranging import restrictions and the foreign exchange liquidity crisis were significant obstacles to performance as it limited our product range and inventories. Demand was impacted by declining disposable incomes which also resulted in elevating credit risk for hire purchase portfolio and the Singer Finance loan portfolios. The sharp devaluation of the rupee put some products beyond the reach of many customers, exacerbating the situation. The increase in interest rates had a significant impact on the Group reflecting the impact of monetary policy. Taxation added to the stress reflecting the impact of fiscal policy. We also needed to ensure that we maintained our trained team and supported them through a difficult period.

Sound risk management practices enabled the early identification and management of these risks enabled the Group to deliver a resilient performance overcoming overwhelming odds. We continue to remain vigilant about the risk environment, continually assessing changes to identify potential risks that need to be kept on our radar.

Risk Management Framework

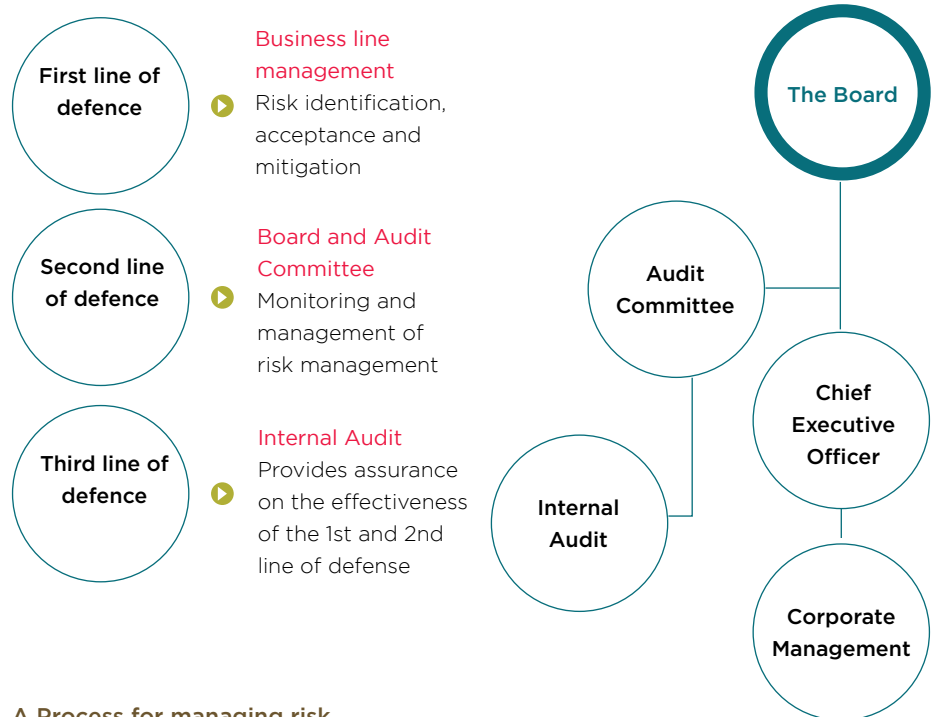
The Board has ultimate authority for managing risk for the Singer Group and has put in place a framework for identifying, measuring, monitoring and managing risks. Risk is managed to balance profitability and resilience, with resilience considered in a wider context including financial and ESG factors.

The Audit Committee is charged with assisting the Board in oversight of risk management and plays a key role in identifying, measuring, monitoring and

mitigating key exposures. Risk assessments are constructively challenged by the Board and the Audit Committee to ensure that all significant risks are captured and monitored. Internal Audit serves as third line of defence, providing assurance on the effective functioning of the risk management process.

Approach to Risk Management

The Group's risk management framework is based on the three lines of defense model with clear segregation of duties in risk management.



A Process for managing risk



Risk Identification – The first line of defence is responsible for risk identification as they engage with multiple stakeholders and review internal and external data in their respective areas of expertise.

Measurement – Appropriate risk indicators to measure risk are identified for the risks which may be quantitative as well as qualitative.

Monitor – Movements in identified risk indicators are monitored to understand the dynamics, drivers and evolution of identified risks.

Assess – Risks are assessed for the probability of occurrence and severity of impact using the latest available data.

Mitigate & Manage – Plans are put in place to avoid, transfer, manage or mitigate risks.

Principal Risks of 2022/23

The severe macro-economic challenges enumerated above saw a convergence of risks, many of which had fairly severe impacts on the performance of the Group. Encouragingly, the long term prospects remain positive as the second half of the year saw an uptick and the country is also forecast to move into positive growth territory by 2025. Trade flows are a key area for diplomacy and international relations and easing of import restrictions will be high on the agenda to maintain goodwill with other countries. The risks set out below are those assessed as at the close of the financial year.

























































Risk Ratings

- E - Extremely high
- H - High
- M - Medium



















Risk	Developments in 2022/23	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy
<p>Consumer Disposable Income</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>Likelihood Impact</p> <p style="text-align: center;">● ●</p> <p>Risk Rating E</p> <p>Direction →</p> </div>	<p>Soaring inflation and interest rates combined with increased taxation to reduce the disposable income of Sri Lankans. Inflation has eased towards the end of the year and interest is also easing off although at a more gradual pace.</p>	<p>Risks</p> <ul style="list-style-type: none"> Reduced demand for products <p>Opportunities</p> <ul style="list-style-type: none"> Increased demand for after sales service and repairs Explore export market Expand product lines for which there is a demand such as solar, CCTV etc. 	<ul style="list-style-type: none"> Judicious use of hire purchase as a tool Low monthly instalments Promotions 	<p>Social & Relationship Capital</p> <p>Customer centricity</p>













RISK MANAGEMENT

Risk	Developments in 2022/23	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
<p>Restrictions on imports</p> <table border="1"> <tr> <td>Likelihood</td> <td>Impact</td> </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		<p>As part of the Government's measures to minimise foreign currency outflows, a licensing system was introduced on imports</p>	<p>Risks</p> <ul style="list-style-type: none"> Approximately around 50% of the Group's product portfolio is currently under this licensing system which will significantly affect the continued supply of products to customers. Emergence of a grey market <p>Opportunities</p> <ul style="list-style-type: none"> Increase local sourcing Increase local manufacture 	<ul style="list-style-type: none"> Price revisions and channel allocations to ensure optimisation of inventory and extension of sales realization Continue to make representations 	<p>Capitals</p> <ul style="list-style-type: none"> Social & Relationship Capital Financial Capital Manufactured Capital <p>Strategy</p> <ul style="list-style-type: none"> Unparalleled Customer Centricity Manufacturing and Supply chain excellence
Likelihood	Impact											
												
Risk Rating	E											
Direction												
<p>Employee attrition</p> <table border="1"> <tr> <td>Likelihood</td> <td>Impact</td> </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		<p>The prevalent economic uncertainty and volatility has led to the economic migration of many Sri Lankans. The attrition rate amongst executive categories and above was 12.9% in 2022/23.</p>	<p>Risks</p> <ul style="list-style-type: none"> Loss of critical talent from Group Diminishing talent pools in country for replacement Increased time and costs to develop available talent 	<ul style="list-style-type: none"> Adjustments to remuneration Motivating employees Structured training and development 	<p>Capitals</p> <ul style="list-style-type: none"> Human Capital Financial Capital <p>Strategy</p> <ul style="list-style-type: none"> A Place where people love to come and contribute
Likelihood	Impact											
												
Risk Rating	H											
Direction												
<p>Liquidity and Financial Stability</p> <table border="1"> <tr> <td>Likelihood</td> <td>Impact</td> </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		<p>Continued economic and financial stress resulting in liquidity issues in the Banking system and Money Market for rupees and foreign exchange</p>	<p>Risks</p> <ul style="list-style-type: none"> Slow moving inventories Increased credit risk Reduced banking facilities 	<ul style="list-style-type: none"> Increased oversight on liquidity by Board and Management Management of liquidity by Group Treasury Prudent management of working capital Negotiating LC terms with suppliers instead of TTs. 	<p>Capitals</p> <p>Financial Capital</p> <p>Strategy</p> <p>Above Industry growth and profitability</p>
Likelihood	Impact											
												
Risk Rating	H											
Direction												

Risk	Developments in 2022/23	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
<p>Risks arising from Branch operating model</p> <table border="1"> <thead> <tr> <th>Likelihood</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td>Risk Rating</td> <td>H</td> </tr> <tr> <td>Direction</td> <td></td> </tr> </tbody> </table>	Likelihood	Impact			Risk Rating	H	Direction		<p>The difficult market conditions result in decreasing income for branch employees due to reduced incentives and increasing bad debts. This affects branch morale, loss of experienced field force and heightens the probability of misuse of company assets.</p>	<p>Risks</p> <ul style="list-style-type: none"> • Low morale among branch staff • Potential loss of experienced field force • Increased risk of potential misuse of company assets 	<ul style="list-style-type: none"> • Financial support for branch managers • Closure of loss making shops • Clear behavioural guidelines given through operational manuals • Introduce mobile devices for hand collections • Internal audit 	<p>Capitals</p> <ul style="list-style-type: none"> • Human Capital • Social & Relationship capital • Financial Capital <p>Strategy</p> <ul style="list-style-type: none"> • Unparalleled customer centricity • Above industry growth and profitability • A place where people love to come and contribute
Likelihood	Impact											
												
Risk Rating	H											
Direction												
<p>Foreign currency liquidity</p> <table border="1"> <thead> <tr> <th>Likelihood</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td>Risk Rating</td> <td>E</td> </tr> <tr> <td>Direction</td> <td></td> </tr> </tbody> </table>	Likelihood	Impact			Risk Rating	E	Direction		<p>Sri Lanka experienced a foreign exchange crisis in January 2022 as the country's foreign currency reserves depleted. Wide ranging import restrictions, deferral of external debt repayments and healthy exports have eased liquidity but the recovery is fragile as recommencement of debt repayments will tighten liquidity again.</p>	<p>Risks</p> <ul style="list-style-type: none"> • Continued import restrictions • Inability to cater to customers' demand and adverse implications on market share <p>Opportunities</p> <ul style="list-style-type: none"> • Increase local manufacture • Increase local sourcing 	<ul style="list-style-type: none"> • Proactive measures to build inventory sufficient for 4 to 6 months and optimising this inventory to maximise returns • Increase focus on local manufacturing • Widen sourcing from local suppliers 	<p>Capitals</p> <ul style="list-style-type: none"> • Financial Capital • Social & Relationship Capital <p>Strategy</p> <ul style="list-style-type: none"> • Unparalleled Customer Centricity • Manufacturing and Supply chain excellence
Likelihood	Impact											
												
Risk Rating	E											
Direction												
<p>Devaluation of currency and escalating inflation</p> <table border="1"> <thead> <tr> <th>Likelihood</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td>Risk Rating</td> <td>H</td> </tr> <tr> <td>Direction</td> <td></td> </tr> </tbody> </table>	Likelihood	Impact			Risk Rating	H	Direction		<p>The rupee depreciated by 80% in 2022 but appreciated 10% in the first quarter of 2023 as liquidity improved due to non-repayment of debt and import restrictions. The rupee continued to appreciate in April and May but this recovery maybe fragile.</p>	<p>Risks</p> <ul style="list-style-type: none"> • Sharp Increase in cost of goods • Volumes are affected due to affordability concerns • Overall increase in costs as transport costs increase 	<ul style="list-style-type: none"> • Timely price revisions to ensure that GP margins are preserved with expectations • Cost saving and efficiency drive 	<p>Capitals</p> <ul style="list-style-type: none"> • Financial Capital • Social & Relationship Capital <p>Strategy</p> <ul style="list-style-type: none"> • Above industry growth and profitability • Manufacturing and Supply chain excellence
Likelihood	Impact											
												
Risk Rating	H											
Direction												

RISK MANAGEMENT

Risk	Developments in 2022/23	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
<p>Interest rate risk</p> <table border="1"> <tr> <td>Likelihood</td> <td>Impact</td> </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		<p>Interest rates increased sharply as monetary policy tightened. Policy rates increased by 900 basis points during the year but lending rates increased on a steeper trajectory. As a result, the Group incurred a high cost on interest on its borrowings.</p>	<p>Risks</p> <ul style="list-style-type: none"> Increase in borrowing costs High cost of working capital <p>Opportunities</p> <ul style="list-style-type: none"> Strengthen working capital management Improve funding mix 	<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 lka by Fitch Ratings) to obtain funding at attractive rates 	<p>Capitals</p> <ul style="list-style-type: none"> Financial Capital <p>Strategy</p> <ul style="list-style-type: none"> Above industry growth and profitability
Likelihood	Impact											
												
Risk Rating	E											
Direction												
<p>Cybersecurity & Customer Privacy</p> <table border="1"> <tr> <td>Likelihood</td> <td>Impact</td> </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		<p>The unprecedented shift to digital platforms for both employee and customer related processes increases the Group's vulnerability to cyber threats. The enactment of the Personal Data Protection Act during the year has also increased the Group's obligations to protect customer data in a secure manner.</p>	<p>Risks</p> <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 <p>Opportunities</p> <ul style="list-style-type: none"> Strengthening cybersecurity will enable the Group to explore advanced digitalisation applications vital for growth in the retail sector 	<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 	<p>Capitals</p> <ul style="list-style-type: none"> Financial Capital Intellectual Capital <p>Strategy</p> <ul style="list-style-type: none"> Unparalleled Customer Centricity Above industry growth and profitability
Likelihood	Impact											
												
Risk Rating	H											
Direction												

Risk	Developments in 2022/23	Potential impact on Singer	Risk mitigation measures	Link to Capitals and strategy								
<p>Climate change and environmental related risks</p> <table border="1"> <tr> <td>Likelihood</td> <td>Impact</td> </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		<p>As the country transitions into a low carbon economy, there will be increased focus on the energy efficiency and water consumption of appliances, as well as responsible disposal of e-waste. Additionally, as more than 25% of the country's labour force is engaged in agriculture, this affects the purchasing power of the people.</p>	<p>Risks</p> <ul style="list-style-type: none"> Increasing regulation related to appliance ratings for energy and water efficiency. Regulations regarding disposal of e-waste <p>Opportunities</p> <ul style="list-style-type: none"> Increasing environmental consciousness of customers and preference for sustainability sourced, designed and manufactured products Responsible manufacture of resource efficient products 	<ul style="list-style-type: none"> 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 	<p>Capitals</p> <ul style="list-style-type: none"> Financial Capital Natural Capital <p>Strategy</p> <ul style="list-style-type: none"> Manufacturing and Supply chain excellence
Likelihood	Impact											
												
Risk Rating	H											
Direction												
<p>E - Extreme H - High  High  Medium  Low</p>												

**COMMITTED TO
JOURNEYING
FORWARD**

Financial Reports

Financial Calendar	118
Annual report of the Board of Directors on the affairs of the Company	119
Statement of Directors' Responsibility.....	126
Statement of Changes In Equity	134
Statement of Cash Flows	137
Notes To The Financial Statements	139
Independent Auditor's Report	127
Statement of Profit or Loss and Other Comprehensive Income.....	132
Statement of Financial Position	133
Statement of Changes In Equity	134
Statement of Cash Flows	137
Notes to the Financial Statements	139

FINANCIAL CALENDAR

Financial Calendar - 2022/23

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

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

For the three months ended 30th June 2022 (Unaudited)	08th August 2022
For the six months ended 30th September 2022 (Unaudited)	10th November 2022
For the nine months ended 31st December 2022 (Unaudited)	06th February 2023
For the twelve months ended 31st March 2023 (Unaudited)	11th May 2023

Annual Report and Annual General Meeting

Annual Report 2022/23 Approved	11th May 2023
Forty-Eighth Annual General Meeting	29th June 2023

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 year ended 31st March 2023.

Review of the year

Chairman's statement, (pages 10 to 13), and the Group Chief Executive Officer's Review, (pages 14 to 18) describe the Company's affairs and the Group's business. Financial results of the Company/Group are elaborated on pages 48 to 51. 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 52 to 57.

Environmental protection

Steps taken by the Company to ensure environmental protections given under natural capital on pages 80 to 85.

Risks

Information pertaining to material foreseeable risks are given under Risk Management on pages 110 to 115.

Independent Auditors' report

The Independent Auditors' report on the Financial Statements is given on pages 127 to 131 in this Annual Report.

Financial statements

The Financial Statements for the year ended 31st March 2023 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 132 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 139 to 161. 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 162.

Property, plant and equipment

During the financial year, the Group and the Company invested a sum of Rs. 889,352,506/- (2021/22 – Rs. 769,355,876/-) and Rs. 584,953,947/- (2021/22 – Rs. 600,195,814/-) 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 11.7 and 11.8 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 11.6 to the Financial Statements on pages 172 to 173 in this Annual Report.

Directors' responsibilities

The Statement of the Directors' Responsibilities is given on page 126.

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 97 to 105 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	2023 Rs.	2022 Rs.
Group Profit Before Tax for the Twelve Months Ended 31st March after Deducting all Expenses, Providing for Known Liabilities and Depreciation Amounts to	174,191,571	5,535,560,393
From this has to be deducted the Income Tax Expenses	(78,260,880)	(1,425,768,941)
Non-controlling Interest	(41,079,179)	(224,987,303)
Making a Profit for the Period	54,851,512	3,884,804,150
Total Other Comprehensive Income	75,367,493	(57,051,784)
Total Other Comprehensive Income – Non-controlling Interest	(47,769,864)	73,344,096
To this has to be added a Balance Brought Forward from the Previous Year	5,131,278,490	3,434,779,611
Interim Dividend for the Period - Nil (2021/22 – Gross - Rs. 0.30, Rs. 0.35 and Rs. 0.20 per Share)	-	(957,853,517)
Adjustment due to Realisation on Revaluation Surplus	23,484,839	27,005,155
Leaving a Total Available for Appropriation	5,237,212,470	6,405,027,701
Transfer to Reserve Fund	(20,452,198)	(24,823,867)
Final Dividend Approved 2022/23 – Nil (2021/22 – Rs. 0.20)	-	(225,377,298)
Making a total Appropriation of	(20,452,198)	(250,201,165)
Leaving a balance on Group Basis to be Carried Forward of	5,216,760,272	6,154,826,545
The Balance to be Carried Forward on Company Only Basis will be	2,118,729,560	2,994,566,487

Dividends

The Company has not declared any dividends for the year ended 31st March 2023.

Reserves (excluding non-controlling interest)

Group reserves and retained equity as at 31st March 2023 amounted to Rs. 9,517 million vs Rs. 10,943 million as at 31st March 2022. 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 2023 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 196.

Commitments and contingencies

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

Events occurring after the reporting period

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 227.

Statutory payments

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 126.

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

Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022 and resigned with effect from 30th September 2022)

Non-Executive

Mr. Dhammika Perera (resigned w.e.f. 10th June 2022)

Mr. Sarath Ganegoda

Ms. Brindhiini Perera (appointed on 19th October 2022)

Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera - ceased to be Alternate with effect from 10th June 2022)

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 88 to 93.

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. Dhammika Perera resigned from the Board with effect from 10th June 2022. Consequently, Ms. Kawshi Amarasinghe ceased to be Alternate to Mr. Dhammika Perera with effect from 10th June 2022.

Mr. Ramesh Chitrasiri resigned as the Alternate Director to Mr. Sarath Ganegoda with effect from 30th September 2022.

Ms. Brindhiini Perera was appointed to the Board as a Non-Executive Director with effect from 19th October 2022. In terms of Article 24 (10) of the Articles of Association of the Company, shareholders will be requested to re-elect her at the forthcoming Annual General Meeting.

In terms of Article 24 (4) of the Articles of Association of the Company, Ms. Gayani De Alwis retires by rotation and being eligible offers herself for re- election and the shareholders will be requested to re-elect her at the forthcoming Annual General Meeting.

In terms of Article 24 (4) of the Article of Association of the Company, Mr. Sarath Ganegoda 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 106 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 107 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 165.

Board Nomination Committee

The following Directors comprise the Nomination Committee of the Board:

- Mr. Mohan Pandithage - Chairman
- Mr. Hisham Jamaldeen
- Mr. Dhammika Perera (resigned with effect from 10th June 2022)

The Report of the Board Nomination Committee on page 108 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 109 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

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

Directors for the year ended 31st March 2023 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 2023 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.

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 2023 Number of shares	Shareholding 01st April 2022 Number of shares
Mr. Mohan Pandithage	NIL	NIL
Mr. Dhammika Perera (resigned with effect from 10.06.2022)	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
Ms. Brindhini Perera (appointed on 19.10.2022)	NIL	NIL
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene)	NIL	NIL
Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera - ceased to be Alternate with effect from 10.06.2022)	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 and resigned with effect from 30.09.2022)	NIL	NIL

Subsidiaries

As at 31st March 2023	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
-----------------------	--	--	--

Common Directors of the Singer Group Companies

Mr. Mohan Pandithage	NIL	NIL	NIL
Mr. Dhammika Perera - resigned with effect from 10th June 2022	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
Ms. Brindhiini Perera - appointed on 19th October 2022	NIL	NIL	NIL
Mr. Sujeewa Perera (Alternate)	NIL	NIL	NIL
Ms. Kawshi Amarasinghe (Alternate) - ceased to be Alternate with effect from 10th June 2022	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 and resigned with effect from 30th September 2022)	NIL	NIL	NIL

Directors of Singer Finance (Lanka) PLC

Mr. Aravinda Perera	NIL	NIL	NIL
Mr. Thushan Amarasuriya (CEO)	50,155	NIL	NIL
Mr. Jayanth Perera	NIL	NIL	1,600
Ms. Darshini Talpahewa	NIL	NIL	NIL
Mr. Sadeep Perera - resigned with effect from 01st December 2022	NIL	NIL	NIL
Mr. Ranil De Silva	NIL	NIL	NIL
Mr. Saman Herath	NIL	NIL	NIL
Mr. Saman Herath	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)	NIL	170	NIL
Mr. Shanil Perera (Alternate)	NIL	NIL	NIL

Debentures

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

Amalgamation

Singer Digital Media (Private) Limited a Company which was in the business of selling and distribution of mobile phones and was a wholly owned subsidiary of Singer (Sri Lanka) PLC has been amalgamated with Singer (Sri Lanka) PLC in terms of Section 242 of the Companies Act No. 7 of 2007 and continue as Singer (Sri Lanka) PLC with effect from 30th January 2023.

Subsidiaries

The names of the Directors who held office during the year ended 31st March 2023 in respect of the subsidiaries are given below:

Singer Finance (Lanka) PLC

Mr. Aravinda Perera - Chairman
Mr. Thushan Amarasuriya (CEO)
Mr. Jayanth Perera
Mr. Mahesh Wijewardene - Group CEO
Ms. Darshini Talpahewa
Mr. Sadeep Perera (resigned with effect from 01st December 2022)
Mr. Ranil De Silva
Mr. Saman Herath

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
Mr. Roshan Kulasuriya (Alternate Director to Mr. Mahesh Wijewardene - appointed on 20th April 2022)
Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022 and resigned with effect from 30th September 2022)

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

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)
 Mr. Shanil Perera (Alternate Director to Mr. Mahesh Wijewardene - appointed on 20th April 2022)
 Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022 and resigned with effect from 30th September 2022)

Regnis Appliances (Private) Limited

Mr. Mohan Pandithage - Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Sarath Ganegoda
 Mr. Kelum Kospelawatte
 Mr. Malin Fernando
 Mr. Thulitha Mendis - (appointed on 20th April 2022)
 Mr. Vajira Tennakoon - (appointed on 20th April 2022)

Reality Lanka Limited

Mr. Mohan Pandithage - Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Sarath Ganegoda
 Mr. Thulitha Mendis - (appointed on 20th April 2022)

Singer Business School (Private) Limited

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

Mr. Mohan Pandithage - Chairman
 Mr. Mahesh Wijewardene - Group CEO
 Mr. Vajira Tennakoon - (appointed on 20th April 2022)

Issue of listed debentures

The company has not issued any debentures during the year ended 31st March 2023.

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 245 to 248.

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 6 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 2023 was 2,986 (2022 - 3,154) and 1,858 (2022 - 1,927), 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. 836,571 (2021/22 - Rs. 763,904/-) were made by the Group and donations made by the Company was Rs Nil (2021/22 - Rs. Nil). Donations made by the Group and Company are given in Note 8.

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 2023/24 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 165 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-Eighth Annual General Meeting will be held at the Conference Hall of Hayleys PLC, No. 400, Deans Road, Colombo 10 on Thursday, 29th June 2023 at 1.30 pm.

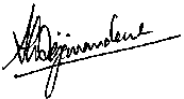
The Notice of the Annual General Meeting to the shareholders is given on page 316.

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
11th May 2023

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 financial year ended 31st March 2023 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 year.

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 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 127 to 131 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
11th May 2023

INDEPENDENT AUDITOR'S REPORT



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

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
Internet : www.kpmg.com/lk

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 2023, 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 132 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 2023, 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 receivable and hire purchase

Risk Description	Our response
<p>Refer to note 2.4.5 (accounting policy) and note 18.3 to these Financial Statements.</p> <p>The Group has recognized allowance for expected credit losses relating to Trade receivables of Rs. 802 million (Company Rs. 802 million), Hire debtors of Rs. 154 million (Company Rs. 151 million), other receivables Rs. 1,922 million (Company Rs. 1,921 million), Loans and advances and lease rental receivables amounting to Rs. 1,416 million (Company - Nil)</p> <p>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.</p> <p>The calculation of allowance for expected credit losses is inherently judgmental 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.</p> <p>With respect of Singer Finance 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.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> 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. 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. All rights reserved.

C.P. Jayatilaka FCA
Me. S. Joseph FCA
S.T.D.L. Perera FCA
Me. B.K.D.T.N. Rodrigo FCA
Me. C.T.K.N. Perera ACA
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Me. F.R. Ziyad FCMA (UK), FTI

T.J.S. Rajakarier FCA
Me. S.M.B. Jayasekara FCA
G.A.U. Karunanatne FCA
R.H. Rajen FCA
A.M.R.P. Ajeesagoon ACA

W.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

INDEPENDENT AUDITOR'S REPORT



01. Allowance for Expected Credit Losses - Trade and other Receivables, Loans and advances, finance lease receivable and hire purchase

Risk Description

Additional subjectivity and judgement have been introduced into the Company's measurement of ECL due to the heightened uncertainty associated with the impact of the economic outlook to the Company's customers, increasing our audit effort thereon.

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 receivable and hire purchase is considered as a key audit matter.

Our response

- Working with our Financial Risk Management (FRM) Specialist:
- in
 - 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.

02. Carrying value of Inventory

Risk Description

Refer to note 2.5 (accounting policy) and note 16 to these Financial Statements.

The Group has recognized a total inventory provision of Rs. 1,700 million (Company -Rs. 1,523 million) in arriving at a total inventory value of Rs. 20,227 million (Company - Rs. 17,929 million)

The Group has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into obsolete and/or 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 realizable value.

Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.

Our response

Our audit procedures included:

- 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

Refer to note 37.4 in these Financial Statements.

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.

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 totaling 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 totaling 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.

After carefully reviewing the advice of tax consultants, the 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.

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.

Given the significant value relating to the Deemed VAT assessment and judgmental nature of this contingent liability, this is considered to be a key audit matter.

Our response

Our audit procedures included;

- 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.

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. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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 therein, we are required to communicate the matter to those charged with governance.

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.

INDEPENDENT AUDITOR'S REPORT



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.

A handwritten signature in black ink, appearing to be a stylized 'K' followed by a long horizontal stroke that curves upwards at the end.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

18 May 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue	3	54,767,233,822	76,847,841,969	47,950,386,172	68,652,289,991
Cost of Sales		(31,431,878,875)	(52,735,992,508)	(31,734,452,315)	(50,090,399,111)
Direct Interest Cost		(4,463,097,912)	(1,920,345,381)	-	-
Gross Profit		18,872,257,035	22,191,504,080	16,215,933,857	18,561,890,880
Other Income	5	248,026,509	262,196,779	209,989,632	195,629,087
Selling and Administrative Expenses		(12,614,475,931)	(13,513,603,407)	(10,293,169,842)	(11,344,160,727)
Impairment (Provision) / Reversal on Trade and Other Receivables	8.1	181,960,851	(702,745,382)	140,084,595	(281,361,700)
Operating Profit		6,687,768,464	8,237,352,070	6,272,838,242	7,131,997,540
Finance Income	6	1,152,750,933	170,083,824	385,016,314	134,643,646
Finance Cost	7	(7,271,615,082)	(2,490,305,130)	(6,648,491,053)	(2,128,766,174)
Net Finance Cost		(6,118,864,149)	(2,320,221,306)	(6,263,474,739)	(1,994,122,528)
VAT/DRL/NBT on Financial Services		(394,712,745)	(381,570,371)	(78,000,000)	(94,000,000)
Profit/ (Loss) Before Tax	8	174,191,570	5,535,560,393	(68,636,497)	5,043,875,012
Income Tax (Expense) / Reversal	9	(78,260,880)	(1,425,768,941)	289,235,410	(1,135,233,806)
Profit for the Year		95,930,690	4,109,791,452	220,598,913	3,908,641,206
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss					
Revaluation Gain on Land and Buildings	11.5	-	640,110,819	-	181,134,961
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	744,823	(2,089,975)	(1,334,106)	(2,089,975)
Actuarial Gain / (Loss) on Employee Benefit Obligations	27.4	115,792,905	(77,032,150)	85,304,538	(57,319,102)
Related Taxes					
Tax on Other Comprehensive Income	9.4	(348,927,547)	(116,768,350)	(102,696,853)	(29,217,213)
Other Comprehensive Income for the Year, Net of Tax		(232,389,819)	444,220,344	(18,726,421)	92,508,671
Total Comprehensive Income for the Year, Net of Tax		(136,459,129)	4,554,011,796	201,872,492	4,001,149,877
Profit Attributable to:					
Owners of the Company		7,081,647	3,958,148,246	220,598,913	3,908,641,206
Non-Controlling Interests		88,849,043	151,643,206	-	-
		95,930,690	4,109,791,452	220,598,913	3,908,641,206
Total Comprehensive Income Attributable to:					
Owners of the Company		(177,538,309)	4,329,024,493	201,872,492	4,001,149,877
Non-Controlling Interests		41,079,180	224,987,303	-	-
		(136,459,129)	4,554,011,796	201,872,492	4,001,149,877
Earnings per Share - Basic - (Rs.)	10.3	0.01	3.51	0.20	3.47
Dividend per Share (Rs.)	33	-	-	0.20	1.10

Figures in brackets indicate deductions

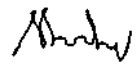
The Notes on pages 140 through 231 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Assets					
Property, Plant and Equipment	11.3/ 11.12	7,652,258,026	7,521,443,570	3,852,273,158	3,807,242,852
Right-of-Use Assets	11.20.1	4,469,009,310	4,807,413,317	3,788,866,478	4,148,095,437
Intangible Assets	12	521,067,914	548,839,357	408,575,764	422,365,752
Investment in Subsidiaries	13	-	-	2,963,023,473	2,968,023,473
Other Non - Current Assets	14	-	59,315,322	-	-
Other Investments	15.1	23,644,555	22,899,732	21,524,326	22,858,432
Trade and Other Receivables	18.1	7,773,774,479	12,182,087,589	737,680,455	695,447,739
Deferred Tax Assets	26.1	1,485,220,613	1,269,800,660	1,371,082,289	1,125,639,261
Non-Current Assets		21,924,974,897	26,411,799,547	13,143,025,943	13,189,672,946
Inventories	16	20,227,337,833	23,022,191,838	17,928,926,193	20,524,780,808
Loans Due from Related Parties	17	-	-	268,000,000	110,000,000
Income Tax Receivables	31.1	502,199,776	45,144,694	480,658,377	-
Trade and Other Receivables	18.2	28,236,227,785	35,284,564,275	10,659,760,265	18,356,963,542
Amounts due from Related Parties	19	91,133,000	24,156,695	154,824,197	198,611,049
Deposits with Banks		1,413,997,183	177,449,769	-	-
Short Term Investments	15.2	2,013,991,655	1,412,979,204	-	-
Cash in hand and at bank	20.1	4,388,050,253	2,972,394,159	1,829,445,001	1,732,552,569
Current Assets		56,872,937,485	62,938,880,634	31,321,614,033	40,922,907,968
Total Assets		78,797,912,382	89,350,680,181	44,464,639,976	54,112,580,914
Equity					
Stated Capital	21	626,048,050	626,048,050	626,048,050	626,048,050
Capital Reserves	22	1,350,891,535	1,635,091,637	1,199,233,948	1,291,762,073
Other Component of Equity		5,165,023	4,437,209	3,503,335	4,437,209
Statutory Reserve	23	244,214,988	223,762,790	-	-
Revenue Reserves	24	7,916,760,272	9,080,203,844	4,818,729,560	5,919,943,785
Total Equity Attributable to Equity Holders of the Company		10,143,079,868	11,569,543,530	6,647,514,893	7,842,191,117
Non - Controlling Interests	40	1,946,903,694	1,971,081,812	-	-
Total Equity		12,089,983,562	13,540,625,342	6,647,514,893	7,842,191,117
Liabilities					
Interest - Bearing Loans and Borrowings	25.1 / 25.6	10,242,000,000	12,112,183,301	7,550,000,000	6,500,000,000
Lease Liabilities	11.20.2 / 11.20.3	4,229,568,997	4,570,730,871	3,603,078,440	3,925,204,784
Deferred Tax Liabilities	26.1	741,264,681	468,501,357	-	-
Employee Benefit Obligations	27	1,060,341,381	1,041,152,483	724,718,298	719,013,509
Security Deposits	28	1,468,392,422	1,462,347,054	1,468,392,422	1,406,990,989
Other Financial Liabilities	35	5,844,247,621	2,317,847,702	-	-
Deferred Revenue	30	76,230,702	110,358,351	76,230,702	110,358,350
Other Non - Current Liabilities	29.1	188,341,665	187,706,310	188,341,665	187,706,310
Non-Current Liabilities		23,850,387,469	22,270,827,429	13,610,761,527	12,849,273,942
Trade and Other Payables	29	7,123,530,851	19,314,620,753	6,055,831,472	13,765,296,952
Deferred Revenue	30	216,229,503	201,549,111	216,165,352	198,212,297
Income Tax Payables	31.1	269,240,792	714,483,305	-	433,939,510
Dividends Payables	32	64,143,198	81,477,769	49,182,657	67,969,210
Amounts Due to Related Parties	34	829,668,233	1,074,260,057	1,231,687,560	4,137,893,468
Other Financial Liabilities	35	13,351,356,610	9,828,665,610	-	-
Lease Liabilities	11.20.2 / 11.20.3	1,024,002,828	912,300,132	907,649,310	854,483,617
Interest - Bearing Loans and Borrowings	25.1 / 25.6	18,399,810,730	20,235,742,805	14,271,246,066	13,536,188,716
Bank Overdrafts	20.2	1,579,558,606	1,176,127,868	1,474,601,139	427,132,085
Current Liabilities		42,857,541,351	53,539,227,410	24,206,363,556	33,421,115,855
Total Liabilities		66,707,928,820	75,810,054,839	37,817,125,083	46,270,389,797
Total Equity and Liabilities		78,797,912,382	89,350,680,181	44,464,639,976	54,112,580,914

The Notes on pages 140 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.

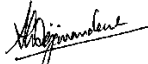


Shalinka Seresinha
Finance Director

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

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital		Statutory Reserve	
		Rs.		Rs.
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 Building		-		-
Deferred Tax on Actuarial loss on Employee Benefit Obligations	9.4	-		-
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	33	-		-
Total Distributions to Owners of the Company		-		-
Balance at 31st March 2022		626,048,050		223,762,790
Charge Relating to surcharge Tax	9.1.1.3			
Adjusted Balance at 1st April 2022		626,048,050		223,762,790
Realisation of Revaluation Surplus		-		-
Transferred to/(from) during the year		-		20,452,198
Total Comprehensive Income for the Year				
Profit for the Year		-		-
Other Comprehensive Income				
Actuarial Gain on Employee Benefit Obligations	27.4	-		-
Fair Value Change in Equity instruments designated at fair value through Other Comprehensive Income	15.1	-		-
Related Taxes				
Income Tax rate change impact on revaluation of Land and Buildings	9.4	-		-
Deferred Tax on Actuarial gain 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 , 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 - 2021/2022	33	-		-
Total Distributions to Owners of the Company		-		-
Balance at 31st March 2023		626,048,050		244,214,988

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 140 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	Rs.	Rs.		
Revaluation Reserves	Fair Value of Financial Assets at FVOCI Reserve	General Reserves	Retained Earnings					
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
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		
-	-	-	(1,023,548,055)	(1,023,548,055)	(32,808,466)	(1,056,356,521)		
1,635,091,637	4,437,209	2,700,000,000	5,356,655,789	10,545,995,475	1,938,273,346	12,484,268,821		
(23,484,839)	-	-	23,484,839	-	-	-		
-	-	-	(20,452,198)	-	-	-		
-	-	-	7,081,647	7,081,647	88,849,043	95,930,690		
-	-	-	107,440,473	107,440,473	8,352,432	115,792,905		
-	327,582	-	-	327,582	417,241	744,823		
(260,715,263)	-	-	-	(260,715,263)	(54,147,697)	(314,862,960)		
-	-	-	(32,072,980)	(32,072,980)	(2,391,839)	(34,464,819)		
-	400,232	-	-	400,232	-	400,232		
(260,715,263)	727,814	-	75,367,493	(184,619,956)	(47,769,863)	(232,389,819)		
(260,715,263)	727,814	-	82,449,140	(177,538,309)	41,079,180	(136,459,129)		
-	-	-	(225,377,298)	(225,377,298)	(32,448,832)	(257,826,130)		
-	-	-	-	-	-	-		
-	-	-	(225,377,298)	(225,377,298)	(32,448,832)	(257,826,130)		
1,350,891,535	5,165,023	2,700,000,000	5,216,760,272	10,143,079,868	1,946,903,694	12,089,983,562		

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.	Rs.	Rs.
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 Building		-	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 for the Year, 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	33	-	-	-	-	(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
Charge Relating to surcharge Tax	9.1.1.3	-	-	-	-	(804,825,638)	(804,825,638)
Adjusted Balance at 1st April 2022		626,048,050	1,291,762,073	4,437,209	2,700,000,000	2,415,118,147	7,037,365,479
Realisation on Revaluation Surplus		-	(15,022,401)	-	-	15,022,401	-
Profit for the Year		-	-	-	-	220,598,913	220,598,913
Other Comprehensive Income							
Actuarial Gain on Employee Benefit Obligations	27.4	-	-	-	-	85,304,538	85,304,538
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	-	-	(1,334,106)	-	-	(1,334,106)
Related Taxes							
Income Tax rate change impact on revaluation of Land and Buildings	9.4	-	(77,505,724)	-	-	-	(77,505,724)
Deferred Tax on Actuarial loss on Employee Benefit Obligations	9.4	-	-	-	-	(25,591,361)	(25,591,361)
Deferred Tax on Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	9.4	-	-	400,232	-	-	400,232
Total Other Comprehensive Income, Net of Tax		-	(77,505,724)	(933,874)	-	59,713,177	(18,726,421)
Total Comprehensive Income for the Year, Net of Tax		-	(77,505,724)	(933,874)	-	280,312,090	201,872,492
Transactions with Owners of the Company, Recognised Directly in Equity							
Distributions to Owners of the Company							
Final Dividend - 2021/2022	33	-	-	-	-	(225,377,298)	(225,377,298)
Total Distributions to Owners of the Company		-	-	-	-	(225,377,298)	(225,377,298)
Amalgamation- Singer Digital Media (Private) Limited						(366,345,780)	(366,345,780)
Balance at 31st March 2023		626,048,050	1,199,233,948	3,503,335	2,700,000,000	2,118,729,560	6,647,514,893

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

Figures in brackets indicate deductions

The Notes on pages 140 through 231 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit / (Loss) Before Tax Expense		174,191,570	5,535,560,393	(68,636,497)	5,043,875,012
Adjustments for:					
Depreciation of Property, Plant & Equipment	11.8, 11.16	762,709,302	737,804,421	535,245,916	548,853,749
Amortisation of Intangible Assets	12.8	55,547,619	46,869,927	36,164,041	29,306,263
Amortization of Leasehold Rights	14	-	1,301,250	-	-
Depreciation of Right- of - Use Assets	11.20.1	1,010,707,034	1,039,127,827	884,176,673	932,864,165
Loss on Disposal of Property, Plant and Equipment	8	2,291,561	-	2,291,561	-
Gain on Disposal of Property, Plant and Equipment	5	(70,981)	(758,595)	-	(758,595)
Interest Expense		6,328,642,183	2,096,417,574	5,801,184,381	2,128,766,174
Interest Income		(1,126,852,501)	(170,083,824)	(365,355,599)	(97,349,541)
Provision for Inventories	16.1	374,183,974	51,653,410	284,734,989	39,681,956
Provision / (Reversal) of Impairment on Trade and Other Receivables	18.3	(181,960,851)	702,745,382	(140,084,595)	281,361,700
Dividend Income	5	(240,000)	(240,000)	(129,210,428)	(129,210,428)
Provision for Employee Benefit Obligations	27.4	224,960,606	115,964,310	151,372,661	79,782,830
Operating Profit Before Working Capital Changes		7,624,109,517	10,156,362,075	6,991,883,103	8,857,173,285
(Increase)/Decrease in Inventories		2,420,669,715	(4,891,540,314)	2,535,840,584	(4,414,836,425)
(Increase)/ Decrease in Debtors falling due after one Year		4,729,406,312	(320,933,194)	(42,232,716)	107,358,547
(Increase)/ Decrease in Debtors falling due within one Year		6,970,804,592	(12,350,868,980)	7,973,898,376	(6,013,562,229)
(Increase) / Decrease in dues from Related Parties		(66,976,305)	(12,535,820)	43,786,852	(158,966,841)
Increase/(Decrease) in dues to Related Parties		(244,591,825)	732,956,036	(3,058,312,776)	(121,322,796)
Increase in Security Deposits		6,045,368	95,782,033	12,841,832	113,246,899
Increase/(Decrease) in Trade and Other Payables		(12,461,345,396)	605,107,719	(8,022,289,286)	250,994,631
Increase/(Decrease) in Deferred Liabilities		(19,447,257)	(4,775,629)	(16,174,593)	17,492,705
Cash Generated from / (used in) Operations		8,958,674,720	(5,990,446,074)	6,419,241,376	(1,362,422,224)

STATEMENT OF CASH FLOWS

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Finance Costs Paid		(5,578,346,373)	(1,459,130,954)	(5,193,501,066)	(1,486,953,202)
Employee Benefits Paid	27	(90,736,818)	(98,618,996)	(64,878,626)	(72,727,605)
Income Tax Paid	31	(1,274,427,780)	(1,438,113,486)	(912,476,567)	(1,048,786,829)
Surcharge Tax Paid		(1,056,356,521)	-	(804,825,638)	-
Net Cash from/(used in) Operating Activities		958,807,228	(8,986,309,510)	(556,440,521)	(3,970,889,860)
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment and Intangible Assets		(917,128,682)	(1,050,843,947)	(589,997,952)	(830,050,127)
Proceeds from Disposal of Property, Plant and Equipment		4,171,575	5,529,000	3,934,575	5,529,000
Cash Proceed form Amalgamation of Digital Media (Pvt) Ltd		-	-	(43,168,770)	-
Acquisition of Marketable Securities		(601,012,451)	(599,717,148)	-	-
Withdrawal of Bank Deposits		(1,236,547,414)	(116,514,941)	-	-
Loans Given to Related Companies		-	-	(158,000,000)	(110,000,000)
Interest Received		1,126,852,501	170,083,824	365,355,599	97,349,541
Dividend Received		240,000	240,000	129,210,428	129,210,428
Net Cash from used in Investing Activities		(1,623,424,471)	(1,591,223,212)	(292,666,120)	(707,961,158)
Cash Flows from Financing Activities					
Proceeds From Interest Bearing Loans and Borrowings		38,884,453,635	49,893,016,904	30,489,568,546	30,427,794,514
Repayment of Interest Bearing Loans and Borrowings		(42,708,715,028)	(36,783,491,077)	(29,268,972,802)	(21,574,746,237)
Net Settlements to Lease Creditors		(1,272,826,228)	(1,247,331,839)	(1,077,901,874)	(1,100,110,546)
Increase in Customer Deposit Liabilities		7,049,090,919	1,681,315,521	-	-
Net payment to Minority Shareholders		-	(32,448,832)	-	-
Dividend Paid		(275,160,700)	(1,290,769,790)	(244,163,851)	(1,230,428,127)
Net Cash Flow from/(used in) Financing Activities		1,676,842,598	12,220,290,887	(101,469,981)	6,522,509,604
Net Increase/(Decrease) in Cash and Cash Equivalents		1,012,225,356	1,642,758,165	(950,576,622)	1,843,618,586
Cash and Cash Equivalents at the Beginning of the Year		1,796,266,291	153,508,126	1,305,420,484	(538,198,102)
Cash and Cash Equivalents at the End of the Year	20.2	2,808,491,647	1,796,266,291	354,843,862	1,305,420,484
Analysis Of Cash and Cash Equivalents					
Favourable balances					
Cash in hand and at bank		4,388,050,253	2,972,394,159	1,829,445,001	1,732,552,569
Unfavourable balances					
Bank overdrafts		(1,579,558,606)	(1,176,127,868)	(1,474,601,139)	(427,132,085)
		2,808,491,647	1,796,266,291	354,843,862	1,305,420,484

Figures in brackets indicate deductions.

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and 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 140 through 231 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1	Corporate Information	140
Note 2	Summary of Significant Accounting Policies	144
Note 3	Revenue	162
Note 4	Operating Segment Information	163
Note 5	Other Income	164
Note 6	Finance Income	164
Note 7	Finance Cost	165
Note 8	Profit Before Tax	165
Note 9	Tax Expense	166
Note 10	Earnings per share	169
Note 11	Property, Plant and Equipment/Right-of-Use Assets/Lease Liabilities	170
Note 12	Intangible Assets	184
Note 13	Investment In Subsidiaries - Company	186
Note 14	Other Non-Current Assets	189
Note 15	Other Investments	189
Note 16	Inventories	190
Note 17	Loans Due from Related Parties	191
Note 18	Trade and Other Receivables	191
Note 19	Amounts Due from Related Parties	195
Note 20	Cash and Cash Equivalents	196
Note 21	Stated Capital	196
Note 22	Capital Reserves	197
Note 23	Statutory Reserve	197
Note 24	Revenue Reserves	198
Note 25	Interest Bearing Loans and Borrowings	199
Note 26	Deferred Tax Assets/(Liabilities)	203
Note 27	Employee Benefit Obligations	204
Note 28	Security Deposits	206
Note 29	Trade and Other Payables	207
Note 30	Deferred Revenue	207
Note 31	Income Tax Payables / (Receivables)	208
Note 32	Dividend Payables	208
Note 33	Dividends	208
Note 34	Amounts Due to Related Parties	209
Note 35	Other Financial Liabilities / (Assets)	210
Note 36	Financial Instruments	211
Note 37	Commitments and Contingencies - Group/ Company	224
Note 38	Events Occurring after the Reporting Period	227
Note 39	Related Party Transactions	227
Note 40	Non - Controlling Interest	231

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 2023 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, and 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.

The Board of Directors of Singer (Sri Lanka) PLC passed a circular resolution on the 09th of December 2022 to amalgamate its fully owned subsidiary, Singer Digital Media (Private) Ltd with Singer (Sri Lanka) PLC (The Company). In accordance with Section 244(i)(a) of the Companies Act No 7 of 2007, Singer Digital Media (Private) Limited was amalgamated with Singer (Sri Lanka) PLC on the 30th of January 2023, confirmation of which was received via the Certificate of Amalgamation issued by the Registrar of Companies dated 30th January 2023

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 Companies 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 of the 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 2023 was 2,986 (2022 - 3,154), Company - 1,618 (2022 - 1,927).

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.

Statement of Alternative Treatment (SoAT) on Surcharge Tax

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

1.2.3 Approval of Financial Statements

The Financial Statements for the year ended 31st March 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 11th May 2023

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 except where otherwise indicated 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.

- **Note 16.1 – Provision for 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 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. Nil (2022: Rs. 34 million) 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”.

NOTES TO THE 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 volatile economic conditions on the significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends.

In determining the basis of preparing the financial statements for the year ended 31 March 2023, based on available information, the management has assessed the prevailing uncertain and Volatile macro-economic environment 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.

Towards, mitigating this risk, the Group 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.

NOTES TO THE FINANCIAL STATEMENTS

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 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.

2.1.8 Amalgamation of business with a common control combination

In its consolidated financial statements the acquirer is permitted, but not required to re-presents its comparatives and adjust its current reporting period before the date of the transaction as if the combination had occurred before start of the earliest period presented.

As per the company's accounting policies, amalgamation of two entities under common control is accounted by adding assets and liabilities as at the amalgamated date to the controlling entity and directly recognizing the excess in Statement of Changes in Equity as amalgamated reserve. No restatement is done to the comparative financials and controlling entity's current year statements of financial position will carry both entities assets and liabilities. The Consolidated Financial performance and financial position did not require restatement given that the Group structure existed even prior to amalgamation.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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).

NOTES TO THE FINANCIAL STATEMENTS

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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'.

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;
- -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

NOTES TO THE FINANCIAL STATEMENTS

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 Directors

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.

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	The 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 Contract. 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 the period of the hire purchase contracts.	Revenue is recognized over the period of the hire purchase contract 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 on 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 the period of AC Installation contracts.	Based on the stage of completion, installation fee is charged as revenue.
Sewing school Income	Providing sewing and fashion educational services	Based on the course 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:

NOTES TO THE FINANCIAL STATEMENTS

- 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.

(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.

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 combination, 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 there fore 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) Social Security Contribution Levy (SSCL)

The Social Security Contribution Levy (SSCL) Act No. 25 of 2022, has been passed in the parliament imposing a new levy on the turnover of persons.

NOTES TO THE FINANCIAL STATEMENTS

The SSCL came into operations with effect from 01st October 2022.

Registration threshold was,

- All persons with an aggregate total turnover exceeding LKR 120,000,000 within 12 months prior to the date of the operation of the Act
- All persons with an aggregate total turnover exceeding LKR 30,000,000 within a quarter
- The rate of SSCL is be 2.5% on the "liable turnover". Liable turnover will vary as follows.
- Importation of any article – 100% of the turnover
- Manufacture of any article – 85% of the turnover
- Service provider – 100% of the turnover
- Wholesaler and retailer:
- Sale of any article by a registered distributor, this includes all manufacturers and producers of any goods in Sri Lanka – 25% of the turnover
- Wholesale or retail sale, excluding items mentioned under 1., including importation and sale – 50% of the turnover

(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.

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 2022/2023, 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.

A number of new standards are effective for annual report beginning after 1st April 2022 and earlier adoption is permitted. However the group has not

Early adopted the new or amended standards in these financial statements.

2.14.1 Amendments to LKAS 8 – Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

2.14.2 Amendments to LKAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

2.14.3 Amendments to LKAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

2.14.4 Amendments to LKAS 1 - Classification of Liabilities as Current or Non current

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

2.14.5 SLFRS 17 - Insurance Contracts

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 2025, 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.

NOTES TO THE FINANCIAL STATEMENTS

3. Revenue

(a) Revenue Streams

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue from Contracts with Customers	3.1	54,767,233,822	76,847,841,969	47,950,386,172	68,652,289,991
Total Revenue		54,767,233,822	76,847,841,969	47,950,386,172	68,652,289,991
3.1) Revenue from Contracts with Customers					
Sale of Goods		45,175,058,834	68,668,646,278	44,836,296,698	65,645,931,629
Rendering of Services	3.2	9,592,174,988	8,179,195,691	3,114,089,474	3,006,358,362
		54,767,233,822	76,847,841,969	47,950,386,172	68,652,289,991
3.2) Rendering of Services					
Interest Income on Hire Purchase		2,593,367,719	2,319,430,773	2,593,367,719	2,319,285,108
Interest Income on Leasing		2,068,593,694	2,796,654,827	-	-
Interest Income on Loans		3,504,292,357	1,648,697,800	-	-
Service Income		1,425,921,218	1,414,412,291	520,721,755	687,073,254
		9,592,174,988	8,179,195,691	3,114,089,474	3,006,358,362

(b) Disaggregation of revenue from contract 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	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
i) Major Products / Service Lines				
Consumer Electronics	4,357,666	8,056,214	4,357,666	8,056,214
Financial Services	9,653,108	8,164,251	3,204,682	2,991,414
Furniture	4,147,511	3,697,938	4,147,511	3,697,938
Home Appliances	18,225,925	27,266,277	18,783,398	27,244,947
Digital Products	12,728,128	20,546,893	11,768,846	17,575,982
Sewing	2,453,122	3,957,665	2,510,590	3,957,471
Others	3,201,774	5,158,604	3,177,693	5,128,324
Revenue from Contract with Customers	54,767,234	76,847,842	47,950,386	68,652,290

For the Year ended 31st March	Group		Company	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
ii) Timing of Revenue Recognition				
Products Transferred at a Point in Time	45,175,059	68,668,646	44,836,297	65,645,932
Products and Services Transferred Over Time	9,592,175	8,179,196	3,114,089	3,006,358
Revenue from Contract with Customers	54,767,234	76,847,842	47,950,386	68,652,290

(c) Contract Balances

Following table provides information about Contract Liabilities from Contracts with Customers.

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Advances Received from Customers	29	248,088,319	574,529,407	247,812,582	574,529,407
Deferred Revenue	30	292,460,205	311,907,462	292,396,054	308,570,647
Warranty Provision	29.1	416,273,617	405,217,890	397,199,332	384,524,495
		956,822,140	1,291,654,759	937,407,967	1,267,624,549

4. Operating Segments Information**4.1 Segments**

The following strategic divisions are the Group's 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 and Steel Furniture and Mattresses and Pantry Sets
Home Appliances	Refrigerators, Washing Machines, Deep Freezers, Bottle Coolers, Air Conditioners, Fans, Small Appliances and Kitchen Appliances
Digital Products	Computers, Mobile Phones and Accessories
Sewing	Domestic and Industrial Sewing Machines and General Merchandise
Other	Water Pumps, Paddy Threshers, Tractors, Solar System and Security Surveillance

4.2 Segmental Analysis of Revenue is as follows:

For the Year ended 31st March	Group		Company	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
Consumer Electronics	4,357,666	8,056,214	4,357,666	8,056,214
Financial Services	9,653,108	8,164,251	3,204,682	2,991,414
Furniture	4,147,511	3,697,938	4,147,511	3,697,938
Home Appliances	18,225,925	27,266,277	18,783,398	27,244,947
Digital Products	12,728,128	20,546,893	11,768,846	17,575,982
Sewing	2,453,122	3,957,665	2,510,590	3,957,471
Other	3,201,773	5,158,604	3,177,693	5,128,324
	54,767,234	76,847,842	47,950,386	68,652,290

NOTES TO THE FINANCIAL STATEMENTS

4.3 Segmental Analysis of Profit Before Tax is as follows:

For the Year ended 31st March	Group		Company	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
Consumer Electronics	537,538	1,003,703	537,538	1,003,703
Financial Services	832,515	2,357,797	762,033	812,013
Furniture	373,744	431,043	373,744	431,043
Home Appliances	3,068,875	3,206,462	2,718,288	3,077,748
Digital Products	1,064,552	1,130,097	1,050,483	1,213,613
Sewing	260,847	456,692	212,662	417,686
Others	367,497	354,063	348,795	328,344
Dividend	240	240	129,210	129,210
Impairment (Loss) / Reversal on Trade and Other Receivables	181,961	(702,745)	140,085	(281,362)
Operating Profit	6,687,769	8,237,352	6,272,838	7,131,998
Net Finance Cost	(6,118,864)	(2,320,222)	(6,263,474)	(1,994,123)
VAT/DRL/NBT on Financial Services	(394,713)	(381,570)	(78,000)	(94,000)
Profit / (Loss) Before Tax	174,192	5,535,560	(68,636)	5,043,875

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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Dividend Income - Quoted	-	-	129,210,428	129,210,428
- Unquoted	240,000	240,000	-	-
Gain on Disposal of Property Plant and Equipment	70,981	758,595	-	758,595
Miscellaneous Income	189,172,937	213,504,254	22,236,613	17,966,134
Income from Financial Services	58,542,591	47,693,930	58,542,591	47,693,930
	248,026,509	262,196,779	209,989,632	195,629,087

6. Finance Income

For the Year ended 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Interest on Related Party Receivables	-	-	186,917,073	36,959,091
Interest Income on Short Term Investments	1,126,852,502	170,083,824	198,099,241	60,390,450
Foreign Exchange Gains	25,898,431	-	-	37,294,105
	1,152,750,933	170,083,824	385,016,314	134,643,646

7. Finance Cost

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Interest on Overdrafts and Loans		(5,696,695,976)	(1,377,220,691)	(5,257,962,672)	(1,225,935,264)
Interest on Lease Liabilities *		(540,527,357)	(586,866,709)	(543,221,709)	(591,393,061)
Interest on Security Deposits	28	(139,181,550)	(132,330,174)	(134,853,818)	(125,704,178)
Foreign Exchange Losses		(895,210,199)	(393,887,556)	(513,072,971)	-
Interest on Related Party Payables		-	-	(199,379,883)	(185,733,671)
		(7,271,615,082)	(2,490,305,130)	(6,648,491,053)	(2,128,766,174)
Net Finance Cost**		(6,118,864,149)	(2,320,221,306)	(6,263,474,739)	(1,994,122,528)

* 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/(Loss) Before Tax

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Stated After Charging all Expenses including the Following:					
Executive Directors' Emoluments		165,011,994	127,857,338	120,738,941	86,354,603
Non-Executive Directors' Fees		21,720,690	18,242,028	11,893,354	8,920,020
Auditors' Remuneration - Statutory Audit		7,554,600	6,868,000	2,851,000	2,992,000
- Audit Related Services		4,280,188	1,602,164	440,000	633,080
- Non-Audit Services		4,808,148	7,295,001	1,971,601	3,502,500
Provision / (Reversal) for Impairment on Trade and Other Receivables	8.1	(181,960,851)	702,745,382	(140,084,595)	281,361,700
Provision for Inventories	16.1	374,183,974	51,653,410	284,734,989	39,681,956
Amortisation of Intangible Assets	12.8	55,547,619	46,869,927	36,164,041	29,306,263
Depreciation of Property, Plant and Equipment	11.9 / 11.16	762,709,301	737,804,421	535,245,915	548,853,749
Depreciation of Right of Use Asset	11.20.1	1,010,707,034	1,039,127,827	884,176,673	932,864,165
Personnel Costs	8.2	4,032,322,256	4,302,685,134	2,427,131,265	2,522,724,432
Loss on Disposal of Property, Plant and Equipment		2,291,561	758,595	2,291,561	758,595
Donations		836,571	763,904	-	-
Royalty		565,725,930	677,615,210	491,618,076	613,151,056

NOTES TO THE FINANCIAL STATEMENTS

8.1 Provision / (Reversal) for Impairment on Trade and Other Receivables

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Provision / (Reversal) for impairment on Hire Purchase Receivables	18.3	(23,130,633)	(80,774,790)	(20,762,052)	(80,919,588)
Provision / (Reversal) for impairment on Lease Receivables	18.3	(109,116,581)	223,068,404	-	-
Provision for impairment on Loan Receivables	18.3	67,981,364	189,513,276	-	-
Provision / (Reversal) for impairment on Trade Receivables	18.3	(305,424,930)	221,370,912	(307,052,472)	211,980,932
Provision for impairment on Other Receivables	18.3	187,729,929	149,567,580	187,729,929	150,300,356
		(181,960,851)	702,745,382	(140,084,595)	281,361,700

8.2 Personnel Costs

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Salaries and Bonuses		3,197,537,935	3,548,753,835	1,800,683,185	1,903,237,908
Provision for Employee Benefit Obligations	27.4	224,960,605	115,964,310	151,372,661	79,782,830
Defined Contribution Plan Costs - EPF, ETF and MSPS		609,823,716	637,966,989	474,082,509	539,703,694
		4,032,322,256	4,302,685,134	2,426,138,355	2,522,724,432

9. Tax Expenses / (Reversal)

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Current Income Tax Expenses					
Income Tax on Current Year Profits	9.1	356,205,183	1,896,682,863	3,568,486	1,500,955,379
Under/(Over) Provision in respect of previous Year	9.1	(4,485,588)	(68,298,456)	524,664	(61,527,518)
Tax on Dividend Income					
Tax on Dividend Income	9.1	18,125,460	18,123,061	18,089,460	18,089,460
		369,845,055	1,846,507,468	22,182,610	1,457,517,321
Deferred Tax					
Deferred Tax Income Recognised in statement of Profit or Loss	9.2	(291,584,175)	(420,738,527)	(311,418,020)	(322,283,515)
		78,260,880	1,425,768,941	(289,235,410)	1,135,233,806

9.1 Reconciliation Between Accounting Profit and Taxable Profit

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Profit / (Loss) Before Tax		174,191,571	5,535,560,393	(68,636,497)	5,043,875,012
Aggregate Disallowable Expenses		3,960,240,870	5,577,524,738	2,516,769,683	3,484,416,306
Aggregate Tax Deductible Expenses		(3,561,885,623)	(3,027,580,369)	(2,801,593,833)	(2,067,889,638)
Tax losses b/f	9.1.1	(34,217,549)	(50,717,876)	-	-
Recoverable write off to Profit or loss		-	1,406,247	-	-
Tax Losses c/f	9.1.1	-	34,217,549	-	-
Other consolidation adjustments		-	49,016,000	-	-
Taxable Income		538,329,269	8,119,426,682	(353,460,647)	6,460,401,635
Current Income Tax @ 18%		427,686	62,734,311	-	55,591,530
Current Income Tax @ 20%		751,014	-	-	-
Current Income Tax @ 24%		150,693,054	1,833,948,552	-	1,445,363,849
Current Income Tax @ 30%		204,333,429	-	3,568,486	-
Income Tax on Current Year Profits		356,205,183	1,896,682,863	3,568,486	1,500,955,379
Under/(Over) Provision in Respect of Previous Year	9	(4,485,588)	(68,298,456)	524,664	(61,527,518)
Deferred Tax Income Recognised in Statement of Profit or Loss	9.2	(291,584,175)	(420,738,527)	(311,418,020)	(322,283,515)
Tax on Dividend Income	9	18,125,460	18,123,061	18,089,460	18,089,460
Tax Expense		78,260,880	1,425,768,941	(289,235,410)	1,135,233,806

9.1.2 Tax Loss Movement

For the Year ended 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Tax Losses Brought Forward	34,217,549	50,717,876	-	-
Adjustments Based on Income Tax Return	-	(1,406,247)	-	-
Loss incurred During the Year	-	-	-	-
Tax Losses Utilised During the Year	(34,217,549)	(15,094,080)	-	-
Tax Losses Carried Forward	-	34,217,549	-	-

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

9.1.4 As per the Surcharge Tax Act No 14 of 2022 which was certified on 8th April 2022, the Company is liable for the surcharge tax of Rs. 805 million out of the taxable income of Rs. 2,629 million pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the Financial Statements relating to the year of assessment which commenced on 1 April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the SoAT on Accounting for Surcharge Tax issued by the institute of Chartered Accountants of Sri Lanka, in April 2022.

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year would have been given as below.

	Group Rs.	Company Rs.
Profit after Tax for 31.03.2021	2,607,521,440	1,749,175,739
Surcharge Tax levied under Surcharge Tax Act	(1,056,356,521)	(804,825,638)
Comparable Profit for the Year 2020/2021	1,551,164,919	944,350,101

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	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Deferred Tax Expense/(Income) Arising due to					
- Charge/ (Reversal) of Temporary Differences During the Year	26.2	51,957,529	(427,194,605)	53,935,692	(316,975,593)
- Adjustment due to change in Income Tax Rate		(334,612,286)	-	(358,915,540)	-
- Deferred Tax impact on Unrealised Profit in Inventory	26.2	(2,491,246)	11,764,000	-	-
- Deferred Tax impact on Realisation of Revaluation Surplus	26.2	(6,438,172)	(5,307,922)	(6,438,172)	(5,307,922)
		(291,584,175)	(420,738,527)	(311,418,020)	(322,283,515)

9.3 Deferred Tax has been computed using the enacted tax rate of 30% and 20% applicable for the entities in the group.

As deferred tax is calculated based on the liability method as per LKAS 12 - Income Taxes, the new tax rate of 30% for all companies excluding Regnis Appliances (Private) Limited and 20% for Regnis Appliances (Private) Limited was applied to the cumulative temporary differences as at 1st October 2022. This change in income tax rates resulted in a deferred tax reversal of Rs. 281 million and Rs. 19 million for the Company and the Group respectively as at 31st March 2023 (Note 9.2 - 9.4).

9.4 Deferred Tax (Expense) /Income Recognised in Other Comprehensive Income

For the Year ended 31st March	Note	2023			2022		
		Before Tax Rs.	Tax (Expense)/ Income Rs.	Net of Tax Rs.	Before Tax Rs.	Tax (Expense)/ Income Rs.	Net of Tax Rs.
Group							
Impact on Income Tax Rate Change on Deferred Tax Relating to Revaluation Reserve	26.2	-	(314,862,960)	(314,862,960)	-	-	-
Revaluation Gain on Land and Building	11.5/26.2	-	-	-	640,110,819	(134,798,318)	505,312,501
Actuarial Gain /(Loss) on Employee Benefit Obligations	27	115,792,905	(34,464,819)	81,328,086	(77,032,150)	17,528,374	(59,503,776)
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	744,823	400,232	1,145,055	(2,089,975)	501,594	(1,588,381)
		116,537,728	(348,927,547)	(232,389,819)	560,988,694	(116,768,350)	444,220,344
Company							
Impact on Income Tax Rate Change on Deferred Tax Relating to Revaluation Reserve	26.2	-	(77,505,724)	(77,505,724)	-	-	-
Revaluation Gain on Land and Building	11.13/26.2	-	-	-	181,134,961	(43,472,391)	137,662,570
Actuarial Gain /(Loss) on Employee Benefit Obligations	27.4	85,304,538	(25,591,361)	59,713,176	(57,319,102)	13,753,584	(43,565,518)
Fair Value Change in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	15.1	(1,334,106)	400,232	(933,874)	(2,089,975)	501,594	(1,588,381)
		83,970,432	(102,696,853)	(18,726,422)	121,725,884	(29,217,213)	92,508,671

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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Profit Attributable to Ordinary Shareholders				
Profit for the Year (Rs.)	95,930,689	4,109,791,452	220,598,913	3,908,641,206
Profit Attributable to Owners of the Company (Rs.)	7,081,647	3,958,148,246	220,598,913	3,908,641,206
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
Earnings per Share - Basic - (Rs.)	0.01	3.51	0.20	3.47

NOTES TO THE FINANCIAL STATEMENTS

11 Property, Plant and Equipment

11.1 Gross Carrying Amounts - Group

As at 31st March	Balance as at 1st April 2022	Additions	Disposals	Balance as at 31st March 2023
	Rs.	Rs.	Rs.	Rs.

At Cost				
Motor Vehicles	178,724,901	4,630,000	8,354,140	175,000,761
Furniture and Equipment	570,781,012	104,476,574	2,139,222	673,118,364
Plant and Machinery	1,550,147,593	24,374,547	-	1,574,522,140
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	935,243,882	158,180,715	1,309,212	1,092,115,385
Shop Furniture	916,875,896	78,984,199	-	995,860,095
Shop Equipment	1,673,998,091	240,340,924	139,563	1,914,199,452
Improvements on Leasehold Premises	1,730,581,215	300,679,714	4,525,499	2,026,735,430
	7,556,428,404	911,666,673	16,467,636	8,451,627,441
At Valuation				
Freehold Land	3,251,287,701	-	-	3,251,287,701
Freehold Building	1,414,272,889	1,514,865	-	1,415,787,754
	4,665,560,590	1,514,865	-	4,667,075,455
Gross Carrying Value Excluding Capital WIP	12,221,988,994	913,181,538	16,467,636	13,118,702,896
Machinery and Equipment	23,562,775	10,628,302	23,829,031	10,362,046
Improvements on Leasehold Premises	-	-	-	-
Total Capital Work -in-progress	23,562,775	10,628,302	23,829,031	10,362,046
Total Gross Carrying Value	12,245,551,769	923,809,840	40,296,667	13,129,064,942

As at 31st March	Balance as at 1st April 2021	Additions/ Transfers	Disposals/ Transfers	Balance as at 31st March 2022
	Rs.	Rs.	Rs.	Rs.

Total Gross Carrying Value	10,964,908,949	1,536,364,049	255,721,229	12,245,551,769
----------------------------	----------------	---------------	-------------	----------------

11.2 Depreciation and Impairment Losses - Group

As at 31st March	Balance as at 1st April 2022 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2023 Rs.
Freehold Building	7,655,676	64,024,228	-	71,679,904
Motor Vehicles	148,170,470	9,103,737	2,699,646	154,574,561
Furniture and Equipment	295,637,003	47,393,058	2,048,706	340,981,355
Plant and Machinery	918,947,264	105,498,954	-	1,024,446,218
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	533,089,244	102,376,402	866,778	634,598,868
Shop Furniture	676,866,123	69,554,420	-	746,420,543
Shop Equipment	1,080,640,806	175,231,802	8,305	1,255,864,303
Improvements on Leasehold Premises	1,063,025,799	189,526,700	4,387,149	1,248,165,350
Total Depreciation and Impairment Losses	4,724,108,199	762,709,301	10,010,584	5,476,806,916

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.
Total Depreciation and Impairment Losses	4,159,158,620	737,804,421	172,854,842	4,724,108,199

11.3 Net Carrying Values - Group

As at 31st March	Group	
	2023 Rs.	2022 Rs.
Freehold Land	3,251,287,701	3,251,287,701
Freehold Building	1,344,107,850	1,406,617,213
Motor Vehicles	20,426,200	30,554,431
Furniture and Equipment	332,137,009	275,144,009
Plant & Machinery	550,075,922	631,200,329
Culinary School Equipment	-	2,215,731
E.D.P. Equipment	457,516,517	399,938,904
Shop Furniture	249,439,552	240,009,773
Shop Equipment	658,335,149	593,357,285
Improvements on Leasehold Premises	778,570,080	667,555,416
Total Capital Work -in-progress	10,362,046	23,562,775
Total Carrying Value of Property , Plant and Equipment	7,652,258,026	7,521,443,570

NOTES TO THE FINANCIAL STATEMENTS

11.3.1 Carrying Value

As at 31st March	Group	
	2023 Rs.	2022 Rs.
At Cost	3,056,862,475	2,863,538,656
At Valuation	4,595,395,551	4,657,904,914
Total Carrying Value of Property, Plant and Equipment	7,652,258,026	7,521,443,570

11.4 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 889,352,506 /- (2021/22 Rs. 769,355,876/-) on cash basis.

11.5 The carrying amount 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 Amount 2023 Rs.
Land	112,593,796
Building	171,980,826
Total Carrying Value	284,574,622

11.6 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 2021/22 Financial statements from its effective date which is 31st March 2022. Such assets were valued on Direct Capital Consumption Method with the depreciated value of building added on to the current open market value of land

Gain on Revaluation of Land and Buildings -2021/2022 640,110,819

11.7 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	
			2023 Rs.	2022 Rs.
Singer (Sri Lanka) PLC	Ambalantota	Main Street,Ambalantota.	-	6,151,425
	Balangoda	Ratnapura Road,Balangoda.	-	6,100,338
	Bandarawela	Main Street,Bandarawela.	-	2,727,322
	Borella	D.S.Senanayaka Mawatha,Borella.	-	4,040,894
	Chilaw	Bazaar Street,Chilaw.	-	6,171,483
	Colpetty	No 143, Galle Road,Colombo 03.	-	1,384,961
	Eheliyagoda	Ratnapuara Road,Eheliyagoda.	-	5,862,487
	Embilipitiya	Colombo Road,Pallegama,Embilipitiya.	-	4,719,686
	Galle	Main Street,Galle.	-	7,560,676
	Gampaha	Colombo Road,Gampaha.	-	8,797,247

Company	Location	Address	Revaluation Surplus	
			2023 Rs.	2022 Rs.
	Hikkaduwa	Galle Road,Hikkaduwa.	-	4,798,343
	Kadawatha	Kandy Road, Kadawatha.	-	15,783,100
	Kandy- Mega	Sirimavo Bandaranayake Mawatha,Kandy.	-	6,899,657
	Katugastota	Madawala Road,Katugastota.	-	1,654,075
	Kiridiwella	Gampaha Road,Kirindiwela	-	5,896,525
	Kurunegala	Bodhiraja Mawatha,Kurunegala.	-	4,788,680
	Maharagama	High Level Road,Maharagama.	-	2,905,854
	Matara	Anagarika Dharmapala Mawatha,Matara.	-	5,124,127
	Middeniya	Katuwana Road,Middeniya.	-	5,880,043
	Mount Lavinia	Galle Road,Mount Lavinia.	-	13,124,833
	Mount Lavinia-Mega	Galle Road,Mount Lavinia.	-	(4,697,205)
	Nawalapitiya	Kotmale Road,Nawalapitiya.	-	6,944,414
	Negombo	Greens Road,Negombo.	-	2,651,418
	Nuwara-Eliya	Kandy street,Nuwara-Eliya.	-	2,400,696
	Panadura	Galle Road,Panadura.	-	3,751,167
	Piliyandala	Gonamaditta Road,Piliyandala.	-	33,272,328
	Pussellawa	Nuwaraeliya Road,Pussellawa.	-	5,225,266
	Rathnapura	Colombo road,Rathnapura.	-	3,388,554
	Tangalle	Matara Road, Tangalle.	-	244,121
	Trincomalee	North Coast Road,Trincomalee	-	3,716,399
	Wellawatta	Galle Road, Wellawatta.	-	3,866,047
Reality Lanka Ltd.	Ahangama	No 24A, Matara Rd, Ahangama	-	(2,025,875)
	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
	Galle	No 13&15, Wackwella Rd, Galle	-	6,000,000
	Kadawatha	Kandy Road Kadawatha	-	8,575,000
	Kalawana	No. J63A,Watapothe 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
Singer Industries (Ceylon) PLC	Ratmalana	No.02, 5th Lane Ratmalana	-	179,643,712
	Ratmalana	No.435 Galle Road Ratmalana	-	94,873,224
			-	640,110,819

NOTES TO THE FINANCIAL STATEMENTS

11.8 The amount of the Property, Plant and Equipment includes fully-depreciated assets valued would be as follows.

As at 31st March	2023 Rs.	2022 Rs.
Fully depreciated Fixed Assets	2,872,594,927	2,548,829,513

11.9 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	2023 Rs.	2022 Rs.
Cost of Sales	156,360,151	151,159,188
Administrative Expenses	606,349,150	586,645,233
	762,709,301	737,804,421

11.10 Gross Carrying Value - Company

As at 31st March	Balance as at 1st April 2022 Rs.	Additions /Transfers Rs.	Through Amalgamation Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2023 Rs.
At Cost					
Motor Vehicles	166,946,408	4,385,000		8,354,140	162,977,268
Furniture and Equipment	306,638,518	12,565,639	95,839	-	319,299,996
Plant and Machinery	426,327,116	-		-	426,327,116
Culinary School Equipment	75,814	-		-	75,814
E.D.P. Equipment	724,646,930	107,472,899	11,657,785	647,629	843,129,985
Shop Furniture	916,875,896	78,984,199		-	995,860,095
Shop Equipment	1,673,998,092	240,340,924		139,563	1,914,199,453
Improvements on Leasehold Premises	1,326,404,574	141,205,286			1,467,609,860
	5,541,913,348	584,953,947	11,753,624	9,141,332	6,129,479,587
At Valuation					
Freehold Land	1,133,129,700	-	-	-	1,133,129,700
Freehold Building	808,250,000	-	-	-	808,250,000
	1,941,379,700	-	-	-	1,941,379,700
Total Gross Carrying Value	7,483,293,048	584,953,947	11,753,624	9,141,332	8,070,859,287

As at 31st March	Balance as at 1st April 2021 Rs.	Additions / Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2022 Rs.
Total Gross Carrying Amount	6,809,579,009	781,330,775	107,616,734	7,483,293,048

11.11 Depreciation and Impairment Losses - Company

As at 31st March	Balance as at 1st April 2022 Rs.	Charge for the year Rs.	Through Amalgamation	Disposals/ Transfers Rs.	Balance as at 31st March 2023 Rs.
Freehold Buildings	-	37,637,490	-	-	37,637,490
Motor Vehicles	131,080,607	8,795,385	-	2,699,646	137,176,346
Furniture and Equipment	205,174,244	18,254,283	71,883	-	223,500,410
Plant and Machinery	299,223,972	25,019,973	-	-	324,243,945
Culinary School Equipment	75,814	-	-	-	75,814
E.D.P. Equipment	408,504,001	73,483,977	10,133,329	207,245	491,914,062
Shop Furniture	676,866,121	69,554,420	-	-	746,420,541
Shop Equipment	1,080,640,807	175,231,802	-	8,305	1,255,864,304
Improvements on Leasehold Premises	874,484,630	127,268,586	-	-	1,001,753,216
Total Depreciation and Impairment Losses	3,676,050,196	535,245,916	10,205,212	2,915,196	4,218,586,128

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.
Total Depreciation and Impairment Losses	3,231,313,183	548,853,749	104,116,734	3,676,050,196

11.12 Net Carrying Value -Company

As at 31st March	Company	
	2023 Rs.	2022 Rs.
Freehold Land	1,133,129,700	1,133,129,700
Freehold Building	770,612,510	808,250,000
Motor Vehicles	25,800,922	35,865,801
Furniture and Equipment	95,799,585	101,464,274
Plant and Machinery	102,083,171	127,103,144
E.D.P. Equipment	351,215,923	316,142,929
Shop Furniture	249,439,554	240,009,775
Shop Equipment	658,335,149	593,357,285
Improvements on Leasehold Premises	465,856,644	451,919,944
Total Carrying Value of Property , Plant and Equipment	3,852,273,158	3,807,242,852

NOTES TO THE FINANCIAL STATEMENTS

11.12.1 Carrying Value

As at 31st March	Company	
	2023 Rs.	2022 Rs.
At Cost	1,948,530,948	1,865,863,152
At Valuation	1,903,742,210	1,941,379,700
Total Carrying Value of Property, Plant and Equipment	3,852,273,158	3,807,242,852

11.13 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 584,953,947/- (2021/22 - Rs.600,195,814/-) on cash basis.

11.14 The carrying amount 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 2023 Rs.
Land	100,851,000
Building	113,165,510
Total carrying amount	673,938,195

11.15 The amount of the Property, Plant and Equipment includes fully-depreciated fixed assets value would be as follows.

As at 31st March	2023 Rs.	2022 Rs.
Fully depreciated Assets	2,391,514,990	2,017,013,604

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	2023 Rs.	2022 Rs.
Cost of Sales	47,147,596	48,491,606
Administrative Expenses	488,098,320	500,362,141
	535,245,916	548,853,749

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 Feet 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	-00	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,Watapothe Road,Nivithigala,Rathnapura.	258.66	-	-	4,000,000	-	15,464	-	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

NOTES TO THE FINANCIAL STATEMENTS

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 Feet Rs.	Total Value Rs.
Kiridiwella								
Gampaha Road, Kirindiwella	8.10	1	2940	20,250,000	14,250,000	2,500,000	-	34,500,000
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								
Nuwaraeliya 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	492,100,000	289,192,889	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 Raod 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
				3,251,287,701	1,414,272,889			4,665,560,591

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,Kirindiwella	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

NOTES TO THE FINANCIAL STATEMENTS

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.
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
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 an external independent property valuer having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all the of properties has been categorized 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 & Building value.		

11.20 Right-of-Use Assets

11.20.1 Right-of-Use Assets - Entity as a Lessee

Group Asset Details	Cost			Depreciation				Carrying Value	
	Balance as at 1st April 2022	Additions	Disposals	Balance as at 31st March 2023	Balance as at 1st April 2022	Charge for the year	Disposals	Balance as at 31st March 2023	31st March 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	7,591,573,536	776,045,102	(113,701,341)	8,253,917,297	2,784,160,219	1,010,707,034	(9,959,266)	3,784,907,987	4,469,009,310
Total	7,591,573,536	776,045,102	(113,701,341)	8,253,917,297	2,784,160,219	1,010,707,034	(9,959,266)	3,784,907,987	4,469,009,310

Group Asset Details	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	Disposals	Balance as at 31st March 2022	31st March 2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	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

Company Asset Details	Cost			Depreciation				Carrying Value	
	Balance as at 1st April 2022	Additions	Disposals	Balance as at 31st March 2023	Balance as at 1st April 2022	Charge for the year	Disposals	Balance as at 31st March 2023	31st March 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	6,663,711,153	624,814,814	(103,911,931)	7,184,614,036	2,515,615,716	884,176,673	(4,044,830)	3,395,747,558	3,788,866,478
Total	6,663,711,153	624,814,814	(103,911,931)	7,184,614,036	2,515,615,716	884,176,673	(4,044,830)	3,395,747,558	3,788,866,478

Company Asset Details	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 period	Disposals	Balance as at 31st March 2022	31st March 2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	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

NOTES TO THE FINANCIAL STATEMENTS

11.20.2 Group - Lease Liabilities

	Balance as at 1st April 2022 Rs.	Additions Rs.	Disposals Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2023 Rs.
Buildings	5,483,031,003	516,816,903	(105,396,059)	631,946,206	(1,272,826,228)	5,253,571,825
Total	5,483,031,003	516,816,903	(105,396,059)	631,946,206	(1,272,826,228)	5,253,571,825

	Rs.
Lease Liabilities Due Within One Year	1,024,002,828
Lease Liabilities Due After One Year	4,229,568,997
	5,253,571,825

	Balance as at 1st April 2021 Rs.	Additions Rs.	Disposals Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2022 Rs.
Buildings	4,994,013,307	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.
Lease Liabilities Due Within One Year	912,300,132
Lease Liabilities Due After One Year	4,570,730,871
	5,483,031,003

11.20.3 Company - Lease Liabilities

	Balance as at 1st April 2022 Rs.	Additions Rs.	Disposals Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2023 Rs.
Buildings	4,779,688,401	365,586,615	(99,867,101)	543,221,709	(1,077,901,874)	4,510,727,750
Total	4,779,688,401	365,586,615	(99,867,101)	543,221,709	(1,077,901,874)	4,510,727,750

	Rs.
Lease Liabilities Due Within One Year	907,649,310
Lease Liabilities Due After One Year	3,603,078,440
	4,510,727,750

	Balance as at 1st April 2021 Rs.	Additions Rs.	Disposals Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2022 Rs.
Building	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.
Lease Liabilities Due Within One Year	854,483,617
Lease Liabilities Due After One Year	3,925,204,784
	4,779,688,401

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 2023	297,672,351	687,770,860	656,271,245	2,756,692,985	855,164,384	5,253,571,825
	297,672,351	687,770,860	656,271,245	2,756,692,985	855,164,384	5,253,571,825

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 2023	301,132,279	606,517,031	582,975,237	2,390,829,859	629,273,344	4,510,727,750
	301,132,279	606,517,031	582,975,237	2,390,829,859	629,273,344	4,510,727,750

11.20.5 The following are the amounts recognised in profit or loss:

For the Year Ended 31st March	Group	Company
	2023 Rs.	2023 Rs.
Depreciation expense of right-of-use assets - Administrative Expense	992,642,294	884,176,673
Depreciation expense of right-of-use assets - Cost of Sales	18,064,740	-
Interest Expense on Lease Liability	631,946,206	543,221,709

11.20.6 The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

For the Year Ended 31st March 2023	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Fixed rent	1,272,826,228	1,247,331,839	1,077,901,874	1,100,110,546

There were no Variable Lease Payments for the Group during the Financial Year 2022/2023.

11.20.7 Currency Wise Analysis Obligation

Group and the Company lease obligation amounts as at 31st March 2023 are in Sri Lankan Rupees.

NOTES TO THE FINANCIAL STATEMENTS

12. Intangible Assets

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade Mark with Indefinite Useful Life	12.1	93,512,500	93,512,500	93,512,500	93,512,500
Software	12.2	362,509,529	389,998,428	250,017,379	263,524,823
Other Intangible Assets Externally Acquired	12.3	65,045,885	65,328,429	65,045,885	65,328,429
		521,067,914	548,839,357	408,575,764	422,365,752

12.1 Trade Mark with Indefinite Useful Life

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cost				
As 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 SISL and UNIC Brands impairment respectively.

12.2 Software

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cost					
Balance at the Beginning of the Year		741,090,074	462,764,031	485,959,917	259,267,632
Acquired During the Year		25,782,176	279,760,071	3,050,005	228,126,313
Amalgamation - Singer Digital Media (Private) Limited			-	33,363,466	-
Disposal During the Year		-	(1,434,028)	-	(1,434,028)
As at the End of the Year		766,872,250	741,090,074	522,373,388	485,959,917
Amortization					
Balance at the Beginning of the Year	12.8	351,091,646	307,011,359	222,435,094	195,918,471
Amortisation Charge for the Year		53,271,075	44,713,637	33,887,497	27,149,973
Amalgamation - Singer Digital Media (Private) Limited		-	-	16,033,418	-
Disposal During the Year		-	(633,350)	-	(633,350)
Balance at the End of the Year		404,362,721	351,091,646	272,356,009	222,435,094
Carrying Value					
Balance at the Beginning of the Year		389,998,428	155,752,672	263,524,823	63,349,161
Balance at the End of the Year		362,509,529	389,998,428	250,017,379	263,524,823

12.3 Other Intangible Assets Externally Acquired

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cost					
Balance at the Beginning of the Year		101,434,920	99,706,920	101,434,920	99,706,920
Acquired During the Year		1,994,000	1,728,000	1,994,000	1,728,000
Balance at the End of the Year		103,428,920	101,434,920	103,428,920	101,434,920
Amortisation					
Balance at the Beginning of the Year		36,106,491	33,950,201	36,106,491	33,950,201
Amortisation Charge for the Year	12.8	2,276,544	2,156,290	2,276,544	2,156,290
As at the End of the Year		38,383,035	36,106,491	38,383,035	36,106,491
Carrying Value					
Balance at the Beginning of the Year		65,328,429	65,756,719	65,328,429	65,756,719
Balance at the End of the Year		65,045,885	65,328,429	65,045,885	65,328,429

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.24,997,0000 /-.

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.

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 utilize 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 2023.

Annual Sales Growth for Next Five Years	10%
Gross Margin	26%
Discount Rate	21.5%
Indefinite Growth Rate after Year 2027/2028	2%

Revenue growth was projected considering the average growth levels experienced over last five years and the estimated sales volume and price growth for next five years

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 2023:

Annual Sales Growth for Next Five Years	8%
Gross Margin	27%
Discount Rate	21.5%
Indefinite Growth Rate after Year 2027/2028	2%

Revenue growth was projected considering the average growth levels experienced over last five years and the estimated sales volume and price growth for next five years

NOTES TO THE FINANCIAL STATEMENTS

12.6 Hayleys Brand Name

The Company took over the showrooms, retail operation of the Hayleys Electronic Retail Ltd. from 2nd January 2008 including the Agencies of Phillips and Kenwood for Rs. 32 million. The entire purchase consideration is 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 2023 is Rs. 46,431,920/-. This distribution right also considered to have an indefinite useful life due to the factors mentioned in the preceding paragraph 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 2023:

Annual Sales Growth for next five years	5%
Gross Margin	20%
Discount Rate	21.5%
Indefinite Growth Rate after Year 2027/2028	2%

Revenue growth was projected considering the average growth levels experienced over last five years and the estimated sales volume and price growth for next five years

12.8 Amortisation of Intangible Assets

For the Year ended 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Amortisation of Software	12.2	53,271,075	44,713,637	33,887,497	27,149,973
Amortisation of other intangible assets Externally Acquired	12.3	2,276,544	2,156,290	2,276,544	2,156,290
Amortisation Charge for the Year		55,547,619	46,869,927	36,164,041	29,306,263

13 Investment In Subsidiaries - Company

As at 31st March	Country of Incorporation	Holding %	Number of Shares		Carrying Value	
			2023	2022	2023 Rs.	2022 Rs.
Quoted						
Singer Finance (Lanka) PLC	Sri Lanka	79.93%				
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	Sri Lanka	87.72%				
Investment at the Beginning of the Year			17,544,628	17,544,628	692,407,683	692,407,683
Investments made during the Year			-	-	-	-
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	Sri Lanka	58.29%				
Investment at the Beginning of the Year			13,137,154	13,137,154	722,530,710	722,530,710
Investments made during the Year			-	-	-	-
Investments Disposed During the Year			-	-	-	-
Investment at the End of the Year			13,137,154	13,137,154	722,530,710	722,530,710

As at 31st March	Country of Incorporation	Holding %	Number of Shares		Carrying Value	
			2023	2022	2023 Rs.	2022 Rs.
Non-Quoted						
Singer Digital Media (Private) Limited	Sri Lanka	100%				
Investment at the Beginning of the Year			500,000	500,000	5,000,000	5,000,000
Investments made during the Year			-	-	-	-
Investments Set off with Singer (Sri Lanka) PLC- During the Year			(500,000)	-	(5,000,000)	-
Investment at the End of the Year			-	500,000	-	5,000,000
Singer Business School (Private) Limited	Sri Lanka	100%				
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	Sri Lanka	92.24%				
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					2,963,023,473	2,968,023,473

Note: Refer Notes 1.1.2 and 1.1.3 for investment in Domus Lanka (Private) Limited

Note: Refer Notes 13.1 and 13.1 (b) for Amalgamation of Singer Digital Media (Private) Limited with Singer (Sri Lanka) PLC

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

The Board of Directors of Singer (Sri Lanka) PLC passed a circular resolution on the 09th of December 2022 to amalgamate its fully owned subsidiary, Singer Digital Media (Private) Ltd with Singer (Sri Lanka) PLC (The Company). In accordance with Section 244(i)(a) of the Companies Act No 7 of 2007, Singer Digital Media (Private) Limited was amalgamated with Singer (Sri Lanka) PLC on the 30th of January 2023, confirmation of which was received via the Certificate of Amalgamation issued by the Registrar of Companies dated 30th January 2023. As a result, the values in the books of Singer Digital Media (Private) Limited and the Company were amalgamated and the investment in subsidiary of Rs. 5 million recorded in the Company was set off against the equity of Singer Digital Media (Private) Limited on the 30th of January 2023. The Amalgamation of Singer Digital Media (Private) Limited with Singer (Sri Lanka) PLC was recognised as a Common Control Combination and as per the company's accounting policies amalgamated entity's assets and liabilities added to the consolidated financial statements and amalgamation reserve directly recognised in the statement of changes in equity.

Effect of Amalgamation - Consolidated Financial Statements

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

Effect of Amalgamation - Separate Financial Statements of Singer (Sri Lanka) PLC

The Statement of Financial Position in the separate Financial Statements of Singer (Sri Lanka) as at 31 March 2023 include the assets and liabilities of the amalgamated entity Singer Digital Media (Private) Limited, as the Company was amalgamated during the year under review. However, the comparative Statement of Financial Position in the Financial Position of Singer (Sri Lanka) PLC as at 31 March 2022 excludes the assets and liabilities of the amalgamated entity Singer Digital Media (Private) Limited.

The following are the effect of amalgamation of Singer Digital Media (Private) Limited on the Statement of Financial Position in the separate Financial Statements of Singer (Sri Lanka) PLC on the date of amalgamation - 30 January 2023 – Note 13.1 (a)

NOTES TO THE FINANCIAL STATEMENTS

13.1 (a) Effect of Amalgamation on 30th January 2023

	Singer (Sri Lanka) PLC	Singer Digital Media (Private) Limited	Effect on Amalgamation	As restated Amalgamating with Singer Digital Media (Private) Limited
Non Current Assets				
Property, Plant and Equipment	3,830,726,075	1,548,411	1,548,411	3,832,274,486
Right of Use Assets	3,988,893,071	-	-	3,988,893,071
Intangible Assets	397,653,399	17,330,048	17,330,048	414,983,447
Investment in Subsidiaries	2,968,023,473	-	(5,000,000)	2,963,023,473
Other Investment	22,858,432	-	-	22,858,432
Trade and Other Receivables	896,208,074	-	-	896,208,074
Deferred Taxation	1,302,089,711	36,721,861	36,721,861	1,338,811,572
Current Assets				
Inventories	20,028,155,277	224,720,958	224,720,958	20,252,876,235
Loans Due From Related Parties	313,000,000	-	-	313,000,000
Income Tax Receivable	244,753,188	24,303,929	24,303,929	269,057,117
Trade and Other Receivables	9,667,629,079	136,610,504	136,610,504	9,804,239,583
Amounts Due from Related Parties	-	-	-	-
Cash & Cash Equivalents	2,340,684,709	2,470,279	2,470,279	2,343,154,988
	46,000,674,488	443,705,990	438,705,990	46,439,380,478
Equity				
Stated Capital	626,048,050	5,000,000	-	626,048,050
Capital Reserves	1,215,326,264	-	-	1,215,326,264
Other component of equity	4,437,208	-	-	4,437,208
Revenue Reserve	5,578,973,008	(366,345,780)	(366,345,780)	5,212,627,228
				-
Non-Current Liabilities				
Interest Bearing Loans & Borrowings	3,800,000,000	-	-	3,800,000,000
Lease Liability	3,884,089,272	-	-	3,884,089,272
Retirement Benefit Obligations	780,647,093	8,743,525	8,743,525	789,390,618
Security Deposits	1,414,112,700	48,559,601	48,559,601	1,462,672,301
Deffered Revenue	84,457,148	-	-	84,457,148
Other Non Current Liabilities	180,971,630	-	-	180,971,630
Current Liabilities				
Trade and Other Payables	7,524,855,551	50,002,728	50,002,728	7,574,858,279
Lease Liability	842,522,517	-	-	842,522,517
Deffered Revenue	175,836,460	-	-	175,836,460
Dividends Payable	49,182,657	-	-	49,182,657
Amounts due to Related Parties-Trade	242,660,005	152,106,868	152,106,868	394,766,873
Interest Bearing Loans & Borrowings	18,707,874,045	500,000,000	500,000,000	19,207,874,045
Over Draft	888,680,880	45,639,048	45,639,048	934,319,928
	46,000,674,488	443,705,990	438,705,990	46,439,380,478

Since the amalgamation happened within the Group, there is no recognition of Goodwill upon the merger, the excess was recognised in the Statement of Changes in Equity.

13.1(b) Effect of Amalgamation in Statement of Changes in Equity

Transfer of net assets (on date of amalgamation) of Singer Digital Media (Private) Limited	(361,345,780)
Set-off of investment by Singer (Sri Lanka) PLC	(5,000,000)
Balance transferred to Amalgamation Reserve	(366,345,780)

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 amortize 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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cost				
Balance at the Beginning of the Year	65,062,510	65,062,510	-	-
Acquired during the Year	-	-	-	-
Disposed during the year	(65,062,510)	-	-	-
Balance at the End of the Year	-	65,062,510	-	-
Amortisation				
Balance at the Beginning of the Year	5,747,188	4,445,938	-	-
Amortised during the Year	542,189	1,301,250	-	-
Disposed during the Year	(6,289,377)	-	-	-
Balance at the End of the Year	-	5,747,188	-	-
Carrying value	-	59,315,322	-	-

15. Other Investments

15.1 Non Current Financial Assets

(a) Equity investments at Fair value through Other Comprehensive Income (FVOCI)

As at 31st March	Group		Company	
	No. of Shares	Value	Value	Value
Non-Quoted	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Equity Investment Lanka Limited	1,665,000	1,665,000		
Balance at the Beginning of the Year			22,858,432	24,948,407
Change in Fair Value during the Year			(1,334,106)	(2,089,975)
Balance at the End of the Year			21,524,326	22,858,432
Credit Information Bureau of Sri Lanka	100	100		
Balance at the Beginning of the Year			41,300	41,300
Change in Fair Value during the Year			2,078,929	-
Balance at the End of the Year			2,120,229	41,300
			23,644,555	22,899,732

The group designated the investment shown above as Equity Securities at FVOCI because group intends to hold these Equity Investments for the Long Term for strategic purpose.

There were no disposal of Strategic investments during the Financial Year 2022/23 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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
(a) Financial Assets at Amortised Cost				
Investment in Treasury Bills	2,013,991,655	1,412,979,204	-	-
	2,013,991,655	1,412,979,204	-	-

Further details relating to fair valuation and carrying value is provided in Note 36 to these Financial Statements.

16. Inventories

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Raw Materials		3,209,411,511	2,321,206,294	1,436,513,145	1,044,520,595
Work-in-Progress		647,203,867	558,911,492	384,555,665	260,530,546
Finished Goods		16,461,029,380	19,235,504,930	16,175,004,274	18,618,223,764
Supplies and Parts		1,250,096,338	1,018,771,002	1,180,479,233	954,327,109
Goods-in-Transit		372,245,024	1,217,958,280	275,069,378	882,524,084
		21,939,986,120	24,352,351,998	19,451,621,694	21,760,126,098
Provision for Inventories	16.1	(1,699,746,448)	(1,325,562,474)	(1,522,695,501)	(1,235,345,290)
Unrealised profit in Inventory		(12,901,839)	(4,597,686)	-	-
Total Inventories at the lower of cost and net realisable value		20,227,337,833	23,022,191,838	17,928,926,193	20,524,780,808

16.1 Provision for Inventories

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year		1,325,562,474	1,273,909,064	1,235,345,290	1,195,663,334
Amalgamation- Singer Digital Media (Pvt) Limited		-	-	2,615,222	-
Amounts Provided During the Year	(Note 8)	374,183,974	51,653,410	284,734,989	39,681,956
Balance at the End of the Year		1,699,746,448	1,325,562,474	1,522,695,501	1,235,345,290

16.2 There were no Inventories Pledged as Securities for Loans obtained by the Group/ Company as at 31st March 2023

17. Loans Due From Related Parties

As at 31st March	Relationship	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Singer Industries (Ceylon) PLC	Subsidiary	-	-	118,000,000	110,000,000
Regnis (Lanka) PLC	Subsidiary	-	-	150,000,000	-
		-	-	268,000,000	110,000,000

Singer (Sri Lanka) PLC has granted above facility based on the fund requirement of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC , which will be recovered on demand. Interest is charged based on the highest AWPLR prevail in the respective month + 0.5%.

18. Trade and Other Receivables**18.1 Non-Current**

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Hire Purchase Debtors					
Hire Purchase Debtors – Instalment Receivables		735,807,378	307,552,365	735,807,378	307,552,365
Less: Hire Purchase Debtors- Unearned Interest Income		(352,227,253)	(45,707,491)	(352,227,253)	(45,707,491)
		383,580,125	261,844,874	383,580,125	261,844,874
Lease Receivables					
Lease - Instalments Receivables		5,997,427,968	10,609,897,669	-	-
Less: Lease Receivables - Unearned Interest Income		(993,207,190)	(2,047,104,238)	-	-
		5,004,220,778	8,562,793,431	-	-
Loan Receivables					
Consumer and Personal Loans - Instalments Receivables		2,329,629,003	3,467,090,913	-	-
Less: Loan Receivables - Unearned Interest Income		(347,327,265)	(599,685,062)	-	-
		1,982,301,738	2,867,405,851	-	-
Other Receivables					
Rent paid in Advance		213,588,824	211,808,090	213,588,825	211,808,090
Loans to Employees	18.4	190,083,013	278,235,343	140,511,505	221,794,775
		403,671,837	490,043,433	354,100,330	433,602,865
		7,773,774,479	12,182,087,589	737,680,455	695,447,739

NOTES TO THE FINANCIAL STATEMENTS

18.2 Current

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Hire Purchase Debtors					
Hire Purchase Debtors - Instalment Receivables		6,961,049,780	7,989,308,836	6,957,913,815	7,983,804,290
Less: Hire Purchase Debtors - Unearned Interest Income		(1,341,233,547)	(1,186,528,567)	(1,341,233,547)	(1,186,528,567)
Provision for Impairment	18.3	(154,392,095)	(180,177,174)	(151,256,129)	(174,672,628)
		5,465,424,138	6,622,603,095	5,465,424,139	6,622,603,095
Lease Receivables					
Lease - Instalments Receivables		5,801,450,246	7,072,597,699	-	-
Less: Lease Receivables - Unearned Interest Income		(1,210,867,071)	(1,844,537,314)	-	-
Provision for Impairment	18.3	(707,440,297)	(836,804,805)	-	-
		3,883,142,878	4,391,255,580	-	-
Loan Receivables					
Consumer and Personal Loans - Instalments Receivables		13,560,231,555	11,438,545,701	-	-
Less: Loan Receivables- Unearned Interest Income		(458,424,754)	(538,486,224)	-	-
FD Loans		934,233,585	299,420,158	-	-
Net Receivable		14,036,040,386	11,199,479,635	-	-
Less: Provision for Impairment	18.3	(708,406,707)	(670,930,574)	-	-
		13,327,633,679	10,528,549,061	-	-
Trade Receivables					
Trade Receivables		3,693,407,160	6,777,541,069	3,657,158,167	6,219,120,108
Less : Provision for Impairment	18.3	(802,010,733)	(1,133,839,322)	(802,010,733)	(1,016,406,045)
		2,891,396,427	5,643,701,747	2,855,147,434	5,202,714,063
Other Receivables					
Advance and Other Receivables		4,147,407,360	8,432,184,454	3,961,483,448	7,957,088,425
Less : Provision for Impairment	18.3	(1,922,419,819)	(1,734,695,655)	(1,921,330,719)	(1,733,606,555)
		2,224,987,541	6,697,488,799	2,040,152,729	6,223,481,870
Prepayments		345,437,852	1,344,683,812	233,525,853	282,933,245
Loans to Employees	18.4	98,205,270	56,282,181	65,510,110	25,231,269
		443,643,122	1,400,965,993	299,035,963	308,164,514
		28,236,227,785	35,284,564,275	10,659,760,265	18,356,963,542

Trade receivables written off during the year related to company were not subject to enforcement activity.

Singer Finance (Lanka) PLC has written off loans & advances and lease receivables amounts to Rs. 50.7 million during the year which was liable to enforcement activities.

18.3 Provision For Impairment

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade, Hire Purchases , Lease and Other Receivables					
Provision for Impairment - Hire Purchase Debtors					
Movement					
Balance at the Beginning of the Year		180,177,174	263,401,067	174,672,628	258,041,319
Provided /(Reversed) During the Year	8.1	(23,130,633)	(80,774,790)	(20,762,052)	(80,919,588)
Written-Off /Transferred During the Year		(2,654,446)	(2,449,103)	(2,654,447)	(2,449,103)
Balance as at end of the Year		154,392,095	180,177,174	151,256,129	174,672,628
Provision for Impairment - Lease Rental Receivable					
Movement					
Balance at the Beginning of the Year		836,804,805	624,892,836	-	-
Provided During the Year	8.1	(109,116,581)	223,068,404	-	-
Written-Off /Transferred During the Year		(20,247,927)	(11,156,435)	-	-
Balance as at end of the Year		707,440,297	836,804,805	-	-
Provision for Impairment - Loan Receivables					
Movement					
Balance as at the Beginning of the Year		670,930,574	551,415,881	-	-
Provided During the Year	8.1	67,981,364	189,513,276	-	-
Written-Off /Transferred During the Year		(30,505,231)	(69,998,583)	-	-
Balance as at end of the Year		708,406,707	670,930,574	-	-
Provision for Impairment - Trade Receivables					
Movement					
Balance at the Beginning of the Year		1,133,839,322	956,310,207	1,016,406,045	848,266,908
Provided During the Year		(305,424,930)	221,370,912	(307,052,472)	211,980,932
Written-Off /Transferred During the Year	8.1	(26,403,659)	(43,841,797)	(26,403,659)	(43,841,795)
Amalgamation - Digital Media (Private) Limited		-	-	119,060,819	-
Balance at end of the Year		802,010,733	1,133,839,322	802,010,733	1,016,406,045
Provision for Impairment - Other Receivables					
Movement					
Balance at the Beginning of the Year		1,734,695,655	1,585,205,687	1,733,606,555	1,583,383,811
Provided During the Year	8.1	187,729,929	149,567,580	187,729,929	150,300,356
Amalgamation - Digital Media (Private) Limited		(5,765)	(77,612)	(5,765)	(77,612)
Balance at end of the Year		1,922,419,819	1,734,695,655	1,921,330,719	1,733,606,555
Total Provision for Trade, Hire Purchases, Lease and Other Receivables at the end of the Year		4,294,669,651	4,556,447,530	2,874,597,581	2,924,685,228

NOTES TO THE FINANCIAL STATEMENTS

18.4 Loans to Employees

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Movement				
Balance at the Beginning of the Year	334,517,524	399,955,503	247,026,044	297,797,562
Loans Granted During the Year	195,207,790	102,438,457	61,250,000	49,450,000
Less: Repayments	(236,647,971)	(166,848,238)	(102,254,429)	(100,221,518)
Unwinding of interest	(167,664)	(1,028,198)	-	-
Less: Provision for Impairment	(4,621,396)	-	-	-
Balance at the End of the Year	288,288,283	334,517,524	206,021,615	247,026,044
Due Within One Year	98,205,270	56,282,181	65,510,110	25,231,269
Due After One Year	190,083,013	278,235,343	140,511,505	221,794,775

18.5 Maturity Analysis of Hire Purchase, Lease and Loan Receivables

Group - As at 31 March 2023

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	298,876,811	5,190,964,549	359,162,905	-	-	5,849,004,265
Lease Rental Receivables	1,202,032,947	2,681,109,931	4,367,058,637	637,162,141	-	8,887,363,656
Loans Receivables	8,649,349,318	4,595,531,979	1,707,992,390	354,647,089	2,414,641	15,309,935,417
	10,150,259,076	12,467,606,459	6,434,213,932	991,809,230	2,414,641	30,046,303,338

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

Company - As at 31 March 2023

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 Debtors	298,876,811	5,190,964,549	359,162,905	-	-	5,849,004,265
	298,876,811	5,190,964,549	359,162,905	-	-	5,849,004,265

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

19. Amounts Due from Related Parties

As at 31st March	Relationship	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Hayleys PLC	Parent	-	218,774	-	218,774
Singer Finance (Lanka) PLC	Subsidiary	-	-	63,691,197	65,837,963
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	-	14,399
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	1,305,397	125,925	1,305,397	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	-	169,307
Hayleys Fabric PLC	Fellow Subsidiary	2,885,849	172,143	2,885,849	172,143
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	-	338,614
Hayleys Free Zone Limited	Fellow Subsidiary	-	537,000	-	537,000
The Kingsbury PLC	Fellow Subsidiary	18,899	651,786	18,899	651,786
Hayleys Consumer Products Limited	Fellow Subsidiary	157,488	738,372	157,488	738,372
South Asia Textiles (Private) Limited	Fellow Subsidiary	26,831	6,570,745	26,831	6,570,745
Fentons Limited	Fellow Subsidiary	78,084,905	12,658,256	78,084,905	12,658,256
Alumex PLC	Fellow Subsidiary	9,530	-	9,530	-
Energynet (Private) Limited	Fellow Subsidiary	427,600	-	427,600	-
LOGIWIZ Limited	Fellow Subsidiary	6,713,277	-	6,713,277	-
HJS Condiments Limited	Fellow Subsidiary	1,274,983	-	1,274,983	-
Puritas (Private) Limited	Fellow Subsidiary	228,241	-	228,241	-
		91,133,000	24,156,695	154,824,197	198,611,049

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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cash at Banks	4,023,375,537	2,794,234,138	1,823,431,097	1,729,919,726
Cash in Hand	364,674,716	178,160,021	6,013,904	2,632,843
	4,388,050,253	2,972,394,159	1,829,445,001	1,732,552,569

20.2 Bank Overdrafts

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Bank Overdrafts *	(1,579,558,606)	(1,176,127,868)	(1,474,601,139)	(427,132,085)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	2,808,491,647	1,796,266,291	354,843,862	1,305,420,484

*All the overdraft interest rates are linked to AWPLR.
Refer the Note 25.5 for overdraft facility limits.

21 Stated Capital

As at 31st March	2023 Number	2022 Number
Number of Ordinary Shares	1,126,886,490	1,126,886,490
	1,126,886,490	1,126,886,490

As at 31st March 2022	2023 Rs.	2022 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	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revaluation Reserves					
Revaluation Reserve	22.1	1,350,891,535	1,635,091,637	1,199,233,948	1,291,762,073
		1,350,891,535	1,635,091,637	1,199,233,948	1,291,762,073

22.1 Revaluation Reserves Attributable to Equity Holders

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year	1,635,091,637	1,232,580,379	1,291,762,073	1,170,907,941
Realisation on Revaluation Surplus	(23,484,839)	(27,005,155)	(15,022,401)	(16,808,438)
Revaluation Gain on Land and Buildings	-	546,538,500	-	181,134,961
Deferred Tax on Revaluation Gain on land and Building	-	(117,022,087)	-	(43,472,391)
Impact of Deferred Tax rate change on Revaluation Reserve	(260,715,263)	-	(77,505,724)	-
Balance at the End of the Year	1,350,891,535	1,635,091,637	1,199,233,948	1,291,762,073

The revaluation reserve 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 Reserves

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
(a) Reserve Fund					
Reserve Fund	23.1	244,214,988	223,762,790	-	-
		244,214,988	223,762,790	-	-

23.1 Reserve Fund

As at 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at the Beginning of the Year	223,762,790	198,938,923	-	-
Transfer of Surplus During the Year	20,452,198	24,823,867	-	-
Balance as at the End of the Year	244,214,988	223,762,790	-	-

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 has 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 Profit after Tax to the Reserve Fund as Company's Capital Funds to Deposit Liabilities, belongs to not less than 25%.

24 Revenue Reserve

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 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		5,216,758,472	6,380,203,844	2,118,729,560	3,219,943,785
Revenue Reserves		7,916,758,472	9,080,203,844	4,818,729,560	5,919,943,785

24.1 General Reserves

The General Reserve which is a Revenue Reserve represents a balance which is set aside by the Directors for general application.

The movement of general reserve is as follows:

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 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	2023 Amount Repayable Within One Year Rs.	2023 Amount Repayable After One Year Rs.	2023 Total Rs.	2022 Amount Repayable Within One Year Rs.	2022 Amount Repayable After One Year Rs.	2022 Total Rs.
Debentures (Note 25.2)	1,448,828,434	2,005,000,000	3,453,828,434	263,853,634	3,008,000,000	3,271,853,634
Bank Loans (Note 25.3 a,b)	15,294,474,230	7,675,000,000	22,969,474,230	18,100,853,966	7,624,583,301	25,725,437,267
Securitisation (Note 25.4)	1,511,690,612	562,000,000	2,073,690,612	1,793,257,360	1,479,600,000	3,272,857,360
	18,254,993,276	10,242,000,000	28,496,993,276	20,157,964,960	12,112,183,301	32,270,148,261
Accrued Interest	144,817,454	-	144,817,454	77,777,845	-	77,777,845
	18,399,810,730	10,242,000,000	28,641,810,730	20,235,742,805	12,112,183,301	32,347,926,106

25.2 Debentures - Group

	As At 1st April 2022 Rs.	New Issues Rs.	Redemption Rs.	As At 31st March 2023 Rs.
Fixed rate 13.00%. Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 09th April 2023	846,617,833	99,813,011	(97,890,000)	848,540,844
6 Months T-Bill+3.75%. Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 19th May 2023	262,914,183	39,627,641	(15,392,055)	287,149,769
Fixed rate 13.25%. Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 19th May 2025	5,597,491	661,952	(662,500)	5,596,943
Fixed rate 9.25% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	624,105,750	53,932,947	(53,947,850)	624,090,847
1 Year T-Bill Rate + 3.75% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	1,546,123,480	278,596,544	(126,943,488)	1,697,776,536
Transaction Cost	(13,505,102)	-	4,178,597	(9,326,505)
	3,271,853,634	472,632,095	(290,657,296)	3,453,828,434

25.3 Bank Loans - Group

As at 31st March	As At 1st April 2022 Rs.	Loans Obtained Rs.	Repayment Rs.	As At 31st March 2023 Rs.
(a) Bank Loans Repayable within one Year - Group				
Bank Loans, Short Term Loans and Current Portion of Long -Term Loans	18,100,853,966	32,911,821,540	(35,718,201,276)	15,294,474,230
Total	18,100,853,966	32,911,821,540	(35,718,201,276)	15,294,474,230

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 bears interest rate between 8% to 26% 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 2023 Rs.	As at 31st March 2022 Rs.
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC (AWPLR +Margin)	Quarterly	Negative Pledged	2,000,000,000	-
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC (Fixed Rate)	Semi Annually	Negative Pledged	1,500,000,000	2,100,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Clean Basis	-	750,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Clean Basis	1,800,000,000	2,400,000,000
Singer (Sri Lanka) PLC	Sampath Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Negative Pledged	250,000,000	1,250,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (AWPLR+Margin)	Quarterly	Clean Basis	2,000,000,000	-
Singer Finance (Lanka) PLC	Seylan Bank PLC (AWPLR +Margin)	Monthly	Lease Receivables	-	83,500,000
Singer Finance (Lanka) PLC	Bank of Ceylon PLC (Variable Rate - Linked AWPLR)	Monthly	Lease Receivables	-	158,333,306
Singer Finance (Lanka) PLC	Seylan Bank PLC (Fixed Rate)	Quarterly	Lease Receivables	125,000,000	375,000,000
Singer Finance (Lanka) PLC	Nation Trust Bank PLC (Fixed Rate)	Quarterly	Lease Receivables	-	164,000,000
Singer Finance (Lanka) PLC	Bank of Ceylon PLC (AWPLR + Margin)	Monthly	Lease Receivables	-	343,749,995
				7,675,000,000	7,624,583,301

25.4 Securitisation Loans - Group

As at 31st March	As At 1st April 2022 Rs.	New Issues / Accrued Interest Rs.	Redemption Rs.	As At 31st March 2023 Rs.
Securitisation Loans	3,272,857,360	2,050,759,630	(3,249,926,378)	2,073,690,612
Total	3,272,857,360	2,050,759,630	(3,249,926,378)	2,073,690,612

(a) Securitisation Loans

Company	Trustee Bank/Rate Interest (P.a)	Repayment	Security	As at 31st March 2023	As at 31st March 2022
Singer Finance (Lanka) PLC	Hatton National Bank PLC	Structured	Lease Receivables	590,735,000	1,195,395,505
Singer Finance (Lanka) PLC	Hatton National Bank PLC	Quarterly	Lease Receivables	122,318,876	203,290,727
Singer Finance (Lanka) PLC	Hatton National Bank PLC	Monthly	Lease Receivables	1,360,636,736	1,810,976,676
Singer Finance (Lanka) PLC	National Savings Bank	Structured	Lease Receivables	-	63,194,452
				2,073,690,612	3,272,857,360

25.5 Bank Facilities- Group

As at 31st March	2023		2022	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	1,579,558,606	3,900,000,000	1,176,127,868	3,720,000,000
Term Loans	9,571,956,743	10,000,000,000	10,021,452,125	11,599,000,000
Short Term Loans and Current Portion of Long Term Loans	16,889,700,069	25,465,000,000	16,194,307,916	28,865,000,000
Securitisation Loans	2,073,690,612	4,050,000,000	4,887,483,696	4,887,483,696
Total Debt Facility	30,114,906,030	43,415,000,000	32,279,371,605	49,071,483,696
Guarantees	2,166,058,158	3,410,000,000	2,503,504,673	3,970,000,000
Letter of Credit	889,744,452	15,119,000,000	12,219,451,269	23,657,778,043
Total Debt and Other Facilities	33,170,708,639	61,944,000,000	47,002,327,547	76,699,261,739

25.6 Interest Bearing Loans and Borrowings - Company

As at 31st March	2023 Amount Repayable Within One Year Rs.	2023 Amount Repayable After One Year Rs.	2023 Total Rs.	2022 Amount Repayable Within One Year Rs.	2022 Amount Repayable After One Year Rs.	2022 Total Rs.
Bank Loans (Note 25.7 a,b)	14,129,700,069	7,550,000,000	21,679,700,069	13,459,104,325	6,500,000,000	19,959,104,325
	14,129,700,069	7,550,000,000	21,679,700,069	13,459,104,325	6,500,000,000	19,959,104,325
Accrued Interest	141,545,997	-	141,545,997	77,084,391	-	77,084,391
	14,271,246,066	7,550,000,000	21,821,246,066	13,536,188,716	6,500,000,000	20,036,188,716

25.7 Bank Loans - Company

	As At 1st April 2022 Rs.	Loans Obtained Rs.	Repayments Rs.	As At 31st March 2023 Rs.
(a) Bank Loans Repayable within One Year				
Bank Loans ,Short Term Loans and Current Portion of Long-Term Loans	13,459,104,325	26,989,568,546	(26,318,972,802)	14,129,700,069
Total	13,459,104,325	26,989,568,546	(26,318,972,802)	14,129,700,069

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., Peoples Bank, Seylan Bank PLC, BOC, Standard Chartered Bank and Union Bank. These loans bears interest rate between 8.00% to 26.00% and due for settlement at maturity and quarterly payments.

NOTES TO THE FINANCIAL STATEMENTS

(b) Bank Loans repayable after one year

Lender/Rate of Interest (p.a)	Repayment	Security	As at 31st March 2023 Rs.	As at 31st March 2022 Rs.
Commercial Bank of Ceylon PLC (AWPLR +Margin)	Quarterly	Negative Pledged	2,000,000,000	-
Commercial Bank of Ceylon PLC (Fixed Rate)	Semi Annually	Negative Pledged	1,500,000,000	2,100,000,000
Hatton National Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Clean Basis	-	750,000,000
Hatton National Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Clean basis	1,800,000,000	2,400,000,000
Sampath Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Negative Pledged	250,000,000	1,250,000,000
Hatton National Bank PLC (AWPLR +Margin)	Quarterly	Clean basis	2,000,000,000	-
			7,550,000,000	6,500,000,000

25.9 Bank Facilities-Company

As at 31st March	2023		2022	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	1,474,601,139	2,640,000,000	427,132,085	2,135,000,000
Term Loans	7,550,000,000	7,550,000,000	6,500,000,000	6,500,000,000
Short Term Loans and Current Portion of Long-Term Loans	14,129,700,069	22,500,000,000	13,459,104,325	20,300,000,000
Total Debt Facility	23,154,301,208	32,690,000,000	20,386,236,410	28,935,000,000
Guarantees	2,166,058,158	3,410,000,000	2,307,344,009	3,110,000,000
Letter of Credit	661,817,807	13,260,000,000	8,484,538,517	17,415,000,000
Total Debt and Other Facilities	25,982,177,173	49,360,000,000	31,178,118,936	49,460,000,000

26 Deferred Tax Assets/(Liabilities)

26.1 Net Deferred Tax Assets

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Deferred Tax Assets		1,485,220,613	1,269,800,660	1,371,082,289	1,125,639,261
Deferred Tax Liabilities		(741,264,681)	(468,501,357)	-	-
Net Deferred Tax Assets	26.2	743,955,932	801,299,303	1,371,082,289	1,125,639,261

26.2 Net Deferred Tax Assets

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year		801,299,303	497,329,126	1,125,639,261	832,572,959
Amalgamation - Singer Digital Media (Private) Ltd		-	-	36,721,861	-
Amount (Charge) / reversal of Temporary Differences During the Year	9.2	(51,957,529)	427,194,605	(53,935,692)	316,975,593
Amount (Originating) / Reversal During the Year - Recognised in of Other Comprehensive Income	9.4	(34,064,586)	18,029,968	(25,191,129)	14,255,178
Deferred Tax Impact on Realization of Revaluation Surplus	9.2	6,438,172	5,307,922	6,438,172	5,307,922
Deferred Tax relating to impact on Income Tax Rate charged In Profit or Loss	9.4	334,612,286	-	358,915,540	-
Deferred Tax relating to impact on Income Tax Rate charged on Revaluation Reserve		(314,862,960)	-	(77,505,724)	-
Deferred Tax relating to Revaluation gain on Property, Plant and Equipment	9.4	-	(134,798,318)	-	(43,472,391)
Deferred Tax Impact on Unrealised Profit in inventory	9.2	2,491,246	(11,764,000)	-	-
Balance as at the End of the Year	-	743,955,932	801,299,303	1,371,082,289	1,125,639,261

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	2023		2022	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Net Deferred Tax Assets				

(a) Composition of Net Deferred Tax Assets

Property, Plant and Equipment	-	1,395,430,686	-	942,899,234
Intangible Assets	-	87,433,624	-	26,525,960
Tax Losses	-	-	45,001,567	-
Provision for Inventories	503,829,720	-	311,065,403	-
Provision for Receivables	974,817,607	-	832,567,473	-
Employee Benefit Obligation	317,392,577	-	237,127,973	-
Unrealised Exchange Losses	85,348,566	-	182,590,528	-
Lease Receivables	-	15,716,713	-	40,503,059
Net of Right of Use Asset and Lease Liability	333,463,223	-	182,639,558	-
Provision for Warranty	27,685,262	-	20,235,054	-
	2,242,536,955	1,498,581,023	1,811,227,556	1,009,928,253
Net Deferred Tax Assets	743,955,932		801,299,303	

NOTES TO THE FINANCIAL STATEMENTS

26.3.2 Company

As at 31st March	2023		2022	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Deferred Tax Assets				
Property, plant and equipment	-	540,272,337	-	379,559,482
Intangible Assets	-	15,698,240	-	20,386,661
Provision for Inventories	456,808,650	-	296,482,870	-
Provision for Receivables	862,379,273	-	701,924,455	-
Employee Benefit Obligations	217,415,490	-	172,563,242	-
Unrealized Exchange Loss	84,465,091	-	182,590,528	-
Net of Right of Use Asset and Lease Liability	280,431,864	-	151,582,311	-
Provision for Warranty	25,552,498	-	20,441,998	-
	1,927,052,866	555,970,577	1,525,585,404	399,946,143
Net Deferred Tax Assets	1,371,082,289		1,125,639,261	-

27 Employee Benefit Obligations

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Present Value of Unfunded Gratuity	1,060,341,381	1,041,152,483	724,718,298	719,013,509
Provision for Employee Benefit Obligations				
Balance at the Beginning of the Year	1,041,152,483	946,775,019	719,013,509	654,639,183
Amalgamation - Singer Digital Media (Private) Ltd	-	-	8,743,525	-
Adjustment due to Transfer of Employees out of the Company	(6,241,210)	-	(5,384,858)	-
Adjustment due to Transfer of Employees in to the Company	6,999,225	-	1,156,625	-
Actuarial (Gain) / Loss on Employee Benefit Obligations	(115,792,905)	77,032,150	(85,304,538)	57,319,102
Past service cost	-	(26,767,782)	-	(16,861,572)
Current Service cost	75,536,144	70,934,850	48,003,481	47,182,371
Interest Costs	149,424,462	71,797,242	103,369,180	49,462,030
	1,151,078,199	1,139,771,479	789,596,924	791,741,114
Benefit Paid during the Year	(90,736,818)	(98,618,996)	(64,878,626)	(72,727,605)
Balance at the End of the Year	1,060,341,381	1,041,152,483	724,718,298	719,013,509

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, 2023 by Mr. M Poopalanathan, AIA, of Messrs. Actuarial & Management Consultants (Private) Limited, a 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:

	2023	2022
(a) Rate of Discount	18% (net of tax)	15% (net of tax)
(b) Salary Escalation Rate	16.0%	13.5%
	Salary Escalation rates higher than expected will cause the value of liabilities to increase.	
(c) Retirement Age		
All Staff Members	60Years	60Years

As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka the discount rate have been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristic of the gratuity payment, liability and the resulting yield to maturity for the purpose of valuing Employee Benefits Obligations as per LKAS 19.

(d) Staff Withdrawal Rates

	2023	2022
Singer (Sri Lanka) PLC (Branch/Other staff)	13	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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Less than or Equal One Year	168,905,242	159,230,795	119,708,733	122,451,495
Over One Year and Less than or Equal Five Years	488,135,380	482,622,073	330,823,942	334,798,618
Over Five Year and Less than or Equal Five Years	273,068,411	257,072,205	191,916,392	174,233,894
Over 10 Years	130,232,348	142,227,410	82,269,231	87,529,502
	1,060,341,381	1,041,152,483	724,718,298	719,013,509

(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.

(h) The Weighted Average Duration of Employee Benefit Obligation of the Company is 8.5 Years and of the Group is 7.9 Years

NOTES TO THE FINANCIAL STATEMENTS

27.4 The expenses and actuarial gains or losses 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	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Cost of Sales	57,375,889	23,678,815	17,380,961	7,558,384
Selling and Administrative Expenses	167,584,716	92,285,495	134,984,610	72,224,446
	224,960,605	115,964,310	152,365,571	79,782,830
Other Comprehensive Income	(115,792,905)	77,032,150	(85,304,538)	57,319,102

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 2023		As at 31st March 2023	
	Rs.	Rs.	Rs.	Rs.
Discount Rate (1% Movement)	(48,542,871)	53,226,297	(32,099,864)	35,084,181
Future Salary (1% Movement)	58,148,690	(53,793,328)	38,460,283	(35,693,528)

27.6 During the Financial Year 2022/2023, 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 increase by Rs. 115 million and Rs. 84 million respectively (2021/2022) decrease by Group Rs. 27 million / Company Rs.17 million)

27.7 Weighted Average Life Time of Employees

As at 31st March	Group	Company
	2023 Rs.	2022 Rs.
Weighted Average Life Time of Employees	10.0	6.6

28 Security Deposits

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year		1,462,347,054	1,366,565,021	1,406,990,989	1,293,744,090
Amalgamation - Singer Digital Media (Private) Limited		-		48,559,601	-
Contribution During the Year		153,710,002	187,737,082	153,710,002	174,850,711
Interest Charges during the Year	7	139,181,550	132,330,174	134,853,818	125,704,178
Recoveries		(224,995,688)	(127,659,908)	(213,871,492)	(127,659,908)
Security Deposits Released during the Year		(61,850,496)	(96,625,315)	(61,850,496)	(59,648,082)
Balance at End of the Year		1,468,392,422	1,462,347,054	1,468,392,422	1,406,990,989

29 Trade and Other Payables

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade Payables		2,805,765,440	12,522,610,455	2,358,861,359	8,267,008,491
MSPS and ETF Payable		44,374,057	45,519,826	41,714,574	45,136,064
Advances Received from Customers	3 (c)	248,088,316	574,529,407	247,812,582	574,529,407
Accrued Expenses		2,093,505,575	3,715,489,469	1,731,143,728	3,486,239,243
Other Payables		1,703,865,511	2,238,960,016	1,467,441,562	1,195,565,562
Provision for warranty	29.1	227,931,952	217,511,580	208,857,667	196,818,185
		7,123,530,851	19,314,620,753	6,055,831,472	13,765,296,952

29.1 Provision for Warranty

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at beginning of the Year	405,217,890	342,209,762	384,524,495	325,548,250
Provision made during the Year	136,097,467	178,046,809	124,318,030	159,422,661
Utilised during the Year	(125,041,740)	(115,038,681)	(111,643,193)	(100,446,416)
Balance as at the end of the Year	416,273,617	405,217,890	397,199,332	384,524,495

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Due after One Year	188,341,665	187,706,310	188,341,665	187,706,310
Due within One Year	227,931,952	217,511,580	208,857,667	196,818,185
	416,273,617	405,217,890	397,199,332	384,524,495

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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at Beginning of the Year	311,907,462	316,683,091	308,570,647	291,077,942
Amounts recognised during the Year	218,566,463	177,064,818	218,566,463	168,197,242
Amounts Transferred during the Year	(238,013,720)	(181,840,447)	(234,741,056)	(150,704,537)
Balance at the End of the Year	292,460,205	311,907,462	292,396,054	308,570,647
Due within One Year	216,229,503	201,549,111	216,165,352	198,212,297
Due after One Year	76,230,702	110,358,351	76,230,702	110,358,350

30.1 Deferred Revenue includes deferred service fee on air conditioners and Sanasuma Extended Warranty Scheme as at 31st March 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 Income Tax Payables / (Receivables)

31.1 Net Income Tax Payables / (Receivables)

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Income Tax Receivables	(502,199,776)	(45,144,694)	(480,658,377)	-
Income Tax Payables	269,240,792	714,483,305	-	433,939,510
Net Income Tax Receivables	(232,958,984)	669,338,611	(480,658,377)	433,939,510

31.2 Income Tax Payables / (Receivables)

As at 31st March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year		669,338,611	260,944,629	433,939,510	25,209,018
Income Tax on Current Year Profits	9	356,205,183	1,896,682,863	3,568,486	1,500,955,379
Tax on Dividend Income	9	18,125,460	18,123,061	18,089,460	18,089,460
Under / (Over) Provision in respect of previous Year	9	(4,485,588)	(68,298,456)	524,664	(61,527,518)
Payments made during the year		(1,274,427,780)	(1,438,113,486)	(912,476,567)	(1,048,786,829)
Irrecoverable Economic Service Charge		2,285,130	-	-	-
Amalgamation - Singer Digital Media (Private) Ltd		-	-	(24,303,930)	-
Net Income Tax Payables / (Receivables)		(232,958,984)	669,338,611	(480,658,377)	433,939,510

32 Dividend Payables

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Unclaimed Dividends	64,143,198	81,477,769	49,182,657	67,969,210
	64,143,198	81,477,769	49,182,657	67,969,210

33 Dividends

As at 31st March	Company	
	2023 Rs.	2022 Rs.
Ordinary Shares		
Final Dividend - 2021/2022 - Rs. 0.20 (2020/2021- Rs. 0.25)	225,377,298	281,721,623
1st Interim Dividend - 2021/22 -Rs. 0.30	-	338,065,947
2nd Interim Dividend - 2021/22 - Rs. 0.35	-	394,410,272
3rd Interim Dividend - 2021/22 - Rs. 0.20	-	225,377,298
	225,377,298	1,239,575,140
Dividend per Share	0.20	1.10

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 has been 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	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Hayleys PLC	Parent Company	213,197,352	154,378,118	148,320,616	143,711,236
Singer Industries (Ceylon) PLC	Subsidiary Company	-	-	6,803,282	63,294,344
Regnis (Lanka) PLC	Subsidiary Company	-	-	229,822,223	1,003,582,830
Regnis Appliances (Private) Limited	Subsidiary Company	-	-	198,755,497	322,198,551
Reality Lanka Limited	Subsidiary Company	-	-	21,584,922	13,529,146
Singer Business School (Private) Limited	Subsidiary Company	-	-	42,647,698	-
Singer Digital Media (Private) Limited	Subsidiary Company	-	-	-	1,769,274,176
Toyo Cushion Lanka (Private) Limited	Fellow Subsidiary	129,310,612	36,234,245	129,310,612	36,234,245
Fentons Limited	Fellow Subsidiary	201,632,458	113,431,166	198,187,470	109,740,422
Energy Net (Private) Limited	Fellow Subsidiary	2,840,984	2,966,529	2,840,984	2,966,529
Logiwiz Limited	Fellow Subsidiary	83,954,892	95,854,307	83,954,892	95,854,307
Creative Polymats (Private) Limited	Fellow Subsidiary	127,007,209	79,619,019	124,119,994	79,619,019
Hayleys Business Solutions International (Private) Limited	Fellow Subsidiary	440,519	226,342	328,704	173,800
Hayleys Aventura (Private) Limited	Fellow Subsidiary	15,938,979	93,577,720	-	23,780,020
Advantis Freight (Private) Limited	Fellow Subsidiary	5,607,499	72,215,796	5,436,936	60,783,908
Ravi Industries (Private) Limited	Fellow Subsidiary	91,713	192,500	-	52,500
Puritas (Private) Limited	Fellow Subsidiary	1,636,904	1,789,560	1,636,904	1,639,558
Haycarb PLC	Fellow Subsidiary	-	48,733,971	-	48,733,971
CEVA Logistics Lanka (Private) Limited	Fellow Subsidiary	414,645	45,481,032	414,645	45,308,565
Clarion Shipping (Private) Limited	Fellow Subsidiary	239,980	43,357,686	239,980	43,357,686
IML Delivery Systems (Private) Limited	Fellow Subsidiary	24,825,264	27,906,620	24,825,264	27,906,620
Sri Lanka Shipping Company Limited	Fellow Subsidiary	1,666,238	13,166,765	1,666,238	13,166,765
Hayleys Travels (Private) Limited	Fellow Subsidiary	-	1,169,040	-	1,169,040
Mountain Hawk Express (Private) Limited	Fellow Subsidiary	636,112	1,125,884	636,112	1,110,526
The Kingsbury PLC	Fellow Subsidiary	96,235	327,820	-	327,820
Mabroc Teas (Private) Limited	Fellow Subsidiary	-	191,830	-	191,830
Hayleys Consumer Products Limited	Fellow Subsidiary	2,048,210	101,608	2,048,210	101,608
Culture Club Resorts (Private) Limited	Fellow Subsidiary	-	46,000	-	46,000
Hayleys Advantis Limited	Fellow Subsidiary	1,226,073	1,387,248	1,226,073	1,387,248
Hayleys Lifesciences (Private) Limited	Fellow Subsidiary	-	25,000	-	25,000
Advantis Projects & Engineering (Private) Limited	Fellow Subsidiary	218,500	-	218,500	-
Vallibel One PLC	Other related companies	6,661,804	24,823,421	6,661,804	24,823,422
Uni Dil Packaging Limited	Other related companies	9,976,051	12,128,054	-	-
		829,668,233	870,457,281	1,231,687,560	3,934,090,692

NOTES TO THE FINANCIAL STATEMENTS

34.2 Amounts Due to Related Parties - Non Trade

As at 31st March	Relationship	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Hayleys PLC	Parent Company	-	156,760,222	-	156,760,222
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	-	203,802,776
Total		829,668,233	1,074,260,057	1,231,687,560	4,137,893,468

35 Other Financial Liabilities / (Assets)

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year	12,146,513,312	10,465,197,791	-	-
New Deposits	20,453,386,528	7,784,381,140	-	-
Capitalisation of Interest	907,147,541	250,365,162	-	-
	33,507,047,381	18,499,944,093	-	-
Repaid Deposits/(Withdrawal)	(14,311,443,150)	(6,382,519,523)	-	-
Less : Investment in Fixed Deposits in Subsidiary	-	29,088,742	-	-
Balance at the End of the Year	19,195,604,231	12,146,513,312	-	-
Due within One Year	13,351,356,610	9,828,665,610	-	-
Due after One Year	5,844,247,621	2,317,847,702	-	-
Deposit Classification				
Fixed Deposits at Amortised Cost	18,824,612,028	11,999,252,504	-	-
Saving Deposits	370,992,203	147,260,808	-	-
	19,195,604,231	12,146,513,312	-	-

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 Consolidated 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.

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 instalment 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.

NOTES TO THE FINANCIAL STATEMENTS

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	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Trade and other Receivables	36,010,002,264	47,466,651,864	11,397,440,720	19,052,411,281
Cash at Bank	4,388,050,253	2,972,394,159	1,829,445,001	1,732,552,569
Amounts due from Related Parties	91,133,000	24,156,695	154,824,197	198,611,049
Loans due from Related Parties	-	-	268,000,000	110,000,000
Other Financial Assets	2,013,991,655	1,412,979,204	-	-
Deposits at Bank	1,413,997,183	177,449,769	-	-
	43,917,174,355	52,053,631,690	13,649,709,918	21,093,574,899

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	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Retail Customers	30,046,303,336	33,234,674,462	5,849,004,265	6,884,447,969
Wholesale Customers	2,891,396,427	5,643,701,747	2,855,147,434	5,202,714,063
Others	3,072,302,501	8,588,498,225	2,693,289,022	6,965,249,249
Total	36,010,002,264	47,466,651,864	11,397,440,720	19,052,411,281

Impairment Analysis

The aging of receivables at the Reporting date:

Group	2023			2022		
	Gross	Impairment Provision	Net Receivables	Gross	Impairment Provision	Net Receivables
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Not Past due	21,025,543,847	241,473,967	20,784,069,880	32,941,036,894	(319,754,315)	32,621,282,579
Past due 0-30 Days	6,114,262,679	123,135,883	5,991,126,796	6,929,131,997	(138,850,522)	6,790,281,475
Past due 31-120 Days	7,706,806,325	457,750,624	7,249,055,701	6,845,604,109	(606,019,205)	6,239,584,904
Past due more than 120 Days	5,458,059,063	3,472,309,177	1,985,749,886	5,307,326,393	(3,491,823,488)	1,815,502,905
Total	40,304,671,914	4,294,669,651	36,010,002,263	52,023,099,393	(4,556,447,530)	47,466,651,864

Company	2023			2022		
	Gross	Impairment Provision	Net Receivables	Gross	Impairment Provision	Net Receivables
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Not Past due	9,752,267,046	141,682,861	9,610,584,185	16,351,763,529	(225,259,250)	16,126,504,279
Past due 0-30 Days	1,221,433,735	59,480,911	1,161,952,824	1,378,955,917	(80,952,240)	1,298,003,677
Past due 31-120 Days	854,054,772	244,996,952	609,057,820	1,561,558,648	(264,606,751)	1,296,951,897
Past due more than 120 Days	2,444,282,748	2,428,436,858	15,845,890	2,684,818,416	(2,353,866,987)	330,951,430
Total	14,272,038,301	2,874,597,582	11,397,440,719	21,977,096,508	(2,924,685,228)	19,052,411,281

NOTES TO THE FINANCIAL STATEMENTS

Total Impairment for the year resulted from counterparties

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year	4,556,447,530	3,981,225,678	2,924,685,228	2,689,692,038
Impairment Loss Recognised	(181,960,851)	702,745,382	(140,084,595)	281,361,700
Amounts Written-off	(79,817,028)	(127,523,530)	(29,063,871)	(46,368,510)
Amalgamation - Digital Media (Private) Limited	-	-	119,060,819	-
Balance at the End of the Year	4,294,669,651	4,556,447,530	2,874,597,581	2,924,685,228

Total impairment for the period resulted from following counterparties.

As at 31st March	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Impairment for Hire Purchase Debtors	154,392,095	180,177,174	151,256,129	174,672,628
Impairment for Lease Rental Receivables	707,440,297	836,804,805	-	-
Impairment for Loan Receivables	708,406,707	670,930,574	-	-
Impairment for Trade Receivables	802,010,733	1,133,839,322	802,010,733	1,016,406,045
Impairment for Other Receivables	1,922,419,819	1,734,695,655	1,921,330,719	1,733,606,555
Total	4,294,669,651	4,556,447,530	2,874,597,582	2,924,685,228

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.

The cash and cash equivalents are held with the commercial banks with the ratings as follows, BOC, CARGILLS, COMMERCIAL (Rating - A), DEUTSCHE (Rating- BBB+) DFCC, HNB,NDB,NTB (Rating A-), PABC (Rating BBB -), SAMPATH, SEYLAN (Rating A)

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 2023.

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 2023	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	539,847,048	585,140,216	232,493,632	227,646,584	125,000,000	-	-
Unsecured bank loans	22,432,898,639	26,395,717,437	13,900,693,601	3,262,330,959	4,653,826,438	4,578,866,438	-
Unsecured Debenture issues	3,453,828,434	4,158,409,435	1,489,331,354	352,290,500	5,553,011	2,311,234,570	-
Lease Liability	5,253,571,825	5,253,571,825	492,721,606	492,721,606	656,271,245	2,756,692,985	855,164,383
Bank overdrafts	1,579,558,606	1,579,558,606	-	-	-	-	-
Securitisation Loans	2,073,690,612	2,419,167,467	1,427,929,039	429,238,428	562,000,000	-	-
Security Deposits	1,468,392,423	1,468,392,423	-	-	-	-	-
Trade and Other Payables	7,123,530,851	7,123,530,851	7,041,193,665	82,337,186	-	-	-
Public Deposits	19,195,604,231	23,480,063,095	13,038,926,779	4,596,888,696	3,943,757,391	1,881,891,349	18,598,881
Total	63,120,922,668	72,463,551,353	37,623,289,676	9,443,453,958	9,946,408,085	11,528,685,342	873,763,265

Group 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 Liability	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
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 2023	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

Unsecured bank loans	21,679,700,069	25,622,983,236	13,127,959,400	3,262,330,959	4,653,826,438	4,578,866,438	-
Lease Liability	4,510,727,750	4,510,727,750	453,824,655	453,824,655	582,975,237	2,390,829,859	629,273,344
Security Deposits	1,468,392,422	1,468,392,422	-	-	-	-	-
Trade and Other Payables	6,055,831,472	6,055,831,472	5,973,494,286	82,337,186	-	-	-
Bank Overdrafts	1,474,601,139	1,474,601,139	1,474,601,139	-	-	-	-
Total	35,189,252,851	39,132,536,018	21,029,879,480	3,798,492,800	5,236,801,675	6,969,696,297	629,273,344

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.
----------------------------	------------------------	----------------------------------	------------------	--------------------	------------------	------------------	-----------------------------

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 Liability	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

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 2023				As at 31st March 2022			
	USD*	CNY**	EURO***	GBP****	USD*	CNY**	EURO***	GBP****
Trade Payables	-	-	-	-	26,724,783	530,370		
Net Exposure	7,935.99	0.00	0.00	0.00	26,724,783	530,370		

* 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	
	2023 Rs.	2022 Rs.	As at 31st March 2023 Rs.	As at 31st March 2022 Rs.
USD	354.83	210.81	325.00	298.99
CNY	52.33	32.96	47.92	46.29
EURO	375.26	244.39	358.58	328.18
GBP	434.15	287.06	407.50	385.56

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
2023				
USD (5% Movement)	(140,796)	140,796	(98,557)	98,557
CYN (5% Movement)	-	-	-	-
EURO (5% Movement)	-	-	-	-
GBP (5% Movement)	-	-	-	-
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)	-	-	-	-

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	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Fixed Rate Instruments				
Financial Assets	33,118,605,837	33,234,451,892	5,849,004,265	6,884,447,969
Financial Liabilities	(16,919,474,230)	(20,823,353,966)	(15,629,700,069)	(15,559,104,325)
	16,199,131,607	12,411,097,926	(9,780,695,804)	(8,674,656,356)
Variable Rate Instruments				
Financial Liabilities	(6,050,000,000)	(4,902,083,301)	(6,050,000,000)	(4,400,000,000)
	(6,050,000,000)	(4,902,083,301)	(6,050,000,000)	(4,400,000,000)

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	(60,500)	60,500	(45,980)	45,980
Cash Flow Sensitivity (Net)	(60,500)	60,500	(45,980)	45,980
31st March 2021				
Variable Rate Instruments	(49,021)	49,021	(37,256)	37,256
Cash Flow Sensitivity (Net)	(49,021)	49,021	(37,256)	37,256

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 31st March 2023	Note	Financial Assets at FVOCI Rs.	Financial Assets/ Liabilities at Amortised cost Rs.	Total Carrying Value Rs.	Fair Value Measurement Level
Investment in Equity Securities	15.1	23,644,555	-	23,644,555	Level 3
Hire Purchase Debtors	18	-	5,849,004,265	5,849,004,265	-
Lease Rental Receivables	18	-	8,887,363,656	8,887,363,656	-
Loan Receivables	18	-	15,309,935,417	15,309,935,417	-
Trade Receivables	18	-	2,891,396,427	2,891,396,427	-
Other Receivables	18	-	2,628,659,378	2,628,659,378	-
Cash and Cash Equivalents	20.1	-	4,388,050,253	4,388,050,253	-
Investment in Treasury Bills	15.2	-	2,013,991,655	2,013,991,655	-
Deposits with Banks		-	1,413,997,183	1,413,997,183	-
Total		23,644,555	43,382,398,233	43,406,042,788	-
Debentures	25.2	-	3,453,828,434	3,453,828,434	-
Bank Loans	25.3	-	22,969,474,230	22,969,474,230	-
Securitisation Loans	25.3	-	2,073,690,612	2,073,690,612	-
Bank Overdraft	25.3	-	1,579,558,606	1,579,558,606	-
Security Deposits	28	-	1,468,392,423	1,468,392,423	-
Trade and Other Payables	29	-	7,123,530,851	7,123,530,851	-
Dividend Payable	32	-	64,143,198	64,143,198	-
Amounts due to Related Parties	34	-	829,668,233	829,668,233	-
Deposits from Customers	35	-	19,195,604,231	19,195,604,231	-
Total		-	58,757,890,818	58,757,890,818	-

Group 31st March 2022	Note	Financial Assets at FVOCI Rs.	Financial Assets/ Liabilities at Amortised cost Rs.	Total Carrying Value Rs.	Fair Value Measurement Level
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	-
Securitisation Loans	25.3	-	3,272,857,360	3,272,857,360	-
Bank Overdrafts	25.3	-	1,176,127,868	1,176,127,868	-
Security Deposits		-	1,462,347,054	1,462,347,054	-
Trade and Other Payables	28	-	19,314,620,753	19,314,620,753	-
Dividend Payables	29	-	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	-

Company 31st March 2023	Note	Financial Assets at FVOCI Rs.	Financial Assets/ Liabilities at Amortised cost Rs.	Total Carrying Value Rs.	Fair Value Measurement Level
Investment in Equity Securities	15.1	21,524,326		21,524,326	Level 3
Loans due from Related Parties	17		268,000,000	268,000,000	
Hire Debtors	18		385,994,766	385,994,766	
Trade Debtors	18		2,855,147,434	2,855,147,434	
Other Debtors			2,040,152,729	2,040,152,729	
Amounts due from Related Parties	19		154,732,558	154,732,558	
Cash and Cash Equivalents	20.1		1,829,445,001	1,829,445,001	
Total		21,524,326	7,533,564,127	7,555,088,453	-
Security Deposits	28		1,468,392,422	1,468,392,422	
Bank Loans	25	-	21,679,700,069	21,679,700,069	
Bank Overdrafts	20.2	-	1,474,601,139	1,474,601,139	
Lease Liability	11.2		4,510,727,750	4,510,727,750	
Trade and Other Payables	29	-	6,055,831,472	6,055,831,472	
Dividend Payable	32	-	49,182,657	49,182,657	
Amounts due to Related Parties	34	-	1,231,687,560	1,231,687,560	
Total		-	36,470,123,068	36,470,123,068	-

Company 31st March 2022	Note	Financial Assets at FVOCI Rs.	Financial Assets/ Liabilities at Amortised cost Rs.	Total Carrying Value Rs.	Fair Value Measurement Level
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			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					
Security Deposits	25	-	1,406,990,989	1,406,990,989	-
Bank Loans	25	-	19,959,104,325	19,959,104,325	-
Bank Overdrafts	20.2	-	427,132,085	427,132,085	-
Lease Liability	11.2	-	-	-	-
Trade and Other Payables	29	-	13,765,296,951	13,765,296,951	-
Dividend Payable	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	-

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 its 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 2022	22,899,732	22,858,432
Net charge in fair value (Unrealised)	744,823	(1,334,106)
Balance as at 31st March 2023	23,644,555	21,524,326
Loss Included in OCI	744,823	(1,334,106)

Net Assets per share as at 31st March 2023 Rs. 9

The Group holds an investment in equity shares of Equity Investment Lanka Limited with a fair value of Rs. 23,644,555, measured at Net Asset basis. Fair value of this investment was categorized as level 3 as at 31st March 2023. This was because the shares were not listed on an exchange and there were no recent observable arms length transactions in the shares.

Refer Note 15.1 for share investment details.

Fair Values of Financial Instruments

The following table shows an analysis of assets and liabilities recorded at fair value by level of fair value hierarchy.

The amounts are based on the values recognised in the statement of financial position.

Net assets value per share of the investment is considered as the fair value of unquoted equity shares

As at 31st March	Note	Level 1	Level 2	Level 3	Total
As at 31st March 2023					
Financial Assets measured at Fair Value through Other Comprehensive Income	15			21,524,326	21,524,326
As at 31st March 2022					
Financial Assets measured at Fair Value through Other Comprehensive Income	15			22,858,432	22,858,432

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 be have minimum Core Capital Ratio (Tier-I) of 7% and 11% based on the Total Capital Ratio (Tier-II) . This minimum requirement increased to 8.5% and 12.5% respectively with the effect from 1st July 2022.

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:

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Balance		Risk-Weighted Factor %	Risk-Weighted Balance	
	2023 Rs.	2022 Rs.		2023 Rs.	2022 Rs.
Assets					
Risk Weighted Amount for Credit Risk					
Notes and Coins	254,314,115	124,400,707	0%	-	-
Cash Items in the Process of Collection	103,195,627	50,363,730	20%	20,639,125	10,072,746
Fixed Assets	1,298,311,478	1,090,339,590	100%	1,298,311,478	1,090,339,591
Other Assets/Exposures	309,182,362	263,409,646	100%	309,182,362	263,409,646
Investment in Government Securities	2,013,991,655	1,412,979,204	0%	-	-
Claims on Banks					
AAA to BBB-	3,563,382,611	823,323,404	20%	712,676,522	164,664,681
Below B-	4,012,499	15,202,592	150%	6,018,749	22,803,888
Claims on Corporates					
AAA to AA-	-	15,992,156	20%	-	3,198,431
Unrated	2,120,229	41,000	100%	2,120,229	41,000
Retail claims in respect of motor vehicles and machinery	8,936,390,391	13,372,894,093	100%	8,936,390,391	13,372,894,094
Claims Secured by Gold					
Outstanding claim portion up to 70% of the market value	6,380,720,529	3,526,048,852	0%	-	-
Remaining outstanding claim portion over 70% of the market value	1,192,944,142	97,230,297	100%	1,192,944,142	97,230,297
Retail claims secured by immovable property					
Retail claims that do not qualify for regulatory capital purposes	78,066,590	101,712,550	100%	78,066,590	101,712,550
Other retail claims	4,269,348,547	7,991,316,739	125%	5,336,685,684	9,989,145,924
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%	297,822,738	322,042,290	100%	297,822,738	322,042,290
Specific provisions are less than 20%	1,271,637,844	40,838,842	150%	1,907,456,766	61,258,263
Total Risk - Weighted Assets	29,975,441,357	29,251,107,995		20,098,314,776	25,500,299,551

As at 31st March	Balance		Risk-Weighted Factor %	Risk-Weighted Balance	
	2023 Rs.	2022 Rs.		2023 Rs.	2022 Rs.
Risk Weighted Amount for Operational Risk					
Interest Income	5,081,737,180	4,260,975,532	15%	762,260,577	639,146,330
Interest Expenses	(2,758,426,084)	(1,916,865,583)	15%	(413,763,913)	(287,529,837)
Non-interest income	828,945,325	670,248,482	15%	124,341,799	100,537,272
	3,152,256,421	3,014,358,431		472,838,463	452,153,764
Risk-Weighted Amount for operational Risk under the Basic Indicator Approach				3,782,707,705	4,110,488,766
Total Risk - Weighted Assets	33,127,697,778	32,265,466,426		23,881,022,481	29,610,788,317
Total Capital Base Computation					
Stated Capital				1,996,444,457	1,996,444,457
Reserved Fund				254,563,754	234,111,556
Published Retained Earnings				2,722,160,451	2,544,091,637
Less:-					
Deferred Tax Assets (net)				113,392,070	
Other Intangible Assets (net)				80,387,296	69,458,537
Total Core Capital				4,779,389,296	4,705,189,113
Supplementary Capital				1,333,333,333	1,733,333,333
Total Supplementary Capital				1,333,333,333	1,733,333,333
Capital Base				6,112,722,629	6,438,522,446

Capital Adequacy ratio

As at 31st March		2023 %	2022 %
Core Capital Ratio	Core Capital	20.01%	15.89%
	Risk- Weighted Assets		
Total Capital Ratio	Capital Base	25.60%	21.74%
	Risk- Weighted Assets		

NOTES TO THE FINANCIAL STATEMENTS

37. Commitments and Contingencies - Group / Company

37.1 Financial Contingencies

Documentary Credits effected for foreign purchases amounting to Group and Company respectively Rs. 889.7 million (2022-Rs.10,733 million) and Rs. 661.8 million (2022- Rs.7,821million)

37.2 Commitments

Singer Finance (Lanka) PLC

Operating lease commitments as at 31st March 2023 is as follows:

Within One Year	Rs.10.87 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 , Standard Chartered Bank Sri Lanka Limited, Sampath Bank PLC, Seylan Bank PLC, Bank of Ceylon, People's Bank, Union Bank and Nations Trust Bank PLC which has carrying value of Rs.6,866 million , Rs. 175 million , Rs.3,166 million, Rs.790 million , Rs.500 million , Rs.300 million , Rs.150 million and Rs.1,100 million respectively as at 31 March 2023.

Singer Finance (Lanka) PLC has given a negative pledge amounting to Rs.8 million over the Company's Lease receivable and Loans for the following banks over Loans, Overdrafts, Securitisation & Debentures having a carrying value of Rs.6 million as at 31st March 2023.

Bank	Exposure	Type of Facility	Outstanding Credit Facility Rs. Million	Carrying Value Rs. Million
Sampath Bank PLC	130% of the Bank's exposure	Loan	500	
		Overdraft Facility	300	1,040
Commercial Bank of (Ceylon) PLC	150% of the Bank's exposure	Overdraft Facility	200	300
Seylan Bank PLC	130% of the Bank's exposure	Loan	675	1,203
		Overdraft Facility	250	
Nations Trust Bank PLC	130% of the Bank's exposure	Loan	964	1,513
		Overdraft Facility	200	
Cargills Bank	130% of the Bank's exposure	Loan	200	260
Bank of Ceylon	130% of the Bank's exposure	Loan	300	390
Pan Asia Bank Corporation	Company exposure	Loan	500	1,000
Trustee (Hatton National Bank & National Savings Bank)	130% of the Bank's exposure	Securitisation	1,868	2,428
			5,957	8,134

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

NOTES TO THE FINANCIAL STATEMENTS

37.5 Impact of Recent Economic Conditions

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

(i) Increase in interest rates

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

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

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

ii) Fluctuation of foreign currency and significant rupee depreciation

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

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

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

iii) Other Considerations

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

38. Events Occurring after the Reporting Period

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

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 Companies

Name of the Company	Nature of Transaction	Group		Company	
		For the Year Ended 31st March 2023 Rs. Million	For the Year Ended 31st March 2022 Rs. Million	For the Year Ended 31st March 2023 Rs. Million	For the Year Ended 31st March 2022 Rs. Million
Hayleys PLC	Expenses Reimbursed	494.7	481.8	378.30	369.3

39.2 (b) Transactions with Subsidiary Companies

Name of the Company	Nature of Transaction	Company	
		For the Year Ended 31st March 2023 Rs. Million	For the Year Ended 31st March 2022 Rs. Million
Regnis (Lanka) PLC	Corporate guarantees given on behalf of the Company	455.5	455.5
	Purchases	4,201.9	5,650.7
	Non-trade Settlement	145.0	60.0
	Funds paid for purchases	4,441.5	5,419.8
	Expenses reimbursed	113.1	126.8
	Sale of fixed asset	-	2.2
	Interest income	16.9	2.9
	Interest income on Loan	54.1	-
	Interest income on Corporate Guarantee	2.3	2.2
	Sales	462.3	919.6
	Trade Receipt for sales	219.6	-
	Balance Payable	229.8	919.6
	Loan Obtained	300.0	-
	Loan Settlements	150.0	-
Singer Industries (Ceylon) PLC	Advances -Trade - Set Off	200.0	200.0
	Purchases	573.7	826.2
	Sales	68.1	7.0
	Interest Income	24.2	7.70
	Lease Rental Expense	30.2	22.5
	Expenses Reimbursed	38.0	95.7
	Non Trade Settlement	4.3	42.5
	Trade Settlement	534.1	815.8
	Management Fee	0.1	0.1
	Balance Payable	6.80	63.3
	Loans granted	158	110
Loans Settlements	150	-	

NOTES TO THE FINANCIAL STATEMENTS

Name of the Company	Nature of Transaction	Company	
		For the Year Ended 31st March 2023 Rs. Million	For the Year Ended 31st March 2022 Rs. Million
Singer Digital Media (Private) Limited	Purchases	1002.7	1,054.9
	Expenses reimbursed	99.2	166.7
	Net Interest Expense	112.2	146.4
	Royalty paid through Singer (Sri Lanka) PLC	9.6	18.9
	Loans granted	1,858.50	8,959.7
	Loan Settled	4,226.70	10,167.9
	Balance Payable-Loan	116.90	1,483.5
	Balance Payable - Non-Trade	33.9	21.1
	Balance Payable - Trade	-	285.7
Regnis Appliances (Private) Limited	Purchases	2,027.63	2131.1
	Non-Trade Settlement	112.52	125.1
	Sales	238.1	-
	Trade Settlements	1,965.67	2,086.2
	Reimbursement of the Expenses	48.09	18.0
	Interest Expense	3.47	0.5
	Interest Income	14.72	5.6
	Balance Payable	198.76	322.1
Reality Lanka Limited	Sale of Fixed assets	0.52	2.0
	Rent Expense	5.6	6.7
	Interest Expense	4.5	-
Singer Business School (Private) Limited	Balance Payable Trade	21.6	13.5
	Brand Utilisation Charge	0.9	1.2
	Rent Expense	5.0	4.8
Singer Finance (Lanka) PLC	Balance Payable Trade	1.6	3.5
	Expenses Reimbursed	1.4	2.7
	Withdrawals of Rental collections from Singer (Sri Lanka) PLC	1,593.9	1,570.0
	Sales Financed to Purchase goods from Singer (Sri Lanka) PLC	1.0	14.7
	Sale of Assets	50.72	53.9
	Net Interest Expense/Income	15.8	12.2
	Rental Collections through Singer (Sri Lanka) PLC	1,860.7	2,005.0
	Service Charge Income	0.03	1.6
	Collection Commission paid	19.2	17.9
	Royalty Expense Charged During the Year	64.5	45.6
	Rent Reimbursed	10.6	12.0
Expenses Reimbursed	186.4	389.5	
Advance paid	-	39.6	
Dividend Paid	129.2	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	2023 Rs. Million	2022 Rs. Million	2023 Rs. Million	2022 Rs. Million
Hayleys Aventura (Private) Limited	Purchases	180.8	8.1	-	8.1
Alumex PLC	Sales	2.7	-	2.7	-
The Kingsbury PLC	Purchases	0.5	-	-	-
	Sales	1.0	-	1.0	-
Fentons Limited	Sales	93.6	-	93.6	-
	Purchases	636.8	176.0	595	176.0
Energynet (Private) Limited	Purchases	0.1	-	-	-
Ravi Industries Ltd	Purchases	-	2.6	-	-
Toyo Cushion Lanka (Private) Limited	Purchases	437.4	160.4	437.4	160.0
Logiwiz Limited	Service provided	591.0	552.0	591.0	552.0
	Purchases	34.1	-	34.1	-
Mabroc Teas (Private) Limited	Sales	0.1	-	0.1	-
	Purchases	6.4	-	5.1	-
Haycarb PLC	Sales	0.2	48.7	0.2	48.7
Creative Polymats (Private) Limited	Purchases	256.4	210.0	252.3	210.0
Advantis Freight (Private) Limited	Service provided	82.1	575.5	71.0	514.5
Sri Lanka Shipping Company Limited	Service provided	49.2	49.6	49.2	49.6
Puritas (Private) Limited	Purchases	-	2.6	-	1.6
Hayleys Business Solutions International (Private) Limited	Service provided	2.9	2.5	2.7	2.0
Hayleys Consumer Products (Private) Limited	Sales	3.5	-	3.5	-
CEVA Logistics Lanka (Private) Limited	Service provided	57.6	45.7	57.6	45.7
South Asia Textiles (Private) Limited	Sales	2.9	6.5	2.9	6.5
	Purchases	17.0	-	17.0	-
Clarion Shipping (Private) Limited	Service provided	79.7	-	79.7	-
Uni Dil Packaging Ltd	Purchases	7.5	-	-	-
Hayleys Advantis Limited	Sales	1.9	-	1.9	-
Hayleys Agriculture Holdings Limited	Sales	1.7	-	1.7	-
Hayleys Travels (Private) Limited	Sales	2.0	-	2.0	-
Hayleys Fabric PLC	Sales	13.4	-	13.4	-
Haycarb Value Added Products (Private) Limited	Sales	1.4	-	1.4	-
Dipped Products PLC	Sales	13.7	-	13.7	-

39.2 (d) Transactions with Other Related Parties

Company	Relationship	Name of Director	Nature of Transaction	For the Year Ended 31st March	
				2023 Rs. Million	2022 Rs. Million
Vallibel one PLC	Control/Significant Shareholder	K.D.D Perera	Expense Reimbursed	11.4	45.8

There are no related party transactions other than those disclosed in Note 39 in the Financial Statements.

No security has 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	
	2023 Rs. Million	2022 Rs. Million	2023 Rs. Million	2022 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 2022/2023 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 consolidated revenue of the Group as per the latest audited financial Statements, which required additional disclosures in the 2022/2023 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	2023 Rs. Million	2022 Rs. Million
-------------------------------	---------------------	---------------------

(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	155	131
---	-----	-----

For the Year Ended 31st March	Group		Company	
	2023 Rs. Million	2022 Rs. Million	2023 Rs. Million	2022 Rs. Million
(ii) Compensation of Key Management				
Short Term Employee Benefits	165.0	127.9	120.7	86.3
Post--Employment Benefits paid	21	65	20.8	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 2023	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	8,530,077,830	1,724,602,678	1,328,326,960		-
Current Assets	23,418,761,318	591,547,361	1,964,313,557		-
Non-Current Liabilities	9,329,818,284	501,432,103	405,973,758		-
Current Liabilities	17,643,773,283	369,957,289	1,401,066,801		-
Net Assets	4,975,247,582	1,444,760,675	1,485,599,958		-
Net Assets Attributable to NCI	998,532,190	177,705,563	619,495,183	151,170,759	1,946,903,694
Revenue	6,448,426,453	644,271,225	3,721,996,226		-
Profit	409,043,965	(12,098,159)	5,648,139		-
OCI	6,231,091	(145,081,710)	(76,997,198)		-
Total Comprehensive Income	415,275,057	(157,179,869)	(71,349,059)		-
Profit Allocated to NCI	82,095,124	(2,074,105)	573,082		-
OCI Allocated to NCI	1,250,580	(17,816,034)	(32,115,531)		-
Cash Flows from Operating Activities	8,875,508,893	(175,520,570)	(303,955,694)		-
Cash Flows from Investment Activities	(1,225,802,026)	163,797,174	7,268,138		-
Cash Flows from Financing Activities -	(5,356,171,351)	43,000,000	250,349,629		-
Net Increase (Decrease) in Cash and Cash Equivalents	2,293,535,516	31,276,604	(46,337,927)		-

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	-	-

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 2022/23 except Amalgamation of Singer Digital Media (Private) Limited with Singer Sri (Lanka) PLC.

STRIDING AHEAD
POSITIVELY AND
RESPONSIBLY

Supplementary Information

Parent, Subsidiaries and Related Companies.....	234
A Decade in Perspective.....	236
Quarterly Analysis	238
Horizontal and Vertical Analysis	239
Share information.....	245
Compliance With Corporate Governance Frameworks	249
Independent Assurance on Integrated Reporting	294
Independent Assurance on Sustainability Reporting	296
GRI Content Index.....	298
Distribution Network	306
Service Network	309
Glossary	312
Notes.....	313
Notice of Annual General Meeting	316
Shareholder Feedback Form	317
Form of Proxy	319
Corporate Information	Ibc

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 (resigned with effect from 10th June 2022) Mr. Sarath Ganegoda Mr. Rajitha Kariyawasan Dr. Harsha Cabral Mr. Ruwan Waidyaratne Mr. Hisham Jamaldeen Mr. Aravinda Perera Ms. Jayanthi Dharmasena Mr. Rohan Karunarajah Mr. Gamini Gunaratne Ms. Kawshi Amarasinghe (Alternate Director to Mr. Dhammika Perera - ceased to be Alternate with effect from 10th June 2022)
Singer Finance (Lanka) PLC Singer - Interest 79.9%	Leasing, hire purchasing, lending and accepting deposits.	Mr. Aravinda Perera - Chairman Mr. Thushan Amarasuriya - CEO Mr. Mahesh Wijewardene - Group CEO Mr. Jayanth Perera Ms. Darshini Talpahewa Mr. Ranil De Silva Mr. Saman Herath Mr. Sadeep Perera (resigned with effect from 01st December 2022)
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. Roshan Kulasuriya (Alternate Director to Mr. Mahesh Wijewardene - appointed on 20th April 2022) Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022 and resigned with effect from 30th September 2022)

Company name	Principal activity	Directors
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. Shanil Perera (Alternate Director to Mr. Mahesh Wijewardene - appointed on 20th April 2022) Mr. Ramesh Chitrasiri (Alternate Director to Mr. Sarath Ganegoda - appointed on 20th April 2022 and resigned with effect from 30th September 2022)
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 Business School (Private) Limited Singer - Interest 100%	Providing educational services.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Vajira Tennakoon - (appointed on 20th April 2022) Mr. Roshan Kulasuriya
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) 2023 Rs. '000	31st March (12 Months) 2022 Rs. '000	31st March (12 Months) 2021 Rs. '000	31st March (12 Months) 2020 Rs. '000	31st March (15 Months) 2019 Rs. '000	31st December (12 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
GDP Growth - %	4.20	3.70	(3.60)	(4.90)	3.2	3.2	4.1	6.00	7.40	7.30
Market Capitalisation Growth - %	0.07	(0.18)	(0.14)	(19.20)	(37.81)	(4.44)	(8.48)	17.00	32.50	(13.00)
Trading Results										
Group Revenue - Net	54,767,234	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
Profit before Tax	174,192	5,535,560	3,818,007	610,717	672,129	2,049,052	3,126,233	1,895,275	1,155,608	728,440
Tax	(78,261)	1,425,769	1,210,485	183,450	286,149	828,758	768,477	659,236	373,974	206,375
Profit for the Year	95,931	4,109,791	2,607,521	427,268	385,981	1,220,295	2,357,756	1,236,039	781,634	522,066
Total Comprehensive Income for the Year	(136,459)	4,554,012	2,809,992	449,249	1,006,328	691,655	2,623,507	1,206,343	891,279	519,059
Property, Plant and Equipment	7,652,258	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
Investment in Equity Accounted Investees	-	-	-	-	-	-	-	54,831	55,189	53,226
Right-of-use Assets	4,469,009	4,807,413	4,433,003	4,448,560	-	-	-	-	-	-
Other Investments	23,644.55	22,900.00	24,990	113,258	17,061	17,061	17,061	17,061	17,061	17,061
Deferred Tax Assets/ (Liabilities)	743,956	801,299	497,329	155,734	(246,869)	(467,236)	124,061	144,913	65,235	9,482
Other Non-Current Assets	8,294,842	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
Total Non-Current Assets****	21,183,710	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
Current Assets	56,872,937	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
Current Liabilities	42,857,541	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
Net Current Assets	14,015,396	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
Total Assets Less Current Liabilities	35,199,106	35,342,952	26,350,010	25,086,068	22,632,687	15,389,331	20,060,398	16,959,979	12,178,083	11,531,711
Security Deposits	1,468,392	1,462,347	1,366,565	1,394,611	1,388,433	1,199,127	1,018,452	851,794	732,124	651,765
Interest bearing Loans and Borrowings repayable after one year	14,471,569	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
Provision for Gratuity	1,060,341	1,041,152	946,775	900,984	871,971	794,645	651,144	486,465	383,912	320,033
Public Deposits	5,844,248	2,317,848	2,091,132	1,979,089	804,556	411,394	454,013	645,008	798,492	756,232
Net Assets	12,089,984	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
Share Capital and Reserves										
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,350,892	1,635,092	1,232,580	1,092,442	1,118,123	577,919	1,057,964	857,580	870,358	762,034
Other component of equity	5,165	4,437	6,025	-	-	-	-	-	-	-
Statutory Reserves	244,215	223,763	198,939	182,548	163,096	136,009	95,361	37,318	136,128	128,447
Revenue Reserves	7,916,760	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
Shareholders' Funds	10,143,080	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
Non-Controlling Interests	1,946,904	1,971,082	1,778,543	1,619,012	1,508,546	1,349,114	1,401,088	484,584	441,960	395,902
Total Equity	12,089,984	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

Year Ended	31st March (12 Months) 2023 Rs. '000	31st March (12 Months) 2022 Rs. '000	31st March (12 Months) 2021 Rs. '000	31st March (12 Months) 2020 Rs. '000	31st March (15 Months) 2019 Rs. '000	31st December (12 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
Ratios and Statistics .										
Profitability										
Earning per Share - Rs *	0.01	3.51	2.18	0.25	0.22	0.93	1.88	1.02	0.63	0.41
Net Assets per Share - Rs. *	9.00	10.27	7.53	5.83	6.16	6.07	7.24	5.58	4.86	4.41
Return on Average Net Assets - %	0.75	34.54	28.27	5.14	4.64	13.76	28.89	19.50	13.90	9.50
Dividends										
Amount - Rs. '000	225,377	1,239,575	713,695	93,907	244,159	826,383	1,101,845	525,880	313,024	313,024
Per Share - Rs. *	0.20*	1.10	0.63	0.08	0.22	0.73	0.98	0.47	0.28	0.28
Cover	0.98	3.15	2.45	0.14	0.58	1.21	1.00	1.63	1.48	0.96
Others										
Market Price per Share - Rs.	15.00	14.00	17.4**	20.20	25.00	40.20	126.20	137.90	117.90	89.00
Price Earnings Ratio	76.62	4.03	11.23	2,020.00	208.33	45.17	128.78	181.45	287.56	329.63
Annual Sales Growth - %	(28.73)	14.00	23.13	(6.42)	N/A ***	38.78	21.22	30.30	16.50	0.20
Current Ratio	1.33	1.18	1.06	1.05	1.12	1.00	1.27	1.40	1.20	1.20
Average Annual Inflation - %	50.30	21.50	4.70	4.20	4.30	4.20	3.75	0.90	3.30	7.30
Net Income to Net Revenue - %	0.18	5.35	3.87	0.78	0.66	1.87	5.02	3.20	2.60	2.00

* 2021/22 Final Dividend paid on 13th May 2022

* 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 on-current Assets after deducting the Net of Deferred Tax Assets and Liabilities.

QUARTERLY ANALYSIS

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	14,374,811	14,899,897	12,860,669	16,697,584	14,530,728	23,799,878	13,001,026	21,450,482
Profit/(Loss) before tax	228,979	637,909	843,538	846,417	26,698	2,691,965	(925,023)	1,359,269
Tax expenses	(94,472)	(190,449)	(225,069)	(227,212)	73,418	(604,183)	167,862	(403,923)
Profit/(Loss) after tax	134,507	447,460	618,469	619,205	100,116	2,087,782	(757,161)	955,346
Profit attributable to owners of the parent	120,599	439,260	574,787	583,264	92,241	2,029,161	(780,545)	906,464
Profit attributable to non controlling company	13,908	8,200	43,682	35,941	7,875	58,621	23,384	48,882
Total comprehensive income for the period ,net of tax	134,507	447,460	618,469	619,205	(201,321)	2,087,782	(688,114)	1,399,569
Non current Assets	24,852,010	23,496,478	23,733,403	24,808,028	23,463,458	25,293,026	22,277,203	26,411,799
Current Assets	67,156,180	52,480,337	60,998,448	55,889,989	58,081,246	57,144,463	56,520,711	62,938,881
Non current Liabilities	22,985,441	19,369,082	21,207,960	21,453,804	20,994,243	21,393,191	23,850,388	22,270,827
Current liabilities	56,629,351	47,272,163	50,544,472	48,571,145	47,772,363	48,677,861	42,857,542	53,539,227

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Market Value of shares								
Closing share price	8.90	17.50	9.80	16.40	8.40	19.90	15.00	14.00
Basic earning per share	0.11	0.39	0.52	0.52	0.08	1.80	-0.69	0.80
Diluted earning per share	0.11	0.39	0.52	0.52	0.08	1.80	-0.69	0.80
Highest price recorded for the three months ending	14.60	21.50	12.40	19.20	9.90	21.20	15.70	28.20
Lowest price recorded for the three months ending	8.50	16.60	7.40	15.90	8.00	15.70	8.20	13.50
Market Capitalisation (Rs. Mn)	10,029	19,721	11,043	18,481	9,466	22,425	16,903	15,776
Share Trading Information								
No of transactions	2,169	4,579	5,308	7,398	2,005	8,398	4,540	10,043
No of share traded	3,237,121	10,396,007	14,157,155	26,262,124	4,923,017	23,355,361	13,685,573	31,013,972
Value of shares traded (Rs.)	32,981,329	200,077,288	139,589,297	463,464,056	44,697,850	429,736,703	164,178,093	730,775,033

HORIZONTAL AND VERTICAL ANALYSIS

Horizontal Analysis - Group

For the Last Five Years Statement of Profit or Loss

Period Ended	31st March (12 Months) 2023	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (15 Months) 2019
Revenue	94%	131%	115%	94%	100%
Cost of Sales	76%	128%	114%	89%	100%
Direct Interest Cost	353%	152%	148%	145%	100%
Gross Profit	117%	138%	115%	102%	100%
Other Income	73%	78%	65%	89%	100%
Selling and Administrative Expenses	108%	116%	107%	99%	100%
Impairment Loss on Trade Receivables and Other Receivables	-23%	90%	117%	129%	100%
Operating Profit	167%	206%	135%	103%	100%
Finance Income	555%	82%	416%	123%	100%
Finance Cost	224%	77%	66%	107%	100%
Net Finance Cost	202%	76%	42%	106%	100%
Value Added Tax on Financial Services	135%	131%	100%	106%	100%
Profit Before Tax	26%	824%	568%	91%	100%
Income Tax Expense	27%	498%	423%	64%	100%
Profit for the Year	25%	1065%	676%	111%	100%

Horizontal Analysis - Company

For the Last Five Years Statement of Profit or Loss

Period Ended	31st March (12 Months) 2023	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (15 Months) 2019
Revenue	110%	157%	126%	101%	100%
Cost of Sales	101%	160%	127%	99%	100%
Gross Profit	132%	151%	122%	106%	100%
Other Income	36%	33%	45%	51%	100%
Selling and Administrative Expenses	103%	114%	106%	98%	100%
Impairment Loss on Trade Receivables and Other Receivables	-30%	59%	97%	133%	100%
Operating Profit	257%	292%	174%	117%	100%
Finance Income	85%	30%	141%	80%	100%
Finance Cost	240%	77%	78%	120%	100%
Net Finance Cost	270%	86%	66%	128%	100%
Value Added Tax on Financial Services	250%	301%	256%	163%	100%
Profit Before Tax	-77%	5686%	2964%	-175%	100%
Income Tax Expense	558%	-2190%	-1697%	325%	100%
Profit for the Year	157%	2781%	1245%	9%	100%

HORIZONTAL AND VERTICAL ANALYSIS

Horizontal Analysis - Group

For the last five years Statement of Financial Position

	31st March (12 Months) 2023	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (15 Months) 2019
ASSETS					
Property, Plant and Equipment	114%	112%	102%	103%	100%
Right-of-Use Assets	100%	108%	100%	100%	0%
Intangible Assets	194%	205%	117%	95%	100%
Other Non - Current Assets	0%	94%	96%	98%	100%
Other Investments	139%	134%	146%	664%	100%
Trade and Other Receivables	68%	106%	103%	99%	100%
Deferred Tax Assets	117%	145%	106%	100%	0%
Non-Current Assets	118%	143%	132%	129%	100%
Inventories	143%	163%	129%	114%	100%
Income Tax Receivables	708%	64%	24%	817%	100%
Trade and Other Receivables	125%	156%	106%	104%	100%
Amounts due from Related Parties	273%	72%	32%	100%	0%
Other Financial Assets	0%	0%	0%	32%	100%
Deposits with Banks	1697%	213%	73%	122%	100%
Short Term Investments	323%	227%	130%	111%	100%
Cash in hand and at bank	237%	161%	101%	34%	100%
Current Assets	144%	159%	114%	105%	100%
Total Assets	136%	154%	119%	113%	100%
Equity					
Stated Capital	100%	100%	100%	100%	100%
Capital Reserves	121%	146%	110%	98%	100%
Other Component of Equity	86%	74%	100%	0%	0%
Statutory Reserve	150%	137%	122%	112%	100%
Revenue Reserves	157%	180%	127%	93%	100%
Total Equity attributable to Owners of the Company	146%	167%	122%	95%	100%
Non - Controlling Interests	129%	131%	118%	107%	100%
Total Equity	143%	160%	121%	97%	100%
Liabilities					
Interest - Bearing Loans and Borrowings	96%	114%	67%	77%	100%
Lease Liability	93%	106%	101%	100%	0%
Deferred Tax Liability	158%	124%	56%	100%	0%
Employee Benefit Obligations	122%	119%	109%	103%	100%
Security Deposits	106%	105%	98%	100%	100%
Other Financial Liabilities	726%	288%	260%	246%	100%
Deferred Tax Liability	0%	0%	0%	0%	100%
Deferred Revenue	89%	128%	125%	107%	100%
Other Non - Current Liabilities	100%	132%	175%	57%	100%
Non-Current Liabilities	168%	157%	116%	124%	100%
Trade and Other Payables	97%	264%	256%	127%	100%
Deferred Revenue	115%	107%	111%	93%	100%
Income Tax Payables	38%	257%	121%	100%	0%
Dividends Payable	72%	92%	150%	140%	100%
Amounts Due to Related Parties	324%	420%	133%	89%	100%
Other Financial Liabilities	259%	191%	163%	98%	100%
Lease Liability	112%	133%	126%	100%	0%
Interest - Bearing Loans and Borrowings	94%	104%	62%	111%	100%
Bank Overdrafts	54%	40%	59%	85%	100%
Current Liabilities	121%	151%	120%	113%	100%
Total Liabilities	135%	153%	119%	116%	100%
Total Equity and Liabilities	136%	154%	119%	113%	100%

Horizontal Analysis - Company

For the last five years Statement of Financial Position

	31st March (12 Months) 2023	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (15 Months) 2019
ASSETS					
Property, Plant and Equipment	110%	109%	102%	104%	100%
Right-of-Use Assets	95%	107%	97%	100%	0%
Intangible Assets	203%	210%	111%	98%	100%
Investment in Subsidiaries	102%	102%	102%	102%	100%
Other Investments	3%	4%	4%	3%	100%
Trade and Other Receivables	52%	49%	56%	58%	100%
Deferred Tax Assets	518%	425%	314%	292%	100%
Non-Current Assets	147%	148%	138%	139%	100%
Inventories	148%	169%	133%	118%	100%
Loans Due From Related Parties	22%	9%	0%	37%	100%
Income Tax Receivables	200%	0%	0%	167%	100%
Trade and Other Receivables	83%	143%	101%	97%	100%
Amounts due from Related Parties	4677%	5999%	1172%	968%	100%
Other Financial Assets	0%	0%	0%	32%	100%
Short Term Investments	0%	0%	0%	192%	100%
Cash in hand and at bank	137%	130%	59%	30%	100%
Current Assets	111%	145%	106%	101%	100%
Total Assets	120%	146%	114%	111%	100%
Equity					
Stated Capital	100%	100%	100%	100%	100%
Capital Reserves	104%	112%	101%	99%	100%
Other Component of Equity	58%	74%	100%	0%	0%
Statutory Reserve	0%	0%	0%	0%	100%
Revenue Reserves	217%	266%	147%	100%	0%
Total Equity attributable to Owners of the Company	143%	169%	110%	86%	100%
Total Equity	143%	169%	110%	86%	100%
Liabilities					
Interest - Bearing Loans and Borrowings	102%	88%	41%	83%	100%
Lease Liability	93%	102%	98%	100%	0%
Employee Benefit Obligations	115%	114%	104%	101%	100%
Security Deposits	110%	106%	97%	100%	100%
Deferred Revenue	89%	128%	125%	107%	100%
Other Non - Current Liabilities	132%	131%	100%	57%	100%
Non-Current Liabilities	142%	134%	94%	127%	100%
Trade and Other Payables	118%	269%	265%	130%	100%
Deferred Revenue	118%	109%	101%	92%	100%
Income Tax Payables	0%	1721%	100%	0%	0%
Dividends Payable	100%	138%	120%	80%	100%
Amounts Due to Related Parties	45%	150%	154%	124%	100%
Other Financial Liabilities	0%	0%	0%	0%	0%
Lease Liability	177%	167%	122%	100%	0%
Interest - Bearing Loans and Borrowings	107%	101%	61%	94%	100%
Bank Overdrafts	104%	30%	93%	106%	100%
Current Liabilities	106%	146%	123%	109%	100%
Total Liabilities	116%	143%	114%	114%	100%
Total Equity and Liabilities	120%	146%	114%	111%	100%

HORIZONTAL AND VERTICAL ANALYSIS

Vertical Analysis - Group

For the Last Five Years Statement of Profit or Loss

	31st March (12 Months) 2023		31st March (12 Months) 2022		31st March (12 Months) 2021		31st March (12 Months) 2020		31st March (15 Months) 2019	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
	Revenue	54,767	100%	76,848	100.0%	67,412	100.0%	54,751	100.0%	58,505
Cost of Sales	(31,432)	57%	(52,736)	68.6%	(47,028)	69.8%	(36,538)	66.7%	(41,140)	70.3%
Direct Interest Cost	(4,463)	8.1%	(1,920)	2.5%	(1,872)	2.8%	(1,829)	3.3%	(1,265)	2.2%
Gross Profit	18,872	34%	22,192	28.9%	18,511	27.4%	16,384	30.0%	16,100	27.5%
Other Income	248	0.5%	262	0.3%	221	0.3%	300	0.5%	338	0.6%
Selling and Administrative Expenses	(12,614)	23%	(13,514)	17.6%	(12,430)	18.4%	(11,551)	21.1%	(11,658)	19.9%
Impairment Loss on Trade Receivables and Other Receivables	182	0.3%	(703)	0.9%	(920)	1.4%	(1,011)	1.8%	(783)	1.3%
Operating Profit	6,688	12%	8,237	10.7%	5,383	7.9%	4,122	7.6%	3,997	6.9%
Finance Income	1,153	2.1%	170	0.2%	864	1.3%	255	0.5%	208	0.4%
Finance Cost	(7,272)	13%	(2,490)	3.2%	(2,136)	3.2%	(3,456)	6.3%	(3,241)	5.5%
Net Finance Cost	(6,119)	11%	(2,320)	3.0%	(1,272)	1.9%	(3,200)	5.8%	(3,033)	5.1%
Value Added Tax on Financial Services	(395)	0.7%	(382)	0.5%	(292)	0.4%	(311)	0.6%	(292)	0.5%
Profit Before Tax	174	0.3%	5,536	7.2%	3,818	5.6%	611	1.2%	672	1.3%
Income Tax Expense	(78)	0.1%	(1,426)	1.9%	(1,210)	1.8%	(183)	0.3%	(286)	0.5%
Profit for the Year	96	0.2%	4,110	5.3%	2,608	3.8%	427	0.9%	386	0.8%

Vertical Analysis - Company

For the Last Five Years Statement of Profit or Loss

	31st March (12 Months) 2023		31st March (12 Months) 2022		31st March (12 Months) 2021		31st March (12 Months) 2020		31st March (15 Months) 2019	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
	Revenue	47,950	100%	68,652	100.0%	54,864	100.0%	44,126	100.0%	43,618
Cost of Sales	(31,734)	66%	(50,090)	73.0%	(39,897)	72.7%	(31,128)	70.5%	(31,321)	71.8%
Gross Profit	16,216	34%	18,562	27.0%	14,967	27.3%	12,998	29.5%	12,297	28.2%
Other Income	210	0.4%	196	0.3%	265	0.5%	300	0.7%	590	1.4%
Selling and Administrative Expenses	(10,293)	21%	(11,344)	16.5%	(10,528)	19.2%	(9,810)	22.2%	(9,972)	22.9%
Impairment Loss on Trade Receivables and Other Receivables	140	0.3%	(281)	0.4%	(460)	0.8%	(631)	1.4%	(475)	1.1%
Operating Profit	6,273	13%	7,132	10.4%	4,245	7.8%	2,857	6.6%	2,441	5.6%
Finance Income	385	0.8%	135	0.2%	639	1.2%	362	0.8%	454	1.0%
Finance Cost	(6,648)	14%	(2,129)	3.1%	(2,175)	4.0%	(3,323)	7.5%	(2,775)	6.4%
Net Finance Cost	(6,263)	13%	(1,994)	2.9%	(1,536)	2.8%	(2,961)	6.7%	(2,321)	5.4%
Value Added Tax on Financial Services	(78)	0.2%	(94)	0.1%	(80)	0.1%	(51)	0.1%	(31)	0.1%
Profit Before Tax	(69)	0.1%	5,044	7.4%	2,629	4.9%	(156)	-0.2%	89	0.1%
Income Tax Expense	289	0.6%	(1,135)	1.7%	(880)	1.6%	168	0.4%	52	0.1%
Profit for the Year	221	0.5%	3,909	5.7%	1,749	3.3%	13	0.2%	141	0.0%

Vertical Analysis - Group

For the last five years Statement of Financial Position

	31st March (12 Months) 2023	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (15 Months) 2019
ASSETS					
Property, Plant and Equipment	9.71%	8.42%	9.82%	10.53%	11.55%
Right-of-Use Assets	5.67%	5.38%	6.40%	6.78%	0.00%
Intangible Assets	0.66%	0.61%	0.45%	0.39%	0.46%
Other Non - Current Assets	0.00%	0.07%	0.09%	0.09%	0.11%
Other Investments	0.03%	0.03%	0.04%	0.17%	0.03%
Trade and Other Receivables	9.87%	13.63%	17.11%	17.27%	19.78%
Deferred Tax Assets	1.88%	1.42%	1.26%	1.26%	0.00%
Non-Current Assets	27.82%	29.56%	35.17%	36.49%	31.93%
Inventories	25.67%	25.77%	26.23%	24.46%	24.34%
Income Tax Receivables	0.64%	0.05%	0.02%	0.88%	0.12%
Trade and Other Receivables	35.83%	39.49%	34.60%	35.90%	39.06%
Amounts due from Related Parties	0.12%	0.02%	0.02%	0.06%	0.00%
Other Financial Assets	0.00%	0.00%	0.00%	0.04%	0.15%
Deposits with Banks	1.79%	0.20%	0.09%	0.15%	0.14%
Short Term Investments	2.56%	1.58%	1.17%	1.06%	1.07%
Cash in hand and at bank	5.57%	3.33%	2.70%	0.96%	3.19%
Current Assets	72.18%	70.44%	64.83%	63.51%	68.07%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Stated Capital	0.79%	0.71%	0.90%	0.95%	1.07%
Capital Reserves	1.71%	1.83%	1.78%	1.66%	1.93%
Other Component of Equity	0.01%	0.00%	0.01%	0.00%	0.00%
Statutory Reserve	0.31%	0.25%	0.29%	0.28%	0.28%
Revenue Reserves	10.05%	10.16%	9.26%	7.11%	8.68%
Total Equity attributable to Owners of the Company	12.87%	12.95%	12.24%	10.01%	11.96%
Non - Controlling Interests	2.47%	2.20%	2.56%	2.47%	2.60%
Total Equity	15.34%	15.15%	14.80%	12.48%	14.56%
Liabilities					
Interest - Bearing Loans and Borrowings	13.00%	13.56%	10.29%	12.46%	18.33%
Lease Liability	5.37%	5.12%	6.22%	6.51%	0.00%
Deferred Tax Liability	0.94%	0.52%	0.54%	1.02%	0.00%
Employee Benefit Obligations	1.35%	1.17%	1.37%	1.37%	1.50%
Security Deposits	1.86%	1.64%	1.97%	2.13%	2.39%
Other Financial Liabilities	7.42%	2.59%	3.02%	3.02%	1.39%
Deferred Tax Liability	0.00%	0.00%	0.00%	0.00%	0.43%
Deferred Revenue	0.10%	0.12%	0.16%	0.14%	0.15%
Other Non - Current Liabilities	0.24%	0.21%	0.21%	0.12%	0.25%
Non-Current Liabilities	30.27%	24.93%	23.78%	26.77%	24.44%
Trade and Other Payables	9.04%	21.62%	27.05%	14.21%	12.62%
Deferred Revenue	0.27%	0.23%	0.30%	0.27%	0.32%
Income Tax Payables	0.34%	0.80%	0.40%	0.35%	0.00%
Dividends Payable	0.08%	0.09%	0.19%	0.19%	0.15%
Amounts Due to Related Parties	1.05%	1.20%	0.49%	0.35%	0.44%
Other Financial Liabilities	16.94%	11.00%	12.08%	7.67%	8.87%
Lease Liability	1.30%	1.02%	0.99%	0.83%	0.00%
Interest - Bearing Loans and Borrowings	23.35%	22.64%	17.44%	33.11%	33.58%
Bank Overdrafts	2.00%	1.32%	2.48%	3.77%	5.02%
Current Liabilities	54.39%	59.92%	61.42%	60.75%	61.00%
Total Liabilities	84.66%	84.85%	85.20%	87.52%	85.44%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

HORIZONTAL AND VERTICAL ANALYSIS

Vertical Analysis - Company

For the last five years Statement of Financial Position

	31st March (12 Months) 2023	31st March (12 Months) 2022	31st March (12 Months) 2021	31st March (12 Months) 2020	31st March (15 Months) 2019
ASSETS					
Property, Plant and Equipment	8.66%	7.04%	8.47%	8.90%	9.43%
Right-of-Use Assets	8.52%	7.67%	9.15%	9.72%	0.00%
Intangible Assets	0.92%	0.78%	0.53%	0.48%	0.54%
Investment in Subsidiaries	6.66%	5.48%	7.03%	7.23%	7.82%
Other Investments	0.05%	0.04%	0.06%	0.04%	1.66%
Trade and Other Receivables	1.66%	1.29%	1.90%	2.03%	3.86%
Deferred Tax Assets	3.08%	2.08%	1.97%	1.89%	0.71%
Non-Current Assets	29.56%	24.38%	29.11%	30.29%	24.02%
Inventories	40.32%	37.93%	38.24%	34.79%	32.71%
Loans Due From Related Parties	0.60%	0.20%	0.00%	1.09%	3.28%
Income Tax Receivables	1.08%	0.00%	0.00%	0.98%	0.65%
Trade and Other Receivables	23.97%	33.92%	30.70%	30.28%	34.66%
Amounts due from Related Parties	0.35%	0.37%	0.09%	0.08%	0.01%
Other Financial Assets	0.00%	0.00%	0.00%	0.07%	0.23%
Short Term Investments	0.00%	0.00%	0.00%	1.46%	0.83%
Cash in hand and at bank	4.11%	3.20%	1.86%	0.96%	3.61%
Current Assets	70.44%	75.62%	70.89%	69.71%	75.99%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Stated Capital	1.41%	1.16%	1.48%	1.53%	1.69%
Capital Reserves	2.70%	2.39%	2.77%	2.78%	3.12%
Other Component of Equity	0.01%	0.01%	0.01%	0.00%	0.00%
Statutory Reserve	0.00%	0.00%	0.00%	0.00%	7.69%
Revenue Reserves	10.84%	10.94%	7.76%	5.42%	0.00%
Total Equity attributable to Owners of the Company	14.95%	14.50%	12.02%	9.73%	12.50%
Total Equity	14.95%	14.50%	12.02%	9.73%	12.50%
Liabilities					
Interest - Bearing Loans and Borrowings	16.98%	12.01%	7.10%	15.00%	19.87%
Lease Liability	8.10%	7.25%	8.97%	9.40%	0.00%
Employee Benefit Obligations	1.63%	1.33%	1.55%	1.55%	1.70%
Security Deposits	3.30%	2.60%	3.06%	3.24%	3.59%
Deferred Revenue	0.17%	0.20%	0.25%	0.22%	0.23%
Other Non - Current Liabilities	0.42%	0.35%	0.34%	0.20%	0.39%
Non-Current Liabilities	30.61%	23.74%	21.27%	29.61%	25.78%
Trade and Other Payables	13.62%	25.44%	32.12%	16.18%	13.78%
Deferred Revenue	0.49%	0.37%	0.43%	0.41%	0.49%
Income Tax Payables	0.00%	0.80%	0.06%	0.00%	0.00%
Dividends Payable	0.11%	0.13%	0.14%	0.10%	0.13%
Amounts Due to Related Parties	2.77%	7.65%	10.09%	8.33%	7.44%
Other Financial Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Lease Liability	2.04%	1.58%	1.48%	1.25%	0.00%
Interest - Bearing Loans and Borrowings	32.10%	25.00%	19.26%	30.73%	36.05%
Bank Overdrafts	3.32%	0.79%	3.13%	3.66%	3.83%
Current Liabilities	54.44%	61.76%	66.71%	60.66%	61.72%
Total Liabilities	85.05%	85.51%	87.98%	90.27%	87.50%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

SHARE INFORMATION

Stated Capital

	31st March 2023	31st March 2022
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 2023

No. of Shareholders: 31st March 2023 – 4,183 (31st March 2022 – 4,041).

	Residents			Non Residents			Total		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
1 - 1,000	1,883	575,995	0.05	5	2,109	0.00	1,888	578,104	0.05
1,001 - 10,000	1,359	5,630,668	0.50	15	57,534	0.00	1,374	5,688,202	0.50
10,001 - 100,000	746	25,196,547	2.24	9	288,333	0.03	755	25,484,880	2.27
100,001 - 1,000,000	152	40,255,698	3.57	-	-	-	152	40,255,698	3.57
Over 1,000,000	13	1,052,481,380	93.40	1	2,398,226	0.21	14	1,054,879,606	93.61
Total	4,153	1,124,140,288	99.76	30	2,746,202	0.24	4,183	1,126,886,490	100.00
Category									
Individuals	3,923	88,201,688	7.83	29	347,976	0.03	3,952	88,549,664	7.86
Institutions	230	1,035,938,600	91.93	1	2,398,226	0.21	231	1,038,336,826	92.14
Total	4,153	1,124,140,288	99.76	30	2,746,202	0.24	4,183	1,126,886,490	100.00

Dividends

Interim Dividend 2022/23 - Nil (2021/22 - Rs.0.85)

Final Dividend 2022/23- Nil (2021/22 – Rs 0.20)

SHARE INFORMATION

Market value per share

	Twelve months ended 31st March 2023 Rs.		Twelve months ended 31st March 2022 Rs.	
Highest during the year	15.70	29th March 2023	28.20	19th January 2022
Lowest during the year	7.40	07th July 2022	13.50	30th March 2022
Closing	15.00		14.00	

Twenty largest shareholders

Name of Shareholder	As at 31st March 2023	
	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 Citibank Newyork S/A Norges Bank Account 2	2,398,226	0.21
10 Mrs. Vasudevan Saraswathi & Mr. S. Vasudevan	1,615,048	0.14
11 Commercial Bank of Ceylon PLC/Andaradeniya Estate (Private) Limited	1,500,000	0.13
12 Mrs. Anoma Kamalika Amarasuriya	1,200,000	0.11
13 Miss. Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.11
14 Jafferjee Brothers Exports (Private) Limited	1,126,800	0.10
15 People's Leasing & Finance PLC/Mr. D.M.P. Disanayake	928,909	0.08
16 Mr. Abeysiri Hemapala Munasinghe	860,268	0.08
17 J.B. Cocoshell (Private) Limited	855,002	0.08
18 Hatton National Bank PLC-Arpico Ataraxia Equity Income Fund	751,686	0.07
19 People's Leasing & Finance PLC/Mr. R. Kannan	718,033	0.06
20 Mrs. Giyani Venya De Silva	662,385	0.06
Miss. Shayari Hiranya De Silva	662,385	0.06
	1,060,318,274	94.09
Others	66,568,216	5.91
Total	1,126,886,490	100.00

There were no non-voting shares as at 31st March 2023

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 & 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

Share trading

For the year ended	As at 31st March 2023	As at 31st March 2022
Number of Transactions	14,022	30,418
Number of Shares Traded	36,002,866	91,027,464
Value of Shares Traded (Rs.)	381,446,567	1,824,053,080

Public Holding As at 31st March 2023

The percentage of shares held by the public is 7.72% (2022 - 7.72%).

Number of Shareholders representing public holding - 4,174 (2022 - 4,033)

Float adjusted market capitalisation - Rs. 1,304,934,555.42 (2022- Rs 1,217,938,918.39)

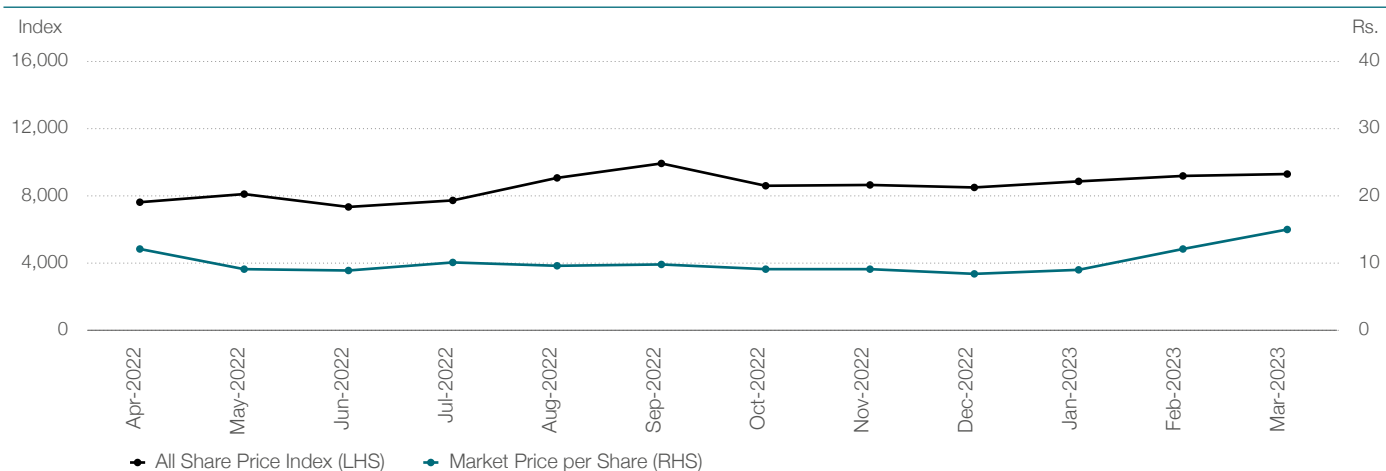
The Company is not in compliance with option 5 of the Listing Rule 7.14.1 (i) (a) which requires a Company with a Float Adjusted Market Capitalization of less than Rs. 2.5 Bn. to maintain a minimum public Holding of 20%

SHARE INFORMATION

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	02:01	1,159,500	34,785	
1985	Bonus	03:01	1,159,500	46,380	
1989	Bonus	01:01	4,638,000	92,760	
1992	Bonus	04:01	2,319,000	115,950	
1992	Rights (at Rs. 40/-)	08:01	1,449,375	130,444	
1994	Bonus	05:01	2,608,875	156,533	
1996	Bonus	09:02	3,478,500	191,318	
1996	Rights (at Rs. 50/-)	09:02	1,855,766	209,875	
1998	Bonus	11:03	5,723,868	267,114	
2000	Bonus	05:01	5,342,276	320,537	
2004	Bonus	04:01	8,013,415	400,671	
2005	Bonus	04:01	10,016,769	500,838	
2006	Bonus	04:01	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

There were no listed debentures as at 31st March 2023.

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 2023. Details of the meetings and attendance of the members are set out on page 104. The meetings convened by the Board Subcommittees during 2022/23 are also provided on page 104.	<input checked="" type="checkbox"/>
		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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
		Appointing the Chair and the Senior Independent Director if relevant.	Not applicable	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

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 90.</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 expressively 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 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 106.</p> <p>Risk Management framework is given in the Risk Management Report appearing from pages 110 to 115.</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".	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.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		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 114 to 161 and the related changes to significant accounting policies are described in Note 2.</p>	☑
		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>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
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.	<input checked="" type="checkbox"/>
		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.	<input checked="" type="checkbox"/>
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 2023.</p>	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
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 2022/23 to fulfil their duties.</p>	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>

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 2022/23.</p> <p>The Chairman of the Board of Directors functions in an executive capacity. 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>	☑

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 –		
		<ul style="list-style-type: none"> 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.	☑
		<ul style="list-style-type: none"> 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.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> 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.	☑
		<ul style="list-style-type: none"> 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.	☑
		<ul style="list-style-type: none"> 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.	☑
		<ul style="list-style-type: none"> 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.	☑
		<ul style="list-style-type: none"> 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.	☑
		<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. 	Chairman ensures that regular meetings are conducted at least once a quarter and the minutes of the meetings are accurately recorded. Chairman approves the agenda prepared by the Company Secretary.	☑

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 88 to 93.</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.	☑
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".	<p>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.</p> <p>The names of the Independent Non-Executive Directors are disclosed in Code A.5.5 and on the back page of the Annual Report.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
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 229.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
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. 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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

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>	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
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.	<input checked="" type="checkbox"/>

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	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.	The Committee consists of one Independent Non-Executive Director and one Executive Director. The Chairman of the Committee is an Executive Director.	<input checked="" type="checkbox"/>
		The Chairman and members of the Nomination Committee should be identified in the Annual Report.	Please refer page 108 for new appointments in year 2022/23.	
		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 108.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
Disclose of required details of new Directors to shareholders	A.7.3	Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders: <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". 	All new appointments are communicated to the shareholders via the Colombo Stock Exchange. The details of the current Board of Directors and new appointments are provided on pages 88 to 93 in this Annual Report.	<input checked="" type="checkbox"/>

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.	<input checked="" type="checkbox"/>
	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, 2022/23 is available on pages 88 to 93. The Chairman and Group Chief Executive Officer do not retire by rotation.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

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.	Board reviews the participation, contribution and engagement of each Director at the re-election.	<input checked="" type="checkbox"/>
	A.9.4	The Board should state how such performance evaluations have been conducted, in the Annual Report.	<p>Evaluation criteria with regard to Executive Directors are financial and non-financial targets set at the beginning of the year through the annual corporate plan.</p> <p>Criteria relating to evaluation of Board Committees are the performance against their duties referred in respective Committee reports.</p>	<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 88 to 93 of Board of Directors.	<input checked="" type="checkbox"/>
		ii. The nature of his/her expertise in relevant functional areas;	Available on pages 88 to 93 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 88 to 93 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 88 to 93 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 88 to 93 of Board of Directors.	<input checked="" type="checkbox"/>
		vii. Number/percentage of Board meetings of the Company attended during the year;	Available on page 104.	<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 119.	<input checked="" type="checkbox"/>

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		x. Number/percentage of Committee meetings attended during the year.	Available on page 104.	<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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>

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 COMMENTARY

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.	☑
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 107 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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
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 107.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
	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.	<p>Please refer Remuneration Committee Report on page 107 for disclosure on the names of Remuneration Committee members and Remuneration Policy of the Company.</p> <p>Please refer Note 8 to the Financial Statements on page 165 for aggregate remuneration paid to Executive and Non-Executive Directors.</p>	☑

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.	☑
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.	<p>Company proposes a separate resolution at the AGM on each substantially separate issue.</p> <p>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.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	C.1.3	<p>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:</p> <ul style="list-style-type: none"> • 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; <p>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.</p>	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

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>	☑
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.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>

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.	<input checked="" type="checkbox"/>
	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 126 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 COMMENTARY

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 of Singer Finance (Lanka) PLC were uploaded to the CSE website/ dispatched to the shareholders in the year under review:</p> <table border="1" data-bbox="927 821 1390 1486"> <thead> <tr> <th data-bbox="932 827 1117 926">Report</th> <th data-bbox="1122 827 1247 926">Date of Dispatch/ Upload</th> <th data-bbox="1252 827 1385 926">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="932 932 1117 1024">Annual Report for the year ended 31st March 2022</td> <td data-bbox="1122 932 1247 1024">08th June 2022</td> <td data-bbox="1252 932 1385 1024">Compliant</td> </tr> <tr> <td data-bbox="932 1031 1117 1123">Interim Financials for 3 months ended 30th June 2022</td> <td data-bbox="1122 1031 1247 1123">28th July 2022</td> <td data-bbox="1252 1031 1385 1123">Compliant</td> </tr> <tr> <td data-bbox="932 1129 1117 1241">Interim Financials for 6 months ended 30th September 2022</td> <td data-bbox="1122 1129 1247 1241">01st November 2022</td> <td data-bbox="1252 1129 1385 1241">Compliant</td> </tr> <tr> <td data-bbox="932 1247 1117 1360">Interim Financials for 9 months ended 31st December 2022</td> <td data-bbox="1122 1247 1247 1360">30th January 2023</td> <td data-bbox="1252 1247 1385 1360">Compliant</td> </tr> <tr> <td data-bbox="932 1367 1117 1480">Interim Financials for 12 months ended 31st March 2023</td> <td data-bbox="1122 1367 1247 1480">08th May 2023</td> <td data-bbox="1252 1367 1385 1480">Compliant</td> </tr> </tbody> </table>	Report	Date of Dispatch/ Upload	Status	Annual Report for the year ended 31st March 2022	08th June 2022	Compliant	Interim Financials for 3 months ended 30th June 2022	28th July 2022	Compliant	Interim Financials for 6 months ended 30th September 2022	01st November 2022	Compliant	Interim Financials for 9 months ended 31st December 2022	30th January 2023	Compliant	Interim Financials for 12 months ended 31st March 2023	08th May 2023	Compliant	<input checked="" type="checkbox"/>
Report	Date of Dispatch/ Upload	Status																				
Annual Report for the year ended 31st March 2022	08th June 2022	Compliant																				
Interim Financials for 3 months ended 30th June 2022	28th July 2022	Compliant																				
Interim Financials for 6 months ended 30th September 2022	01st November 2022	Compliant																				
Interim Financials for 9 months ended 31st December 2022	30th January 2023	Compliant																				
Interim Financials for 12 months ended 31st March 2023	08th May 2023	Compliant																				
D.1.3		<p>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>	<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>	<input checked="" type="checkbox"/>																		

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 119 to 125 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 246 and 248 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 126.</p> <p>The "Independent Auditors' Report" on pages 127 to 131 Statement of the Auditor's responsibility.</p> <p>The Statement on Internal Control is given on page 126 in the Statement of Director's Responsibilities.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

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 10 to 13, Group Chief Executive Officer's Review on pages 14 to 16, and Management Discussion and Analysis on pages 30 to 37 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>	☑

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 2023.</p> <p>Related party transactions review committee reviewed related party transactions of the Singer Group which is described in this Annual Report in page 109.</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 COMMENTARY

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 110 to 115 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 2023, 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 126 for details.	☑

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 106 of the Audit committee report under the heading Composition of the Committee.	<input checked="" type="checkbox"/>
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 – <ul style="list-style-type: none"> Assist Board oversight of the: Preparation, presentation and adequacy of disclosures in the Financial Statements, in accordance with the Sri Lanka 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 106 of this Annual Report.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

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; 		

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 106 under the section on the Composition of the Committee and disclosure on the independence of the Auditors is found on page 119 under the Auditors' in the Annual Report of the Board of Directors on the Affairs of the Company on pages 88 to 93.	☑
		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 106.	☑
		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 106.	☑

CORPORATE GOVERNANCE COMMENTARY

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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
	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. <ul style="list-style-type: none"> 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 109.	<input checked="" type="checkbox"/>

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. 		

CORPORATE GOVERNANCE COMMENTARY

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 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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
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 10 to 13 in this Report.	<input checked="" type="checkbox"/>

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 97 to 105 and 249 to 293 sets out the manner and extent to which Singer (Sri Lanka) PLC has complied with the principles and provisions of the Code.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

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.	☑

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 Meetings 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.	The Board assigned this responsibility to the Information Technology Division and Director - IT is mainly assigned to complete this task. IT policy and Cybersecurity policies are in place.	<input checked="" type="checkbox"/>
	G.2	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. 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.	Director IT is appointed as a Chief Information Security Officer. IT policy and cyber security areas have been implemented after obtaining the board approval.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

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 cyber-risk management:</p> <p>The matters taken up for the discussion on the Board meeting agenda may include;</p> <ul style="list-style-type: none"> • 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. 	Any critical security risk/incident will be updated to the Board.	☑
	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 cyber-risks, and on possible cyber-risks that the company is exposed to.	☑

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	<p>Companies should provide information in relation to –</p> <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. 	Sustainability principles related to ESG factors are embedded in the operations of the Company and initiatives implemented to ensure the adherence of the Company.	☑

CORPORATE GOVERNANCE COMMENTARY

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>	☑

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 47 to 48 and 298.	☑

CORPORATE GOVERNANCE COMMENTARY

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 2023:

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.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
Disclosures relating to Directors	7.10.3 (a)	Names of Independent Directors should be disclosed in the Annual Report.	Please refer page 258.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
	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 88 to 93.	<input checked="" type="checkbox"/>
	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 88 to 93.	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>
		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.	<input checked="" type="checkbox"/>

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
		Chairman of the Committee to be a Non-Executive Director.	The Committee is chaired by an Independent Non-Executive Director.	<input checked="" type="checkbox"/>
Function	7.10.5 (b)	Function of the Committee.	The Remuneration Committee Report sets out the functions of the Committee.	<input checked="" type="checkbox"/>
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 107.	<input checked="" type="checkbox"/>
		• Statement of Remuneration policy	Please refer Remuneration committee report on page 107.	<input checked="" type="checkbox"/>
		• Aggregate remuneration paid to Executive and Non-Executive Directors	Please refer page 107.	<input checked="" type="checkbox"/>
Audit committee				
Composition	7.10.6 (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 of Non-Executive Directors a majority of whom to be independent. 	The Committee comprises three Independent Non-Executive Directors.	<input checked="" type="checkbox"/>
		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.	<input checked="" type="checkbox"/>
		Chairman of the Committee to be a Non-Executive Director.	The Committee is chaired by an Independent Non-Executive Director.	<input checked="" type="checkbox"/>
		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.	<input checked="" type="checkbox"/>
		CEO and CFO to attend Committee meetings, unless otherwise determined by the Audit Committee.	Group CEO attends by invitation. Finance Director attends by invitation.	<input checked="" type="checkbox"/>
Function	7.10.6 (b)	Function of the Committee.	The Audit committee report sets out the functions of the Committee.	<input checked="" type="checkbox"/>
Disclosure in the Annual Report	7.10.6 (c)	Names of Directors comprising the Audit Committee	Please refer page 106.	<input checked="" type="checkbox"/>
		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 106.	<input checked="" type="checkbox"/>
		The Annual report shall contain a Report of the Audit Committee in the prescribed manner.	Please refer Audit committee report on page 106.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

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.	<input checked="" type="checkbox"/>
	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.	<input checked="" type="checkbox"/>
		Function of the Committee.	The Related party transactions review committee Report sets out the functions of the Committee.	<input checked="" type="checkbox"/>
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 107.	<input checked="" type="checkbox"/>

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 2023:

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 88 to 93.	<input checked="" type="checkbox"/>
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Management Discussion and Analysis on pages 30 to 44 and Notes to the financial statements on pages 132 to 231.	<input checked="" type="checkbox"/>
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 245 to 248.	<input checked="" type="checkbox"/>
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 245 to 248.	<input checked="" type="checkbox"/>
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 119 to 125.	<input checked="" type="checkbox"/>
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Risk Management on pages 110 to 115.	<input checked="" type="checkbox"/>
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Management Discussion and Analysis on pages 30 to 40.	<input checked="" type="checkbox"/>
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 177 to 180.	<input checked="" type="checkbox"/>
7.6 (ix)	Number of shares representing the Entity's stated capital.	Share Information on pages 245 to 248.	<input checked="" type="checkbox"/>
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 245 to 248.	<input checked="" type="checkbox"/>
7.6 (xi)	Financial ratios and market price information.	Highlights on page 6, Share Information on pages 245 to 248, ten year summary on Page 236 and 237	<input checked="" type="checkbox"/>
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 140 to 131.	<input checked="" type="checkbox"/>
7.6 (xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year.	Not Applicable	<input checked="" type="checkbox"/>
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes.	Not Applicable	<input checked="" type="checkbox"/>

Rule No.	Applicable requirement	Details of compliance	Compliance
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 97 to 105 and 249 to 293	<input checked="" type="checkbox"/>
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 140 to 231.	<input checked="" type="checkbox"/>

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 2023:

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 140 to 231.	<input checked="" type="checkbox"/>
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed.	Financial Statements on pages 132 to 231.	<input checked="" type="checkbox"/>
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company.	Independent Auditors' Report on pages 127 to 131.	<input checked="" type="checkbox"/>
168 (1) (d)	Accounting Policies and any changes therein.	Notes to the Financial Statements on pages 140 to 231.	<input checked="" type="checkbox"/>
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 119 to 125.	<input checked="" type="checkbox"/>
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Notes to the Financial Statements on pages 140 to 231.	<input checked="" type="checkbox"/>
168 (1) (g)	Corporate donations made by the Company during the accounting period.	Notes to the Financial Statements on pages 140 to 231.	<input checked="" type="checkbox"/>
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 119 to 125 and Board of the Directors on pages 88 to 93.	<input checked="" type="checkbox"/>
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 140 to 231.	<input checked="" type="checkbox"/>
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 119 to 125.	<input checked="" type="checkbox"/>
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 119 to 125.	<input checked="" type="checkbox"/>

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING



Ernst & Young
Chartered Accountants
201, De Saram Place
P.O. Box 101
Colombo 10, Sri Lanka

Tel: +94 11 246 3500
Fax (Gen): +94 11 269 7369
Fax (Tax): +94 11 557 8180
Email: eysk@lk.ey.com
ey.com

Independent Assurance Report to the Board of Directors of Singer (Sri Lanka) PLC on the Integrated Annual Report-2022/23

Scope

We have been engaged by Singer (Sri Lanka) PLC ("the Entity") to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, on its Integrated Annual Report for the year ended 31st March 2023.

(the "Subject Matter").

Criteria applied by Singer (Sri Lanka) PLC

In preparing the Subject Matter, Singer (Sri Lanka) PLC applied the Guiding Principles and Content Elements given in the IFRS Foundation/International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework) ("Criteria").

Such Criteria were specifically designed for purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Singer (Sri Lanka) PLC's responsibilities

Singer (Sri Lanka) PLC's management is responsible for selecting the Criteria, preparation and presentation and self-declaration of the information and

statements contained within the Integrated Annual Report in accordance with that 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 subject matter, 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 Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Singer (Sri Lanka) PLC on 02 May 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented 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 limited assurance conclusions.

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 Professional Accountants issued by CA Sri Lanka and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, 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

Procedures performed in a limited assurance engagement 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization 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.

- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement

We also performed such other procedures as we considered necessary in the circumstances.

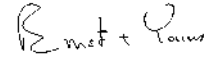
Emphasis of matter

Economic, Natural, Social and Intellectual capital management data/information are subject 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 Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Entity's Integrated Annual Report as of 31st March 2023 in order for it to be in accordance with the Criteria.



Chartered Accountants

Colombo

18th May 2023

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 K 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 Hulangamuwa FCA FCMA LLB (London), Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P Y K N Sajeewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons)-MIS MSc-IT, G B Goudian ACMA, D L B Karunathilaka ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING



Ernst & Young
Chartered Accountants
201, De Saram Place
P.O. Box 101
Colombo 10, Sri Lanka

Tel: +94 11 246 3500
Fax (Gen): +94 11 269 7369
Fax (Tax): +94 11 557 8180
Email: eyslk@lk.ey.com
ey.com

Independent Assurance Report to the Board of Directors of Singer (Sri Lanka) PLC

Scope

We have been engaged by Singer (Sri Lanka) PLC ("the Entity") to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on the Economic, Environment, Social and Governance (EESG) indicators of the Entity's Integrated Annual Report (the "Subject Matter") as of 31st March 2023.

Criteria applied by Singer (Sri Lanka) PLC

In preparing the Subject Matter, Singer (Sri Lanka) PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at GRI's global website www.globalreporting.org.

Such Criteria were specifically designed for purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators of the Entity's Integrated Annual Report FY 2022/23 is in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Singer (Sri Lanka) PLC's responsibilities

Singer (Sri Lanka) PLC's management is responsible for selecting the Criteria, and for presenting the EESG indicators contained in

the Integrated Annual Report in accordance with that 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 subject matter, 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 Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Singer (Sri Lanka) PLC on 02 May 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented 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 limited assurance conclusions.

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 Professional Accountants issued by CA Sri Lanka and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, 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

Procedures performed in a limited assurance engagement 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation
 - Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
 - Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff
 - Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject 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 Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Economic, Environment, Social and Governance (EESG) indicators of the Entity's Integrated Annual Report as of 31st March 2023 in order for it to be in accordance with the Criteria.

Chartered Accountants
Colombo
18th May 2023

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 K 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 Hulangamuwa FCA FCMA LLB (London), Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P Y K N Sajeewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons)-MIS MSc-IT, G B Goudian ACMA, D L B Karunathilaka ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

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 1st April 2022 to 31st March 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Refer the following index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	Overview	4	A gray 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	Overview	5				
	2-3 Reporting period, frequency and contact point	Overview	4-5				
	2-4 Restatements of information	Overview	4				
	2-5 External assurance	Independent Assurance on Integrated Reporting	294-297				
	2-6 Activities, value chain and other business relationships	Value Creation Model	30-31, 68-69, 77				
	2-7 Employees	Human Capital	59-60				
	2-8 Workers who are not employees	Human Capital	59				
	2-9 Governance structure and composition	Corporate Governance	98				
	2-10 Nomination and selection of the highest governance body	Corporate Governance	97				
	2-11 Chair of the highest governance body	Corporate Governance	99				
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	99				
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	99				
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	99				
	2-15 Conflicts of interest	Corporate Governance	102				
	2-16 Communication of critical concerns	Corporate Governance	102				
	2-17 Collective knowledge of the highest governance body	Corporate Governance	102				
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	102				
	2-19 Remuneration policies	Corporate Governance	107				
	2-20 Process to determine remuneration	Corporate Governance	107				
	2-21 Annual total compensation ratio	Corporate Governance		2-21	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-22 Statement on sustainable development strategy	Chairman's Statement	10-13				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-23 Policy commitments	Corporate Governance	97				
	2-24 Embedding policy commitments	Corporate Governance	97				
	2-25 Processes to remediate negative impacts	Corporate Governance	105				
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance	105				
	2-27 Compliance with laws and regulations			2-27	Information unavailable/incomplete	Not Disclosed	
	2-28 Membership associations	Social & Relationship Capital	69				
	2-29 Approach to stakeholder engagement	Stakeholder Relationships	32-33				
	2-30 Collective bargaining agreements	Human Capital	61				
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics	38-41	A gray 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	Material Topics	39-41				
Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Statement of Value added - Group	26				
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital	37				
	201-3 Defined benefit plan obligations and other retirement plans	Employee Benefit Obligations	204-205, 143, 156				
	201-4 Financial assistance received from government	Corporate Governance		201-4	Not applicable	Not relevant to the Group's operations	
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human Capital		202-1	Information unavailable/incomplete	The group does not currently measure this criteria	
	202-2 Proportion of senior management hired from the local community	Human Capital		202-2	Information unavailable/incomplete	The group does not currently measure this criteria	

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics	Social & Relationship Capital					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Manufactured Capital	73-75, 70-71				
	203-2 Significant indirect economic impacts	Social & Relationship Capital	70-71				
Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	Social & Relationship Capital					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social & Relationship Capital	69				
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption			205-1	Information unavailable/incomplete	The group does not currently measure this criteria	
	205-2 Communication and training about anti-corruption policies and procedures			205-2	Information unavailable/incomplete	The group does not currently measure this criteria	
	205-3 Confirmed incidents of corruption and actions taken			205-3	Information unavailable/incomplete	The group does not currently measure this criteria	
Anti-competitive behaviour							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices			206-1	Information unavailable/incomplete	The group does not currently measure this criteria	
Tax							
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance					
GRI 207: Tax 2019	207-1 Approach to tax	Corporate Governance	159				
	207-2 Tax governance, control, and risk management	Corporate Governance	98, 159				
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance	98, 159				
	207-4 Country-by-country reporting			207-4	Not applicable	Not relevant to the Group's operations	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital	84				
	301-2 Recycled input materials used	Natural Capital	84				
	301-3 Reclaimed products and their packaging materials	Natural Capital	84				
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital	84				
	302-2 Energy consumption outside of the organization			302-2	Information unavailable/incomplete	The group does not currently measure this criteria	
	302-3 Energy intensity	Natural Capital	84				
	302-4 Reduction of energy consumption	Natural capital	84				
	302-5 Reductions in energy requirements of products and services				302-5	Information unavailable/incomplete	The group does not currently measure this criteria
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital	85				
	303-2 Management of water discharge-related impacts			303-2	Information unavailable/incomplete	The group does not currently measure this criteria	
	303-3 Water withdrawal	Natural Capital	85				
	303-4 Water discharge	Natural capital	85				
	303-5 Water consumption	Natural Capital	85				
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			304-1	Not applicable	Not relevant to the Group's operations	
	304-2 Significant impacts of activities, products and services on biodiversity			304-2	Not applicable	Not relevant to the Group's operations	
	304-3 Habitats protected or restored			304-3	Not applicable	Not relevant to the Group's operations	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			304-4	Not applicable	Not relevant to the Group's operations	

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	85				
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	85				
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	85				
	305-4 GHG emissions intensity	Natural Capital	85				
	305-5 Reduction of GHG emissions	Natural Capital	85				
	305-6 Emissions of ozone-depleting substances (ODS)				305-6	Information unavailable/incomplete	The group does not currently measure this criteria
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				305-7	Information unavailable/incomplete	The group does not currently measure this criteria
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital	85				
	306-2 Management of significant waste-related impacts	Natural Capital	85				
	306-3 Waste generated	Natural Capital	85				
	306-4 Waste diverted from disposal	Natural Capital	85				
	306-5 Waste directed to disposal	Natural Capital	85				
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria				308-1	Information unavailable/incomplete	The group does not currently measure this criteria
	308-2 Negative environmental impacts in the supply chain and actions taken				308-2	Information unavailable/incomplete	The group does not currently measure this criteria
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover				401-1	Information incomplete	Not Disclosed
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	63				
	401-3 Parental leave	Human Capital	65				
Labor/management relations							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital	61				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	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						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital	60				
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	60				
	403-3 Occupational health services	Human Capital	60				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	60				
	403-5 Worker training on occupational health and safety	Human Capital	60				
	403-6 Promotion of worker health	Human Capital	60				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	60				
	403-8 Workers covered by an occupational health and safety management system	Human Capital	60				
	403-9 Work-related injuries	Human Capital	60				
	403-10 Work-related ill health				403-10	Information unavailable/incomplete	The group does not currently measure this criteria
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	62				
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	62				
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital	63				
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital	64				
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	63				
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital	64				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics						
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	Human Capital	61				
Child labor							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social & Relationship Capital	69				
Forced or compulsory labor							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social & Relationship Capital	69				
Security practices							
GRI 3: Material Topics 2021	3-3 Management of material topics				Not applicable	Not relevant to the Group's operations	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			410-1			
Rights of indigenous peoples							
GRI 3: Material Topics 2021	3-3 Management of material topics				Not applicable	Not relevant to the Group's operations	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			411-1			
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	Social & Relationship Capital					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social & Relationship Capital	70-71				
	413-2 Operations with significant actual and potential negative impacts on local communities	Social & Relationship Capital	70				
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social & Relationship Capital	69				
	414-2 Negative social impacts in the supply chain and actions taken	Social & Relationship Capital	69				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Public policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance					
GRI 415: Public Policy 2016	415-1 Political contributions			415-1	Not applicable	Not relevant to the Group's operations	
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			416-1	Information unavailable/incomplete	The group does not currently measure this criteria	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social & Relationship Capital	68				
Marketing and labeling							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social & Relationship Capital	68				
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social & Relationship Capital	68				
	417-3 Incidents of non-compliance concerning marketing communications	Social & Relationship Capital	68				
Customer privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			418-1	Information unavailable/incomplete	The group does not currently measure this criteria	

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
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
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
Neluwa
Piligala
Pinnaduwa
Udugama
Wanduramba

Gampaha

Delgoda
Divulpitiya
Dompe
Eheliyagoda - B
Gampaha
Ganemulla
Ja-Ela
Ja-Ela 'B'
Kadawatha 'A'
Kadawatha 'B'
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 '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'
Matugama
Matugama 'B'
Panadura
Panadura 'B'
Shomes-Kalutara
Wadduwa

Kandy

Akurana
Alawathugoda
Budget Shop-K-Gtota
Digana
Digana 'B'
Galaha
Gampola
Gampola 'B'
Gampola 'C'
Geliyoa
Ginigathhena
Kandy
Kandy 'B'
Katugastota
Katugastota 'B'
Kundasale
Nawalapitiya
Peradeniya
Pilmatalawa
Pilmatalawa 'B'
Poojapitiya
Rikillagaskada
Shomes- Kandy
Wattegama

Kegalle

Deraniyagala
Kegalle 'A'
Kegalle 'B'
Kegalle 'C'
Kotiyakumbura
Mawanella
Mawanella 'B'
Rambukkana

Ruwanwella
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
Wellawaya

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
Polonnaruwa
Welikanda

Puttalam

Anamaduwa
Bingiriya

Chilaw
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
Muttur
Trincomalee 'A'
Trincomalee 'B'

Vavuniya

Mallavi
Murunkan
Parakramapura
Vavuniya
Vavuniya 'B'

Singer Mega

Beko & Sony
Boralasgamuwa
Colpetty
Gampaha
Ja-Ela
Kaduwela
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
Lunugala
Meegahakiula
Tissapura
Ududumbara

Colombo

Moragahahena

Galle

Batapola
Habaraduwa
Karandeniya
Labuduwa
Talgaswala
Uragasmanhandiya

Hambantota

Ranna
Walasmulla
Weeraketiya

Kandy

Alawathugoda
Galagedara
Kadugannawa
Menikhinna

Kegalle

Bulathkohupitiya
Hemmatagama

Kurunegala

Abanpola
Katupotha
Piduruwella

Matale

Pallepola
Yatawatte

Matara

Pitabeddara

Moneragala

Badalkumbura
Medagama
Thanamalwila

Nuwara Eliya

Walapane

Polonnaruwa

Diyabeduma

Puttalam

Kobeigane

Ratnapura

Kolonne
Pallebadda

Vavuniya

Settikulam

Other

Katunayake Duty Free
Store

DISTRIBUTION NETWORK

Fashion Academies

Ambalangoda	Hatton	Matara-A	Piliyandala B
Angoda	Homagama	Mawanella	Polonnaruwa
Anuradhapura B	Horana	Mega - Nugegoda B	Rathnapura A
Avissawella	Ja-Ela	Mega -Thalawathugoda	Singer Finance -Panadura
Badulla B	Jaffna-Hospital Road	Mega-Kandy	Singer Finance - Wellawatta
Bandarawela	Kaduwela	Mega-Kiribathgoda	Kadawatha
Borella	Kalutara A	Mega-Mount Lavinia	Chilaw
Dambulla	Kandana	Minuwangoda	Kegalle
Dickwella	Kandy	Nawalapitiya	Matale
Eheliyagoda	Katubedda	Negombo	Union Place
Embilipitiya B	Katugastota	Nittambuwa	Wellawatta-A
Galle B	Kurunegala A	Peliyagoda	Wennappuwa
Gampaha	Malabe	Pelmadulla	
Gampola	Maradana	Pilimathalawa	

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
Lal-Electronics
Mendis Cool Solution Work Shop
New Air Tech
New Darshana Electronics
Nilana Electricals
Nimnethu Electronics
Nishantha Repair Center
Pradeep Ref & Electricals Engineering
Ruwan Sofa Work Shop
S P Quick Service
Sausiri Electrical
Senevirathne Air Condition
Silver Dale Electronics
Siri Electricals
Sola Edge Cooling & Power Solution
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
Isuru Electrical
Isuru Sameera Cushion Work
Januda Ref & Electricals
Life Line Enterprises
Magic Cool Air Con
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 Machinary
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
Chandana Electronic
Cool Air Engineering (Pvt) Ltd
Cool D Center
Dias Electricals
Digital Electronics
Hemantha Motors -Mahiyangana
Hiruna Electronics
Hishan Electricals
Jayantha Refrigeration_B
Keshala Electricals
Machine Centre - Bibile
Piyal Motors
Rajapaksha Electricals
Ravi Service Technology
Ravindu Electricals
Refco Electricals
Sameera Cooling Service
Sewing Tec Machine Service
Shenu Electricals
Tele Lab
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
Echo Green - Colombo
Econ Air - Colombo
Elect Air - Colombo
Electro Frost - Colombo
Electro-Frost
Geliater Engineering-Colombo
Hirumal Air Condition Services - Colombo
Hydro Air Conditioning Services (Pvt) Ltd-Colombo
J A R Associates
Kapila Machine Repair
Melona Aircon Services - Colombo
MLK Electronics
M. P. Innovations - Colombo
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

Jaffna

City Link Coolers
Cool Air Kings
JTN Electronics
Kugan Coolers
Nijeen Sewing Machine
North Air
Pacifia 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
Prabath Electrical,
Sachintha Electricals
Sandamini Multi Electrical Engineers
Senadeera Ref Centre
SGK New Electronics
Shehan Multi Service (Pilimathalawa)
Sisilto Electricals & Technical

SERVICE NETWORK

Services

Snow Cool Engineers
Srimal Electrical
Super Air Electrical Works
Super Electronics And Air Technics (Kandy)
Tech Mart Ref Engineers
Thaprobaane International
Thisara Electronics And Electricals
Thushara Electronics
Thushara Engineers & Motor Works
Vimod Electricals
Vithanage Electricals

Kuliyapitiya

Adhikari Ref
Cool Air Technology
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
S S Machine Center
Samodha Electronics & Services
Sanjeewa Auto Works
Senarathne Air Condition
Shehan Multi Service
Sisira Furniture
Sri Ishara Madushika Furniture
Tamasha Electricals
Techno Frost
Thaprobaane International
Ultra Air Conditioning
Valiants Cooling And Services
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 - Shanika Electronics
Maharagama - Super Cool
Maharagama - Ushan Electricals
P R Creations & Refrigeration (Pvt) Ltd-Maharagama
Prasad Ref Centre - Maharagama
R P M Engineers
Re Cool - Maharagama
Romak Air Condition Service and Repairs
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
E Max Electricals
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
Thisara Ref & Electricals
U D Ref Engineering
Uduwella Ref Engineering

Pasyala

A C T Engineering
Aloka Engineers
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
Kavia Engineering
Kavindu Ref N-Air
New Ashen Electricals
New Pc House
P Wickramasinghe
Pradeep Ref Engineers
S D Machine Repair
Saleena Electronics
Shehan Multi Service
Silicon Electronics
Sisira Furniture & Steel Furniture
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

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
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
 Emil Electronics
 Europa Spears
 Express Air Conditioners & Refrigerators
 Hishan Electricals - Vavuniya
 Majee A/C & Electrical (Vavuniya)
 Nilanthi Motors
 North Air Kilinochchi - Sc Vavuniya
 Pacifia Cool Mount Kilinochchi - Sc
 Presad Signees
 Raj Motor Winding
 Sisila Technicals
 Vavuniya

Air Conditioning Division

A D Ref Electricals
 Air Mech Airconditioning
 Anujaya Enterprises
 C & D Ref Engineers
 Cool Care Solutions Pvt Ltd
 Cool Way
 Coolzer Air Condition
 Dhanushka Ref
 Duninda Ref Engineers
 Eco Green Energy
 Elect Air Engineering
 Electro Frost
 ER Engineers
 Geliater Engineering
 Green Air Condition Services
 Hirumal Air Condition Services
 Hydro Air Conditioning Services (Pvt) Ltd
 Kool Rite Services
 Kool Tech Engineers
 Lahiru Ref
 Leondce Holdings (Pvt) Ltd
 Melona Air Con Services
 Metro Engineering
 M. P. Innovations
 New Ashen Electricals
 New Dynamic Ref Engineers
 ON Task
 P R Creations & Refrigeration (Pvt) Ltd
 Powerlink Electro Mechanical
 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
 Sri Lanken Engineering
 Sun Ref Engineers
 Sunco Engineering Pvt Ltd
 Suncool Enterprises
 Super Cool Air Condition
 Techway Services
 Tempcool Engineering
 United Air Cool

Ushan Electrical
 Wishu Air Cool
 Yellowma Airconditioning

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)
 Mayura Chularathna - Sc Kandy (Redline Computer Service)
 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-Kuliyapitiya (Eye Computers)
 Padmika-Bandarawela (Pc Systems)
 Pc Friends
 Praneeth-Nattandiya (Ez Tech Computers)
 Priyashantha - Kandy (Sarasi Computer House (Pvt)Ltd)
 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
 Shammi - Middeniya (Ranmak Tech Solution (Pvt) Ltd)
 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)
 Tharaka - Panadura (Tharu Technologies)
 Tharindu-Waligama (Tharindu Electronics)
 Weerakoon-Dambulla (Eteam Technologies)
 Western Digital Computer Systems And Electronics (Pvt) Ltd
 Wimal-Anuradhapura (Rapid Computer)

Return Product Repair Centers

B M N Engineering
 Cool Breeze
 Jayakody Repair
 K Tronic
 K V Electronic
 Kariyawasam
 Kumara Electronic
 Lahiru Ref
 M K P S Sunimal Perera
 Pradeep Chaminda Perera
 Return Product Warehouse - Hokandara
 S A Electricals
 S J V Bulathgama
 S N Com Sys
 Sampath Electrical
 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

NOTICE OF ANNUAL GENERAL MEETING

SINGER (SRI LANKA) PLC (Company Registration No. PQ 160)

NOTICE IS HEREBY GIVEN THAT THE FORTY EIGHTH ANNUAL GENERAL MEETING OF SINGER (SRI LANKA) PLC will be held on Thursday, 29th June 2023 at 1.30 p.m. at the Conference Hall of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes:

1. To consider and adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2023 with the Report of the Auditors thereon.
2. To re-elect as a Director Ms. Brindhiini Perera, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 24(10) of the Articles of Association of the Company.
3. To re-elect as a Director Ms. Gayani De Alwis, 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 re-elect as a Director Mr. Sarath Ganegoda, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.
5. 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.

Ordinary Resolution

'That Mr. Abeyakumar Mohan Pandithage, who has attained the age of seventy two years be and is hereby re-appointed as 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 him'.

6. To authorise the Directors to determine donations and contributions to charities for the ensuing year.
7. To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the year 2023/24 and to authorise the Directors to determine their remuneration.
8. To consider and if thought fit, to pass the following Special Resolutions to amend the existing Articles in the Articles of Association of the Company:

Special Resolution (1)

"That Article 13(2) be amended as follows;

13(2) A quorum for a meeting of shareholders is present if three (03) shareholders are present in person or through audio visual communication, by themselves or by their proxy."

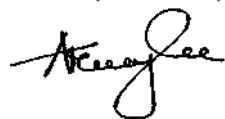
Special Resolution (2)

"That Article 15 (2) be amended as follows;

15 (2) In the case of a meeting of shareholders held under paragraph (b) of Article 12, unless a poll is demanded, voting at the meeting shall be by shareholders signifying individually their assent or dissent by voice or by any other electronic means."

By Order of the Board,

SINGER (SRI LANKA) PLC



HAYLEYS GROUP SERVICES (PRIVATE) LIMITED
Secretaries

Colombo.
06th June 2023.

Notes to shareholders:

1. The Annual Report of the Company for 2022/23 is available on the corporate website www.singer.lk and on the Colombo Stock Exchange website - www.cse.lk.
2. 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 the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.
3. For your reference, the existing Articles are available on the Colombo Stock Exchange website - www.cse.lk.
4. A shareholder who requires a hard copy of the Annual Report must post or handover the duly completed 'Request Form' to the office of the Secretaries.

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 Eighth Annual General Meeting of the Company to be held on Thursday, 29th June 2023 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 2023 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Ms. Brindhiini Perera, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Ms. Gayani De Alwis, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director Mr. Sarath Ganegoda, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Mr. Mohan Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the year 2023/24 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
8. To pass the Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
Special Resolution (1)	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution (2)	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this day of 2023.

.....

Signature

(Instructions are given overleaf)

Instructions:

1. 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 not less than forty-eight (48) hours before the start of the meeting. Delayed Proxy Forms shall not be accepted.
2. 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.
3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Form of Proxy must be dated and signed by the Shareholder.
6. 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 can vote as he/she thinks fit.
7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. 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.
9. 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)
Dharmika Perera
Co-Chairman (Non-Executive)
(resigned w.e.f. 10th June 2022)
Mahesh Wijewardene
Group Chief Executive Officer
Deepal Sooriyaarachchi
Dumith Fernando
Hisham Jamaldeen
Sarath Ganegoda
Dilip De S. Wijeyeratne
Gayani de Alwis
Brindhiini Perera
Kawshi Amarasinghe
(Alternate Director to Dharmika Perera - Ceased to be Alternate w.e.f. 10th June 2022)
Sujeewa Perera
(Alternate Director to Mahesh Wijewardene)
Kapila Perera
(Alternate Director to Hisham Jamaldeen - appointed on 20th April 2022)
Ramesh Chitrasiri
(Alternate Director to Sarath Ganegoda - appointed on 20th April 2022 and resigned w.e.f. 30th September 2022)

Senior management

Mahesh Wijewardene
Group Chief Executive Officer
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
Sales - Director
Roshan Kulasuriya
Director – Human Resources and Business Integration
Shanil Perera
Marketing - Director
Shalinka Seresinhe
Finance Director
Priyanjith Meegoda
Head of Risk Management
Indika Gunathilake
Deputy Director - Hire Purchase and Emerging Channel
Mohamed Irzan
Head of Manufacturing Finance & Treasury
Kasun Udayanga
Head of Service and Process
Asantha Karunaratne
Senior Manager – Merchandising and Promotions
Ransiri Perera
Group Administration Manager
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
Rohan Perera
Business Development Manager – Retail Operations
Saman Serasinghe
Senior Manager – Distribution
Nishan Ranasinghe
Senior Manager – Revenue and Margins and Operational Finance

Pramila Liyanage
Financial Controller
Rahula Gaspe
Business Development Manager – E-Commerce
Indika Perera
Business Development Manager – Whole Sale
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
Upali Ganehiarachchi
Business Development Manager – Agro and General Trading Channel
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
Tharindu Mahawedage
Senior Manager - Commercial
Tharaka Warnakulasuriya
Marketing Manager - Digital Products
Waruna Wickramasinghe
Business Development Manager – Renewable Energy and Surveillance
Charitha Perera
Business Development Manager – Digital Media Computers

Designed & produced by

emagewise

Photography by Dimitri Cruzs
Digital Plates & Printing by Aitken Spence Printing & Packaging (Pvt) Ltd

SINGER®

www.singersl.com