

RISING STRONGER



SINGER[®]
Home at Our Heart



RISING STRONGER

At Singer Sri Lanka, we have in recent years, endured a sustained test of our resilience. Through it all, we have remained unwavering in our commitment to excellence, emerging from adversity stronger and more determined than ever before. Our ability to adapt to changing market conditions and overcome challenges with agility has been instrumental in our continued success.

Looking ahead, we remain committed to leveraging our experiences to propel us towards even greater achievements. By maintaining a steadfast focus on our goals and embracing a culture of continuous improvement, we are confident that we will continue to rise stronger and achieve new heights of success in the years to come.

CONTENT

NAVIGATION ICONS



Customers



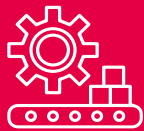
Intellectual



Investors



Employees



Manufactured



Business Partners



Financial



Natural



Social And Relationship



Human Capital



Government & Regulators



Communities

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ABOUT THIS REPORT

About this report

This is the Integrated Annual report of Singer (Sri Lanka) PLC for the financial year ended 31st March 2024 which provides a balanced and concise overview of the Group's performance using financial, environmental, social and governance information. This is the third 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

- 1. Financial statements and information:** Sri Lanka Financial Reporting Standards and external assurance provided by Messrs. KPMG
- 2. Narrative report:** Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). External assurance on Integrated Reporting provided by Messrs. Ernst & Young
- 3. Sustainability Reporting:** Report has been prepared in accordance with the: GRI Standards 2021, with external assurance obtained from Messrs. Ernst & Young. We have also adopted the Sustainability Accounting Standards Board Standard for Multiline and Specialty Retailers & Distributors, Appliance Manufacturing and Consumer Finance

Singer (Sri Lanka) PLC has opted for early adoption of the SLFRS S1 and S2 Sustainability Reporting Standards under the transitional relief allowed by the ISSB and CA Sri Lanka. Accordingly, the Group has adopted a climate-first approach to the new standards, with plans in place to ensure full compliance by 2024/25.

- 4. Gender Reporting:** Gender Parity Reporting Framework issued by the Institute of Chartered Accountants of Sri Lanka
- 5. Corporate Governance:** Listing Requirements of the Colombo Stock Exchange and Code of Best Practice on Corporate Governance issued by CA Sri Lanka



Report profile

Reporting period for financial and sustainability reporting: Financial year ended 31st March 2024

Frequency: Annual (01st April 2023 to 31st March 2024)

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

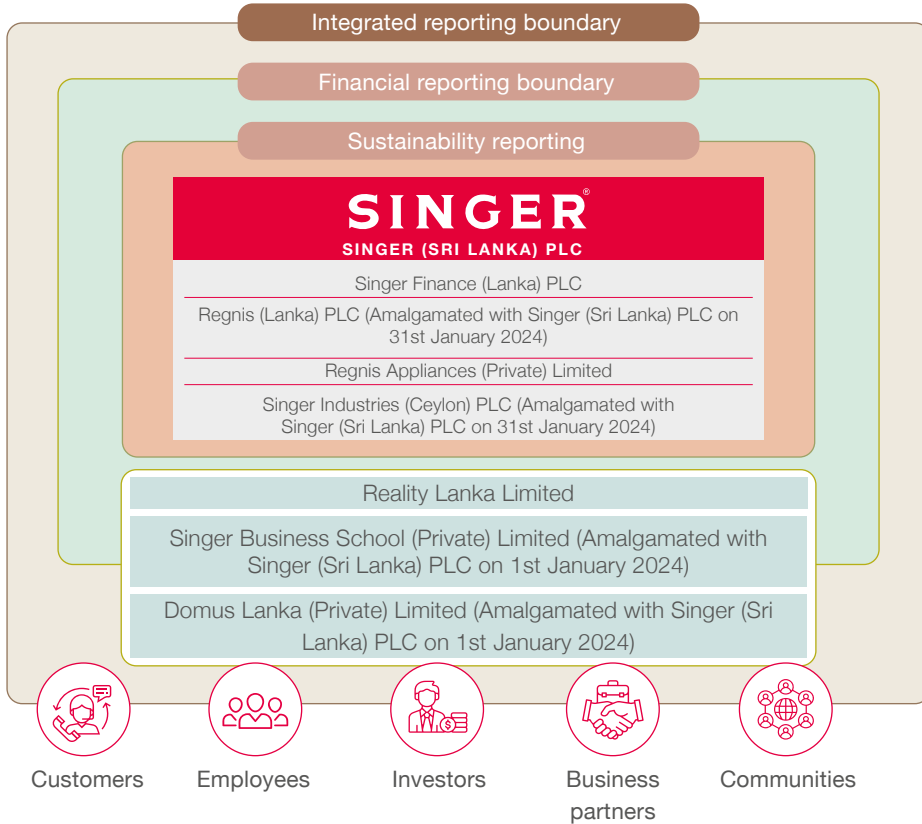
Systematic materiality assessment process

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 6 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.



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 2023/24 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

Materiality

The leadership team have identified the issues that could have the most significant impact on the Group’s ability to create value. In determining these issues, we have considered the industry landscape, the concerns of our stakeholders and our strategic aspirations. The process used to determine material issues and the list of topics for the year are given on pages 36 to 38 of this Report.

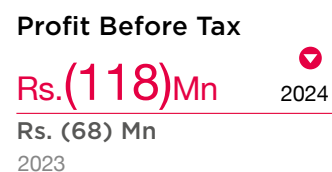
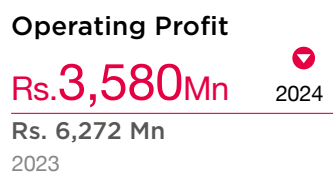
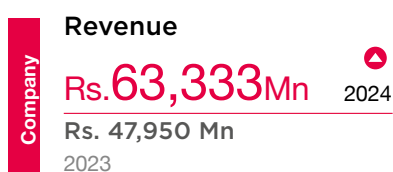
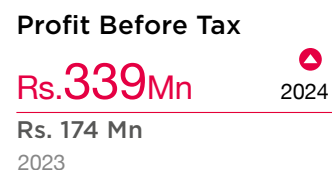
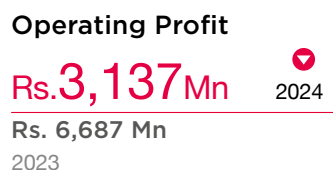
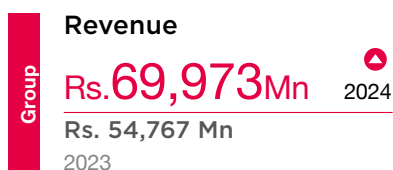
Connectivity of information - Navigation icons

	The Capitals	Stakeholders	Strategy
Risk	Financial Capital	Customers	Unparalleled Customer Centricity
	Human Capital	Employees	Above Industry Growth and Profitability
	Intellectual Capital	Business Partners	Loved Employer Brand
	Social & Relationship Capital	Government & Regulators	Manufacturing and Supply Chain Excellence
	Manufactured Capital	Communities	
	Natural Capital	Investors	
Governance			

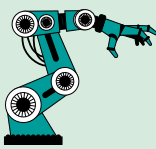
PERFORMANCE HIGHLIGHTS 2023/24

For the year ended 31st March	Group			Company		
	2024	2023	Increased/ (Decreased)	2024	2023	Increased/ (Decreased)
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue – Net	69,973,442	54,767,234	28%	63,333,445	47,950,386	32%
Gross Profit	17,898,934	18,872,257	(5%)	16,054,917	16,215,934	(1%)
Operating Profit	3,137,410	6,687,768	(53%)	3,579,901	6,272,838	(43%)
Net Finance Cost	2,401,901	6,118,864	(61%)	3,621,385	6,263,475	(42%)
Profit/(Loss) Before Tax	338,653	174,192	94%	(118,484)	(68,636)	73%
Profit/(Loss) For the Year	(91,299)	95,931	(195%)	(297,701)	220,599	(235%)
Total Comprehensive Income/(Expense) for the Year (Net of Tax)	374,793	(136,459)	(375%)	161,620	201,872	(20%)
Stated Capital	1,138,857	626,048	82%	1,138,857	626,048	82%
Other Components of Equity	3,328,107	1,600,272	108%	2,948,947	1,202,737	145%
Statutory Reserves	376,387	244,215	54%	-	-	0%
Non-Controlling Interest	1,046,510	1,946,904	(46%)	-	-	0%
Total Equity	12,443,746	12,089,984	3%	8,324,543	6,647,515	25%
Property, Plant and Equipment – Net	8,142,751	7,652,258	6%	7,138,161	3,852,273	85%
Other Investments	22,326	23,645	(6%)	20,141	21,524	(6%)
Net-Current Assets	6,855,859	14,015,396	(51%)	7,115,250	7,115,250	0%
Gross Dividends	N/A	N/A	N/A	Nil	225,377	(100%)
Dividend per Share – Rs.	N/A	N/A	N/A	Nil	0.20*	(100%)
Dividend Payout Ratio-%	N/A	N/A	N/A	Nil	102.17*	(100%)
Dividend Yield-%	N/A	N/A	N/A	Nil	0.36	(100%)
Earnings per Share – Rs.	(0.14)	0.01	(2278%)	(0.25)	0.20	(230%)
Price Earnings Ratio – times	N/A	N/A	N/A	(63.15)	75.00	(184%)
Net Assets per Share – Rs.	9.76	9.00	8%	7.13	5.90	21%
Market Price per Share – Rs.	N/A	N/A	N/A	16.10	15.00	7%
Gross Profit Margin - %	25.58	34.46	(26%)	25.35	33.82	(25%)
Operating Profit Margin-%	4.48	12.21	(63%)	5.65	13.08	(57%)
Net Profit Margin-%	(0.13)	0.18	(174%)	(0.47)	0.46	(202%)
Return on Average Net Assets/Equity – %	(0.74)	0.75	(199%)	(3.98)	3.04	(231%)
Return On Capital Employed-%	13.80	16.34	(16%)	17.90	25.62	(30%)
Equity Assets Ratio-%	13.26	15.34	(14%)	14.30	14.95	(56%)
Debt Ratio – %	86.74	84.66	2%	85.70	85.05	1%
Debt to Equity-Times	5.50	4.88	13%	4.22	4.46	(5%)
Gearing Ratio - Times	0.84	0.82	2%	0.80	0.81	(1%)
Interest Cover - Times	1.14	1.03	11%	0.97	0.99	(2%)
Dividend Cover - Times	N/A	N/A	0%	0.00	0.98	(100%)
Current Ratio - Times	1.11	1.33	(16%)	1.17	1.29	(9%)
Quick Assets Ratio - Times	0.76	0.86	(11%)	0.60	0.55	8%

*2021/2022 Final Dividend Paid on 13th May 2022




NON-FINANCIAL HIGHLIGHTS



Manufactured Capital

422 Customer service touch points across 25 districts in the country	52% Capacity utilisation
Rs. 9,118 Mn Total asset base in manufacturing sector	4 Manufacturing facilities in Sri Lanka



Brand Strength

People's Brand of the Year 2024
at SLIM-KANTAR People's Awards for the 18th consecutive year

Most Valuable Consumer Brand-Retail
Brand Finance 2023


> 2.5 Mn
Loyal customer base



Social and Relationship Capital

Customers

6.1 Mn Customer reach	15 Service centres
86% Net promoter score	406 Singer showrooms



Environmental Impact

52,767 GJ Energy consumption
28 MT E-waste collected
17% GHG emissions reduced



Government & Society

Rs. 14.4 Bn
Total direct and indirect taxes paid to the government

2,800+
Indirect employment through entrepreneurial branch model



Business Partners

45% Payments to local suppliers	55% Payments to global suppliers
819 Total suppliers	1,250+ Dealers



Responsible Employer

3,102 Employees	48,490 Training hours
20% Female representation rate	15.63 Average training hours/employee
Rs. 4 Bn Personal cost	393 Employee promotions



Community

Rs. 2.27 Mn CSR investment	44% Employment outside western province
2,100+ Beneficiaries	

YEAR AT A GLANCE

REVIEW OF 2023/24

The two halves of the year were characterised by contrasting conditions. The initial half of the year was marked by challenges including sustained import restrictions, a weaker rupee, and elevated finance costs, culminating in financial losses. However, the latter half witnessed significant improvements with the removal of import restrictions, coupled with the appreciation of the rupee and declining interest rates, heralding a positive shift in our operational landscape. Singer persevered through various challenges by implementing effective strategies and adapting swiftly to seize market opportunities. By remaining agile and responsive, the company safeguarded the interests of its stakeholders, ensuring a positive turnaround amidst a challenging year.

Group resilience strategies

- Sustain agility and resilience by prioritising four key areas for viability and making necessary adjustments according to the operating environment to facilitate a turnaround.
- Merging smaller companies and integrating listed factories to achieve economies of scale, streamline operations, and enhance overall efficiency.
- Boost revenue by acquiring established brands and expanding into new product categories.
- Sustaining revenue streams and absorbing margin losses to swiftly clear high priced inventory.
- Prioritise digital capabilities by implementing process enhancements, automation, and internal process advancements to optimise organisational efficiencies.
- Leverage Singer's customer loyalty program to enhance customer engagement, foster brand loyalty, and drive repeat purchases.

Macro-economic headwinds



- The temporary suspension of imports continuing into the first half of the financial year.
- Escalating costs causing steep inflation in product prices and affecting affordability.
- Reduced consumption due to tightening of monetary and fiscal policy.
- Increases in taxation leading to low disposable income.
- The resurgence of informal grey markets and heightened price sensitivity diminishing brand loyalty among customers.

56 International brands

8+ Processes automated

Singer won the coveted SLIM-KANTAR 'People's Brand of the year' award for the 18th year in a row

Outlook for 2024/25



- Implement advanced e-commerce capabilities and launch a comprehensive Customer Relationship Management (CRM) system to improve customer satisfaction and loyalty.
- Continue the digitalisation of processes by integrating advanced software solutions and enhance overall efficiency.
- Capitalise on our retail strength by expanding our product offering to diversify revenue streams and capture new market opportunities.

AWARDS AND ACCOLADES

Singer extended its streak of success by winning the SLIM-KANTAR ‘People’s Brand Of The Year’ award for the 18th year in a row, reaffirming its dominance in the consumer durables industry. Singer also won the ‘People’s Durables Brand Of The Year’ award at the same award ceremony. This remarkable achievement serves as a testament to Singer’s dominance in the consumer durables sector and its enduring popularity throughout Sri Lanka.

- 1 SLIM KANTAR People’s Brand Of The Year 2024
- 2 SLIM KANTAR People’s Durable Brand Of The Year 2024
- 3 Best Corporate Citizen Sustainability Awards 2023 - Retail Sector Winner
- 4 SAFA Awards - Best Presented Annual Reports, Integrated Reporting Awards & SAARC Anniversary Awards For Corporate Governance Disclosure 2022
- 5 TAGS Awards 2023 - Trading Sector Gold Award
- 6 CMA Excellence In Integrated Reporting Awards 2023 - Next 10 Best Integrated Reports
- 7 CMA Excellence In Integrated Reporting Awards 2023 - Best Integrated Report - Other (Trade And Commerce)
- 8 Chairman’s Awards Winner - Re Launch Of Singer Red Loyalty Programme





RISING TOGETHER

The Singer Story

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CHAIRMAN'S MESSAGE



Mohan Pandithage
Chairman

Dear Shareholder,

Singer (Sri Lanka) PLC recorded a resilient performance reflecting the progress on its journey to recovery as Sri Lanka's economy stabilised. As the country moves into a growth phase, Singer Sri Lanka has realigned its portfolio to suit the needs and budgets of its customers, ensuring that we uplift the lives of Sri Lankans at home and in their workplaces. The time spent in questioning how we could "do more with less" was productive and is driving change to create a leaner and more efficient organisation that will take us forward faster and further.

A catalyst

Singer continues to be a critical player in the country's progress, a quiet catalyst that enables Sri Lankans to adapt to modern lifestyles in every aspect of their lives. Our solutions range from fans and air conditioners that become more relevant with global warming to advanced technology to remain connected to global opportunities. The presence of a Singer retail store is now as ubiquitous as the presence of a bank or temple to emerging townships islandwide, ensuring access to a range of goods that make it possible for Sri Lankans to level up their skills, capabilities and lifestyles. As the largest retailer of mobile phones in the country, we have connected Sri Lankans to each other and to loved ones overseas as many Sri Lankans sought opportunities overseas. Our range of solutions expanded to rooftop solar to help Sri Lankans manage the transition risks as energy subsidies were withdrawn. We also supported our customers to be more conscious about the products they use with energy efficiency criteria, a key factor in curating our product portfolio. Importantly, our products take the toil out of housework, enabling women to step out into the work force or create more time for families. They are also the equipment of choice for thousands of microentrepreneurs who are the backbone of the country's economy. We are an integral part of Sri

 **AS THE COUNTRY MOVES INTO A GROWTH PHASE, SINGER SRI LANKA HAS REALIGNED ITS PORTFOLIO TO SUIT THE NEEDS AND BUDGETS OF ITS CUSTOMERS, ENSURING THAT WE UPLIFT THE LIVES OF SRI LANKANS AT HOME AND IN THEIR WORK PLACES.** 



Lanka's socioeconomic progress as a catalyst as we put technology in the hands of every Sri Lankan.

Reviewing Governance Processes

Lean times are great opportunities to look inward and build agility to move forward stronger and faster. We used the most challenging period in the history of Singer (Sri Lanka) PLC to drive the amalgamation of our subsidiaries into one legal entity excluding Singer Finance which is a regulated entity. Accordingly, the amalgamation of Singer Digital Media Services (Pvt) Ltd., was finalised in January 2023 followed by the amalgamation of Singer Business School (Pvt) Ltd.,

and Domus Lanka (Pvt) Ltd., on 1st January 2024. Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC were amalgamated on 31st January 2024 after obtaining approval from the Colombo Stock Exchange and the shareholders of the respective companies at the Extraordinary General Meeting held on 18th January 2024. Accordingly, the minority shareholders of Regnis and Singer Industries received 34,199,971 and 6,531,451 shares respectively of Singer Sri Lanka, increasing the public float at Singer (Sri Lanka) PLC from 7.72% to 10.94%. This has created a single unified entity with a broad presence across the value chain. This will drive significant efficiencies in administrative costs, time, and processes as we move forward.

CHAIRMAN'S MESSAGE


SINGER CONTINUES TO BE A CRITICAL PLAYER IN THE COUNTRY'S PROGRESS, A QUIET CATALYST THAT ENABLES SRI LANKANS TO ADAPT TO MODERN LIFESTYLES IN EVERY ASPECT OF THEIR LIVES. 

The Colombo Stock Exchange issued Listing Rule #9 on Corporate Governance with a schedule extending till 1st January 2025 for compliance. Singer has adopted an approach of ensuring compliance in stages and has complied with all the requirements as at 1st April 2024 by the date of the report. Changes effected as a result included the appointment of Mr.D.De S Wijeyeratne as a Senior Independent Director, cessation of all alternate directors and the appointment of a Nominations & Governance Committee. The Company also adopted the Hayleys Group's Bribery and Anti-Corruption Policy and Shareholder and Investor Communications Policy which was launched during the year. The Code of Best Practice on Corporate Governance was also revised during the year and we have set out our compliance with the requirements in the Corporate Governance report on page 98.

Integration of ESG gained prominence during the year with the issue of the IFRS Sustainability Standards which were later adopted by the Institute of Chartered Accountants of Sri Lanka and mandated for compliance in a progressive scale. Singer Sri Lanka complies with the ESG Framework of the Hayleys Group and is fully aligned with the same as set out in this Annual Report. Moving forward, we will review the need to further expand the scope and depth of a more customised approach to ESG.

Context to performance

We commenced the year with significant import restrictions in place stymieing business, at unusually low levels observed since 2022. The government commenced easing the import restrictions easing all except for motor vehicles by October 2023. Inflation also declined during the first half of 2023 with prices stabilising at a higher level. Interest rates also declined and banks commenced zero lending rates on credit cards again. VAT rates were increased in January 2024 which supported sales in December 2023 but exerted pressure

on household budgets thereafter. The rupee appreciated by 10% during the year which was favourable as imports became cheaper. The easing of pressure on foreign exchange liquidity was also positively supported by the two tranches of the IMF Extended Fund Facility, the uptick in migrant worker remittances and tourism.

The grey market for consumer durables continues to thrive, further supported by increase in VAT which widens the gap between entities that abide by the law and those that circumvent it. The incentive for consumers to risk purchases in the grey market is also higher as a result. I wish to reiterate that 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 as the gap widens.

The high levels of talent migration was a significant challenge as Singer was affected by both the downturn in the economy and the sector. Coupled together with the fixed cost of an islandwide network of showrooms, it was evident that we needed focused efforts to move past the recovery phase.

On the path to recovery

Singer Group recorded top line growth of 28% to Rs.69.97 Bn for the year ended 31st March 2024, shifting back to its long-term growth trajectory as socioeconomic and financial constraints eased. Gross margins came under pressure as the Group needed to absorb part of the impact of the appreciation of the rupee and offer discounts to move accumulated inventory in view of the continued pressure on household budgets. Additionally, the Selling and Administrative expenses reflect the fixed nature of this cost which sustains our network of customer touchpoints and the higher level of costs. Accordingly, the Group delivered an operating profit of Rs.3.14 Bn for the year ended 31st March 2024, 53% below the previous year. Finance costs

decreased by 35% to Rs.4.72 Bn due to the lower interest rates and normalising of working capital cycles. Finance income increased by 101% due to the improved performance of the subsidiary, Singer Finance PLC which recorded a banner year. This elevated Group profit before tax to Rs.339 Mn, an increase of 94% over the previous year. The consolidated tax expense of Rs.430 Mn was 449% above the previous year. Consequently, the Group recorded a Loss After Tax of Rs.91 Mn for the year under review reflecting the challenges of the operating environment.

Working capital management continues to be a priority as movement of inventory needs to be managed with borrowings. Both total assets and net assets increased modestly reflecting consolidated growth supported by Singer Finance. The funding structure of the Group remains strong with carefully managed debt levels, reflecting the continued resilience of the Singer Group.

Outlook

The outlook for 2024/25 is more positive as the economy is now on a recovery path having recorded two successive quarters of positive economic growth by end December 2023. Sri Lanka is expected to grow by 3% in 2024 signalling the end of policies to drive a contraction in the economy. The continued growth in tourism and migrant worker remittances has been positive, contributing towards the appreciation of the rupee. World trade is expected to grow by 3% in 2024 and we observe an uptick in exports in March 2024 which augurs well for the country's trade balance. Interest rates and inflation have stabilised which eases pressure on household budgets. There is uncertainty regarding the movement of the exchange rates which needs to be managed proactively as many of the products are imported. The grey market remains a concern moving forward and we urge authorities to facilitate a level playing field to ensure that products are sold with responsibility.

Singer will continue its journey to upgrade lifestyles and bring technology to every home, office and individual driving socioeconomic progress, linking Sri Lankans to opportunities in an increasingly globalised world. We expect the positive growth witnessed in Q3 and Q4 of the financial year 2023/24 to continue and look forward to increasing business volumes and moving to sustainable profitability as we remain the country's most loved brand.

Acknowledgements

I would like to commend the leadership of the CEO, Mahesh Wijewardene, who motivated his team and delivered a clear strategy to overcome a challenging situation in the country. I am grateful to the team at Singer Group for their dedication and loyalty during the year and praise their relentless efforts. We value the support of our loyal customers who continue to choose Singer to improve their lives. In closing, we thank our business partners and other stakeholders for their support and trust in the Group as we aim to deliver enhanced stakeholder value in the year ahead.



Mohan Pandithage
Chairman

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



Mahesh Wijewardene
Group Chief Executive Officer

Dear Shareholders,

Singer Sri Lanka PLC demonstrated its resilience during 2023/24, overcoming multiple impediments as we steered a course to recovery by the close of the year.

A tale of two halves

The financial year commenced with the deck stacked against retail businesses as all policies were focused towards reducing consumer spending with fiscal and monetary policies aligned to achieve this goal. Consequently, the first half of the year was marked by import restrictions and extreme pressure on household budgets as a result of high levels of inflation, energy costs, high interest rates and increased taxation. By June 2023 the government commenced the gradual easing of import restrictions as pressure on foreign currency liquidity eased. Inflation was curbed to single digits by July 2023 reaching 1.3% by September 2023. The price stability, albeit at much higher levels, was key to building consumer confidence which is critical for retail growth. The banks recommenced 0% instalment schemes which was extremely popular amongst consumers. It is notable that the country's GDP recorded marginal growth in the 2nd quarter of the financial year, signalling the easing of pressure. We motored through the first half to record 40% of our annual sales.

The second half was marked by easing of import restrictions, stability in prices and lower interest rates. The 3rd quarter of the financial year recorded GDP growth across all three sectors of the economy. Interest rates declined and stabilised during this period, easing access to capital and cost of capital. 60% of sales were recorded during the second half of the financial year 2023/24.

A plan for the short-term

Singer generally follows a classical retail model to be big in whatever we do. It was evident that the model needed to change as top line growth potential was limited due



IT IS VITAL THAT SRI LANKA REMAINS INTEGRATED TO A WORLD THAT IS MAKING RAPID ADVANCES IN TECHNOLOGY. SINGER CONTINUES TO FULFILL ITS CATALYTIC ROLE, PUTTING TECHNOLOGY IN THE HANDS OF SRI LANKANS IN FIELDS, HOMES, SCHOOLS, SME'S AND INSTITUTIONS.

to wide ranging import restrictions. It was clear that we needed to optimise cashflows and costs amidst the elevated levels of uncertainty and volatility. Accordingly, we set aside the strategy formulated for the medium term and focused on four pillars, top line, margins, costs and expenses including finance costs. The management teams were given tasks to support the 12-month strategy. During the first 6 months we rationalised channels, even closing around 10 retail branches. Jobs were rotated and shared, minimising new recruitment until the tide turns.

The top line pillar was a difficult pillar in the first half as purchasing power of consumers was significantly diminished by over a year of high inflation which reached 73.7% in

September 2022, increased energy costs and increased direct and indirect taxation. This was exacerbated by a lack of goods. Local manufacture of refrigerators and washing machines was a key strength for the Group, particularly during the time imports were restricted as it met the needs of consumers. Top line growth potential improved with the easing of restrictions and we were able to offer a broader range of goods in the second half although margins needed to be managed carefully. As the exchange rate declined almost throughout the year, we needed to manage margins, passing on savings to customers while also moving out inventory purchased at higher prices with attractive discounts.

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

An ubiquitous brand

Throughout the crisis and during the recovery, Singer has maintained its position as the People's Brand of the Year Award at the SLIM- KANTAR People's awards organised by the Sri Lanka Institute of Marketing, winning it for the 18th consecutive year. The network of 406 Singer showrooms are barometers of the economic activity in each area, reflecting both the prosperity and aspirations of the people. Over 35% of our customers earn their livelihoods from agriculture and our range of agricultural products are displayed in showrooms located in predominantly agricultural areas. These are displayed alongside home appliances, electronics and furniture as a trip to the Singer store is typically a shared experience, opening the mind of Sri Lankans to advances in technology in every aspect of their lives, paving the way for collective adoption of technology. Similarly, our urban showrooms reflect the aspirations and lifestyles of urban Sri Lankans.

It is indeed a privilege that we value to shape lives of Sri Lankans with access to technology with a curated range of trusted products. We've been part of the country's economic progress for 147 years and witnessed the growth of the apparel sector which tapped in to skills nurtured by the sewing machines introduced by Singer. We are also an integral part of the country's mobile phone penetration as the country's largest retailer of mobile phones. 'Honor', the fastest growing mobile brand was added to the portfolio during the year to facilitate availability of phones at multiple price points. Today we are also part of the agriculture sector introducing mechanisation to modernise this sector and value the trust placed in our brand to support the next growth story for the country. Singer products reach every household, an ubiquitous brand that has been trusted for generations and we remain committed to upholding this trust.



IT IS INDEED A PRIVILEGE THAT WE VALUE TO SHAPE LIVES OF SRI LANKANS WITH ACCESS TO TECHNOLOGY WITH A CURATED RANGE OF TRUSTED PRODUCTS. WE'VE BEEN PART OF THE COUNTRY'S ECONOMIC PROGRESS FOR 147 YEARS AND WITNESSED THE GROWTH OF THE APPAREL SECTOR WHICH TAPPED IN TO SKILLS NURTURED BY THE SEWING MACHINES INTRODUCED BY SINGER.



Resolute & Resilient

Revenue growth was encouraging at 28%, taking revenue to Rs.69.97 Bn supported by restocked showrooms and promotional offers as we sought to restore the vibrancy of the brand and the wonder of a visit to a Singer showroom. However, gross profit was 5% below the previous year reflecting the appreciation of the rupee, savings passed onto customers and promotional discounts. The Group managed to curtail selling and administrative expenses to 17% despite the high level of costs, increases in energy tariffs and increased employee costs. The Group incurred an impairment charge of Rs.300 Mn on trade and other

receivables reflecting the straitened circumstances of many microentrepreneurs and households. Finance cost was managed with razor sharp focus resulting in a decrease of 35% to Rs.4.72 Bn supported by declining interest rates. Finance Income was managed carefully as well to yield income of Rs.2.32 Bn recording an increase of 101%. Management of finances enabled the Group to record a hard-earned Profit before tax of Rs.339 Mn which was 94% above the previous year. A tax expense of Rs.430 Mn which was 449% over the previous year resulted in a loss of Rs.91 Mn for the year under review, recording two years of near break

even with the needle moving slightly left or right of breakeven. I believe, the underlying achievements are inadequately reflected in the financial statements which are important for the journey ahead as we move to our long-term strategy, driving aggressive and profitable growth.

The Group maintained a strong financial position throughout the period. Total assets increased by 19% to Rs.93.84 Bn driven by growth in Singer's own trade receivables as well as the growth of Singer Finance which recorded strong portfolio expansion and was affirmed by Fitch who maintain a stable outlook on our credit rating of A(lka).

Singer Finance recorded a resilient performance delivering 10% growth in top line and operating profits. Increased provisions for impairment of receivables dented earnings, dragging it just below the achievements of the previous year. Consequently, Singer Finance delivered a profit after tax of Rs.404 Mn, marginally below the Rs.409 Mn recorded in the previous year. It remains one of the best performing finance companies amongst peers with sound regulatory ratios.

Integrating ESG

Singer follows the Hayleys ESG Framework, the Hayleys Lifecode, which sets out ambitious environmental, social and governance targets for 2030. This year we placed increased emphasis on greening our customer journey, reflecting customers' escalating concerns on energy efficiency. Refrigerators especially demonstrated improved energy efficiency, which is important for reducing energy use in households and businesses. As our business deals with consumer durables, we are cognisant of the impact on the carbon and water footprints of customers and the country and are acutely aware of the role we can play in reducing the environmental footprint along the customer journey.

We continued our quest to source local products supporting local businesses and shortening our supply chain. We work with over 300 local businesses, encouraging local innovation and entrepreneurship. We also increased local production, creating more jobs in the country. The Singer Fashion Academy trained over 6,000 people in 54 branches, providing talent and microentrepreneurs for the apparel industry. Its partnership with Lovely Professional University in India offers a degree level curriculum, allowing Sri Lankans to get a recognised qualification in this field.

We are working closely with the parent company to further our ESG agenda as we initiate reporting on the SLFRS S1 and S2 Sustainability Disclosure Standards. Our commitment to ESG is affirmed by the Retail Sector winner at the Best Corporate Citizen Sustainability award 2023 organised by the Ceylon Chamber of Commerce, Sri Lanka.

Shifting Gears

After a gruelling two years, we are shifting gears to grow our business with our long-term strategy of building a World Class Brand for a merged entity that is a retailer and a manufacturer. The trifecta to achieve our goal are a respected corporate brand, a trusted consumer brand and a loved employer brand.

Creating positive customer experiences that enhance relationships through an outstanding product and service offering is a core theme of unparalleled customer centricity. We will seek to grow our revenue and profit faster than the industry by fostering a strong profit orientation in our businesses and expanding new and existing channels and business. The Group is dedicated to creating a place where people are happy to come and contribute, performance is acknowledged and competencies are developed creating satisfied employees. We will also achieve manufacturing and supply chain excellence

through lean manufacturing processes, responsible sourcing and streamlined logistics. Our values remain consistent as we will not sacrifice them as these are what unite us and shape our culture.

Digitalisation will be core to driving growth, supporting efficient processes and improved insights as we move out of legacy systems. The long-awaited Customer Relationship Module will also support engagement, supporting more refined solutions and offerings.

A loved employee brand

The Singer Team consists of over 3,000 permanent staff and another 3,500 in different locations in 406 showrooms, factories, and offices, many of whom remained motivated and indomitable amidst the challenging landscape. As economic migration gained momentum across the country, Singer was also impacted with the departure of around 300 employees. We maintained ongoing communication with staff to ensure they were well aware of the challenges we faced. Employee remunerations were fully maintained, in addition to regular extra allowances despite incurring losses. While these were appreciated by the employees, we know that the reassurance needed is the return to our previous performance levels providing opportunities for growth aspirations. Building the talent pipelines required for our long-term strategy is a key priority.

Future Outlook

We are encouraged by the positive outlook and continuing price stability in 2024. The progress made in continuing with the IMF Extended Fund Facility is also important factor for returning to stability. Consumer confidence is returning and we see the demand for our products picking up. The uptick in tourism and migrant Workers Remittances has increased purchasing power of the people, they are eager to fulfil their aspirations and owning technology is among the priorities of

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

individuals and businesses. Uncertainties remain as Sri Lanka is yet to finalise the foreign debt restructuring, to restore the debt sustainability and moving away from international default rating and to remove import restrictions on vehicles, all of which will somewhat increase pressure on foreign exchange rate.

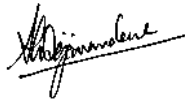
We also observe the continuing and growing threat of the grey market as taxation increased driving up the opportunity and earnings from illicit gains. We reiterate that the government must act fast to control this effectively as they did with worker remittances.

The brain drain continues despite increasing regulations to curb migration in other countries and it is fervently hoped that the recovery of the economy will deter further loss of talent.

The year under review saw the generative AI transforming the pace of technology evolution. It is vital that Sri Lanka remains integrated to a world that is making rapid advances in technology. Singer continues to fulfill its catalytic role, putting technology in the hands of Sri Lankans in fields, homes, schools, SMEs and institutions.

Acknowledgements

It was another year of holding the wheel steady till we move past the bumps and bends until we could shift to a higher gear. I express my appreciation of the advice and counsel provided by the Chairman and the Board through the difficult years. It took the collective efforts of a dedicated team to stay the course and emerge stronger and I thank all my employees for their contribution. I also thank our loyal customers and supply chain partners who drive our growth for their continued patronage and support. Similarly, I thank our shareholders for their continued confidence in Singer Sri Lanka as we move beyond recovery to a growth phase.



Mahesh Wijewardene
Group Chief Executive Officer

WHO WE ARE

A Glance at Singer

Singer is an esteemed household name in Sri Lanka, boasting a rich legacy spanning over 147 years. With a legacy of trust forged across generations, Singer is driven by a vision to enhance the lives of Sri Lankans nationwide. Consisting of an extensive network of 406 retail outlets, 1,250 dealer points, 15 service centers, and a cutting-edge e-commerce platform, Singer maintains a formidable presence across the island. As the leading player in Sri Lanka's consumer durables sector, Singer offers a diverse portfolio featuring over 56 international brands and holds a commanding position in various product categories. Leveraging its manufacturing capabilities Singer proudly produces a wide array of premium-quality home appliances locally. As a subsidiary of Hayleys PLC, one of Sri Lanka's foremost conglomerates, Singer is deeply ingrained in the fabric of the nation's business landscape, poised to continue its legacy of excellence and innovation.

Purpose

Elevating and enriching lives of people.

Mission

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

Our Values

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

STRENGTH OF OUR BRAND

Singer is one of Sri Lanka's best loved brands, having been ranked as the People's Brand of the Year at the SLIM-Kantar People's Choice Awards for 18 consecutive years.

Most Valuable Consumer Brand-Retails
Brand Finance 2023

CREATING VALUE FOR SRI LANKANS

Throughout our history Singer's products have permeated every household, simplifying daily tasks and fostering family time. Recently, our offerings have facilitated connectivity among Sri Lankans, particularly as we've become the largest mobile retailer, transforming lifestyles across various sectors. Singer has remained the bridge between Sri Lankans and technology in their homes, a role that has become increasingly crucial in driving economic advancement.

EXTENSIVE PRODUCT PORTFOLIO

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

+600
Electronic items

+55
International brands

+1200
Home appliances

LOCAL MANUFACTURING CAPABILITIES

The manufacturing entities/divisions within the group serve a crucial function in import substitution by producing a range of branded products that meet world-class standards.

87%
Washing machines from local production

95%
Refrigerator from local production

PORTFOLIO

CONSUMER ELECTRONICS

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



Highlights of 2023/24

Focus on local / procurement / brands

Performance

Revenue

Rs.6.3 Bn



DIGITAL PRODUCTS

Computers, mobile phones and digital cameras



Highlights of 2023/24

Introduction of Honor and Midea

Performance

Revenue

Rs.17.6 Bn



HOME APPLIANCES

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



Highlights of 2023/24

Focus on locally manufactured production line

Performance

Revenue

Rs.22.2 Bn



SEWING MACHINES

Domestic and industrial sewing machines



Highlights of 2023/24

Introduction of **4** new models

Performance

Revenue

Rs.2.1 Bn



FURNITURE

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

Highlights of 2023/24



Introduced **77** models to the furniture category

Performance
Revenue

Rs.3.9 Bn



SOLAR

Solar powered solutions

Highlights of 2023/24



Focus on domestic demand for solar powered solutions

Performance
Revenue

Rs.2.6 Bn



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 2023/24

Over **50** Singer Finance branches island wide

Performance
Revenue

Rs.11.2 Bn

OTHER

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



Highlights of 2023/24

Supporting the growth of local agricultural industry through new technology

Performance
Revenue

Rs.4.0 Bn

MILESTONES

Amalgamation of listed subsidiaries Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC and the amalgamation of Singer Business School (Private) Limited and Domus Lanka (Private) Limited with Singer (Sri Lanka) PLC

2024

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

2023

Singer Finance (Lanka) PLC opened its 50th Branch

Singer rebranding initiative

2021

Launched a new e-commerce website and Singer Care App

2020

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

2017

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

2016

Introduced a range of refrigerators with R600a refrigerant technology for the first time in South Asia

2013

Regnis Appliances (Private) Limited commenced manufacturing of washing machines and plastic components

2010

Established Singer Finance (Lanka) PLC

2004

Acquired the local brand, SISIL

2000

First Singer Mega shop opened in Sri Lanka

1998

Commenced manufacturing of furniture and agricultural products at the Piliyandala factory

1992

Commenced manufacturing refrigerators through Regnis (Lanka) PLC

1988

Listed on the Colombo Stock Exchange

1981

Incorporated as a limited liability company

1974

Singer commenced operations in Sri Lanka with the introduction of sewing machines

1877

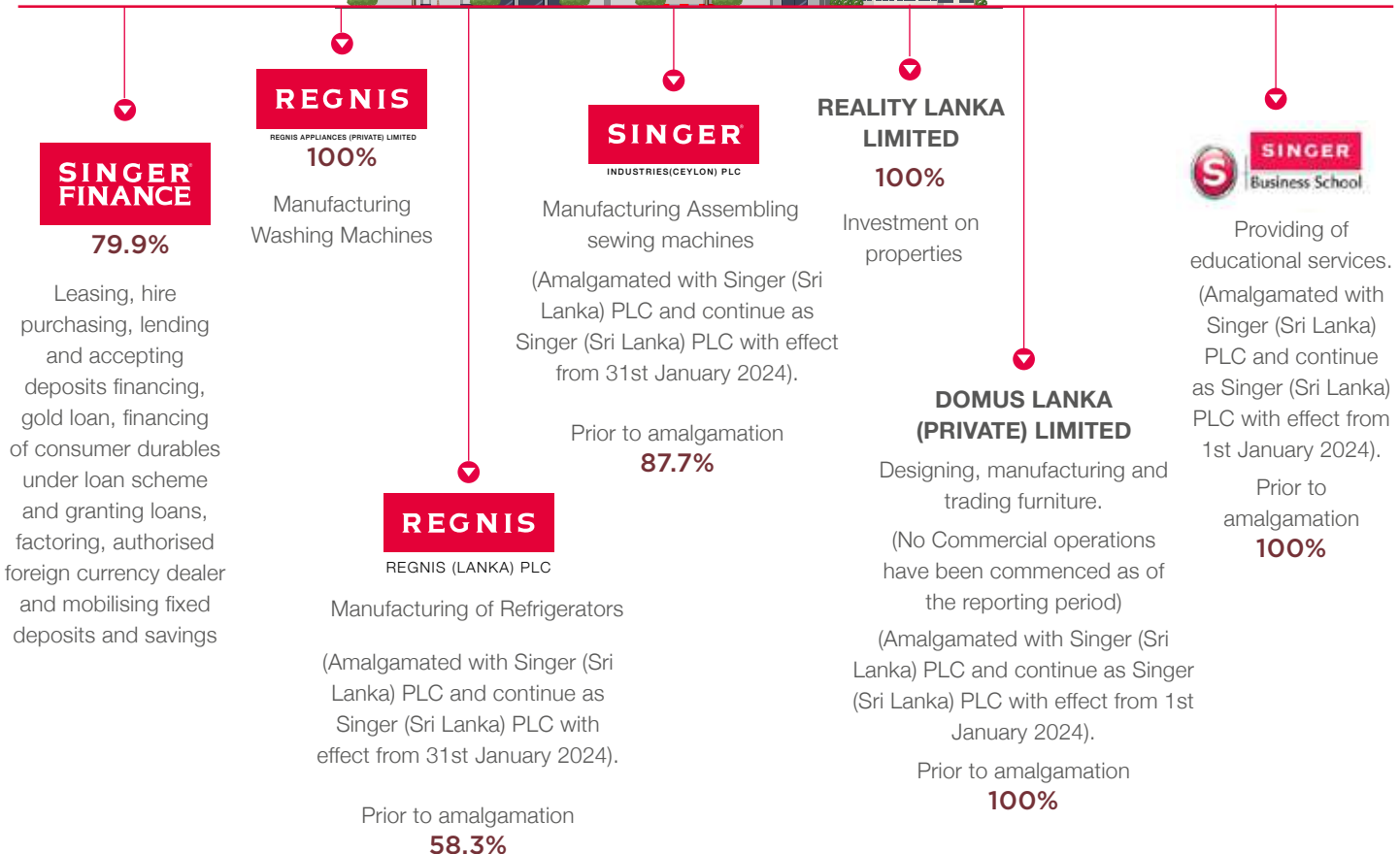
Isaac Merritt Singer founded I. M. Singer & Company and commenced production of sewing machines in the United States

1851

GROUP STRUCTURE



SINGER (SRI LANKA) PLC





RISING BETTER

Management Discussion & Analysis

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Panasonic

— Cooking
— Keep Warm

VALUE CREATION MODEL

The Group's operations encompass the procurement, manufacturing, and retailing of various consumer durables through diverse distribution channels. To execute this business model effectively, the Group depends on several critical resources and relationships. These elements are optimised through the implementation of a comprehensive strategy that spans across various business activities and processes. As a result of this transformation, value is generated for the Group's stakeholders, including shareholders, employees, customers, suppliers, and other business partners.

Capital Inputs



Financial Capital

Funding and financial resources available to the Group (Pg. 46 to 57)
Shareholders' funds: **Rs. 12,444 Mn**
Borrowings: **Rs. 58,445 Mn**



Manufactured Capital

Physical infrastructure and manufacturing capabilities (Pg. 70 - 75)
4 manufacturing facilities
Property, plant and equipment: Rs. 8,143 Mn



Human Capital

Capabilities, skills and industry knowledge of our 3,102 - strong employees (Pg. 58-63)



Intellectual Capital

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



Social and Relationship Capital

Relationships which facilitate continuity of operations (Pg. 64-69)
6.1 Mn customers
819 suppliers
1,250+ dealers



Natural Capital

Cognisant of our responsibility in mitigating adverse environmental impacts (Pg. 80-87)
34% reduction in energy
17% reduction in emission

Corporate Governance (Pg. 98)

Capital Transformation

Purpose

Elevating and enriching lives of people.

Mission

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

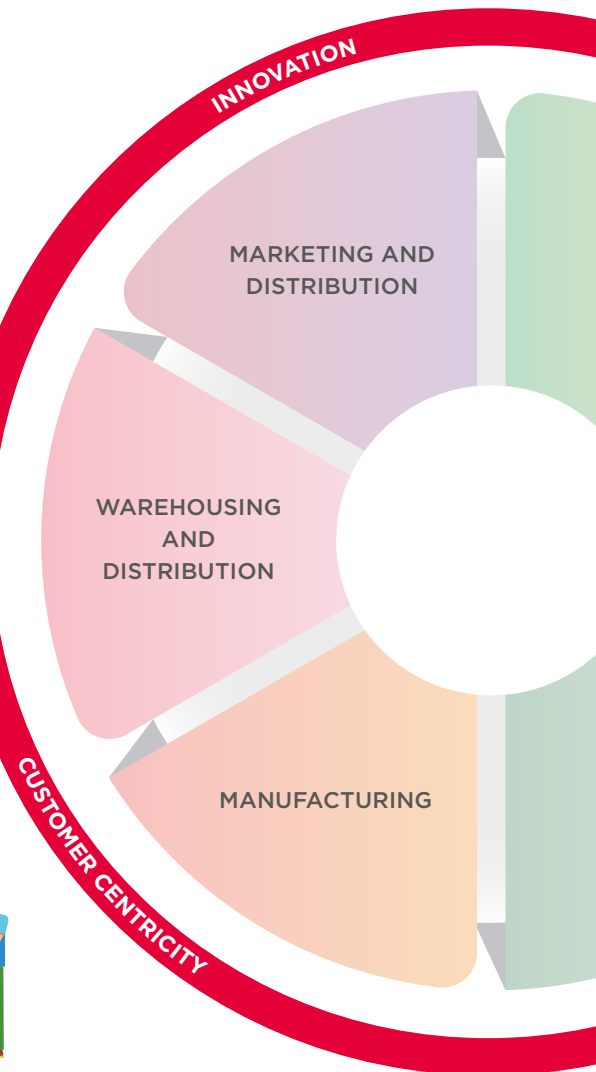
Above industry growth and profitability



Manufacturing and supply chain excellence



Risk management (Pg. 117)



Planning and budgeting

Our Values

Lead with respect, demonstrating responsibility and integrity, improve and innovate passionately, collaborate for success, respond with agility, drive sustainability

Unparalleled customer centricity



A place where people love to come and contribute



Information technology

Outputs

Rs. 69,973 Mn

Revenue generated

28%

Sales growth

Rs. 3,137 Mn

Operating Profit

68,482

Refrigerators manufactured

31,754

Washing machines manufactured

1,759

Sewing machines manufactured

30%+

Contribution from local manufacturing

45%

Employees over 5 years service

34%

energy reduction

17%

emission reduction

Supply chain management

Outcomes

Financial Capital

- + Revenue: Rs. 69,973 Mn
- + Operating profit: Rs 3,137 Mn
- + Net assets per share: Rs. 9.76

Manufactured Capital

- + Rs. 41 Mn capital expenditure
- + Enhancing manufacturing technology

Human Capital

- + Rs. 28.81 Mn investment in training
- + 20% Female representation

Intellectual Capital

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

Social and Relationship Capital

- + Increase in loyalty customer base: 5%
- + Net promoter score : 86%
- + Investment in CSR : Rs. 2.27 Mn
- + Payments to suppliers: Rs 46 Bn

Natural Capital

- + Energy consumption: 52,767 GJ
- + Water consumption: 109,532,220 Litres
- + Renewable input material used: 15%
- + e-waste collected: 28 MT
- + Carbon footprint: 9,292 tCO₂

STAKEHOLDER RELATIONSHIPS

We acknowledge the critical importance of fostering robust relationships with our stakeholders to ensure long-term value creation. Accordingly, we strategically prioritise the identification and resolution of key stakeholder concerns through transparent and ongoing dialogues. To facilitate this process, the Group has implemented various formal engagement platforms aimed at fostering interaction with stakeholders. Below is a summary of the Group's stakeholder engagement activities during 2023/2024:

KEY STAKEHOLDERS	Customers	Shareholders	Employees
KEY CONCERNS	<ul style="list-style-type: none"> Product availability and affordability Customer service Maintaining consistent quality of products Financing options After-sales service 	<ul style="list-style-type: none"> Opportunities for sustainable growth Implications of macro-economic conditions on performance and stability Corporate governance and risk management practices Preservation of the brand 	<ul style="list-style-type: none"> A safe work environment Effective performance management schemes Job security and fair remuneration Opportunities for training and development Career progression
OUR RESPONSE	<ul style="list-style-type: none"> Customer value addition through Red Points customer loyalty program Focus on customer service center Hire purchase and easy payment programs Extended warranty scheme 	<ul style="list-style-type: none"> Maintained ongoing and transparent relationships with our shareholders Revised business strategy to focus on 4 key areas for business viability and operational turnaround Pursued established brand acquisition 	<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
STRENGTH OF RELATIONSHIP	<p>Strong</p> <p>Net promoter score: 86%</p>	<p>Good</p> <p>Total shareholder return: 7%</p>	<p>Strong</p> <p>1,381 employees with over 5 years of service</p>
ENGAGEMENT MECHANISM	<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)

Suppliers/Principals	Dealers/Distributors	Government/Regulators
<ul style="list-style-type: none"> ➤ Stable procurement ➤ Timely settlement of dues ➤ Opportunities for mutual growth ➤ Sharing market insights 	<ul style="list-style-type: none"> ➤ Sustained business success ➤ 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 in the country ➤ 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 ➤ Timely and accurate disclosures
<p>Good International brand partners: 56</p>	<p>Good Streamlining distribution channel to optimise resources</p>	<p>Good 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

The Group's performance was notably influenced by fluctuating external dynamics and the volatile economic conditions prevailing within the country. A comprehensive examination of the various socio-economic and environmental factors that significantly impact the Group's ability to create value is presented through the PESTEL analysis outlined below:

Technology



The evolution of technology has sparked transformative changes in the operational landscape of organisations, opening new avenues for growth and innovation. These advancements have revolutionised the way people function, facilitating greater efficiency, agility, and connectivity across various sectors.

Singer has played a pivotal role as a catalyst for change in the country, spearheading the adoption of new technologies and championing digital enablement initiatives.

- Strong global partnerships to import cutting-edge appliances and devices and facilitate the transition to a more convenient and modern lifestyle for consumers.
- Through the distribution of smartphones, laptops, and tablets, Singer empowers individuals to enhance their connectivity and actively participate in the digital economy.
- Singer is committed to driving reductions in customers' carbon footprint by offering a wide range of energy-efficient products.

Implications for Singer

- Leveraging emerging technologies to enhance decision-making and improve the customer experience.
- Enhancing flexibility and efficiency through the adoption of new technology.
- Identifying opportunities for cost rationalisation through automation.
- Revolutionising engagement with both internal and external customers.
- Capitalising on market opportunities to introduce the latest technological advancements through imported and manufactured product portfolio

Strategic response

- Maintain agile response to changing customer demand
- Drive efficiencies through digitalisation and automation
- Expand focus on increasing customer engagement through digital platforms

Political/Legal



Political Stability

Following the transition to a new government, the nation witnessed a period of political stability, facilitated by the implementation of decisive policy measures. Among these initiatives, the government enacted interest rate hikes, eliminated fuel subsidies, raised taxes, and restructured external debt, among other measures, to address prevailing economic challenges.

Taxation

To augment government revenue, a comprehensive tax reform package was introduced during the year. This encompasses the introduction of new taxes on previously tax-exempt items as well as the adjustment of tax rates from 15% to 18%

Implications for Singer

- ➔ Ease of disruptions to supply chain operations and normalisation of supply
- ➔ Slowdown in domestic demand due to impact on disposable income
- ➔ Implications of new taxation schemes adding further pressure on margins and disposable income

Strategic response

- ➔ Diversifying the product portfolio to offer different price points and cater to a wider range of customer preferences and budget constraints
- ➔ Prioritising liquidity through efficient cashflow management and optimising working capital

Environmental



Climate change

Climate change poses substantial challenges to global value chains, agricultural outputs, communities, and businesses, with far-reaching implications

- ➔ Governments worldwide enacting new regulations, policies, and taxes to mitigate the effects of climate change
- ➔ Growing concern among consumers and investors regarding organisations' environmental impact and commitment to sustainability
- ➔ Climate change presenting opportunities for innovation, prompting the development of new products and services that address environmental challenges

Greening the customer journey

Singer's strategic positioning enables it to initiate efforts to minimise the environmental footprint of its customers

- ➔ Implementing sustainable practices throughout the product lifecycle, from design to disposal
- ➔ Sourcing materials responsibly, minimising waste, and prioritising eco-friendly production methods
- ➔ Partnering with reputable suppliers who prioritise sustainability and innovation
- ➔ Manufacturing products locally, incorporating energy and water-efficient technology.

Implications for Singer

- ➔ Through targeted marketing campaigns and educational initiatives, Singer encourages customers to embrace sustainable living practices
- ➔ Developing robust strategies aimed at ensuring long-term resilience in the face of climate change

Strategic response

- ➔ Singer has adopted Hayleys' Lifecode framework with the objective of effectively managing socio-economic and environmental impacts
- ➔ Emphasis on life cycle management by focusing on managing the entire life cycle of sourced products, from procurement to disposal

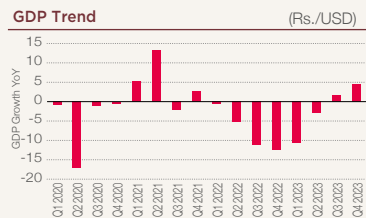
OPERATING LANDSCAPE

Economic



GDP Performance

In 2023, the Sri Lankan economy witnessed a gradual stabilisation, contracting by 2.3% (Y-O-Y) compared to the 7.8% contraction in the previous year. Notably, there was a 1.6% (Y-O-Y) expansion in the third quarter of 2023, marking the end of six consecutive quarters of economic contraction. This growth momentum is expected to continue, supported by monetary policies and positive investor and business sentiments, which are contributing to improved supply conditions. While disruptions in energy supply have ceased, the manufacturing sector has shown slower progress due to challenging macroeconomic conditions.



Import Restrictions

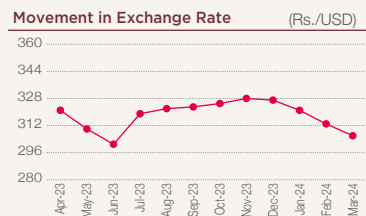
In October 2023, the government lifted the restrictions on imported goods, thereby opening avenues for global imports and aiding in price stabilisation.

Interest Rates

In response to evolving economic conditions both domestically and internationally, and with the aim of maintaining inflation at the targeted level of 5% in the medium term, the Central Bank of Sri Lanka (CBSL) implemented a series of gradual reductions in the Statutory Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR). Starting from 14.50% and 15.50% respectively in January 2023, these rates were lowered progressively to 9% and 10% by December 2023. The Monetary Policy Board stressed the importance of financial institutions promptly transmitting the full impact of these monetary easing measures to the market, thereby expediting interest rate reductions by December 2023. Additionally, the bank rate witnessed a gradual decline throughout the year, reaching 14.50% by the end of December 2023.

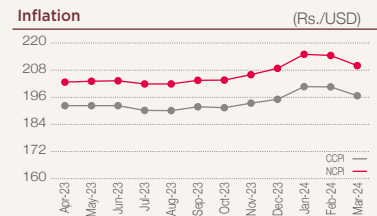
Exchange Rate

In 2023, there was a notable 5.8% decrease in the merchandise trade deficit compared to 2022. Additionally, the recovery in trade services, driven by tourism profits and robust momentum in workers' remittances, led to a surplus in the current account balance of the balance of payments for the same period. Further bolstering the country's external position, gross official reserves (GOR) increased to USD 4.4 Bn by the end of December 2023, largely attributed to financial assistance from the IMF, World Bank, and ADB. Concurrently, the Sri Lankan rupee appreciated by approximately 12% against the USD throughout 2023 and has sustained its appreciation into 2024.



Inflation

In January 2023, inflation significantly decreased from 69.8% (Y-O-Y) in September 2022 to 6.4%, driven by subdued demand and improved supply conditions. Although headline inflation accelerated in January 2024, largely due to domestic price adjustments stemming from Value Added Tax (VAT) changes, it is expected to gradually stabilise around the targeted level of 5% (Y-O-Y) with the implementation of appropriate policy measures.



Implications for Singer

- Gradual stabilisation of prices for imported products accompanied by a steady supply chain.
- Reduction in borrowing costs attributed to declining interest rates in the latter months of the year.
- Continued impact on consumer disposable income

Strategic response

- Implementing optimal pricing strategies to maintain margins while ensuring sustained demand.
- Prioritising operational excellence and continuous productivity enhancements.
- Rigorous negotiations with suppliers for competitive pricing

Social



Disposable Income

Although social unrest largely subsided with the restoration of the supply of essential items, persistent inflation and personal taxation exacerbated pressures on inequality, poverty, and food security.

Migration

The prolonged economic crisis in the country has led to a significant increase in migration, particularly among young professionals seeking job opportunities abroad. This brain drain is anticipated to have adverse effects on both the country and organisations in the short to medium term.

Implications for Singer

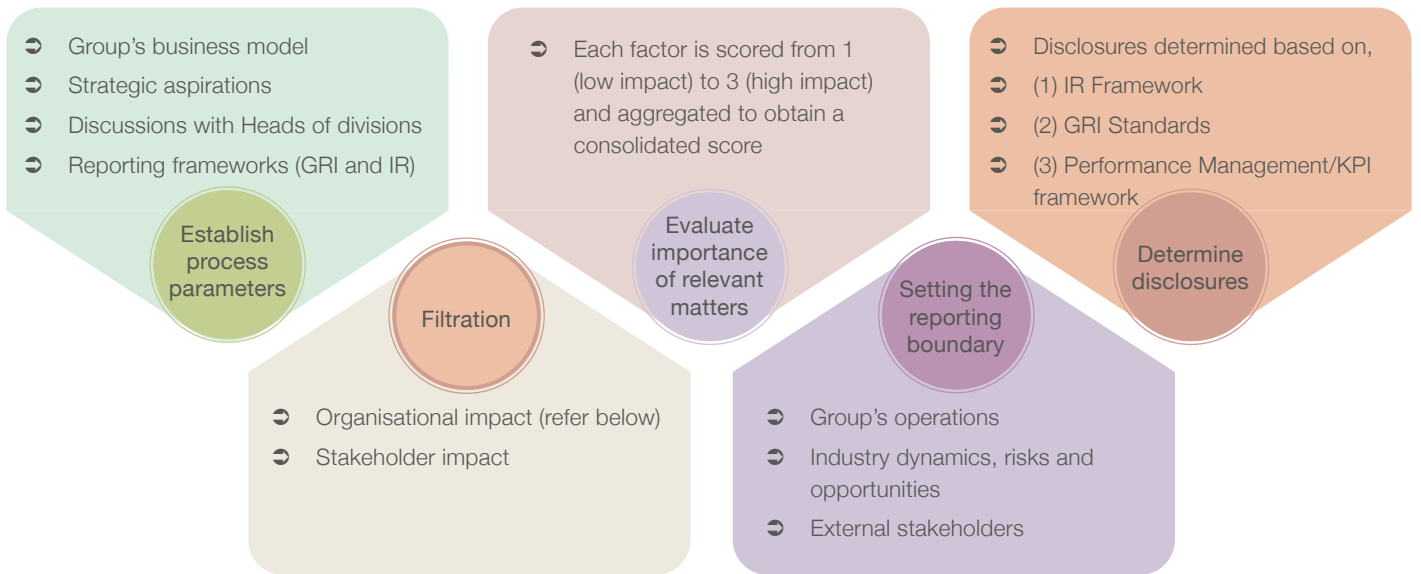
- Heightened price sensitivity among customers.
- Limited scope for raising product prices, affecting margins.
- Shift in consumer preferences towards lower-cost alternatives.
- Diminished concern towards branded products

Strategic Response

- Pursued growth through targeted marketing strategies.
- Introduced products across various price points to create a value-for-money portfolio.

DETERMINING MATERIALITY

The Group exercises a 7-part materiality test as outlined by the Hayleys Group to guide its materiality assessment process. Aligned with the definitions outlined in the <IR> Framework and the GRI Standards, this test identifies topics with potentially significant impacts on the Group's value creation across short, medium, and long-term horizons. Through this assessment, the Group evaluates potential organisational impacts using six filters and analyses their influence on stakeholder decisions. Moreover, the Group has expanded its list of material topics beyond those recommended by the GRI guidelines, encompassing the SASB standards and other aspects relevant to its value creation model and strategic objectives.



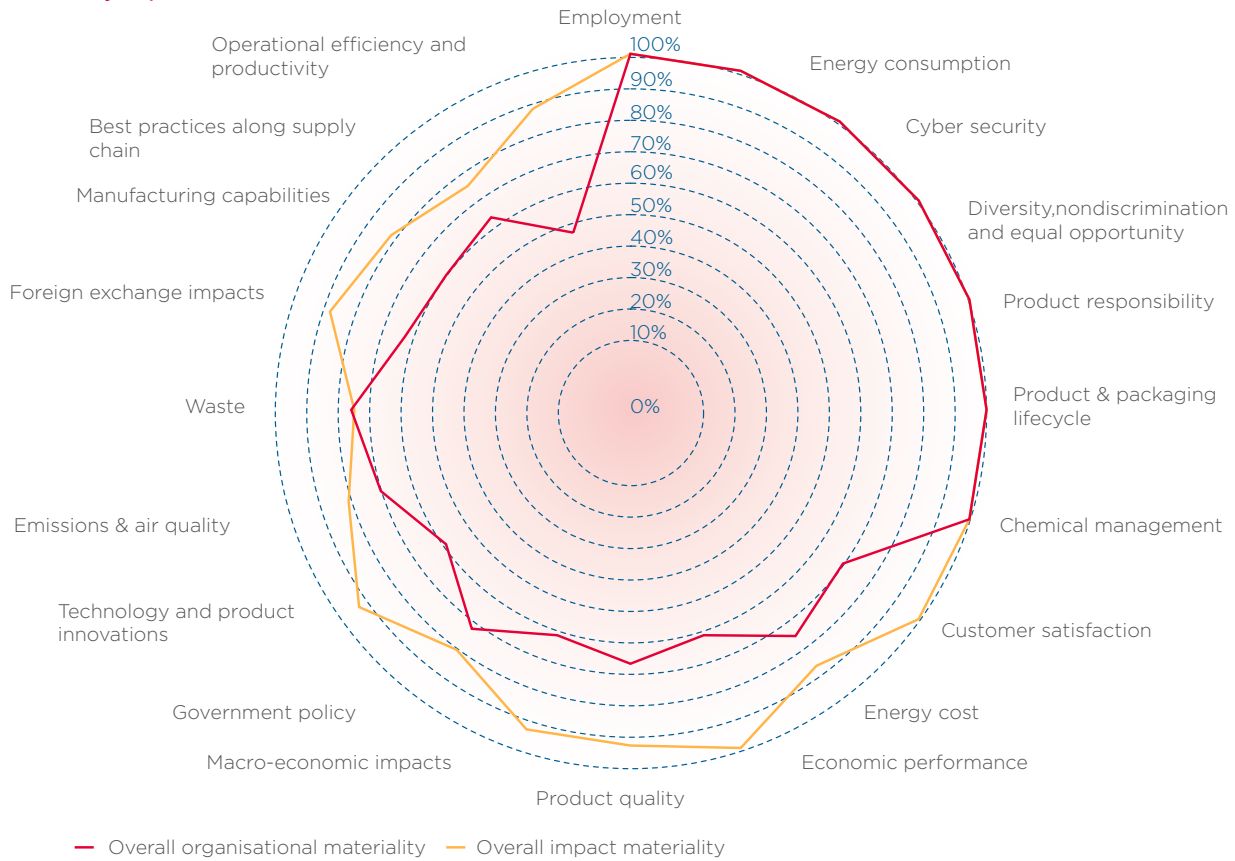
The following filters are used in determining the organisational and stakeholder impacts

- | Organisational impact | Stakeholder impact |
|---|---|
| <ul style="list-style-type: none"> Financial Impact Innovation Opportunity Reputation Externalities Strategic link Risk | <ul style="list-style-type: none"> Customers Employees Shareholders Suppliers Business partners Government Communities |
- 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

Material topics for 2023/24

The year witnessed notable changes in the operating environment, including significant macroeconomic pressures. Presented below is a table delineating the most material topics for the year, along with their corresponding GRI and SASB disclosures.

Materiality Map 2023/24



Material topic	Corresponding GRI topic	Topic boundary	Strategic response
Employment	GRI 401, GRI 402, GRI 403, GRI 404	The group's total operation is in Sri Lanka	Loved employer brand
Energy consumption	GRI 302	The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Cyber security	GRI 418	The group's total operation is in Sri Lanka	Unparalleled customer centricity
Diversity, non-discrimination and equal opportunity	GRI 405, GRI 406, GRI 407, GRI 408, GRI 409	The group's total operation is in Sri Lanka	Loved employer brand
Product responsibility	GRI 416, GRI 417	The group's total operation is in Sri Lanka	Unparalleled customer centricity
Product & packaging lifecycle	GRI 301, GRI 303	The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Chemical management		The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence

DETERMINING MATERIALITY

Material topic	Corresponding GRI topic	Topic boundary	Strategic response
Customer satisfaction	GRI 413	Relates to the Group's extensive customer base across all products/services	Unparalleled customer centricity
Energy cost		The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Economic performance	GRI 201, GRI 203, GRI 205, GRI 207	Extends beyond our operations to our supply/distribution chain and communities	Above industry growth and profitability
Product quality		The group's total operation is in Sri Lanka	Unparalleled customer centricity
Macro-economic impacts		The group's total operation is in Sri Lanka	Above industry growth and profitability
Government policy		The group's total operation is in Sri Lanka	Above industry growth and profitability
Technology and product innovations		The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Emissions & air quality	GRI 305	The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Waste	GRI 306	The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Foreign exchange impacts		The group's total operation is in Sri Lanka	Above industry growth and profitability
Manufacturing capabilities		The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence
Best practices along supply chain	GRI 204, GRI 414	Boundary extends to all international brands we represent in Sri Lanka	Manufacturing and supply chain excellence
Operational efficiency and productivity		The group's total operation is in Sri Lanka	Manufacturing and supply chain excellence

OUR STRATEGY

Singer's long-term strategy based on the Singer SMART plan followed a classical business model, focusing on expanding scale and presence through multiple brands and large retail outlets. However, faced with ongoing shocks amidst economic challenges, the Group shifted its approach to a renewal model. This prioritised short-term survival, emphasising economising, contracting, and enhancing viability through cost improvements and optimised cash flow generation. Following significant financial losses in the first half of the year, our strategy emphasised swift reaction, consolidation, and a renewed focus to transition to a four-pillar approach for immediate turnaround.



Following our projected month-on-month topline and profit expectations, the first half of the year saw significant challenges, marked by sizable losses. In the second half of the year, starting in October, a turnaround began as we observed the lifting of import bans and signs of economic stabilisation, coinciding with our strategic pivot. Anticipating this shift, we swiftly activated our operations to ensure the necessary items were procured to sustain our topline. This turnaround narrative continued over the last two quarters, where we successfully achieved planned topline and profit targets.

Progress against strategy in 2023/24

Prioritise revenue growth	Measuring progress				
<p>Developments and Highlights</p> <ul style="list-style-type: none"> ➔ Expand product portfolio through acquisition of established brands ➔ Improve availability through timely procurement to minimise loss of sales ➔ Enhance loyalty program to incentivise customer purchases ➔ Export to overseas markets ➔ Focus on improving in-store customer service and after-sales support ➔ Increase presence in the solar power segment in response to rising electricity tariffs ➔ Innovate to broaden product portfolio through local manufacturing 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #409080;">95%</p> <p>Customer satisfaction rate in after sales service</p> </td> <td style="text-align: center; padding: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #409080;">17%</p> <p>Increase in revenue/volume in solar panel sales</p> </td> </tr> <tr> <td style="text-align: center; padding: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #409080;">0.3 Mn</p> <p>New customer acquisition</p> </td> <td style="text-align: center; padding: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #409080;">86%</p> <p>Net promoter score</p> </td> </tr> </table>	<p style="font-size: 24px; font-weight: bold; color: #409080;">95%</p> <p>Customer satisfaction rate in after sales service</p>	<p style="font-size: 24px; font-weight: bold; color: #409080;">17%</p> <p>Increase in revenue/volume in solar panel sales</p>	<p style="font-size: 24px; font-weight: bold; color: #409080;">0.3 Mn</p> <p>New customer acquisition</p>	<p style="font-size: 24px; font-weight: bold; color: #409080;">86%</p> <p>Net promoter score</p>
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OUR STRATEGY

Realign focus on margin improvement

Developments and Highlights

- ➔ Enhance manufacturing efficiencies to minimise product wastage and improve margins
- ➔ Negotiate with suppliers for price reductions to maintain competitive pricing
- ➔ Decrease product discounts as supply increases
- ➔ Revise margins for Hire Purchases

Measuring progress

26%

GP margin

58%

Increase in hire purchase interest

Minimise period costs

Developments and Highlights

- ➔ Merge smaller companies and listed factories
- ➔ Re-structure divisions for improved efficiencies
- ➔ Centralise shared services, including procurement
- ➔ Implement rigorous expense control measures across departments to minimise non-essential payments
- ➔ Introduce energy-saving practices in the factory to reduce operational costs
- ➔ Implement automation and digitalisation of processes
- ➔ Introduce workflows to reduce staff costs and workload
- ➔ Negotiate with land lords for rental concessions in the first half of the year

Measuring progress

4.2 MnkWh

Reduction in electricity units

33

Unproductive branches closed

8+

No. of processes automated

Optimise finance costs

Developments and Highlights

- ➔ Enhance management of the working capital cycle
- ➔ Accelerate the clearance of aged inventory
- ➔ Reduce receivables from trade and institutional sales
- ➔ Negotiate favourable credit terms with suppliers

Measuring progress

52%

Reduction in aged inventory

71%

Increase in trade payables

1.14

Interest to expense ratio

2.5 Bn

Finance cost reduction

SUSTAINABILITY REPORTING AT SINGER

Our Approach to Sustainability

Singer Group's dedication to sustainability is outlined in 'Singer-Paramaarthayen Perata' (Progress through purpose), a comprehensive vision tailored to fit Singer's business model and operational context. This approach is aligned with the principles of the Hayleys Lifecode. Singer is committed to creating a socially and environmentally conscious culture, as evidenced by the integration of 'Sustainability' into the Group's Core Values. The sustainability framework comprises four pillars that include social and environmental targets in accordance with the aspirations of the Hayleys Group. These pillars also correlate with the United Nations Sustainable Development Goals (SDGs).

Emission management

Targets for 2030
Emission reduction: 25%
Lifecycle assessment for products



Energy and Water management

Targets for 2030
Energy reduction: 25%
Water reduction: 25%



Engaged, diverse and capable team

Targets for 2030
Female representation in executive and above: 25%



Community commitment through education, health and youth development

Targets for 2030
Enhance livelihoods through CSR projects



Sustainability Reporting at Singer

The Group has proactively enhanced its sustainability reporting practices aligning with global developments and best practices in corporate reporting. This is in line with the implementation of a customised Sustainability Reporting Information System, known as the CUBE. This system streamlines the collection and analysis of precise, up-to-date data, thereby offering enhanced insights for decision-making processes. The system includes multi-level user access, detection of data

anomalies, comparative analysis tools and customisable dashboards for monthly, quarterly, and annual reporting.

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. The Singer Group reports on three industry standards as outlined by the Sustainability Accounting Standards Board (SASB).

During the year, we implemented IFRS S1 and S2 standards voluntarily, we established a governance structure to manage ESG risks, opportunities, and other sustainability initiatives through a steering committee and working committee, which includes top management and senior managers.

The disclosures required under the SASB guidelines for Multiline and Specialty Retailers & Distributors (2023), Appliance Manufacturing (2023) and Consumer Finance (2023) are presented in the tables below:

SUSTAINABILITY REPORTING AT SINGER

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	38,100 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	79
	Number of data breaches	No.	No incidents occurred	79
	% involved personally identifiable information	%	N/A	
	Number of customers affected	No.	N/A	
Labour practices	(1)Average hourly wage	No.	229/- (Non-Executive)	58
	(2)% of in-store employees earning minimum wage by region	%	100%	
	(1)Voluntary turnover rate for in-store employees	%	23%	58
	(2)Involuntary turnover rate for in-store employees	%	N/A	
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Rs. Mn	N/A	58
Workforce diversity & inclusion	Percentage of gender and racial/ethnic group representation for	%	Male 86%/Female 14%	58
	(1) management	%	Male 79%/Female 21%	
	(2) all other employees			
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Rs. Mn	Nil	58
Product sourcing, packaging and marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Rs. Mn	2,847 (MEP labelled refrigerators)	80
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products		All locally manufactured refrigerators are equipped with the R600a refrigerant, an environmentally friendly refrigerant	80
	Discussion of strategies to reduce the environmental impact of packaging		In refrigerator and washing machine packaging, the Group has replaced Styrofoam packaging with paper pulp packaging for top and side panels	80

Appliance Manufacturing - Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting metric	Unit of measure	Disclosure	Page
Product safety	(1) No. of recalls issued	No.	No product recalls issued during the reporting period	64, 70
	(2) Total units recalled	No.	N/A	64, 70
	Discussion of process to identify and manage safety risks associated with the use of its products	N/A	Refer manufactured capital	64, 70
	Total monetary losses from legal proceedings due to product safety	Rs.	N/A	64, 70
Product lifecycle environmental impacts	Percentage of eligible products by revenue certified to an energy efficiency certification	%	4%	80
	Percentage of eligible products by revenue certified to an environmental product lifecycle standard	%	N/A	80
	Description of efforts to manage products' end-of-life impacts	n/a	Refer Natural Capital	80

Consumer Finance - Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting metric	Unit of measure	Disclosure
Customer privacy	Number of account holders whose information is used for secondary purposes	No.	N/A
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	LKR	N/A
Data security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	No. , %	There were no data breaches
	Card-related fraud losses from (1) card-not- present fraud and (2) card-present and other fraud	LKR	There were no data breaches
	Description of approach to identifying and addressing data security risks	n/a	Robust policies and standards are in place to identify data security risks
Selling practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	%	N/A
	Approval rate for (1) credit and (2) prepaid products for applicants	%	N/A
	(1) Average fees from add-on products, (2) average APR of credit products, (3) average age of credit products, (4) average number of credit accounts, and (5) average annual fees for pre-paid products	LKR, %, Months, No.	1. LKR 278,919,152/ 2. N/A/ 3. Consumer Finance : 19.67 Months/ 4. Consumer Finance : 17,271/5. N/A
	(1) Number of customer complaints filed, (2) percentage with monetary or nonmonetary relief	No., %	41 N/A
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	LKR	N/A

RISING STEADFAST

The Capitals Report

Financial Capital	46
Human Capital	58
Social and Relationship Capital	64
Manufactured Capital	70
Intellectual Capital	76
Natural Capital	80





FINANCIAL CAPITAL

IN THE COMING YEAR, OUR PRIMARY FOCUS WILL BE ON ENHANCING PERFORMANCE BY ACTIVELY PURSUING OPPORTUNITIES, WITH THE AIM OF RESTORING OUR TOP LINE AND DELIVERING RETURNS TO STAKEHOLDERS.



Revenue



Rs. 69.97 Bn

Operating Profit



Rs. 3.14 Bn

Total Equity



Rs. 12.44 Bn

Total Assets



Rs. 93.84 Bn

Highlights 2023/24

- Close engagement to instil confidence amid volatile operational period
- Focus on value driven outcomes and team-oriented performance
- Creating a growth mindset to promote resilience and adaptability

Basis of Preparation

The Financial Statements presented herein represent Consolidated Financial Statements of Singer (Sri Lanka) PLC for the year ended 31st March 2024. The consolidated statements include Financial Statements of Singer (Sri Lanka) PLC, Singer Finance (Lanka) PLC, Singer Industries (Ceylon) PLC (Up to 31st January 2024), Regnis (Lanka) PLC (Up to 31st January 2024), Singer Business School (Pvt) Ltd (Up to 1st January 2024), as well as fully owned subsidiaries Regnis Appliances (Pvt) Ltd and Reality Lanka Limited.

Overview

The Group's performance in 2023/24 must be analysed within the context of the prevailing operating environment and its correlation with the evolving economic conditions of the country. The weakened macroeconomic conditions presented significant challenges for businesses. For the Singer Group, these challenges were magnified by its reliance on imported goods, especially due to import restrictions affecting a substantial portion of its product portfolio. Additionally, the persistent sluggish market conditions were worsened due to the surge in inflation and high interest rates, leading to reduced disposable income and weakened consumer sentiment. As a result, these factors collectively contributed to significant financial losses during the first half of the year.

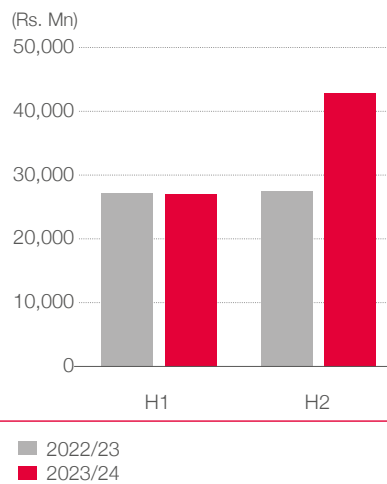
In the latter half of the year, our strategic pivot aimed at stabilising operations, combined with the lifting of import bans and signs of economic recovery, initiated a turnaround process. This narrative of turnaround continued throughout the last two quarters of the year, during which we achieved a resilient performance, as outlined in the following sections.



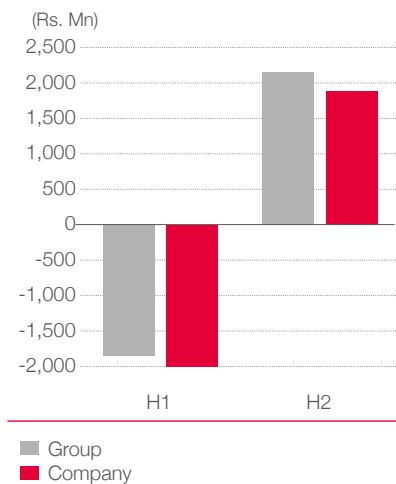
DESPITE EARLY CHALLENGES, WE ADOPTED TO SEIZE OPPORTUNITIES, LEADING TO A POSITIVE TURNAROUND IN THE LATTER HALF OF THE YEAR. OUR STRATEGIC PIVOT AND OPERATIONAL AGILITY ENSURED THE PROTECTION OF STAKEHOLDER INTERESTS, RESULTING IN A RESILIENT PERFORMANCE AMIDST A CHALLENGING ENVIRONMENT.



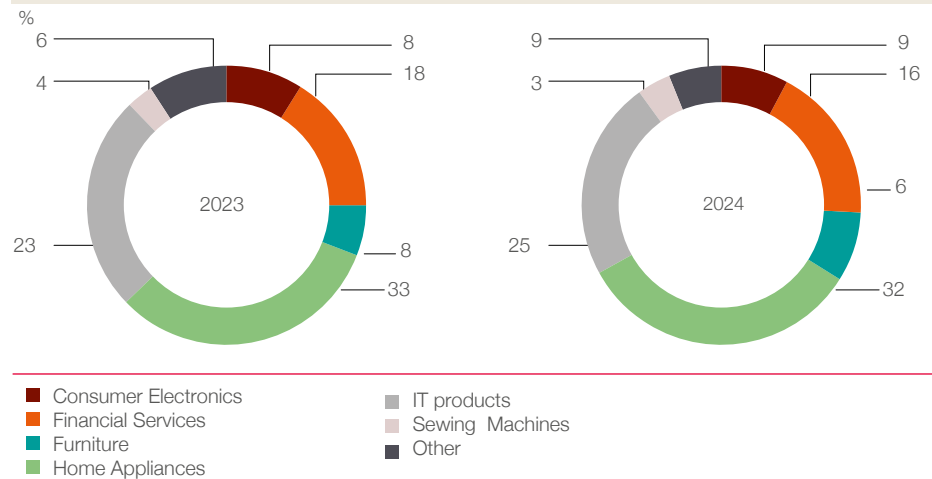
Revenue Analysis



Profit Before Tax Analysis



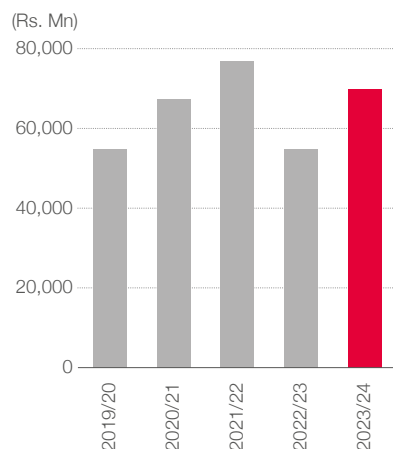
Segment Analysis



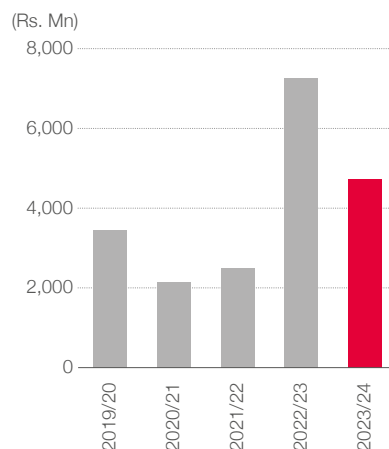
Income

Charges and Expenses

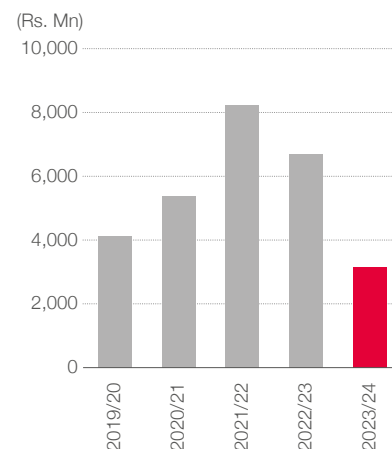
Revenue



Finance Cost



Operating Profit



Revenue

Due to category-wide import restrictions, consolidated revenue decreased by 1% to Rs. 27 Bn during the first two quarters of the year. However, in the second half of the year, revenue surged to Rs. 43 Bn, marking a remarkable turnaround. This resurgence can be attributed to several factors, including the relaxation of import restrictions in October 2023 and favourable macroeconomic conditions that stimulated consumption, leading to increased spending and economic growth. In anticipation of this shift, we promptly activated operations to ensure timely procurement, replenishing inventories and driving the topline forward. IT products, consumer electronics, financial services and home appliances categories achieved a revenue growth of 49%, 45%, 44% and 18% respectively, driven by pent-up demand. Singer Finance (Lanka) PLC contributed Rs. 6.6 Bn to the Group's top line, representing a 3% increase in revenue.

Impairment Costs

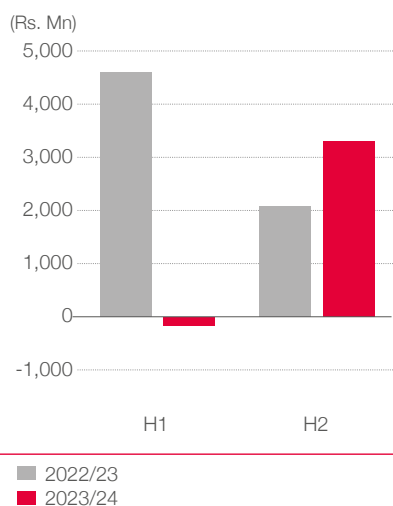
Increased credit sales led to an increased provision for bad debts, computed through the Expected Credit Loss (ECL) model. Following SLFRS 9 standards, the impairment model integrated the most recent macroeconomic forecasts, to ensure a more conservative and prudent bad debt provision. Consequently, the Group and Company's bad debt provisions rose by Rs. 482 Mn and Rs. 567 Mn, respectively, compared to the same period in the previous year.

Net Finance Cost

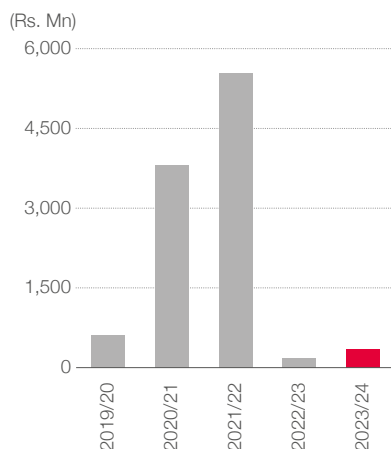
During the period under review, both Group and Company witnessed a decrease in finance costs on loans and borrowings by Rs 1,652 Mn and Rs 1,343 Mn, respectively. This decline was attributed to the lower interest rates that prevailed during the year. Group Finance Income increased by Rs. 229 Mn, whereas the Company Finance Income declined by Rs. 245 Mn. During the twelve months of FY 2023/24, the Group recorded an exchange gain of Rs. 964 Mn, whereas the Company recorded an exchange gain of Rs. 866 Mn. This marks a significant improvement from the exchange losses of Rs. 869 Mn and Rs. 513 Mn, respectively, during the twelve months of the financial year 2022/23.

Profits

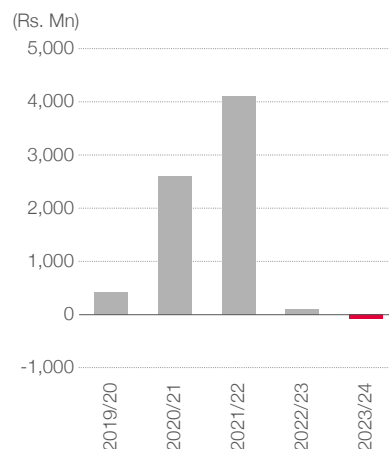
Operating Profit Analysis



Profit Before Tax



Profit After Tax



Gross Profit

Singer Sri Lanka encountered challenges stemming from substantial inventory purchased in 2023 amidst high exchange rates and soaring freight costs. To alleviate the pressure of high-cost inventory, Singer made a strategic move to lower prices and launch aggressive marketing campaigns aimed at clearing out slow-moving and aging stock. These efforts resulted in the Group's gross margin reducing from 34.5% to 25.6% and the Company's gross profit margin decreasing from 33.8% to 25.3%.

Operating Profit

The operating profit of Singer Company for the twelve months of FY 2023/24 experienced a decline from Rs. 6,273 Mn to Rs. 3,580 Mn. Similarly, the Group's operating profit decreased from Rs. 6,688 Mn to Rs. 3,137 Mn compared to the same period in the previous year. During the year the Company's selling and administrative expenses increased by 19% to Rs. 12,238 Mn, which included both the Group and the Company experiencing a rise in fixed overhead costs of Rs. 870 Mn and Rs. 640 Mn respectively. These escalations were primarily driven by increased fuel costs, increased electricity expenses resulting from multiple tariff revisions, higher IT annual license and maintenance fees, and increased shop repair expenses to maintain the showrooms.

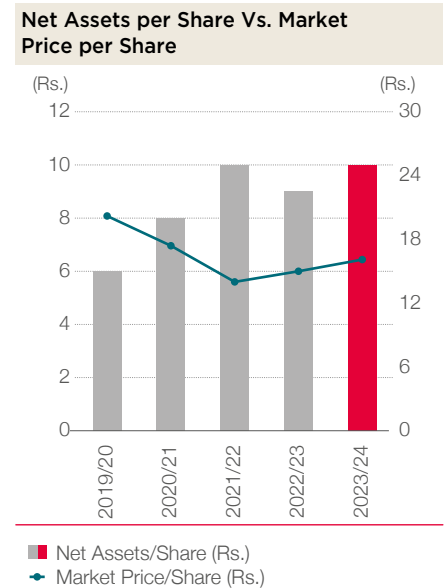
Profits

During the year, the Group's profit before tax increased by 95% to Rs. 339 Mn. The initial impact of high interest rates at the year's onset resulted in a negative profit before tax of Rs. 1,857 in the first half of the year. However, as the monetary policy eased to stimulate demand, interest rates gradually decreased, leading to a decline in finance costs and resulting in a profit before tax of Rs. 2,196 Mn during the latter half of the year. This stark contrast in performance between the two halves of the year ultimately resulted in Singer Group and Company managing to contain the losses recorded to profit after tax of Rs. 91 Mn and Rs. 298 Mn, respectively.

FINANCIAL CAPITAL

AS A LEADING DOMESTIC RETAILER, THE COMPANY NAVIGATES CHALLENGING MARKET CONDITIONS BY BALANCING PRICING, MARGINS, AND CUSTOMER AFFORDABILITY.

Assets | Liabilities

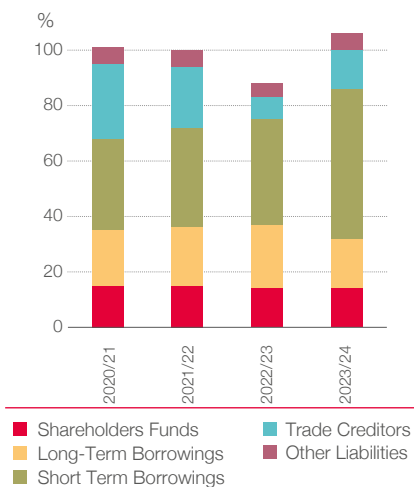


The Group's total assets grew by 19% to Rs. 93.8 Bn against 31st March 2023, whilst the Company's total assets grew by Rs. 14 Bn against 31st March 2023 driven by several factors. The upsurge in revenue resulted in the growth in hire purchases, trade debtors, and inventory. The amalgamation of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC's during the current financial year and the revaluation of land and buildings also played a significant role in increasing total assets. In terms of composition, the Group's and Company's total asset base consisted of 27% and 26% non-current assets and 73% and 74% current assets respectively.

The Group's and Company's total liabilities comprised 24% and 26% of long-term liabilities and 76% and 74% of current liabilities respectively. The increase in current liabilities of the Company from Rs. 24 Bn to Rs. 37 Bn was attributed to business growth and the addition of liabilities from Regnis (Lanka) PLC and Singer Industries Ceylon PLC. The total gross interest-bearing borrowings of the Company rose by 23% to Rs. 28.6 Bn from Rs. 23.3 Bn as of 31st March 2024, due to significant business expansion compared to the previous financial year. Total borrowings of the Group and the Company comprised 23% and 22% of long-term borrowings and 77% and 78% of short-term borrowings respectively.

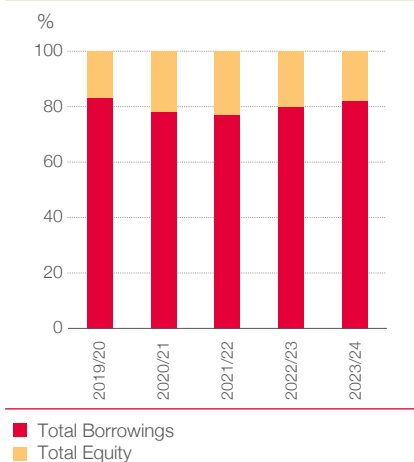
Equity

Financial Position Structure Liabilities



The total asset base of the Group was supported by 13% equity, reaching Rs. 12.4 Bn as of 31st March 2024, while the total asset base of the Company was supported by 14% equity reaching Rs. 8.3 Bn as of 31st March 2024, primarily due to the increase from the amalgamation of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC, along with the revaluation of land and buildings in the current financial year.

Capital Structure



Cashflow

During the first half of the year, the Group experienced a reduction in cash flow and liquidity, indicating a general downturn in operational activities. The Group's Net Operating Cash Flow showed an outflow of Rs. 6.3 Bn, primarily due to shifts in working capital. Additionally, Rs. 5.2 Bn from net proceeds from interest-bearing borrowings contributed to a net cash inflow of Rs. 6.4 Bn from financing activities. Overall, cash and cash equivalents saw a net outflow of Rs. 580 Mn during the year.

Investor Ratios

Financial Year	Earnings Per Share (Rs.)	Dividend Per Share (Rs)	Dividends Paid (Rs.Mn)	Return On Equity (Rs. Mn)
2019/20	0.25	0.08	94	5.11
2020/21	2.18	0.63	714	28.27
2021/22	3.51	1.1	1240	34.54
2022/23	0.01	0.2	225	0.75
2023/24	(0.14)	-	-	(0.74)

FINANCIAL CAPITAL

Business Line Review

Consumer Electronics

The Group is a leading supplier of consumer electronics in the Sri Lankan market, offering a diverse selection of white goods spanning various price points. Its expansive retail and wholesale networks enable wide-reaching customer engagement over various socio-economic segments.

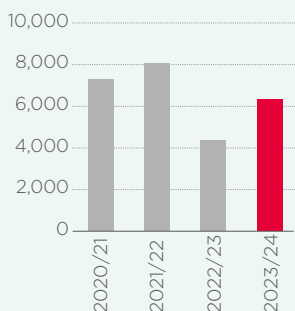


Overview

Sector Performance

Consumer Electronics

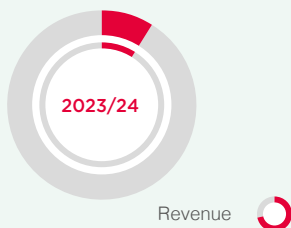
(Rs. Mn)







■ Revenue

Contribution to the Group

Consumer Electronics



Product Map

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

Operating Environment

During the first half of the fiscal year, imports remained temporarily suspended, exacerbating the challenges faced by the market. Escalating costs contributed to steep inflation in product prices, impacting their affordability for consumers. Additionally, the combination of tightened monetary and fiscal policies alongside increased taxation further reduced consumption and increased the strain on disposable income. These factors collectively posed significant hurdles for operations, necessitating adaptive strategies to navigate the unpredictable market landscape.

Performance in 2024

Import restrictions had the most detrimental effect on the consumer electronics industry, particularly in the television category, where larger screen TVs were unavailable for the first half of the year, leaving only 32-inch models accessible. This resulted in a 26% decline in revenue to Rs. 1,805 Mn in the first two quarters. However, with the easing of import restrictions from October 2023 onwards, efforts were made to introduce a wider range of electronics at competitive pricing, ultimately resulting in a revenue of Rs. 6,322 Mn for this category.

Segment Strategy

Initiatives were made to introduce new items to the electronics category, including the launch of the Singer Google TV. This innovative product seamlessly integrates the entire Google ecosystem, providing consumers with a more immersive entertainment experience. As trends move towards portable and compact audio systems, Singer has introduced its own range of portable speakers, alongside brands such as Sony and Panasonic, in offering standalone portable audio systems. Interactive flat panels were specifically aimed at schools and educational institutions to enhance the learning experience of students in classrooms, owing to their versatile functionalities.

Way Forward

The relaxation of import restrictions and the strengthening of the rupee have enabled us to start offering products in the consumer electronics segment at competitive prices. Upon the stabilisation of availability and affordability in this segment, we anticipate a renewed surge in demand for these product categories.

Home Appliances

Despite challenging market conditions, Singer persevered in maintaining its dominant market position within the home appliances category. This achievement was largely attributed to its local manufacturing capabilities and strategic marketing initiatives.

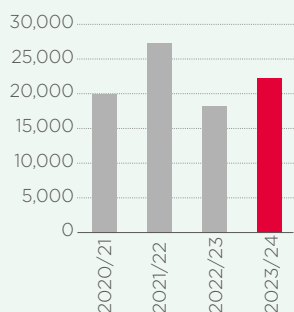


Overview

Sector Performance

Home Appliances

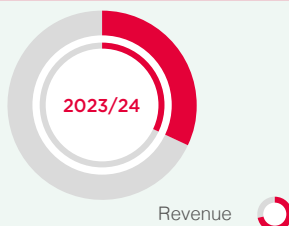
(Rs. Mn)








■ Revenue

Contribution to the Group

Home Appliances



Product Map

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

Operating Environment

Import restrictions had a significant impact on the home appliances segment, particularly due to the reliance on imported refrigerators, washing machines, and air conditioners. Although we successfully drove sales in refrigerators and washing machines by promoting locally manufactured products, the slowdown in economic activity and inflationary pressures negatively affected consumer demand and sentiment.

Performance in 2024

The sales performance in this segment was significantly affected by the operating environment, resulting in a 9% decrease in revenue, totalling to Rs. 1,624 Mn in revenue during the year. However, the Group remained resilient, ensuring a consistent supply of refrigerators, and washing machines through its local manufacturing capabilities. The Group's household brands, such as Singer and Sisil, continued to dominate the market, holding a substantial share in the refrigerator segment.

Segment Strategy

In the refrigerator segment, our focus was directed towards promoting inverter models, particularly in light of the increasing electricity costs. We encouraged consumers to transition to low-cost digital inverters for improved energy efficiency. The washing machine category focused on attracting new customers by educating them on the ease and time-saving benefits of washing machines and encouraging existing customers to upgrade from semi-automatic to fully automated washing machines. These objectives were pursued through door-to-door campaigns, press advertisements, and targeted social media efforts. After import restrictions on air conditioners were eased, we negotiated favourable pricing with our suppliers. This allowed us to position Singer's air conditioners as the most competitive in the market, resulting in significant incremental sales in the final quarter.

Way Forward

We remain committed to prioritising domestic manufacturing of refrigerators and washing machines and have partnered with the Sri Lanka Sustainable Energy Authority to identify less energy-efficient refrigerators in households and replace them with more energy-efficient models. In the home appliances segment, our primary objective is to create growth in categories with substantial potential and pent-up demand, addressing market gaps and consumer needs.

FINANCIAL CAPITAL

Business Line Review

Furniture

The Group contributes significantly to the local economy by manufacturing a wide range of home furnishings at two production facilities. With sales surpassing Rs. 3.9 Bn in the current year, the Group remains committed to expanding its production capacity within this market.

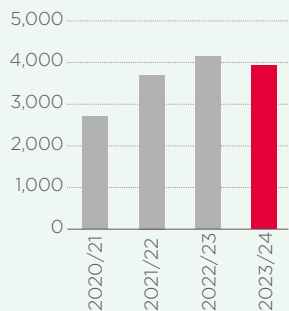


Overview

Sector Performance

Furniture

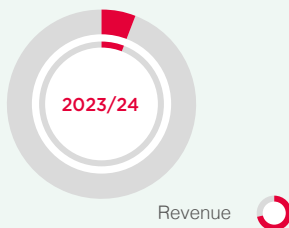
(Rs. Mn)



■ Revenue

Contribution to the Group

Furniture



Product Map



▶ Solid furniture



▶ Modular furniture



▶ Signature kitchens

Growth and Profitability

Given import restrictions hindering the supply of other product segments, the Group placed special emphasis on the furniture category as we could maintain supply through our local manufacturing plants. To enhance the shopping experience for our customers, we have opened a new Digital Experience Store at Havelock City Mall during the year. Additionally, we have expanded our operations into furniture exports by supplying furniture to the Maldives market.

Product Range

We offer a three-tiered approach to our furniture solutions. At the top tier, we provide Signature custom made pantry and kitchen solutions, as well as wardrobe solutions tailored to individual needs. In the middle tier, we offer Signature premium furniture, including sofas, dining sets, wardrobes, beds, console tables, standalone seating units, and office furniture. In the third tier, we provide modular-based furniture and steel and plastic furniture options to cater to diverse preferences and budgets.

Innovation and New Product Development

We have consistently leveraged innovative technology, high-quality materials, and appealing aesthetics to meet the evolving demands of the Sri Lankan market. As customers seek more technologically advanced, user-friendly, and eco-friendly products, we remain committed to diversifying our portfolio through timely and innovative new offerings. With the demand growth in apartments and new hotels, we capitalised on these opportunities by catering to the high-end market through a revamped range of Singer premium furniture.

Way Forward

We hold a positive outlook regarding the growth prospects of Sri Lanka's furniture industry and are keen on expanding our product range and capacity in the medium to long term. With restrictions in place on furniture imports, there is substantial potential for local manufacturers, and we are determined to capitalise on this opportunity while also exploring avenues in the export market.

Digital Products

Singer is a leading provider of computers and mobile phones in Sri Lanka, offering a range of globally recognised brands including Dell, Asus, and Honor. The segment operates through various distribution channels catering to both retail and commercial markets, facilitating the expansion of its consumer base.

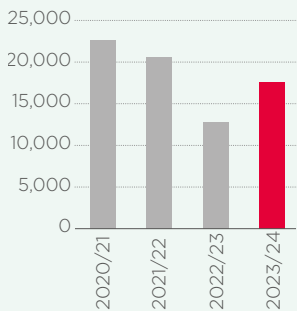


Overview

Sector Performance

Digital Products

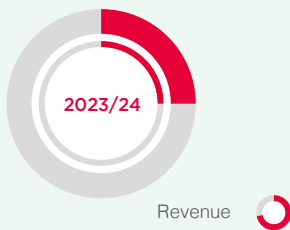
(Rs. Mn)



■ Revenue

Contribution to the Group

Digital Products



Product Map

- ▶ Computers
- ▶ Mobile phones
- ▶ Head phones
- ▶ Security surveillance

Computers

In the computers category, there has been a surge in grey market products, especially as product prices escalated. To counter this, we shifted our focus to targeting professionals and students by securing new models and offering competitive prices. Additionally, we segmented our offerings to meet specific requirements, with high-performance brands such as Acer and Dell tailored for graphic designers and gamers, while MSI catered to those seeking even greater performance capabilities.

Mobile Phones

In the mobile phone category, Singer remains the market leader, maintaining its momentum despite global challenges faced by brands such as Huawei. To address this, we introduced Honor as a key brand, alongside ZTE, for which we hold exclusive distributorships. This strategic move has enabled us to reaffirm our market leadership position, with Honor occupying the mid-tier segment, and complementing Samsung's dominance in both the high-end and mid-tier markets.

Security Surveillance Systems

The CCTV and security systems category holds significant potential, with Dahua serving as our flagship brand, facilitating our penetration into this market. Our primary objective is to establish ourselves as comprehensive security system providers for both households and offices. We offer an extensive range of cameras and recording devices to meet diverse needs. In the past year, we intensified our focus on households and businesses, conducting television campaigns to raise awareness about the benefits of installing security systems.

Way Forward

Given the appreciation of the rupee and the easing of import regulations, we anticipate sustained growth in demand for this segment. However, the industry remains challenged by the resurgence of the grey market, necessitating continuous lobbying efforts to curb this threat. We aim to continue strengthening our partnerships with renowned brands to expand our product portfolio with the latest technology.

FINANCIAL CAPITAL

Business Line Review

Sewing Machines

Being a pioneer in the sewing industry, Singer commands a dominant position in the sewing machine market, boasting an estimated 70% market share.

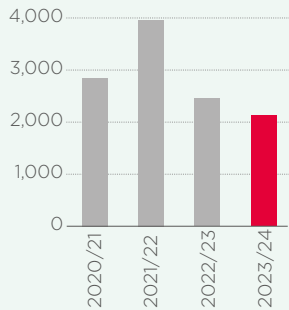


Overview

Sector Performance

Sewing Machines

(Rs. .Mn)



■ Revenue

Contribution to the Group

Sewing Machines



Product Map

-  ▶ Domestic sewing machines
-  ▶ Industrial sewing machines
-  ▶ General merchandise

Operating Environment

The challenging market conditions, attributed to inflationary pressures and negative consumer sentiments, led to a 13% decline in revenue for domestic sewing machines compared to the previous financial year. Additionally, the industrial sewing machine segment, which primarily serves B2B customers in the apparel sector, experienced a downturn due to global challenges. To mitigate this, efforts were made to secure overseas contracts for their overseas businesses.

Marketing Strategy

In recent years, the growing preference for ready-made garments has resulted in a gradual decline in demand for traditional sewing machines. As sewing becomes less of a household necessity, we recognised the need to educate consumers and reignite interest in sewing. Our efforts included extensive education initiatives to simplify sewing and promote it as both a hobby and a business opportunity. We utilised platforms such as the Fashion Academy to showcase sewing as a viable business venture. Additionally, we provided tutorials through do-it-yourself videos, making sewing trendy and appealing to the younger generation. By encouraging individuals to express their creativity and identity through custom designs and clothing, we aimed to stimulate demand for domestic sewing machines.

Singer Fashion Academy

With over 60 years of industry experience, the Singer Fashion Academy has created numerous entrepreneurs in sewing and fashion design. It is the only institution in the country to receive course validation status from the Chartered Society of Designers (CSD) in the United Kingdom. Recognising the evolving market trends and the demand for specialised knowledge, the Singer Fashion Academy has collaborated with Lovely Professional University to offer students the chance to pursue a degree in the field.

Way Forward

The sewing machines segment remains committed to improving its value proposition and expanding its market share, particularly in the portable machines segment, where significant growth opportunities exist.

Financial Services

Singer Finance (Lanka) PLC, a subsidiary of Singer, offers leasing, hire purchase, and loan facilities. As a licensed and regulated finance and leasing institution under the Central Bank of Sri Lanka, it provides services through a network of 52 branches spanning the island.

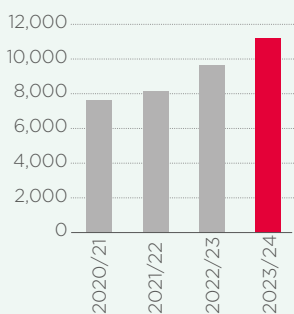


Overview

Sector Performance

Financial Services

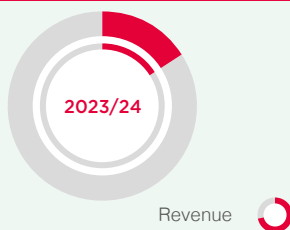
(Rs .Mn)



■ Revenue

Contribution to the Group

Financial Services



Product Map

- ▶ Leasing
- ▶ Hire purchase
- ▶ Loans

Growth and Profitability

With interest rates being significantly elevated at the year's outset, deposits were accepted at rates exceeding 20%. However, interest rates underwent a considerable reduction, presenting a challenge in meeting market expectations of decreased lending rates following this decline. Despite maintaining profitability throughout the year, the latter half the year experienced a performance dip due to the diminished net interest margin, resulting in a profit.

Portfolio Shifts

In the fiscal year 2023/24, Singer Finance saw a commendable top-line growth of 7.4%, bringing in Rs. 8.0 Bn, driven by an expanding portfolio. The Company also achieved a significant reversal of impairment charges, with a write-back of Rs. 127 Mn compared to Rs. 44 Mn the previous year. This financial manoeuvre, along with other strategic efforts, resulted in a Profit After Tax of Rs. 404 Mn, slightly under the previous year's figure, showcasing the Company's ability to maintain stability amid economic challenges.

Customer Centric Innovation

Singer Finance distinguishes itself through its commitment to innovative customer-centric initiatives. By investing in marketing and sales personnel, the company has fostered close relationships with customers. Initiatives such as the QR-based mobile money collection services are aimed at making savings more accessible and convenient for SMEs. This dedication to understanding customer lifestyles and needs has resulted in the development of innovative solutions that actively support the growth of SMEs in the country.

Way Forward

As fixed deposits are repriced at market rates, a correction in net margin is anticipated, contributing towards improved performance for Singer Finance in 2024/25. This performance is closely linked to macroeconomic factors. While easing inflation and interest-rate pressure are expected to create more stable conditions for the segment's performance, higher taxes are expected to impact household finances, potentially hindering economic growth. However, an uptick in economic activity driven by a recovery in GDP growth is anticipated. In light of these factors, we remain committed to preserving portfolio quality through continuous customer engagement and proactive monitoring practices.



HUMAN CAPITAL

THE VALUES INSTILLED IN SINGER EMPLOYEES OVER THE PAST TWO YEARS HAVE SERVED AS THE CORNERSTONE OF OUR ORGANISATIONAL CULTURE.



Investment in training



Rs. 28.8 Mn

Promotions during the year



393

Female representation



20%

Employees below the age of 40



66%

Highlights 2023/24

- ➔ Close engagement to instil confidence amid volatile operational period
- ➔ Focus on value driven outcomes and team-oriented performance
- ➔ Creating a growth mindset to promote resilience and adaptability

Management Approach

The Singer Group has established itself as a preferred employer in Sri Lanka, due to the acclaim it has garnered for its employer brand and the unique value propositions it extends to employees. With competitive compensation packages, extensive benefits, and a nurturing work environment, the Singer Group effectively attracts and retains exceptional talent, establishing itself as a preferred employer in the region. The Group's comprehensive HR policy framework was developed in alignment with industry best practices in human resource management, and relevant labour laws and regulations. These policies undergo periodic review by the Board and are updated every three years to ensure continued relevance and compliance. The Code of Conduct outlines Singer's expectations regarding the professional and ethical conduct of its employees. There were no modifications to these policies during the year.

Key HR Policies

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

Team Profile

Singer employees are drawn from a diverse range of backgrounds and cultures, each contributing their own distinctive insights, perspectives, and experiences to the organisation. All employees are engaged on a full-time basis, with 92% of them holding permanent positions within the company. Over 45% employees have dedicated at least five years of service to the Group, reflecting a strong sense of loyalty and commitment. 66% of our workforce is under the age of 40, underscoring our dedication to creating a well-rounded and future-ready team. The Group emphasises local community recruitment to actively promote economic

Singer employees, drawn from diverse backgrounds, contribute distinctive insights, with most holding permanent positions and many showing long-term loyalty; the workforce is young and future-ready.

empowerment within these regions. Currently, 44% of our workforce is recruited from areas outside the Western Province, contributing to the economic growth of these communities.

Total Employees by Gender and Region

Province	Male	Female
Central	249	55
Eastern	80	9
North Central	114	15
North Western	158	26
Northern	84	26
Sabaragamuwa	123	23
Southern	247	39
Uva	98	21
Western	1,320	415
Grand Total	2,473	629

Employees by type of Contract, Gender and Region

Region	Permanent		Contract	
	Male	Female	Male	Female
Central	233	51	16	4
Eastern	72	7	8	2
North Central	106	12	8	3
North Western	150	23	8	3
Northern	76	17	8	9
Sabaragamuwa	120	22	3	1
Southern	234	35	13	4
Uva	90	19	8	2
Western	1,240	362	80	53
Grand Total	2321	548	152	81

Movements in Team Profile

Recruitment:

While recruitment during the year was increased, the Group filled vacant positions by hiring 760 employees externally, while 393 employees were internally promoted to facilitate career progression. Recruitment processes adhere strictly to formal and transparent procedures outlined in our recruitment policy. We strive to attract top talent in the market by offering a comprehensive employee value proposition. The Group recruited 235 female employees during the year and achieved a retention rate of 79% for the year. As part of our onboarding process, all new recruits participate in an induction program designed to familiarise them with their job responsibilities, as well as the company's policies and procedures.

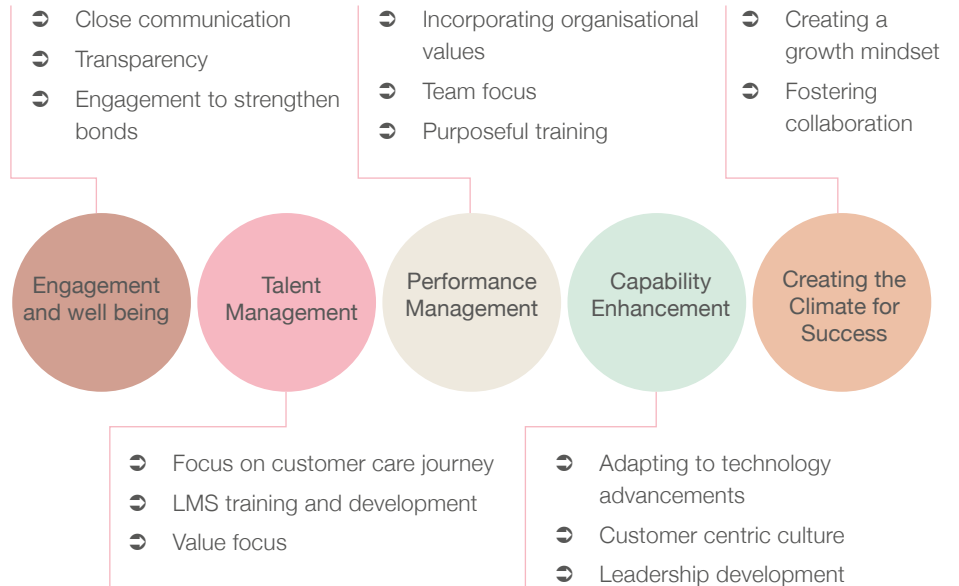
Talent Retention:

During the year, attrition was significant, primarily due to employee migration, leading to a considerable depletion of talent. However, it is noteworthy that a number of individuals re-joined the company during this period. To address the gaps created by attrition, we strengthened key positions and recruited externally to fill vacancies. Singer's reputation and compelling value proposition significantly contributed to our ability to attract fresh talent to the organisation.

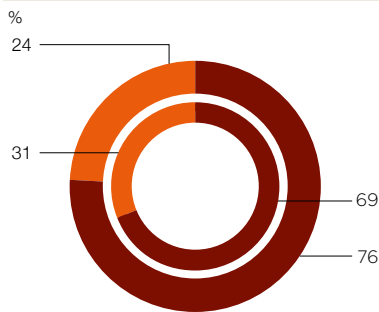
HUMAN CAPITAL



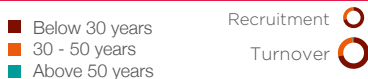
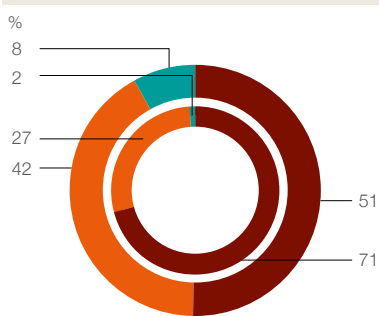
HR strategy for 2023/24



Recruitment and Turnover by Gender



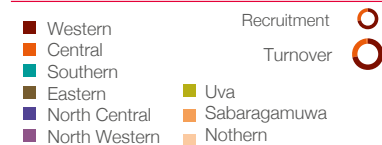
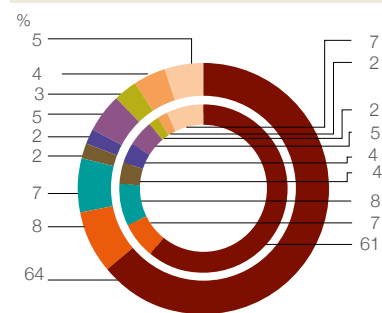
Recruitment and Turnover by Age



Employee Health and Safety

The Group's comprehensive Occupational Health & Safety Policy guides its Health and Safety Framework ensuring compliance with all legal regulations. This policy articulates the company's dedication to providing a safe working environment for all employees and establishes the procedures and protocols necessary for its maintenance. Health and safety initiatives are led by the central H&S Committee and factory H&S Committees, which convene regularly to assess workplace hazards and risks and implement prevention measures. Additionally, systematic internal audits are conducted to evaluate the health and safety management system and enhance internal processes.

Recruitment and Turnover by Region



Health and Safety trainings



First aid training participants **285**

Emergency response training participants **135**

Health and safety related benefits provided to employees include:

- Accident cover provided for field-based employees encountering accidents at the workplace or during official travel.
- Flexible medical scheme offers coverage for OPD, hospitalisation and surgery cost for employees and immediate family members
- Annual Health Camp organised to administer basic health tests.
- Implementation of wellness programs aimed at promoting employee well-being and health.

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

There have been no reported Work related ill Health

27 Occupational injuries

27 Total No. of man days lost due to occupational injuries

There have been no reported first-aid accidents

Employee Engagement and well-being

Throughout the year, a significant level of engagement was sustained, serving to inspire and reassure our employees amidst the uncertain operating environment. Regular meetings for executive-level staff and frequent discussions at the factory level were organised, providing platforms for open dialogue on employee concerns. Each divisional manager made it a priority to cultivate a collaborative and growth-oriented mindset among their teams, emphasising effective communication, transparency, and active engagement.

Well-being initiatives:

The Singer Wellbeing program consisted of four pillars: physical well-being, mental wellbeing, financial well-being, and social wellbeing programs conducted throughout the year

Employee engagement initiatives

- The Eco-Décor event is organised to emphasise the importance of sustainability, foster collaboration for success, and encourage employee volunteerism.
- Selfy Radio to keep employees engaged and reduce work-related stress.

Industrial Relations

The Group has established a structured process for proactive engagement with trade union representatives, aiming to create a fair and equitable workplace where employees are treated with respect and dignity. Approximately 25% of the Group's employees are covered by Collective Agreements, ensuring that operational changes adhere to a minimum notice period as stipulated in these agreements. During the year, we engaged in discussions with our employees concerning the prevailing operational conditions and the constraints related to providing certain benefits. The relationships we have

cultivated with our employees have been instrumental in successfully navigating challenges together. During the year under review, there were no industrial disputes or material issues involving the right to freedom of association and collective bargaining.

Creating the climate for success

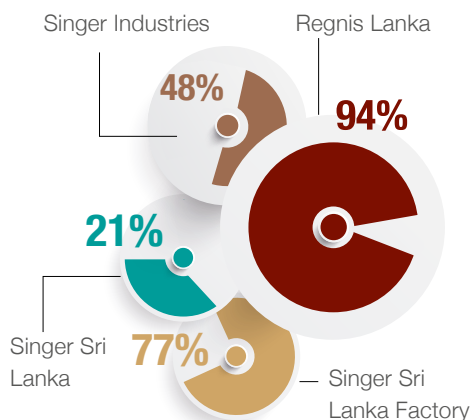
In response to the prevailing market conditions, we revisited our SMART plan and implemented proactive measures to address the challenges encountered during the year. The values instilled in Singer employees over the past two years have served as the cornerstone of our organisational culture. Despite challenging circumstances, our employees remained unwavering in their commitment to upholding these core values. The challenges were particularly felt by individuals directly involved in our operations, including branch managers and their staff, whose livelihoods are intricately linked to sales performance. Despite these difficulties, our collective determination to persevere and maintain a growth mindset prevailed.

Talent Development

The Group's talent development strategy emphasises structured training initiatives utilising both internal and external resources to facilitate personal and professional growth. Through performance evaluations, competency gaps are identified, and tailored training programs are designed to address these areas of improvement. During the year, we conducted training sessions and workshops to educate employees on the importance of company values and their contribution to overall success.

One of the key initiatives in talent development is the Singer Retail Academy (SRA), which conducts an ongoing program designed to train Singer sales employees. This accreditation program, developed in collaboration with SLIM, includes a comprehensive curriculum covering various subjects such as leadership competency, branch manager development, and executive coaching for managers.

Employment covered by collective bargaining agreements



HUMAN CAPITAL



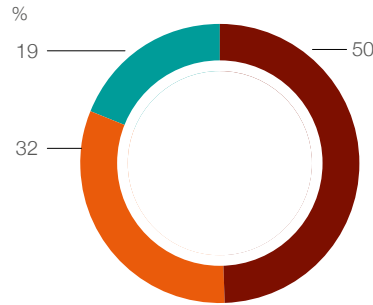
48,490
Total Training Hours

Rs. 28.81 Mn
Total investment in training

9,866
No of participants received training

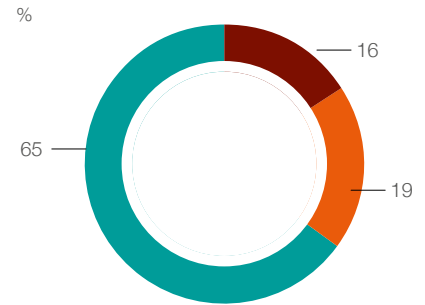
15.63
Average training hours per employee

Average Training Hours By Category



- Managerial
- Executives and Junior Executives
- All Others

Employee Promotion



- Managerial
- Executives and Junior Executives
- All Others

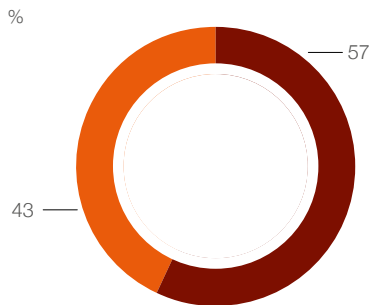
Performance Management

In our performance management system, we have incorporated our organisational values as an integral component. Senior management is evaluated not only on what they achieve in terms of Key Performance Indicators (KPIs) but also on how they accomplish their objectives. This involves demonstrating our core values and employees are encouraged to showcase how they exemplify these values to their supervisors. Performance appraisals are conducted annually for 100% of employees with feedback provided to recognise and motivate employees while identifying areas for improvement.

Rewards and Remuneration

The Group upholds a transparent and fair remuneration system, benchmarked against industry standards and current market rates. Our compensation and reward structures are designed to create a performance-driven culture and retain top-performing individuals. We ensure that gender does not influence compensation decisions, with men and women receiving equal basic salaries. Despite the challenging operating conditions, all employees received full remuneration, emphasising our dedication to creating shared value for our workforce.

Average Training Hours By Gender






- Female
- Male

Key training programs conducted during the year listed below:

- Product training conference across the country
- Speech craft with toastmasters to DCO and DM's
- SOP for Service Centre customer experience
- People Leader development program/ middle manager development
- Developing customer experience at each point of contact
- New managers program
- Call Centre OBT
- Sales staff development

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 	 <ul style="list-style-type: none"> ➤ Staff discounts and easy payment schemes for Singer products ➤ Distress loans for emergencies ➤ Low interest loans for vehicle purchases ➤ Financial assistance for funerals

Diversity and Inclusion

Singer acknowledges the importance of cultivating an inclusive environment that gives opportunities to individuals from diverse backgrounds, enabling them to contribute their unique perspectives and ideas. Our HR policies are designed to attract and retain a diverse talent pool, while also nurturing a culture of respect, understanding, and acceptance, irrespective of gender, ethnicity, or religion. Employees are encouraged to report any instances of discrimination, and no such incidents were reported during the year.

Singer promotes the financial empowerment of women through its franchise branch model, which is established across the island. This model encourages women

to venture into entrepreneurship by establishing their own businesses. They are entrusted with responsibilities such as recruiting branch employees and overseeing daily operations. The Group provides crucial support in terms of technical assistance, product knowledge, and training to ensure their success. Presently, 38 female branch managers are leading by example within this framework, contributing significantly to the socio-economic development of these women.

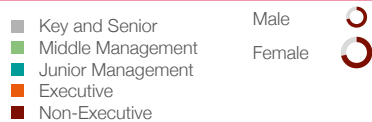
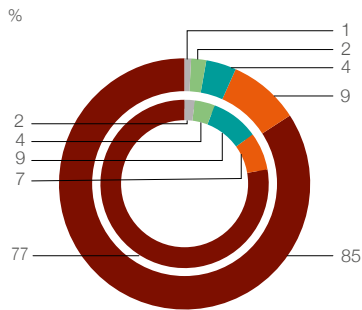
There is no gender-based discrimination in the determination of employee salaries at any job level, including entry-level positions.

Parental Leave in 2023/24	Male	Female
Employees entitled to parental leave	nil	629
Employees on parental leave	nil	16
Employees who returned after parental leave	nil	13
Employees still in employment 12 months after returning from parental leave	nil	11

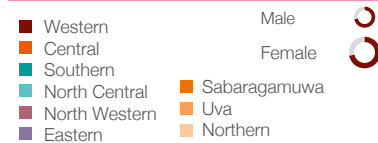
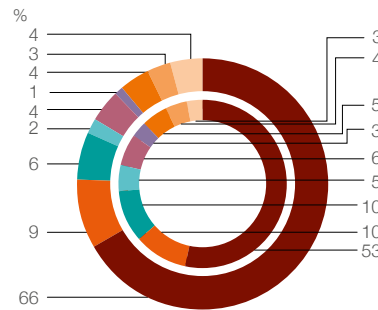
Employees by Age and Category

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%	0.19%	0.00%	0.55%	0.06%	0.87%	0.10%
Middle Management	0.00%	0.00%	0.97%	0.26%	1.61%	0.00%	0.81%	0.06%
Junior Management	1.03%	0.10%	3.51%	0.39%	2.32%	0.19%	0.29%	0.16%
Executive	0.84%	0.35%	3.35%	0.90%	1.45%	0.39%	0.32%	0.13%
Non-Executive	16.73%	9.35%	21.86%	5.77%	14.96%	1.16%	8.06%	0.90%
Total	19%	10%	30%	7%	21%	2%	10%	1%

Employees by Category and Gender



Employees by Region and Gender



Way Forward

- Talent retention by prioritising employee engagement initiatives and investing in capability building programs
- Embrace technology, including artificial intelligence (AI), to optimise job performance and enhance productivity across all levels of the organisation.
- Identifying and nurturing the competencies required to effectively leverage AI and other emerging technologies



SOCIAL AND RELATIONSHIP CAPITAL



SINGER HAS PLAYED A PIVOTAL ROLE IN TRANSFORMING AND ENHANCING THE LIVES OF SRI LANKANS BY PROVIDING ACCESS TO MODERN AND CONVENIENT LIFESTYLES.



Net Promoter Score



86%

International Brand Partners



56

Local Procurement



45%

Total Number of Suppliers



819

Highlights 2023/24

- ➔ 17% growth in Red Loyalty redemption points
- ➔ Revamping of the Customer Contact Centre
- ➔ Focus on below the line marketing activities

Customers

Singer holds the undisputed leadership position in Sri Lanka's consumer durables market, with an extensive portfolio that includes over 600 electronic items, 1200 household appliances, and 56 international brands, supported by a 147-year legacy. With a vast consumer base spanning nine different regions, Singer stands as one of Sri Lanka's most patronised companies, serving over 6 Mn customers. During the first half of the year, we encountered challenges stemming from import restrictions, resulting in many of our newer brands being unavailable in our portfolio. However, with the easing of import restrictions, we seized the opportunity to introduce both new and established global brands at competitive prices, thereby reaffirming the Group's commitment to our customer value proposition.

Customer Reach

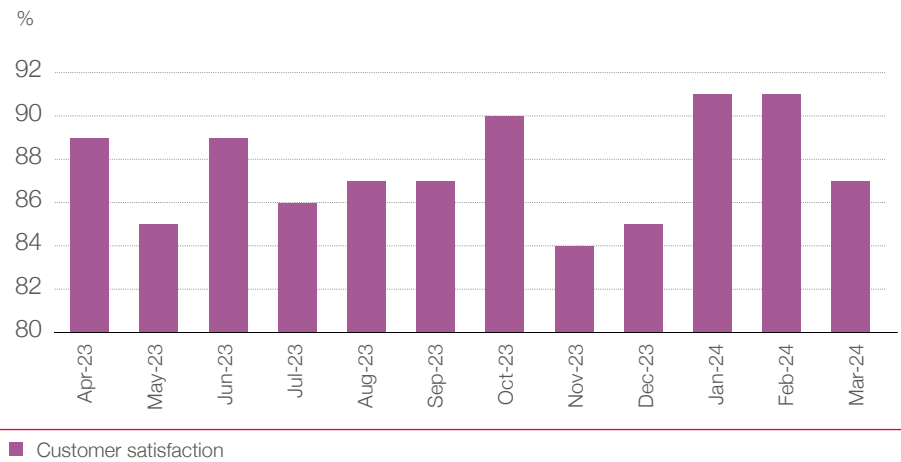
The Singer network encompasses various channels, including 406 contact points comprised of Singer's proprietary retail outlets and a substantial dealer network with over 1,250 dealer sites, which offers indirect customer access. Singer enjoys a notable competitive advantage due to its widespread customer outreach through this extensive geographic presence. Leveraging cutting-edge technology, Singer's e-commerce platform and contact center serve as primary customer interaction points. Singer's broad reach allows us to offer a diverse product portfolio, ranging from entry-level to luxury items, servicing all socioeconomic segments in the market.

Customer Care and Service

Customer Contact Centre

Our customer contact center serves as the primary point of contact for customers seeking assistance or support for issues related to our products or services. With a team of 24 well-trained personnel, operating round-the-clock 365 days a year, the center ensures prompt resolution of inquiries and effective handling of concerns. Additionally, it functions as a valuable feedback channel, enabling us to gather

Customer satisfaction



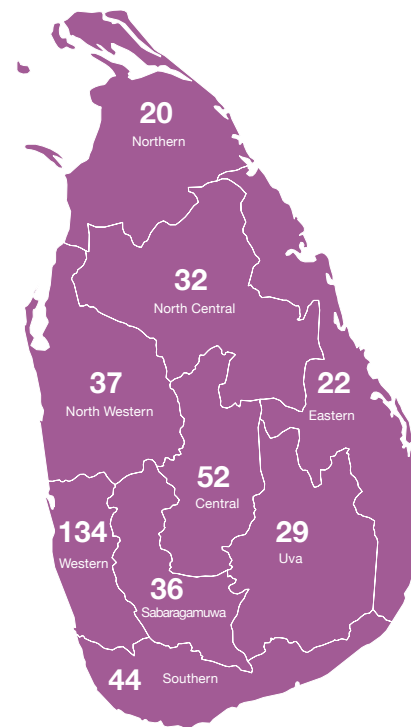
Our sales network includes

406
Shops

15
Service centres

1,250+
Extensive dealer network

200,000
Sq.m retail space



insights into customer needs, preferences, and pain points. These insights inform our strategic decision-making processes, guiding us in continually improving our products and services to better meet customer expectations. During the year the Contact Center has been revamped and relocated to create a comfortable and relaxed workspace, ensuring the delivery of exceptional service to our customers. The

Contact Center maintained a customer experience score of 86%, indicating an 'excellent' level of customer service.

After-Care Service

The aftercare service provided by Singer is integral to enhancing the overall customer experience, instilling confidence in the quality of its products, and creating

SOCIAL AND RELATIONSHIP CAPITAL

long-term relationships with customers. Singer operates 15 service centres and collaborates with over 407 franchise service agents nationwide to facilitate its after-care service operations. Additionally, the comprehensive Singer Care service app is available to customers, providing support for service and repair requests around the clock. Singer's team of 94 highly trained and qualified technicians promptly attended to these requests. The customer service center has achieved a commendable 95% customer satisfaction rate, with pending repairs reduced to 88% overall, and the average repair time minimised to less than 6.5 days.

Retail Points

The Group initiated a channel restructuring program in 2022 and has since maintained efforts to rationalise and reorganise the retail channel. To broaden our geographical coverage, we streamlined our retail channel by closing approximately 30 underperforming shops and reallocating resources to nearby showrooms. Furthermore, plans are underway to relocate certain showrooms and establish new shops in untapped areas, leveraging infrastructure developments such as new highways to access emerging markets.

Singer Red Loyalty Program

The Singer Red Loyalty program is designed to elevate the rewards experience for our esteemed customers and encourage repeat purchases, thereby

increasing customer retention. Through our loyalty website, customers can easily access their digital loyalty card and check their balances, tier status, and other available benefits in just two simple steps. Additionally, our loyalty program serves as a valuable source of customer data, allowing us to gain insights into purchasing behaviour, preferences, and demographics. This data is leveraged through advanced BI tools to tailor marketing initiatives, identify consumer trends, and enhance the overall customer experience. During the year we proactively promoted our loyalty program, offering additional free points to customers during their birthday month and introducing a complimentary annual point scheme to incentivise customer purchases. As a result, there was a 17% growth in the loyalty point redemption rate compared to the previous year.

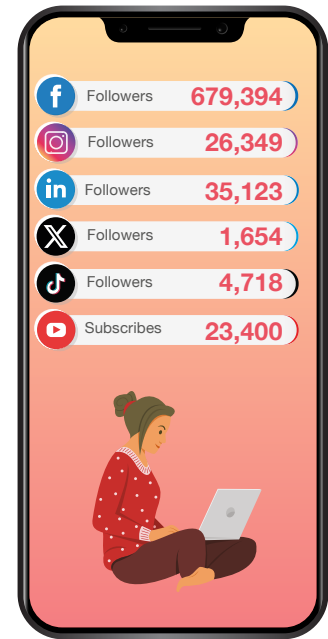
Transforming Lives

Amidst challenging macroeconomic conditions and constraints on disposable income, Singer has played a pivotal role in transforming and enhancing the lives of Sri Lankans by providing access to modern and convenient lifestyles. Recognising the heightened price sensitivity among consumers, the Group has increased accessibility through diverse repayment options, including hire purchase and discounted installment schemes. These initiatives have been instrumental in ensuring that essential products remain affordable and accessible to a wider

segment of the population. Keeping consumer affordability in mind, the Group took proactive actions, negotiating with suppliers to secure the most competitive pricing for newly imported items in the second half of the year. Digital delivery

Digital Delivery

Embracing digitisation has become a strategic imperative for the group, enabling it to gain a competitive edge and effectively meet evolving customer expectations. Through e-commerce, the group has transcended geographical boundaries, expanding its reach and significantly growing its customer base. The unparalleled convenience of online shopping and the enhanced shopping experience offered through digital platforms have contributed to the group's success, resulting in revenue of Rs. 1.0 Bn generated through its online channels. Through enhancing our social media presence, we have transformed consumer interactions, allowing for the creation of personalised



Introducing
REWARD FROM THE HEART
SINGER
Loyalty Program

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

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SINGER

content targeted at specific audiences. Singer's strong digital footprint is underscored by its recognition as one of the top 6 most visible brands on the internet in 2021, as per the Digital Outlook survey conducted by APIDM.

All marketing communications are compliant with the Group's Customer Service Division Code of Conduct, as well as applicable government laws and regulations. We adhere to the Consumer Affairs Authority's recommendations to ensure that advertising and labelling convey clear information about product safety. User manuals are available in all three languages, providing detailed information on installation, maintenance, and daily operations. Throughout the year, there were no reported instances of non-compliance with regulations or standards pertaining to the health and safety impacts of our products and services. There were also no instances of non-compliance relating to marketing communication.

Suppliers

The Group's commercial partnerships encompass a wide array of entities, including local and international supply chain partners, service providers, Singer product dealers, and distributors across the island. Through initiatives aimed at providing technical and financial assistance to suppliers and subcontractors, we actively promote local procurement and support sustainable projects within the community. Our strong relationships with Singer product dealers and distributors across the island are instrumental in delivering on the value

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



propositions outlined in our brand promise. There were zero incidents of child labour or forced/compulsory labour.

To uphold the quality of our purchases, we strictly adhere to rigorous supplier selection criteria and mandate that suppliers possess various certifications. 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.

Domestic Supply Chain

The import restrictions imposed over the last two years have prompted the group to expand its local manufacturing footprint and increase the sourcing of materials through local suppliers. By diligently procuring raw materials, components, and packaging from a network comprising over 819 local suppliers, the Group continues its commitment to local sourcing, thereby creating economic growth and stability within the community. We remain dedicated to broadening our domestic supplier base, with local procurement now constituting 45% of supplier payments.

Global Brand Partners

Singer has established strong partnerships with more than fifty renowned international suppliers, recognised for their pioneering contributions to the progression of the industry via unmatched innovation. These partnerships have provided invaluable access to cutting-edge technology, facilitating the advancement of digital capabilities and propelling the nation forward with transformative innovations. Our global partnerships have proven invaluable amid uncertain times marked by import restrictions. These alliances have facilitated ongoing communication with suppliers regarding national policy developments and enabled negotiations for price reductions once import restrictions were lifted to ensure competitive pricing for our customers.

New global partnerships



Membership in Associations

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

SOCIAL AND RELATIONSHIP CAPITAL

Community Relationships

The group's dedication to community engagement and corporate social responsibility (CSR) is based on a comprehensive sustainability agenda, with the overarching goal of effecting tangible improvements and uplifting vulnerable segments of society across the nation. A structured framework is employed to select CSR initiatives, involving active and meaningful dialogue, while progress is monitored using well-defined Key Performance Indicators (KPIs) and actionable steps.

Youth Development

For over 60 years, Singer Fashion Academy, the education arm of the Group, has played a crucial role in empowering individuals through skills development, offering free workshops, and scholarships. The academy offers a range of affordable sewing and fashion design courses, prioritising entry-level programs to inspire aspiring young women to pursue sewing.

- Offering students a pathway to progress from diploma to degree certification.

- Singer Fashion academy provides world-class education to Sri Lankan youth at affordable rates. The Academy guides aspiring fashion designers to become fully fledged professionals via 27 different sewing courses. These include one advance diploma, three diploma programs, seven certificate courses, and several other sewing courses including the E-Learning courses- the Certificate in Scientific Dressmaking, Certificate in Saree Blouse, Kids Wear and Sewing Craft.
- The Annual Fashion Show offering students a platform to showcase their talents to a broader audience.
- Educating customers to revive sewing as a hobby and promoting it as a business opportunity to improve livelihoods.

Female Empowerment

Students enrolled in Singer Academy's programs are predominantly female contributing directly to the promotion of female empowerment. These courses are heavily subsidised to ensure accessibility to as many women as possible. The programs

are specifically designed to equip them with the skills needed to pursue careers and attain financial independence.

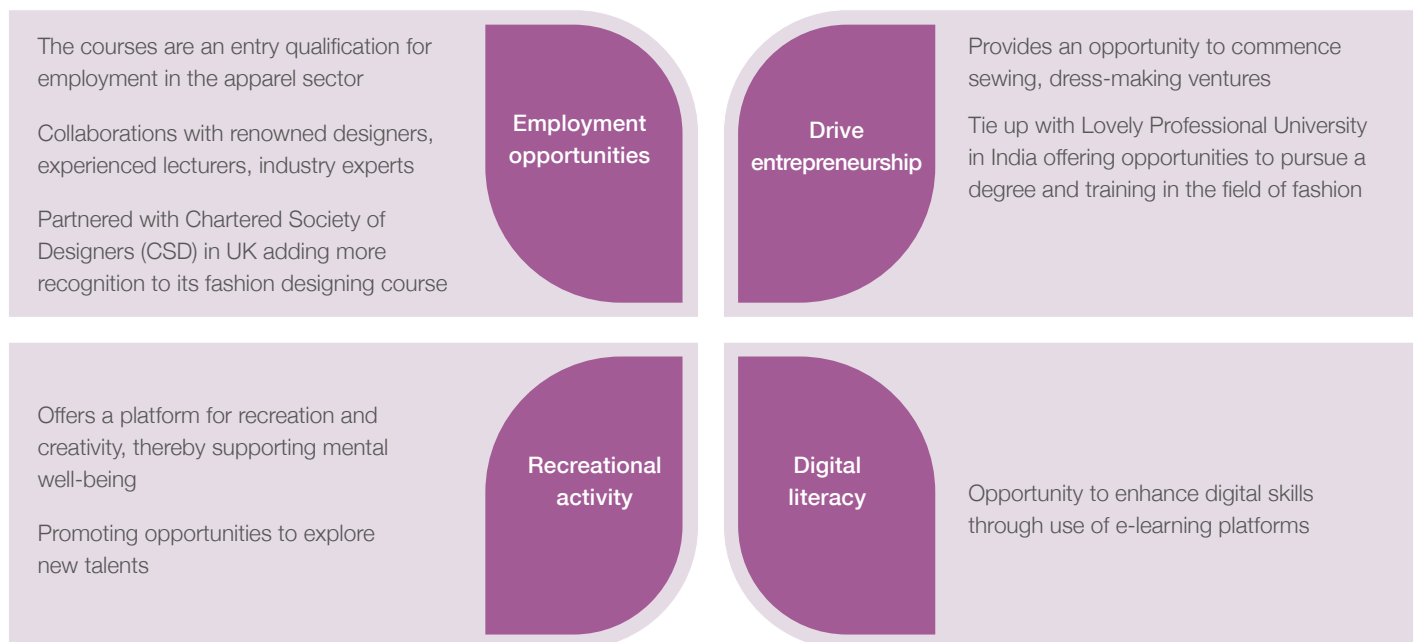
During the year, sewing training programs focused on empowering Sri Lankan women were conducted in collaboration with various organisations. Instructresses trained 69 participants in Jaffna, Union Place, Nuwara Eliya, and Wellawatta.

Singer Kitchen Appliances Demonstrations

Singer Kitchen Appliances conducted 18 showroom demonstrations and 3 hotel demonstrations, with nearly 2000 participants, under the themes "Bake Your Dreams Come True" and "The Taste Maker." These initiatives promoted home cooking and demonstrated the use of cookery products.

Education

To promote the critical role of education in driving the nation's economic prosperity, the Singer DP Education project has offered aid to 2 schools benefiting over 1,000 students. By supplying DP Education kits comprising fundamental tools such as



computers, projectors, and podiums, our goal is to enrich the educational experience and expand opportunities for students.

Employee Engagement/ Volunteerism

- The Eco-Décor competition, organised by HRD and Sustainability, encouraged SLMO departments to create eco-friendly Christmas decorations using recycled materials, promoting sustainability and collaboration.

This initiative successfully engaged all staff, fostering unity and transforming the workplace into an actively engaged environment.

- Selfy Radio was organised to help employees relieve work stress by allowing them to listen to their favourite music. They can request songs and listen from anywhere in the shop, providing entertainment and relaxation. This radio service operates through an online platform.

Way Forward

As economic conditions stabilise within the country, we are optimistic about the opportunities that lie ahead and the potential for increased consumer demand and innovation.

- Enhance customer interactions and relationships through Customer Relationship Management (CRM)
- Exploring opportunities in other export markets
- Enhance the customer experience through world class customer care and service
- Broaden the product range to address the evolving needs and preferences of customers



Singer Kitchen Appliances Demonstrations



Annual Singer Fashion Academy Fashion Show



Cookery Demonstration for School Students



Christmas Eco-Décor Competition



International Women's Day Celebration



MANUFACTURED CAPITAL

CREATING A CULTURE OF INNOVATION HAS BEEN INSTRUMENTAL IN OUR EXPANSION INTO NEW MARKETS AND IN BUILDING RESILIENCE AGAINST SHIFTING BUSINESS ENVIRONMENTS.



Total Asset Base



Rs. **9** Bn

Revenue of locally manufactured products



87 %

Total production capacity



3.2 MT

Manufacturing facilities



4

Highlights 2023/24

- ➔ Maintaining a competitive edge in the market through continuous focus on new product development
- ➔ Rigorous focus towards efficiency improvement and cost optimisation in a cost inflationary environment

The total asset base in manufacturing sector valued at Rs. 9,118 Mn encompasses a widespread network of over 406 retail outlets spanning across the entire island and state-of-the-art production and laboratory facilities, equipped with cutting-edge technology to manufacture top-tier products. Throughout the year, these local manufacturing capabilities proved indispensable in ensuring a steady supply of products to the market. This was especially critical given the government's imposition of restrictions on various categories of imported goods in the first half of the year, underscoring the significance of the Group's manufactured capital.

Region	Singer Mega	Singer Showrooms	Approved Dealers	Total
Northern	-	19	1	20
Eastern	-	22	-	22
Western	27	105	2	134
Southern	-	40	4	44
Central	2	44	6	52
North Western	1	35	1	37
North Central	-	31	1	32
Sabaragamuwa	-	34	2	36
Uva	-	25	4	29
Total	30	355	21	406

Key elements of our manufactured capital



Retail Outlets

- ▶ Over 406 outlets spread across 9 provinces

Manufacturing Facilities

- ▶ 4 factories with a total production capacity of over 3.2 MT

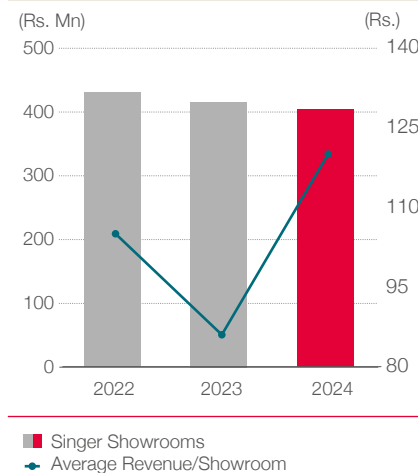
Research and Development

- ▶ Refrigerator R&D facilities

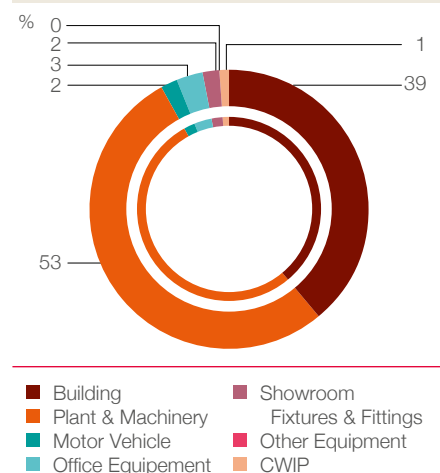
Retail Outlets

Singer operates the largest retail network in Sri Lanka's consumer durables industry, with over 406 outlets spread across all nine provinces. The strength of its network has been a critical source of competitive advantage in terms of improving customer reach, increasing brand exposure, and providing access to a diverse customer demographic. In recent years, the Group's repositioning strategies have resulted in the refurbishment and redesigning of its showrooms, to improve the customer experience.

Average Revenue/Showroom



Composition of Manufacturing Capital



MANUFACTURED CAPITAL

Singer Showrooms



354

showrooms

21

approved dealers across 9 provinces
Entrepreneurial branch model with 344
Managers and 2,800+ indirect employees

Singer Mega Showrooms



28

showrooms Mainly in Western Province

26

Managers and 214 direct employees

Singer Flagship Store



2

showroom Located in One Galle Face
Mall and Havelock City Mall

Singer Duty Free Shop



1

Showroom located in Bandaranayaike
International Airport

the Group to increase its reliance on locally manufactured goods as it continued to adjust its product offerings to reflect on going market conditions. The prevailing inflation during the first half of the year significantly impacted the cost of production, while the high exchange rate further exacerbated the situation. As demand gradually increased in the second half of the year, we collaborated closely with our suppliers to minimise inventory costs, enabling us to offer products at more competitive prices. The Group meets approximately 40% of the country's demand for both refrigerators and washing machines solely through local manufacturing, demonstrating significant value addition to the local economy.

Locally Manufactured

1,759 ◀ Sewing Machines

72,255 ◀ Refrigerators

31,453 ◀ Washing Machines

26,603 ◀ Water Pumps

50,152 ◀ Furniture





Manufacturing Capabilities

The Group's manufactured capital base, valued at Rs. 9.1 Bn, constitutes 10% of consolidated assets and contributes approximately 13% to consolidated revenue. Over the past few years, the Group has undertaken strategic investments aimed at enhancing and expanding its manufacturing capabilities. These investments have been carefully planned to ensure alignment with the evolving demands of the market,

emerging design trends, and technological advancements. In response to the slowdown in demand, capital expenditure was minimised throughout the year. However, Rs. 23.7 Mn was allocated for the repair and maintenance of machinery to ensure our operational readiness for the anticipated increase in production volumes in the future.

The imposition of import restrictions on a number of product categories compelled

Manufacturing Facilities

<p>Regnis Lanka Division</p> <p>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.</p>	<p>Location: Ratmalana</p> <p>Manufacturing Capabilities: Two manufacturing lines producing high-quality refrigerators of varying capacities</p> <p>Asset Base : Refrigerator plant - Rs. 4,619 Mn</p> <p>Capacity Utilisation: 52%</p>	
<p>Regnis Appliances (Private) Limited</p> <p>Operations: Manufactures a range of washing machines, plastic chairs and plastic components for refrigerators</p>	<p>Location: Panadura</p> <p>Manufacturing Capabilities: Two assembly lines producing washing machines</p> <p>Asset Base : Washing Machine plant – Rs. 1,447 Mn</p> <p>Capacity Utilisation: 42%</p>	
<p>Singer Industries Division</p> <p>Operations: Operations spanning over five decades and engages in the assembly of sewing machines and the manufacture of cabinets and stands for sewing machines.</p>	<p>Location: Rathmalana</p> <p>Manufacturing Capabilities: One production line for sewing machines and accessories</p> <p>Asset Base : Rs. 2,231 Mn</p> <p>Capacity Utilisation: 93%</p>	
<p>Singer Furniture Factory</p> <p>Operations: Engages in the manufacture of a range of furniture and the assembly of water pumps and agro based products.</p>	<p>Location: Piliyandala</p> <p>Manufacturing Capabilities: Three production lines agro products, modular furniture, and solid furniture</p> <p>Asset Base : Rs. 821 Mn</p> <p>Capacity Utilisation: Water Pumps: 32% Furniture: 50%</p>	

MANUFACTURED CAPITAL

Operational Excellence

The Group's steadfast dedication to innovation and efficiency has empowered it to compete with globally recognised brands and manufacturer world-class products with a local presence. Aligned with the Group's strategic objectives of enhancing production efficiency and reducing costs, the manufacturing facilities remained focused on resource optimisation and expense control.

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

- Rigorous control of our expenses by implementing stringent measures across the board to minimise any non-essential payments
- Implementing energy-saving practices on the factory floor
- Managing inventory effectively by focusing on utilising existing stock and engaging with suppliers to postpone or cancel orders as needed, ensuring efficient inventory management
- Amalgamating of Singer Industries and Regnis with Singer Sri Lanka under a unified umbrella to leverage the strengths of Singer Sri Lanka and enhance cost-effectiveness through subcontracting arrangements



Gold Award in the Manufacturing Sector - CA Sri Lanka TAGS Awards 2023 - Regnis (Lanka) PLC



Gold Award in the Manufacturing Sector - CA Sri Lanka TAGS Awards 2023 - Regnis (Lanka) PLC

Sri Lanka Standards Institution Awards Certification

ISO 9001:2015

Compliant manufacturing facilities

Awards and Accolades

- TAGS Awards 2023 - Manufacturing Sector (Group Turnover Upto LKR 10 Bn), Gold Award, Regnis (Lanka) PLC
- TAGS Awards 2023 - Manufacturing Sector (Group Turnover Upto LKR 10 Bn), Bronze Award, Singer Industries (Ceylon) PLC



Bronze Award in the Manufacturing Sector - CA Sri Lanka TAGS Awards 2023 - Singer Industries (Ceylon) PLC

Our manufacturing facilities have attained internationally recognised quality standards, supported by dedicated quality assurance teams ensuring strict adherence to regulatory requirements. Substantial investments have been made in state-of-the-art technology for our R&D centers, ensuring technical excellence and optimal product quality across all manufacturing facilities.

Manufacturing Innovation

In today's dynamic market landscape, manufacturing innovation is pivotal in staying ahead of customer demand. Creating a culture of innovation has been instrumental in our expansion into new markets and in building resilience against shifting business environments. Despite facing challenging economic conditions, we remained steadfast in our commitment to innovation, recognising it as a strategic imperative to position ourselves favourably in the market.

New product developments during the year include the following:

- Manufacture of steel chairs
- Furniture manufacturing to suit demand in the Maldives market

Way Forward

The group is optimistic about enhancing its capacity utilisation alongside growing demand and continues to progress with multiple initiatives in the pipeline

- Project initiation for deep freezer production
- Strengthening Singer's range in refrigerators and washing machines
- Amalgamation of Singer Industries with Piliyandala factory to operate as a unified entity
- Expansion of exports with an emphasis on India and the Asian region



INTELLECTUAL CAPITAL



OUR WIDESPREAD PRESENCE HAS ENHANCED ITS CUSTOMER REACH AND STRENGTHENED THE BRAND VISIBILITY TO CREATE GREATER BRAND RECALL AND RESONANCE AMONG CONSUMERS.



Awards and accolades



8

New brands introduced



2

Workflow improvements through digitisation



8+

Highlights 2023/24

- ➔ Continuation of branding strategy to establish Singer as a lifestyle brand
- ➔ Strengthen market leadership through brand promotion and new brand introduction
- ➔ Strengthened digitisation initiatives to enhance workflow and improve internal processes

Strength of our brand

Singer Sri Lanka's brand strength is rooted in its rich heritage, extensive market presence, and commitment to quality. With a history spanning over 147 years, the Singer brand has played a pivotal role in attracting and retaining customers. Singer's extensive portfolio encompasses more than 50 globally recognised brands, providing customers with a wide selection of around 600 electrical items and 1,200 home appliances. This comprehensive range of consumer durables, spanning home appliances, electronics, and furniture, addresses diverse consumer needs, reinforcing Singer's status as a trusted household name.

Singer Sri Lanka's extensive retail network, comprising numerous outlets spread across all nine provinces, demonstrates its unrivalled market penetration and accessibility. This widespread presence has enhanced its customer reach and strengthened the brand visibility to create greater brand recall and resonance among consumers. For the 18th consecutive year, Singer was honoured with the prestigious People's Brand of the Year award at the SLIM Kantar People's Awards 2024, further solidifying the strength of the brand.

Singer markets and distributes a range of products, including its own manufactured goods as well as locally and internationally sourced items, through various channels. These products are offered under its house brands, as well as through exclusive and non-exclusive partnerships.

Brand Recognition and Awards

- People's Brand of the Year 2024 at SLIM-KANTAR People's Awards for the 18th consecutive year
- People's Durable Brand of the Year 2024 at SLIM-KANTAR People's Awards
- Top 10 Strongest Sri Lankan Brands Brand Finance
- Top 20 Most Valuable Consumer Retail Brand Brand Finance
- SAFA Awards - Best Presented Annual Reports, Integrated Reporting Awards & SAARC Anniversary Awards For Corporate Governance Disclosure 2022
- TAGS Awards 2023 - Trading Sector Gold Award



Gold Award in the Trading Sector - CA Sri Lanka TAGS Awards 2023

Singer markets and distributes a range of products, including its own manufactured goods as well as locally and internationally sourced items, through various channels. These products are offered under its house brands, as well as through exclusive and non-exclusive partnerships.

The Brands we Carry

Key House Brands	Exclusive Distributorship	Non - Exclusive Distributorship
<p>SINGER</p> <p>SISIL</p> <p>REGNIS</p> <p>UMC</p> <p>Safari</p> <p>සාම් මාසවර</p> <p>SINGER SOLAR SINGER FURNITURE</p>	<p>SONY HONOR ZOJE</p> <p>TCL beko MITSUBISHI HEAVY INDUSTRIES, LTD.</p> <p>HITACHI SKYWORTH SINTEK</p> <p>ZTE Visonic Tefal</p> <p>KENWOOD Moulinex Symphony</p> <p>Swan Prestige Welling TATAWA</p> <p>NIKAI RIVELTA SIGNATURE</p> <p>UNIVERO JOHN DEERE LIDA BRAUN</p>	<p>SAMSUNG Panasonic DELL</p> <p>ASUS msi vivo acer</p> <p>EWISSTEN Apple HUAWEI Midea</p> <p>PHILIPS SHARKTAN alhua Alpha</p> <p>Whirlpool Canon BOSE</p> <p>KDK Mahindra hp BLACK & BECKER</p> <p>SHREYAS PIPES BUDRY ELECTRONICS USHA</p> <p>HXFELE BALLMEX SALTER</p> <p>Energymet Energizer KANGCHIN</p>



INTELLECTUAL CAPITAL

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



Honor product launch



Honor product launch



Singer Digital Experience Store at Havelock City Mall

Branding strategy

During the year the Group's branding strategy centered on evolving the Singer brand into a lifestyle brand. We capitalised on the concept of "Home at Our Heart," incorporating it across multiple touchpoints including digital platforms, magazines, and press. Our primary focus was on integrating the essence of home into our branding, utilising visual elements to convey this message during the campaign. We have successfully rebranded approximately 140 branches to enhance their appearance and improve the overall customer experience. Although these endeavours were slowed down during the year due to adverse economic conditions, we anticipate continuing the modernisation and upgrading of all our branches.

Digital Capabilities

The Group has acknowledged the importance of digitisation as a strategic necessity to remain relevant, competitive, and responsive in today's dynamic business landscape. Employing technology, we have optimised processes, reducing manual intervention for swifter delivery and minimising errors. Revamping our website's backend has notably enhanced service delivery, catering to the escalating demand for online sales. Additionally, we have established a robust data analytics BI environment featuring more than 50 dashboards, empowering users to conduct comprehensive analysis.

The internal IT infrastructure underwent upgrades during the year, including improvements to the firewall, wireless environment, and core switches. Additionally, we have begun the process of migrating our internal hosted services to the cloud environment as part of our cloud migration journey.

The Group has enhanced cyber security measures throughout the organisation by implementing AI-based antivirus protection, enhancing security for over 2000 workstations. Emphasising data security, we conduct annual evaluations and have implemented endpoint protection, ensuring prompt updates for all endpoints. Moreover, regular user awareness sessions are conducted to educate users on cybersecurity matters, while vulnerability assessments, supported by third-party experts, are performed to identify and mitigate potential risks. During the year there were no data breaches and no customers were affected due to data security lapses.

Improvements to digital capabilities during 2023/24

- The branch-level ordering process was automated, integrating automatic stock replenishment coupled with route optimisation
- Introduction of workflows for Hire Purchase authorisation, empowering Singer Mega branches to seek approval directly through the system and eliminating the need for manual requests.
- Implementing an automated credit approval system, connecting all branches island wide, to streamline and expedite the approval process.
- The automation of advances for field supervision to gain better control and oversight of the branch approval process
- Revamping the website's backend, to enable automated inventory reservation upon order placement, followed by seamless product delivery to branches, and automated payment processing to ensure seamless transactions.



IT Governance

Over 30 policies set up and developed based on ISO 27000 standards while procedures based on these policies guide users

- Integrating credit card POS machines with our ERP system to directly capture customer credit card information, thereby reducing the workload associated with bank reconciliations.

Way forward

- Optimising the Hire Purchase process through digitisation
- Integration of our website with globally hosted platforms to create additional revenue streams
- Cloud migration for Disaster Recovery (DR) hosted services, including ERP system
- Initiating payment digitalisation project to enhance convenience for customers in payment settlement.

IT Architecture

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



NATURAL CAPITAL



SINGER'S EXTENSIVE CUSTOMER REACH AND INNOVATIVE SOLUTIONS ALLOW US TO MINIMISE ENVIRONMENTAL IMPACT AND ENSURE SUSTAINABILITY THROUGHOUT OUR PRODUCTS' LIFECYCLE.



All sides and top packaging for refrigerators are paper pulp materials



100%

Reduction in water consumption



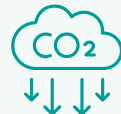
9%

Recycled cast iron in water pump manufacturing



100%

Reduction in carbon emission



17%

Highlights 2023/24

- ➔ Solar panel installation in two factories
- ➔ Energy Management Committee set up to monitor energy consumption
- ➔ 266% growth in solar panel sales

Singer's unmatched customer reach places the Group in a distinct position to effectively influence and minimise our customers' environmental impact. With our expanding manufacturing footprint and extensive value chain, we are aware of our responsibility to conscientiously address and reduce any potentially negative environmental consequences arising from our operations. We remain committed to promoting sustainability by continuously pioneering innovative solutions. These

efforts extend beyond our operational sphere to encompass the entire lifecycle of our products, ensuring that sustainability remains a guiding principle in all aspects of our business endeavours.

Corporate Environmental Commitment

Singer's Environment Management Framework is in sync with the Hayleys Lifecode, which outlines comprehensive

group-wide environmental objectives. This framework encompasses policies governing the management of various aspects including energy, emissions, water, materials and waste, chemicals, and biodiversity conservation. The policies outlined in the Life code, in conjunction with Singer's own 'Paramaarthayen Perata' (Progress through Purpose) initiative, articulates the Group's ongoing environmental and social sustainability goals for the long term.

Environmental Policy Framework

"Paramaarthayen Perata"

Singer Group's Sustainability Vision

Environmental pillars:

- Energy Purpose
- Environment Purpose

ESG Committee and

- 1 Dedicated Assistant Manager for Sustainability
- 7 Sector ESG Champions

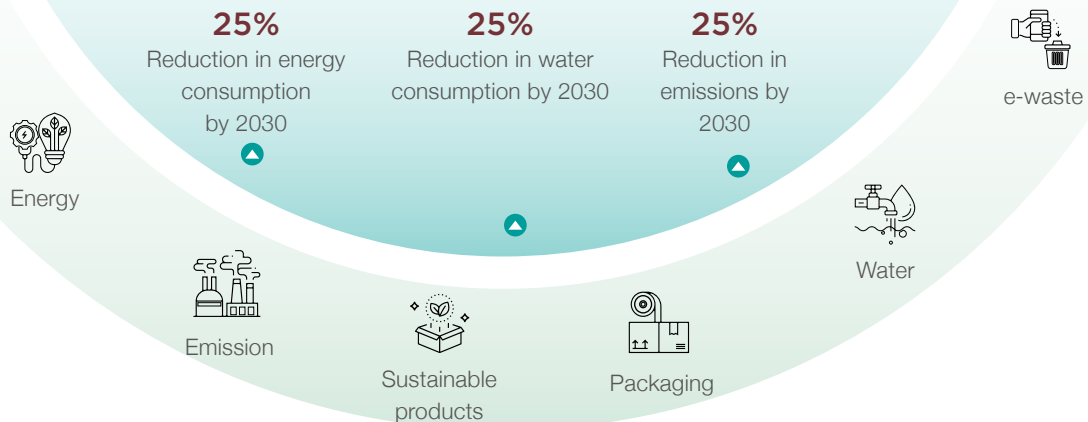


Hayleys Life code

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

Singer Group Environmental Management Framework

Environmental Goals for 2030



NATURAL CAPITAL

Group Structure

Singer has established an ESG Committee consisting of two sub-committees: a Steering Committee and a Working Committee. The Steering Committee, led by the Group CEO, oversees the Group's Environment, Social, and Governance (ESG) framework and strategy. Meanwhile, the Working Committee, chaired by the Finance Director, executes the recommendations made by the steering committee. The ESG committee is responsible for implementing the Group's ESG Framework, Hayleys Lifecode, and monitoring progress on environmental, social, and governance targets across short, medium, and long-term timelines.



Environmental Compliance

Our manufacturing facilities adhere to the regulatory standards set out by the Environmental Protection Licenses from the Central Environmental Authority for responsible and sustainable operations. Singer has instituted sustainability development forums, featuring activities to create employee engagement and promote environmental awareness. All Singer employees have pledged to reduce their individual carbon footprints and actively participate in Group-driven sustainability initiatives.

Greening the Customer Journey

Given its extensive reach and 6.1 Mn customer base in the country, Singer is dedicated to integrating environmentally sustainable practices into every facet of the customer experience. This commitment entails developing products crafted from sustainable materials, minimising packaging, and providing items with energy-efficient features to minimise the environmental impact linked with consumer behaviour. Additionally, we facilitate product recycling or disposal and offer repair services to extend the product's lifespan.

We are dedicated to minimising the adverse environmental effects of our products across their entire life cycle by prolonging their usefulness through repair and re-use. Utilising our expansive island-wide network of 15 service centers, regular service clinics, and diverse engagement platforms, consumers are empowered to extend the life cycle of their products. The Extended Warranty Programme Sanasuma covers product repairs for up to three years.

Total Repairs - Covered by Guarantee - 179,946,

Not covered by Guarantee - 128,347

Through local manufacturing, the Group fulfills 40% of the country's demand for refrigerators and washing machines, establishing itself as a leader within the industry. The Group has been at the forefront of adopting energy and water-efficient technologies, to cater to environmentally conscious consumers.

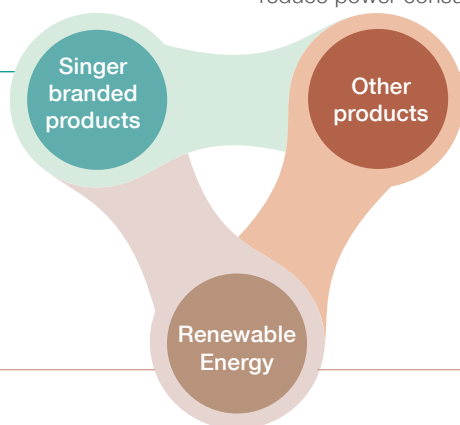
The Sisil and Singer branded refrigerators have received MEP (Minimum Energy Performance) labelling, indicating their capability to reduce energy consumption compared to older models. Among the 9 available models, energy consumption rates range between 30 kWh/hour and 40 kWh/hour, with a corresponding global warming potential of 3. This achievement will significantly reduce customer energy usage and emissions, positively impacting the environment. The sale of MEP- labelled refrigerators generated 4% of the Group's revenue, reducing customer energy consumption and emissions.

- First in South Asia to introduce R600A Refrigerant technology in 2012
- Nine refrigerator models within the Sisil brand have been awarded the Minimum Energy Performance (MEP) label by the Sri Lanka Sustainable Energy Authority (SLSEA).
- Utilising recycled materials for packaging and integrating recycled raw materials into our water pumps and washing machine manufacturing process.
- Use of 100% recycle packing by paper pulp for refrigerators

Inverter Technology: Importation of products that adjusts the compressor speed according to the cooling or heating needs, resulting in reduced energy consumption

Energy Efficiency Ratings: Products with higher energy- saving capabilities such as Samsung air conditioners and televisions

Energy Saving Modes: Sony TVs which include energy-saving modes to adjust the brightness and contrast levels to reduce power consumption



- The Group advocates for renewable energy generation in Sri Lanka by importing and distributing Singer Solar PV systems.
- Singer has collaborated with Fentons on the Solar Project for factories, employing a profit-sharing model.
- Energy Efficient Refrigerator Programme with SLSEA - This project aims to assess customers' refrigerators for energy performance and provide feedback, aligning with the Sustainable Energy Authority Project's goal of replacing outdated refrigerators with energy-efficient models connected to the grid.
- 1,810 Solar Systems sold

Sustainable Manufacturing

As we prioritise the expansion of our local manufacturing operations, we are simultaneously dedicated to addressing and mitigating the negative environmental impacts associated with raw material utilisation, energy consumption, and water usage. We are focused on minimising environmental impacts through initiatives such as reusing, recycling, and responsibly disposing of waste, effluents, and emissions. We have also focused our efforts to educate and engage our staff in sustainability practices across all our manufacturing facilities.

Material Consumption

The primary raw materials utilised in our manufacturing processes include steel, plastic, chemicals, and packaging materials. Our material management strategy focuses on minimising plastic usage, optimising chemical consumption, and integrating eco-friendly materials wherever possible. In alignment with our dedication to reducing environmental impact, we ensure that raw materials employed in our manufacturing operations are sourced from recycled origins. At our Regins factory, sustainable practices are integrated into our operations by incorporating recycled materials in packaging and washing machine manufacturing processes. We utilise 100% of recycled cast iron in water pump manufacturing. Additionally, all side and top packing materials for refrigerators are composed of 100% paper pulp and Styrofoam is internally recycled using a custom-built machine.

e-waste management program

Since 2010, Singer has led an extensive island-wide e-waste collection initiative, encouraging customers to return their used electronic items. With over 400 collection points established across the island, this program has facilitated the collection of 28 metric tons of e-waste, contributing significantly to reducing landfill waste. Authorised by the Central Environmental Authority, Singer holds a license for e-waste storage, collection and transportation. Collected e-waste is then handed over to CEA-approved third-party recyclers, with Singer bearing the associated expenses.

In addition, Singer operates a Trade-In program, incentivising customers to responsibly dispose of their used electronic products by offering discounts on newer, more energy-efficient alternatives.



Televisions
1,898



Washing Machines
46



Refrigerators
130



Others
25

NATURAL CAPITAL

Raw material used

Raw Material	kg (Approx)	%
Non-Renewable	2,325,606	85
Renewable	406,686	15
Total	2,732,292	

% of renewable input materials

1% Regnis Factory
74% Singer Factory

6% Singer Industries Factory

Material Consumption during the year:
15% of renewable input material used

Energy Usage

The Singer Group has adopted a proactive approach to reducing 34% energy consumption during the year and promoting eco-friendly initiatives. We have implemented a comprehensive Energy Management Policy that sets benchmarks and targets for our manufacturing, retail, and office operations. Additionally, we have established an Energy Management Committee comprised of representatives from each of our locations. This committee is responsible for monitoring energy usage, implementing guidelines, and spearheading initiatives to reduce energy consumption and achieve our environmental objectives.

The Group's principal energy sources are electricity from the national grid and fuel for generators. Investing in energy-efficient manufacturing technology and simplifying industrial processes as a part of a concerted effort to create an energy-conscious culture. We have commenced the process of installing solar energy systems at the Piliyandala Factory and Regnis Factory with the following capacities for energy generation.

Site Location	DC Capacity(kWp)	Proposed Solar System Generation kWh
Regnis Factory	862.96	98,377
Singer Factory	627.76	71,564

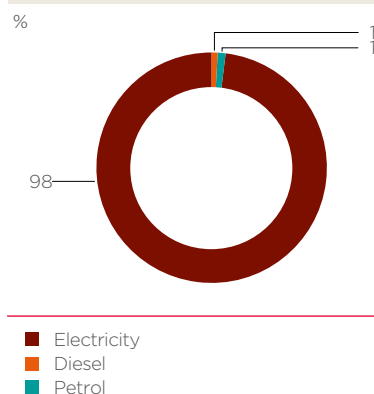
10,583,272 (kWh) energy is consumed by our Retail and Distribution operation and 100% of energy consumption is from grid electricity.

Committed to reducing the environmental impact of our customers' product usage, we prioritise the purchase and manufacture of energy-efficient products and promote sustainable habits among our customers. Collaborating with our global partners, we identify and select energy- and water-efficient products that align with our sustainability objectives. Our procurement standards include supplier screening, certificate verification, and assessments to determine suppliers' commitment to environmentally friendly manufacturing practices. We have placed a stronger emphasis on solar panel sales to hasten the transition to renewable energy by establishing solar power as a practical and sustainable alternative to conventional energy sources.

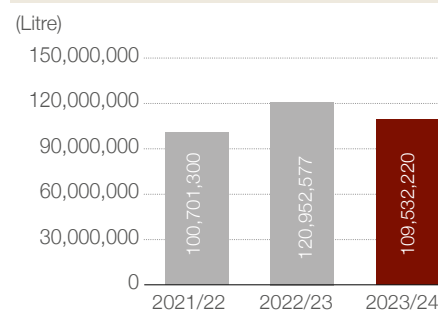
Energy consumption in 2023/24

Diesel (ltrs)	17,681
Electricity (kWh)	14,414,079
Diesel energy consumption in GJ	639
Electricity consumption in GJ	51,891
Total energy consumption in GJ	52,767
Diesel energy intensity ratio GJ/Revenue (Mn)	0.01
Electricity intensity ratio GJ/Revenue (Mn)	0.74
Total energy intensity ratio GJ/Revenue (Mn)	0.75

Energy Consumption by Source (GJ)

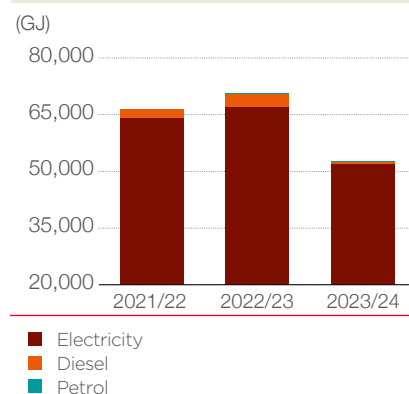


Water Withdrawal



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

Total Energy Mix



Water

The Group's manufacturing operations are relatively low in water intensity. Water is primarily utilised for cleansing, cleaning, and employee consumption. Most of our water requirements are fulfilled through municipal water lines and groundwater sources. We have implemented mechanisms to monitor water consumption, and employees are encouraged to optimise their water usage. Additionally, at Regnis Appliances, we have a rainwater harvesting system in place, with an approximate annual capacity of 12,000 liters.

Water Consumption

Water withdrawal by source	Litres
Ground water	12,321,800
Municipal lines	97,210,420
Total water withdrawal	109,532,220

Waste and effluents

Our manufacturing operation predominantly produces solid waste, including scrap metal, wooden pallets, Styrofoam, plastics, and polythene. To mitigate landfill waste, we have implemented mechanisms for recycling, reuse, and appropriate waste disposal. Sawdust is repurposed into biofuel by a third-party company, and dust collection systems are operational at the furniture factory to minimise its environmental footprint. All generated waste is sent through authorised recyclers

Waste Type	kg
Cardboard waste	22,690
Discarded Electronic waste	27,833
Empty Hazardous Containers	1,443
Food waste	2,264
Metal	23,378
Mixed waste (Biodegradable)	292,750
Plastic waste	115,931
Polythene waste	5,420
Other	9,600
Grand Total	501,309

or municipal waste collectors. Additionally, a significant portion of our waste is sold as byproducts to recyclers. Water quality parameters are consistently monitored to ensure compliance with regulatory standards.

Waste Profile

Total Waste	
Recycled	30%
Reuse	70%
Land filling waste	< 1%
Total Waste water discharged	102,990 m ³
Ground water discharged	4%
Municipal line water discharged	96%
Waste water internally treated	N/A

Water discharge

Total water discharged	Litres
Municipal water	98,797,815
Ground water	4,192,365
Total	102,990,180

Emissions

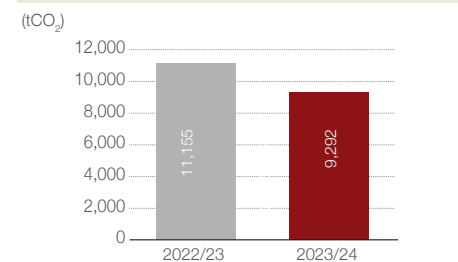
The Group's emissions impact from both direct operations and from the consumption of our products. Singer has adopted the IPC Guideline 2006 for Greenhouse Gas Inventories and has extended its

calculation to cover all three emission scopes. As outlined in the "Greening the customer's journey" section, initiatives aimed at lowering the energy consumption of our products have led to a tangible reduction in emission intensity. Emissions are assessed quarterly for all subsidiaries, and over the past year, the carbon footprint decreased by 1,863 tCO₂, with carbon intensity declining to 35%. During the year, the carbon intensity ratio was 0.13 tCO₂/revenue (Mn).

GHG emissions

Scope 1	tCO ₂
Direct emissions	478
Scope 2	tCO ₂
Emissions from purchased energy	6,166
Scope 3	tCO ₂
Other indirect emissions	2,648

GHG Emissions



Way forward

Going forward, our goals include obtaining GHG verification and ISO certification for our factories, confirming our dedication to environmental sustainability and operational excellence. We aim to improve energy efficiency and management practices across our facilities, further reducing our carbon footprint. Additionally, we plan to revamp our e-waste management strategies, ensuring responsible disposal and recycling of electronic waste to minimise environmental impact.

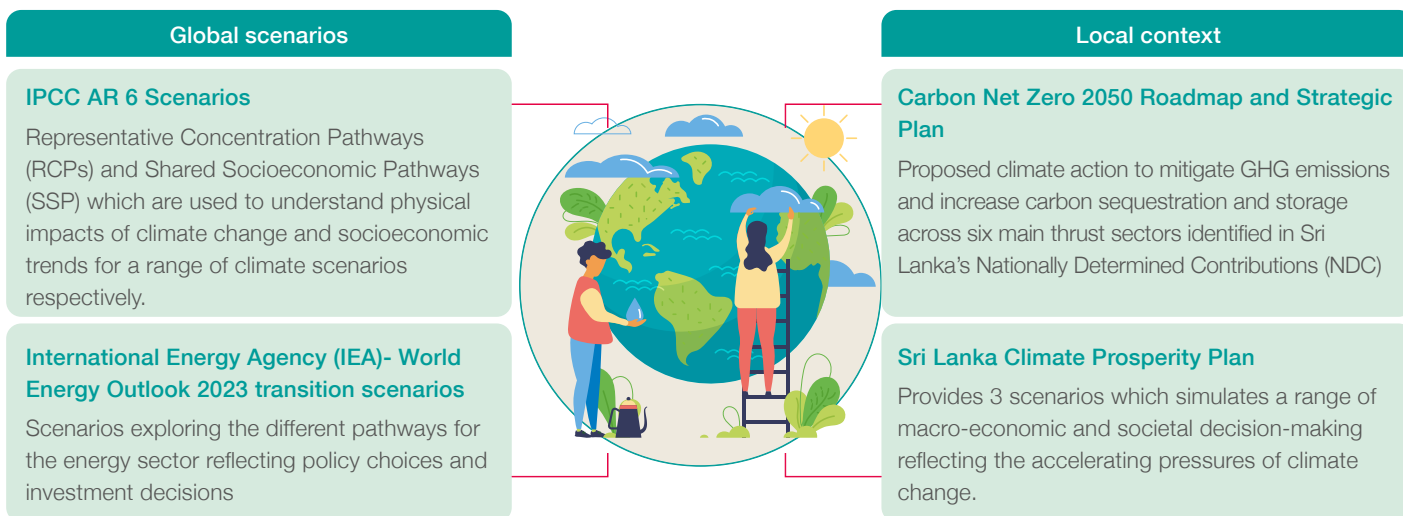
NATURAL CAPITAL

Scenario and stress testing

Singer Group’s methodology for scenario analysis is aligned to that of the parent entity, which conducted a qualitative analysis in the first year of adoption. Scenario analysis is used to assess the potential business implications of climate change on the Group’s portfolio and assess the range of potential adaptation and transition actions that may be needed to ensure business resilience.

Methodology

The selected scenarios are based on international physical and transition climate scenarios and sensitised to reflect the local context based on the country’s climate risk profile and national climate action agenda as listed below. Details on scenario inputs are listed below:



Group Scenarios

The three scenarios developed by the Group for qualitative assessment are summarised in the table below, together with referenceable global and national level scenarios. Given limitations in resources and availability of quantitative models and the complexity of the Group, Hayleys has opted for qualitative scenario analysis this year, as permitted in the transitional relief allowed for the implementation of IFRS- S2. The Group will explore the possibility of implementing quantitative scenario analysis and stress testing over the next few years.

Our scenario	Description and assumptions	Reference global scenarios		Local context
Scenario A- Net Zero	<p>Sri Lanka meets its conditional and unconditional NDC commitments achieving rapid decarbonisation of energy systems and technically, socially and financially feasible transition plans.</p> <p>Significant reduction in the demand for fossil fuels and pricing strategies for fuel which in turn leads to steep declines in emissions</p> <p>The increase in global temperature is limited to 2°C while Sri Lanka’s temperature rise will be lower than the global average, estimated around 1.2°C</p> <p>Forest cover rebounds beyond the NDC target</p> <p>Sri Lanka will see 70% of its energy requirement fulfilled by renewable sources by 2030, while electricity will be fully generated by low carbon resources</p> <p>Extensive investments in mitigation efforts</p>	C3/SSP 1-2.6	NZE	CPP

Our scenario	Description and assumptions	Reference global scenarios		Local context
Scenario B-Current pathway	<p>The country meets its unconditional NDC commitments, meeting its adaptation ambitions and sectoral reduction targets</p> <p>Limited external investments in technology and funding to drive the transition to low carbon</p> <p>Average temperatures expected to increase by approximately 2.5°C</p>	C6/SSP 2-4.5	APS	NDC
Scenario C-Divergence	<p>Global and local implementation gap to achieve decarbonisation goals with significant weather-related impacts on businesses and communities</p> <p>No specific climate related interventions and represents a continuation of the current trajectory</p>	C7/SSP 3-7.0	STEPS	BAU

Results of scenario analysis

	Scenario A	Scenario B	Scenario C
Temperature	<p>Consumer retail sector aligns with national goals of carbon neutrality, contributing to controlled temperature rise and reducing the impact of climate change.</p> <p>Financial Impact: Revenue stability and lower operational cost</p>	<p>Consumer retail sector struggles with the impacts of rising temperatures, leading to higher operational costs and supply chain disruptions.</p> <p>Financial Impact: Higher operational costs due to frequent climate-related disruptions and borrowing costs for businesses exposed to climate risks.</p>	<p>Consumer retail sector shows uneven adaptation to climate change impacts and rely on unsustainable sources</p> <p>Financial Impact: Loss of revenue and no access to cost of capital</p>
Extreme climate events	<p>Due to successful global efforts, the frequency of extreme weather events in Sri Lanka is lower, reducing the risk of severe supply chain disruptions.</p> <p>Financial Impact: Financial performance improves as businesses experience fewer disruptions from extreme weather events and lower insurance premiums contribute to stability and growth.</p>	<p>Increased frequency and severity of extreme weather events, such as droughts, floods, and wildfires, lead to significant supply chain disruptions.</p> <p>Financial Impact: Frequent disruptions lead to lower productivity and higher operational costs.</p>	<p>An intermediate frequency of extreme weather events, causing occasional supply chain disruptions.</p> <p>Financial Impact: Loss of revenue and financial strain.</p>
Policy and legal	<p>Government implements robust policies and legal frameworks to promote sustainability in the consumer retail sector.</p> <p>Financial Impact: Initial compliance cost but in longer term increase in revenue due to demand in consumer product and export opportunities/obtaining lower cost financing and international funding</p>	<p>Policies and legal frameworks to address climate change in the consumer retail sector are underdeveloped and poorly enforced.</p> <p>Financial Impact: Short-term gains from low compliance costs potentially undermined by long-term risks,</p>	<p>Implements a mix of policies and legal frameworks to address climate change in the consumer retail sector, with varying levels of success.</p> <p>Financial Impact: Loss of revenue and higher capital cost</p>

RISING SECURE

Stewardship

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BOARD OF DIRECTORS



Mohan Pandithage
Executive Chairman



Mahesh Wijewardene
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
Senior Independent Director



Gayani De Alwis
Independent Non-Executive Director



Brindhiini Perera
Non-Executive Director

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, The Kingsbury PLC and Hayleys Leisure PLC.

Mahesh Wijewardene

Group Chief Executive Officer

(Appointed to the Board on 1st June 2006.

Appointed as the Group Chief Executive Officer of Singer Group of Companies on 1st November 2018).

Mr. Mahesh Wijewardene was appointed to the Group Management Committee of Hayleys PLC and also an Executive Director and 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 Finance (Lanka) PLC, Regnis Appliances (Private) Limited, Reality Lanka 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 on the Boards of AIA Insurance Lanka Limited, Siyapatha Finance PLC, Pan Asian Power PLC, Kelani Cables PLC, Prime Land Residencies PLC, Medapp (Pvt) Ltd., Lanka Shipping and Logistics (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.

BOARD OF DIRECTORS

Hisham Jamaldeen

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

Mr. Jamaldeen is a finance professional with multi-industry experience in accounting, corporate finance, acquisitions and disposals, business planning and restructuring and strategic business development among others. His expertise has been enriched by both local and global exposure, which includes stints as Finance Director of Newbridge Capital Investments Limited in London, Freeman & Partners Accountancy Practice (UK) and Barclays Capital, a British multinational investment bank.

Mr. Jamaldeen is the Founding Managing Director of Steradian Capital Investments, a boutique real estate advisory and consultancy firm. Serving both local and foreign clientele, his responsibilities include acquisitions, structuring debt financing and corporate structures. In 2020, Mr. Jamaldeen was recognised as a trailblazer and disruptor in the investments sector by Echelon for his contribution to the sector. He also formerly served as a Director of People's Bank, Atomic Energy Board and as a member of the Interim Committee for Sri Lanka Cricket.

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

He further serves as an Executive Director of Lanka Realty Investments PLC, Managing Director of On'ally Holdings PLC, and functions as a Non-Executive Director of Hayleys PLC, Haycarb PLC and Talawakelle Tea Estates PLC.

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 is the immediate past Chairman of the Colombo Stock Exchange (CSE).

Mr. Fernando has almost three decades 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 business which operated across 12 countries - and a member of that firm's Global Leadership Council.

Mr. Fernando is an Independent Director of 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.

Sarath Ganegoda

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

Mr. Sarath Ganegoda is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (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 parent 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, Dipped Products PLC, Haycarb PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, The Kingsbury PLC and Hayleys Leisure PLC.

Dilip De S. Wijeyeratne

Senior Independent 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 Hayleys Fibre PLC, Sampath Bank PLC and Janashakthi Insurance 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 Jayewardenepura, Sri Lanka and MSc from University of Reading, UK.

Ms. de Alwis is a Past President of Chartered Institute of Logistics and Transport (CILT), Founding Chairperson and Advisor of Women in Logistics and Transport (WiLAT) Sri Lanka and the Immediate Past Global Chairperson of WiLAT. She was also a past advisor to the Council of Trustees of CILT. 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, Women's Chamber of Industry and Commerce (WCIC), Arutha Foundation (Guarantee) Ltd, CSR Lanka (Guarantee) Ltd and a governing council member of Open University of Sri Lanka (OUSL). She is a member of Sri Lanka Institute of Directors (SLID), founding member of the Women Corporate Directors (WCD) Sri Lanka Chapter and an Executive Council Member of SAARC Chamber Women Entrepreneurs Council (SCWEC).

She is a member of CCC sector Committee on Logistics and Transport, Entrepreneurship and SME Steering Committee, Women's Advisory Committee (WAC) member of Ministry of Skills Development, Labour and Vocational Training and a Steering Committee member for Inclusive and Sustainable Businesses (ISBs) to achieve the Sustainable Development Goals in Sri Lanka. 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.

BOARD OF DIRECTORS

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 Haycarb PLC, Dipped Products PLC, The Kingsbury PLC, Hayleys Leisure PLC, Hayleys Fabric PLC, Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC and Lanka Walltiles 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.

MANAGEMENT TEAM



Sujeewa Perera
Director - SSL Factory and Logistics



Kelum Kospelawatta
Factory Director - Refrigerator and Washing Machine Factory



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



Shalinka Seresinhe
Finance Director



Janmesh Antony
Marketing Director



Indika Gunathilake
Deputy Director - B2B and Emerging Channels



Aruna Kolambage
Deputy Factory Director - Singer Industries Factory



Irzan Carder
Deputy Director - Risk Management



Priyanjith Meegoda
Deputy Director – Hire Purchase and Credit



Kasun Udayanga
Deputy Director – Service and Process Development



Damitha Serasinghe
Deputy Director – Information Technology

MANAGEMENT TEAM



Asantha Karunaratne
Senior Manager - Merchandising
and Promotions



Ransiri Perera
Group Administration Manager



Hemantha Perera
Senior Manager - Budgeting and
Planning



Terrence Martyn
Senior Manager - Sewing and
Business School



Piyum Jayatilake
Marketing Manager



Thanuja Senaviratne
Senior Manager Information
Technology - 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



Indika Perera
Business Development Manager
- Wholesale



Suren Kanishka
Senior Manager - Promotions



Upul Peiris
Business Development Manager
- Retail South



Sampath Jayatilake
Senior Manager - Human
Resources



Priyantha Wettewa
Factory Manager - Regnis
Appliances (Private) Limited



Shirani Edirisinghe
Senior Manager Human Resources - Factory



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



Lasanka Arunajith
Head of Logistics



Gihan Jayawardena
Operations Manager - Furniture



Sujith Sirimanna
Business Development Manager - North



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



Minuwan Gunaratne
Business Development Manager - Singer Mega Channel



Prasad Dasanayake
Head of Operations - Regnis Factory



Vinod Gamage
Senior Manager - Manufacturing Finance



Darshana Appuhamy
Marketing Manager

CORPORATE GOVERNANCE

Corporate governance underpins our growth and resilience, maintaining a fine balance between entrepreneurial agility tempered with diligent oversight, accountability and concern for stakeholders. Our governance mechanisms have evolved over decades and also benefit from alignment with those of our parent, Hayleys PLC. They continue to evolve, adapting to regulatory changes and our own business needs, ensuring that the structures, policies and processes are fit for purpose and effective.

Governance Structure of Singer (Sri Lanka) PLC

Changes to the Group Structure

The structure of the Singer Group changed with the amalgamation of its subsidiaries as follows:

- On 1st January 2024, Singer Business School (Private) Limited, and Domus Lanka (Private) Limited,
- On 31st January 2024, Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC.

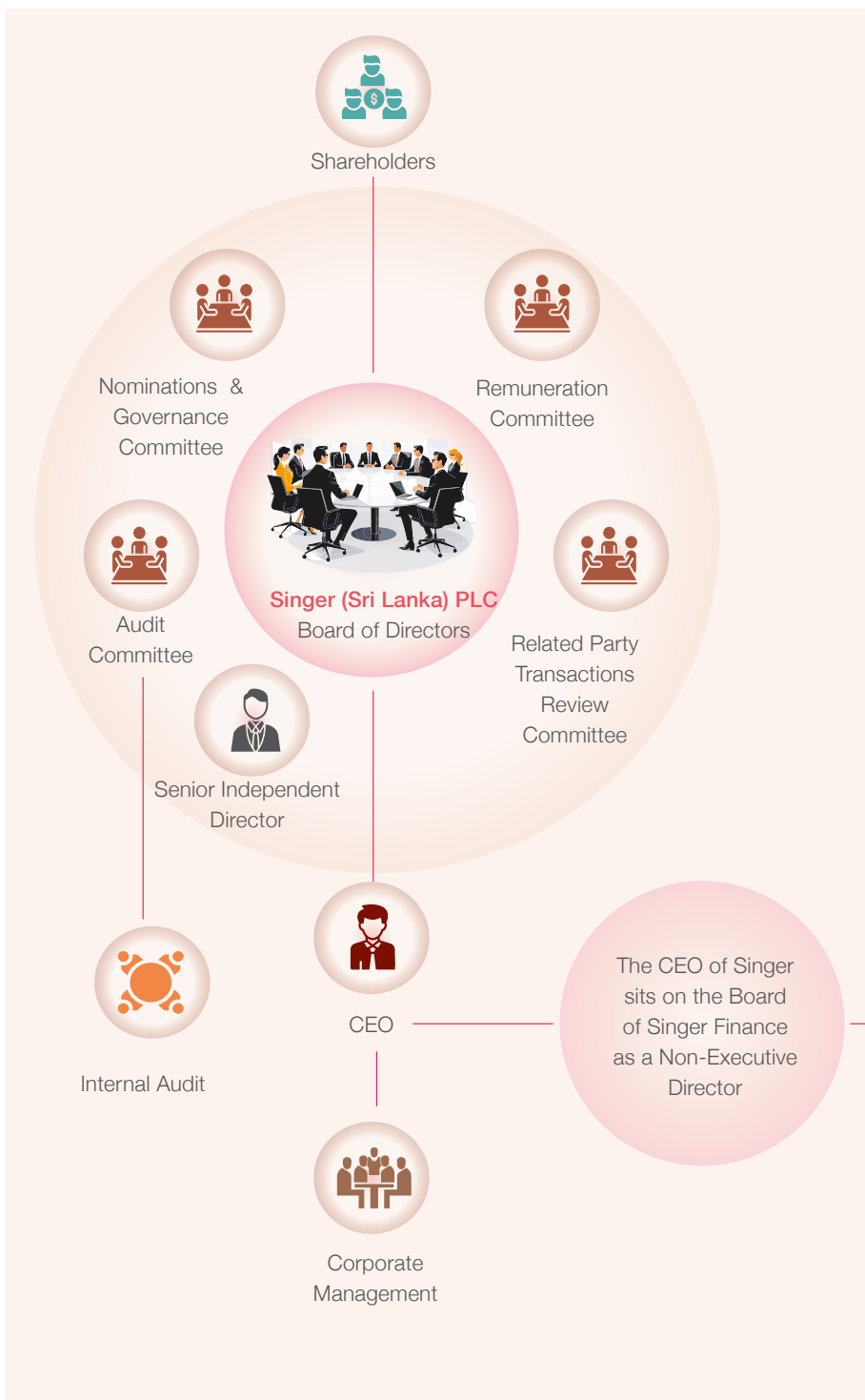
Due notice was given to shareholders of the amalgamation of the unlisted companies which were not considered a major transaction under the Companies Act. The amalgamation of the listed companies was approved by shareholders on 18th January 2024. As a result, 40,731,422 Ordinary Voting Shares were issued to minority shareholders of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC. Shares of dissenting shareholders were re-purchased. After the amalgamations, subsidiaries of Singer Group will be Singer Finance (Lanka) PLC, Regnis Appliances (Private) Limited and Reality Lanka Limited.

Regulatory & Other Changes to Corporate Governance Structures

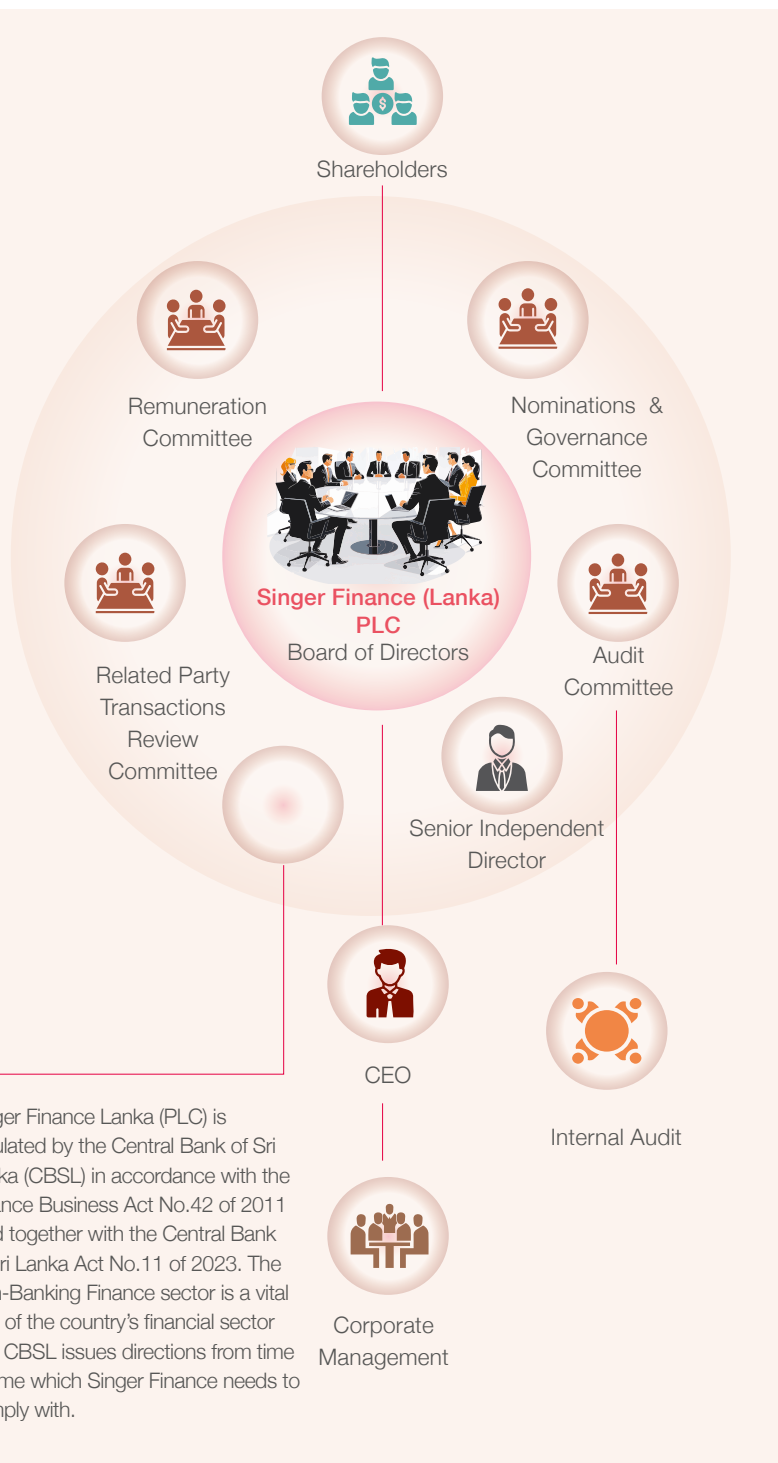
CSE issued Listing Rule#9 on Corporate Governance in August 2023 which necessitates some changes to the governance structures and policy framework of the Group. Singer has made necessary steps to early adoption of the new Corporate Governance Rules.

The International Sustainability Standards Board issued two standards on sustainability reporting which localised and issued by the Institute of Chartered Accountants of Sri Lanka which become effective on 1st January 2025. Singer has made significant changes to its internal and external sustainability reporting processes to be compliant with the requirements by next year. This year's report makes significant strides towards compliance with these standards which are highlighted throughout.

The Institute of Chartered Accountants of Sri Lanka issued a revised version of the Code of Best Practice on Corporate Governance with changes to ESG reporting which have also been complied with.



Oversight of Singer Finance (Lanka) PLC



Highlights 2023/24

- Amalgamation of 4 subsidiaries during the year to streamline operations of the Group and issue of 40,731,422 Ordinary Voting Shares to the minority shareholders of Regnis Lanka) PLC and Singer Industries (Ceylon) PLC
- Ensuring alignment of Board Committee mandates with CSE Rule #9
- Formation of the ESG steering Committee with representation of Senior Management including the Finance Director. The committee is chaired by the CEO.
- Appointment of Mr. Dilip De S. Wijeyeratne as Chair and Mr. Sarath Ganegoda as a member of the Nominations & Governance Committee in compliance with Listing Rule #9
- Cessation of Alternate Director positions
 - Mr. Kapila Perera (Alternate to Mr. Hisham Jamaldeen) w.e.f. 20th January 2024
 - Mr. Sujeewa Perera (Alternate to Mr. Mahesh Wijewardene) w.e.f. 27th February 2024

CORPORATE GOVERNANCE

An Effective Board

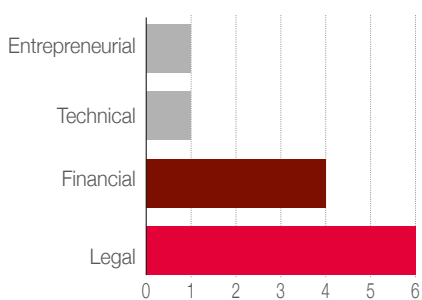
Composition

Composition is key to the effective functioning of a Board and the Singer Board comprises people who are able to express their views based on informed judgement on matters set before the Board. The Board comprises 9 Directors of whom 5 are Independent Directors and 2 are Non-Independent Non-Executive Directors. The Chairman is also the Chairman of the Hayleys Group and Mr. Dilip De S Wijeyeratne has been appointed as the Senior Independent Director in accordance with best practice and regulatory requirements. The Chief Executive Officer is also a member of the Board. The profiles of the Directors are set out on pages 90 to 94.

Collectively, the Board possess the skills and experience required to provide leadership to the Singer Group. Directors include members of professional accountancy bodies and possess the necessary financial acumen.

Domain knowledge and awareness of our impacts on the economy, environment and our stakeholders are valued skills which enrich the discussions. Diverse skills, perspectives and opinions strengthens the collective knowledge of the Board, supporting sound governance. The Nominations & Governance Committee consider the above in recommending new Directors for appointment to the Board.

Collective Skills



Governance Framework

The Group's Corporate Governance structures and policy frameworks ensure compliance with legal and regulatory requirements and an appropriate balance of power, judicious delegation of authority, transparency in communications, accountability and integrity across the Group. Accordingly, the governance framework is based on the several external and internal steering instruments as set out below:

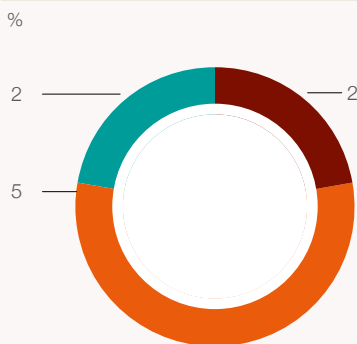
External

Legal & Regulatory

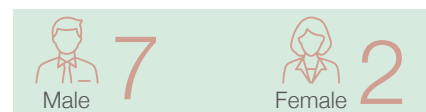
- ➔ Companies Act No. 07 of 2007
- ➔ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- ➔ Continuing Listing Rules of the Colombo Stock Exchange.
- ➔ Directives/Regulations of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and its amendments there to, as repealed by the securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- ➔ Acts, Circulars, Gazettes issued by the Taxation Authorities for Corporates.
- ➔ Shop and Office Employees Act No. 19 of 1954 and amendments thereto
- ➔ Customs Ordinance No. 17 of 1869
- ➔ Exchange Control Act No. 22 of 2017
- ➔ Industrial Disputes Act No. 43 of 1950

Board Diversity

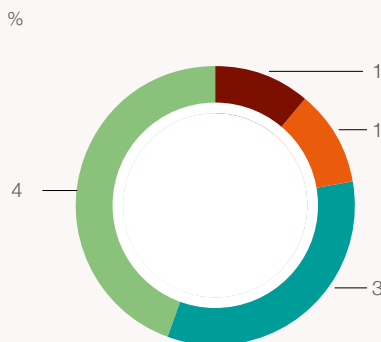
Board Balance



- Executive
- Independent
- Non-Executive

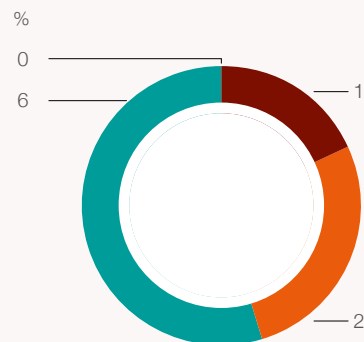


Age Diversity



- Under 40
- 40-50
- 50 - 60
- > 60

Tenure of Service



- < 3 Years
- 3-6 Years
- 6-9 Years
- > 9 Years

- Factories Ordinance No. 45 of 1942
- National Environment Act No.47 of 1980

For Singer Finance (Lanka) PLC Only

- Finance Business Act, No.42 of 2011 Corporate Governance Direction No. 3 of 2008 and subsequent amendments issued by the Central Bank of Sri Lanka

Voluntary

- Code of Best Practice on Corporate Governance issued in year 2023 by the Institute of Chartered Accountants of Sri Lanka.
- IFRS Sustainability Reporting Standards Issued by the International Sustainability Standards Board (ISSB)
- GRI Standards issued by the Global Reporting Initiative
- SASB Standards issued by the ISSB

Internal Authoritative Documents

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

Role of Senior Independent Director

- Set corporate values facilitating an equitable balance between key stakeholder interests
- Uphold high standards of ethics, integrity and probity.
- Support executive leadership whilst monitoring their conduct
- Promote high standards of corporate governance and compliance
- Meet with NEDs at least twice a year and EDs at least once a year to facilitate discussion and communication of governance matters and communicate same to Chairman
- Be available to shareholders in case they have concerns which cannot, or should not, be addressed by the Chairman or Executive Directors
- Act on the results of any performance evaluation of the Chairman
- Maintain sufficient contact with major, significant and minority shareholders, assisting the Board to develop a balanced understanding of their issues

Role of the Board

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 summarised below:

Role of Chief Executive

- Accountable to the Board for the performance
- Responsible to providing leadership to the executive committee
- In charge of day to day management of company's operation
- Implementation of the board approved policies ensuring that the company fulfils its reputation commitments

Role of Chairman

- Ensure that the Board is in control of the affairs of the company
- Efficient conduct of the Board Meetings
- Ensure that there is a balance of power between executive and Non- Executive Directors
- Ascertain views of all Directors

Role of the Company Secretary

(Summary of Role which in line with Schedule A of the Code)

- Facilitating the efficient conduct of Board meetings and ensuring that all proceedings of meetings are properly minuted
- Ensuring that all Board Committees are properly constituted and provided with clear terms of reference

CORPORATE GOVERNANCE

- ➔ Ensuring that an annual general meeting is held in line with regulatory requirements and that all notices, forms and reports necessary for the meeting are disseminated with approval of the Board
- ➔ Maintaining minutes of the annual general meeting
- ➔ Maintaining the registers required by regulations
- ➔ Filing of all statutory returns and documents with the Registrar of Companies
- ➔ Advising the directors with respect to their duties and responsibilities in compliance with regulatory requirements
- ➔ Ensuring good relationships with shareholders
- ➔ Making necessary disclosures on related parties and related party transactions

Nomination, Appointment & Succession

The Nominations and Governance Committee assesses the strategic demands of the Group as well as the skills and competence of the Board to determine the optimum size, skills and other attributes needed and makes their recommendations accordingly. Profiles of requirements are drawn up and potential candidates are screened by the Nominations and Governance Committee prior to recommendation to the Board. The Board considers the recommendations of the Nominations and Governance Committee and recommends suitable candidates for appointment or re-election by the shareholders at the Annual General Meeting under the advisement of the Nominations and Governance Committee. 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; and

- d. Whether such Director can be considered 'Independent'.

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 election by the shareholders at that meeting ensuring shareholder participation in the election of Directors.

One third of the Directors in office except the Chairman, Managing Director/ Joint Managing Directors 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 eligible for re-election and maybe recommended for re-election by the Board. The names of Directors submitted for election or re-election are accompanied by a resume to enable shareholders to make an informed decision on their election.

Committees of the Board

The Board is assisted in the discharge of their duties by 4 Committees who exercise additional oversight in matters where more extensive review of specific matters is deemed necessary. Each Committee has a Chairman who is different to the Chairman of the Board and adopted Terms of Reference. The Terms of Reference were amended to comply with the CSE Listing Rule #9 during the year. The Composition and areas of responsibility are summarised below:

Sub-Committee	Composition	Mandate	No. of meetings held
Audit Committee	Mr. Dilip De S. Wijeyeratne - SID (Chairman) 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 Chairman Mr. Dilip De S. Wijeyeratne - SID Mr. Deepal Sooriyaarachchi - IND/NED	Formulation and review of Remuneration policies and set goals and targets relating to Directors, Managing Director and Key Management Personnel (KMPs)	1
Nominations and Governance Committee	Mr. Dilip De S. Wijeyeratne - SID - Chairman Mr. Hisham Jamaldeen - IND/NED Mr. Sarath Ganegoda - NED	Provide recommendations and advice to the Board on the appointment or re-election of Directors	-
Related Party Transaction Review Committee	Mr. Deepal Sooriyaarachchi - IND/NED-Chairman Mr. Dilip De S. Wijeyeratne - SID Mr. Mahesh Wijewardene - ED	Assess all transactions with related parties to ensure that related parties are treated on par with other stakeholders	4

SID - Senior Independent Director

IND - Independent Director

NED - Non-Executive Director

ED - Executive Director

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 C of the Code are used to determine the Independence of Directors. Directors submit an annual declaration which is reviewed by the Company Secretaries who advise the Chairman of any changes in status. If any criteria for independent is not satisfied the Board make the determination as permitted by the Listing Rules of CSE.

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 246.

The 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 pages 239 to 242.

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 (if any) 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

The Board, the Audit Committee and the Related Party Transactions Review Committee meets at least once every quarter while the other Board Sub Committees have varying frequencies for meetings.

Individual attendance by members are given below:

Name of Director	Directorship status	Board Meetings	Audit Committee	Related Party Transactions Review Committee	Nomination Committee	Remuneration Committee
Mr. Mohan Pandithage	Executive	6/6	-	-	-	-
Mr. Mahesh Wijewardene - Singer Group CEO						
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene - resigned w.e.f. 27th February 2024)	Executive	6/6	-	4/4	-	-
Mr. Deepal Sooriyaarachchi	Independent Non-Executive	5/6	4/4	4/4	-	1/1
Mr. Hisham Jamaldeen	Independent Non-Executive	5/6	3/4	-	-	-
Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen - resigned w.e.f. 20th January 2024)						
Mr. Dumith Fernando	Independent Non-Executive	6/6	-	-	-	-
Mr. Sarath Ganegoda	Non-Executive	6/6	-	-	-	-
Mr. Dilip De S. Wijeyeratne	Senior Independent	6/6	4/4	4/4	-	1/1
Ms. Gayani De Alwis	Independent Non-Executive	6/6	-	-	-	-
Ms. Brindhiini Perera	Non-Executive	5/6	-	-	-	-

CORPORATE GOVERNANCE

Board Contribution to Value Creation

The Board's role in value creation is summarised as follows:



Strategy & 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 Chief Executive Officer) 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 2023/24;

- Consolidating operations
- Optimising the easing of import restrictions taking into consideration taxation, affordability and pressures on disposable income
- Working capital and liquidity management

- Ensuring the safety of employees and evaluate the stringency of the safety measures in place across the organisation
- Increased focus on local value addition and exploring avenues of expanding our local manufacturing capabilities

Organisational Culture

The Board sets the right tone at the top, thereby playing a vital role in shaping organisational culture. The Singer Group's Code of Conduct, which is applicable to all Directors, Management team and employees clearly set out the Group's expectations when engaging with both internal and external stakeholders. Key aspects of the Code of Conduct are listed on page 291 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 honesty, objectivity and diligence when performing one's duties
- Work within applicable laws and regulations

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

Risk Management and Controls

The Audit Committee supports the Board in its risk-related duties; the Group's risk management comprises a robust framework including policies, risk strategies, procedures, limits, and exposures, among others. The risk management framework has been designed to achieve an optimal risk-reward balance, drive accountability through effective segregation of duties and nurture a culture of risk consciousness across the organisation. The structure is based on the globally accepted Three Lines of Defence Model which sets out the lines of authority, roles, and responsibilities to efficiently manage risk across the Group. Please refer to pages 117 to 121 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. Please refer ESG Integration on page 104 of this report.

Remuneration

The Remuneration Committee determines the remuneration of the Chairman/Chief Executive and the Executive Directors and sets guidelines for the remuneration of the management staff within the Group. The Report of the Remuneration Committee and summarised Terms of Reference of the Remuneration Committee are set out on page 112. The Remuneration Committee comprises the following Independent Non-

Executive Directors and the Chairman of this committee is appointed by the Board.

- ➔ Mr. Hisham Jamaldeen - Chairman - Independent Non-Executive
- ➔ Mr. Dilip De S. Wijeyeratne - Senior Independent
- ➔ Mr. Deepal Sooriyaarachchi - Independent Non-Executive

The Board as a whole determines the remuneration of the NED's who receive a fee for being a Director of the Board and additional fee for being a member of a Committee. They do not receive any performance related/ incentive payments. Remuneration Committee consults the Chairman about its proposal relating to the remuneration of other Executive Directors and have access to professional advice from within and outside Singer (Sri Lanka) PLC, in discharging their responsibilities. No Director is involved in deciding his own remuneration.

Level & Make Up of Remuneration

The Remuneration Committee determines the combination of remuneration needed to attract, retain and motivate Executive Directors of the quality required to achieve corporate goals. The Remuneration Committee ensures that the remuneration of executives of each level of management is competitive and in line with their performance. External benchmarking is done with the Group to determine competitiveness of remuneration packages. The Remuneration Committee reviews data concerning executive pay among the Group Companies.

A performance based incentive has been determined by the Remuneration Committee to ensure that the total earnings of the executives are aligned with the achievement of objectives and budgets of the Group companies. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle them to extra compensation. However, any such compensation, if any, would be determined by the Board of Directors.

Remuneration for Non-Executive Directors reflect the time commitment and responsibilities of their role, taking into consideration market practices. Non-Executive Directors receive a fixed fee and do not participate in performance related pay.

The Report of the Remuneration Committee is set out on page 112 which includes a statement on Remuneration Policy. Please refer page 171 for the total Directors' Remuneration.

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 days prior to the AGM. This allows all the shareholders to review the documentation and participate effectively at the AGM. Separate resolutions are prepared for each item of business, giving shareholders the opportunity to vote on each of such issue, separately. Voting procedures at the AGM are circulated to the shareholders in advance.

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

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 7.13.1 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 2024 was 10.94%, which is below the minimum requirement of 20% as specified by the Listing Rules [Rule 7.13.1 (i)(a)] of the Colombo Stock Exchange (CSE)

Upholding Rights of Shareholders

The Board has well established procedures in place to ensure fair treatment of all shareholders. Quarterly financial statements with an accompanying review, the annual report, timely announcements

CORPORATE GOVERNANCE

to the Colombo Stock Exchange of price sensitive information and press releases ensure that all shareholders have access to price sensitive information. The Annual General Meeting is the main forum for engaging with shareholders and the Group has a history of well attended shareholder meetings. Further, awards for excellence in corporate reporting affirms the Group's

commitment to disclosure and transparency. Assurance on financial statements, sustainability information and compliance with the Integrated Reporting Framework supports the reliability of the information contained in the annual report which provides comprehensive information on relevant matters to the shareholders. The Reports and other information are available

on the Company's website and price sensitive information is also available on the Colombo Stock Exchange website.

ESG Integration

As part of the Hayleys Group reputed for its commitment to sustainability, Singer has adopted the Hayleys Lifecode which sets out the framework for the Group as set out below.

ESG Approach



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

Policy Architecture

Objective	Social	Governance
<ul style="list-style-type: none"> ➤ Material and waste management policy ➤ Energy and emissions management policy ➤ Water management policy ➤ Biodiversity conservation policy ➤ Chemical management policy ➤ Sustainability compliance guidelines 	<p>Human Capital</p> <ul style="list-style-type: none"> ➤ Industrial relations policy ➤ Disciplinary policy ➤ Grievance handling policy ➤ Recruitment policy ➤ Learning and development policy ➤ Talent management and succession planning policy ➤ Performance management policy ➤ Human rights policy ➤ Whistleblower policy ➤ Anti-sexual harassment policy ➤ Health and safety policy 	<ul style="list-style-type: none"> ➤ Board charter ➤ Board Committee Characters ➤ Stakeholder engagement ➤ Information disclosure policies ➤ IT policies ➤ Intellectual capital policy ➤ Information security policy ➤ Business data back up policy
	<p>Social and Relationship capital</p> <ul style="list-style-type: none"> ➤ Customer management policy ➤ Procurement policy ➤ Community relations policy 	

Sustainability Governance

The Board bears ultimate responsibility for sustainability and have set in place a structure that is fit for purpose. An ESG committee which is chaired by the CEO has been set up to drive the Singer Group’s sustainability agenda. The ESG Committee consisting of two sub-committees: a Steering Committee and a Working Committee. The Steering Committee, led by the Group CEO, oversees the Group’s Environment, Social, and Governance (ESG) framework and strategy. Meanwhile, the Working Committee, chaired by the Finance Director, executes the recommendations made by the steering committee. Singer has an Assistant Manager Sustainability which comes within the purview of the ESG Committee. The Assistant Manager Sustainability is responsible for implementing the ESG Framework and ensuring that the metrics required to assess progress are recorded in a timely manner and have the necessary audit trails. The Sustainability Department also plays a critical role in implementing Hayleys Group initiatives on sustainability reporting.



The ESG Committee meets quarterly and reviews the sustainability performance of the Singer Group as well as the progress made on new initiatives.

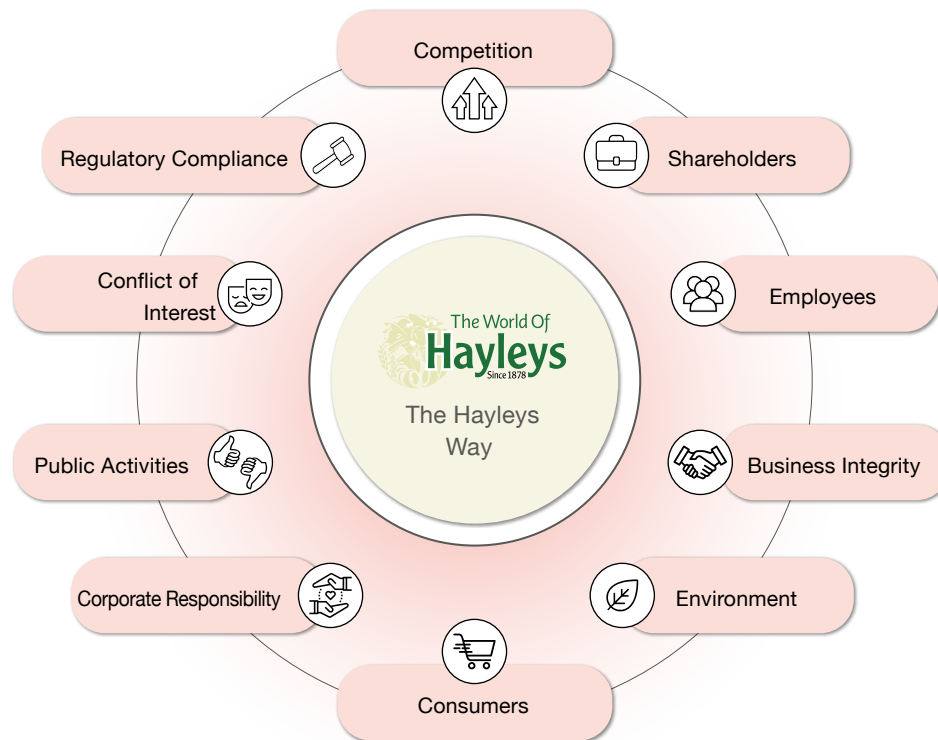
The Hayleys Way

This is the Ethical Road Map for all employees of the Group including its key management personnel and sets out clearly the expectations of all employees of the Group. It also provides information on the culture, grievance mechanisms and commitment of the Group to create a conducive work environment for all employees. This code of conduct is reinforced through the orientation training which all employees joining the Group undertake, typically within one month of joining. It sets out explicit statements on anti-corruption and acceptable gifts.

It is based on the following principles:

- The Group is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all stakeholders.

CORPORATE GOVERNANCE



- All employees are required to comply with the laws and regulations of the countries in which they operate.
- Every employee shall be responsible for the implementation of and compliance with the Code in his/her environment.

The Code of Conduct provides guidelines for employees on the conduct of its businesses and operations.

Digital Governance

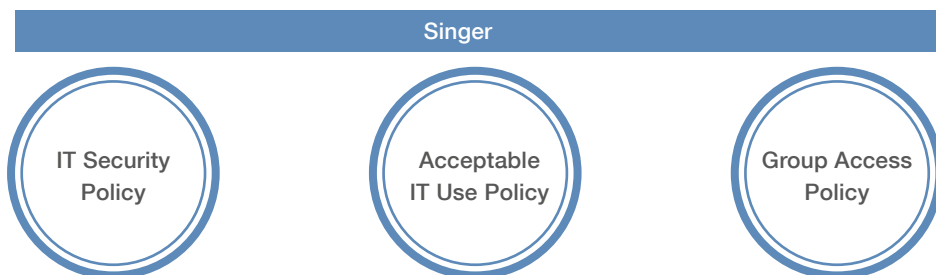
IT governance is key as business processes and official records are maintained in digital form and the system of internal controls rely on the effective functioning of IT systems and processes. Additionally, the information assets of the Singer Group are valuable and its safekeeping is mandated by the Personal Data Protection Act No. 9 of 2022. Competent and dedicated resources are deployed to support this vital area as cyber threats continue to escalate

across the world, crossing borders with ease. 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 IT governance to diverse functional areas of the Company is driven by certain core objectives which are set below:

Objective	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.

As part of the Hayleys Group, Singer also follows the following IT Policies:



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, workflow application, data analytics layer and other related business systems, internet, emails and other Company-wide data communication systems.

Statement of Value Added - Group

For the Year ended 31st March	2024 Rs. '000	%	2023 Rs. '000	%
Group Turnover – Gross	76,616,451		58,625,516	
Other Income	345,057		248,027	
Less – Cost of Material and Services	54,588,661		40,539,489	
Value Added	22,372,847	100.0	18,334,054	100.0
Distribution of Value Added to Employees and Dealers				
Salaries, Commissions and Other Benefits	4,342,596	19.4	4,032,322	22.0
To Government				
Income Taxes, Turnover Taxes, Value Added Tax and Other Taxes	14,402,274	64.4	7,501,070	40.9
To Banks, Deposit Holders and Other Lenders				
Interest and Bank Charges on Borrowings and Customer Deposits	2,401,902	10.7	6,118,864	33.4
To Suppliers of Capital				
Dividends to Shareholders	-		-	
Retained for Reinvestment and Future Growth				
Depreciation, Amortisation and Impairment	851,282	3.8	818,257	4.5
Retained Profits	374,793	1.7	(136,459)	(0.7)
Value Distributed	22,372,847	100.0	18,334,054	100.0

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 the Senior Independent Director.

Audit Committee Members

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

Brief profiles of the Directors are given on pages 90 to 94 of this Annual Report. The Chairman of the Audit Committee is a Member of a recognised professional accounting body and other members possess relevant knowledge, qualifications and experiences in financial reporting, control and regulatory requirements. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

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.

Charter of the Audit Committee

The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to make sure that new developments relating to the function of the Committee. The Charter of the Committee was last reviewed and approved by the Board in January 2024. The terms of reference of the Committee are clearly defined in the Charter of the Audit Committee.

'Rules on Corporate Governance' under listing rules of Corporate Governance under Colombo Stock Exchange, 'Code of Best Practice on Corporate Governance' issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in 2023 and in the case of the subsidiary Company, Singer Finance (Lanka) PLC, Finance Leasing (Corporate Governance) Direction No. 03 of 2008 issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011, further regulate the composition, roles and functions of the Board Audit Committee.

Responsibilities and duties of the committee

The Audit Committee's authority, responsibilities and specific duties have been formalised through the 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 2023/24

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.

The committee obtained and reviewed statements from the Management identifying respective major business risks, mitigatory action taken or contemplated for management of these risks. The COSO Enterprise Risk Reporting Process is presently being implemented within the group.

The Audit Committee also conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability-related-risks and opportunities.

Review of the risk management, internal controls, business continuity planning and information security systems are carried out and appropriate remedial actions are recommended to the board.

Ethics and Good Governance

The Committee continuously emphasised on upholding ethical values of the staff members. In this regard, Code of Ethics, Whistle-Blowers Policies and Anti-corruption policies were put in place and followed educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistle-Blowing or identified through other means. The Whistle-Blower Policy guarantees strict confidentiality of the identity of the Whistle-Blowers.

Meetings of the committee

The Audit Committee met four times to discuss the interim and year end financial statements. 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 is given on page 103 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 non-audit services provided by the External Auditors to the Group to ensure that their independence as Auditors has not compromised.

The current auditors, Messrs KPMG, Chartered Accountants were appointed as the external auditors of the Company from the financial year 2007 and continue to hold that position at present. A partner rotation of the auditors take place at periodic intervals and the most recent rotation took place in the year 2022.

The Audit Committee recommended to the Board of Directors that Messrs KPMG, Chartered Accountants be reappointed as the External Auditors for the financial year 2024/25, 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.

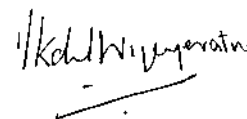
Sri Lanka Accounting Standards

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

06th May 2024
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. Dilip De S. Wijeyeratne - Senior Independent Director
- Mr. Deepal Sooriyaarachchi - Independent Non-Executive Director

Brief profiles of the Directors are given on pages 90 to 94 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 Committee is responsible to the Board to determine the policy of the remuneration package of the Directors.

The Committee evaluates, assesses and recommend to the Board of Directors on any matter that may affect Human Resources Management of the Company and the Group and specifically include:

- Determining the compensation of the Chairman, Executive Directors and the Members of the Ex-Co.
- Lay down guidelines and parameters for the compensation structures of all management staff within the Singer Group taking into consideration industry norms.

- Formulate guidelines, policies and parameters for the compensation structures for all Executive staff of the Company.
- Review information related to executive pay from time to time to ensure same is in par with the market/industry rates.
- Evaluate the performance of the Chairman and Key Management Personnel against the predetermined targets and goals.
- Assess and recommending to the Board of Directors of the promotions of the Key Management Personnel and address succession planning.
- Approving annual salary increments and bonuses.

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.

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.

All Non-Executive Directors (other than Directors who are employed by Hayleys PLC) receive a fee for serving on the Board and serving on Board Sub Committees. They do not receive any performance related incentive payments.

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 103 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

09th May 2024
Colombo

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Composition of the committee

Nominations and Governance Committee consisted one Independent Non-Executive Director and one Executive Director as at the end of the reporting period, 31st March 2024. The composition was changed to comply with Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange with effect from 09th May 2024.

Nominations and Governance Committee Members during the year ended 31st March 2024.

Mr. Mohan Pandithage - Chairman - Executive Director

Mr. Hisham Jamaldeen - Independent Non-Executive Director

Nominations and Governance Committee Members w.e.f. 09th May 2024.

Mr. Dilip De S. Wijeyeratne - Chairman - Senior Independent Director

Mr. Hisham Jamaldeen - Independent Non-Executive Director

Mr. Sarath Ganegoda - Non-Executive Director

Responsibilities and duties of the committee

- Consideration of making any appointment of new Directors or re-electing current Directors.
- Provide advice and recommendations to the Board on any such appointment.
- Review criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment to the Board and Key Management Personnel in the Company.
- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director taking into consideration the Director's number of listed Company Boards on which the Director is represented and other

principal commitments.

- Review the structure, size, compensation and competencies of the Board and make recommendations to the Board with regard to any changes.
- Recommend the requirements of new expertise and succession arrangements for retiring Directors.
- Recommend on any other matter referred to it by the Board of Directors.

Meetings of the committee

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

Disclosure of Activities

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.

Newly appointed Directors, if any, are given an induction to the Company prior to their first Board meeting. The orientation programme includes inviting the Directors to the branches and manufacturing facilities to gain an understanding of the operations of the Company and its subsidiaries. Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non Executive Directors have submitted declarations regarding their independence/non-independence.

The fitness and propriety of the Directors were examined.

Re-election of Directors at the Annual General Meeting

One Third (1/3) of the Directors except the Chairman, Managing Director or Joint Managing Director, retire by rotation in terms of Article 24(4) of the Articles of Association and being eligible submit themselves for re-election at the AGM.

Accordingly, the Committee has recommended to re-elect Mr. Hisham Jamaldeen and Mr. Dilip De S. Wijeyeratne to the Board at the Annual General Meeting to be held on 25th June 2024, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. Jamaldeen was appointed to the Board in October 2017, and last re-elected as a Director in June 2021. His Directorships and other principal commitments are given in the profile on page 92.

Mr. Wijeyeratne was appointed to the Board in April 2018, and last re-elected as a Director in June 2022. His other Directorships and other principal commitments are given in the profile on page 93.

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

Due to the invaluable contribution made to the Board as a result of his many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint Mr. Mohan Pandithage who is over seventy years and retire in terms of Section 210 of the Companies Act No. 7 of 2007.

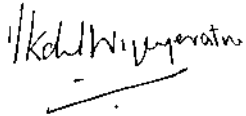
None of the Directors who are being proposed for re-election/re-appointment or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The above recommendations were approved by the Board.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in pages 298 to 304.

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.



Dilip De S. Wijeyeratne

Chairman - Nominations and Governance
Committee

09th May 2024

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 Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (the "Code"), Section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules") and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

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 - Senior Independent Director
- Mr. Mahesh Wijewardene - Executive Director

Brief profiles of the members are given on pages 90 to 94 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 2024, the Committee met four times. Attendance by the Committee Members at these meetings is given in the table on page 103 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 ensure that there is no 'more favourable treatment' given to related parties which may be prejudicial to the interests of the Company/Group 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.
- To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.

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.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

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.

Disclosures

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in note 39 to the financial statements given in page 239 to this report.

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

06th May 2024
Colombo

RISK MANAGEMENT

The year under review was challenging as we navigated a path to recovery, having commenced the year under severely stressed conditions. The fiscal and monetary policy measures continued to impact the household budgets in the first half of the financial year. The second half of the year witnessed the effectiveness of policies implemented as pressures eased on households with greater stability in pricing and lower interest rates. The beleaguered retail sector commenced recovery along with the recovery of the country's economy as consumers gained confidence. Import restrictions were lifted on consumer electronics and all white goods by October 2023, enabling Singer to restock its showrooms. This was aided by liquid foreign exchange markets, enabling normalisation of working capital cycles. A key concern that remains is the talent leakage from previously strong talent pipelines as many migrated overseas.

Sound risk management practices supported the early identification and management of these risks enabling delivery of a resilient performance in 2023/24. We continue to remain vigilant about the risk environment, continually assessing changes to identify potential risks that need to be kept on our radar as we move to a new trajectory for sustainable and profitable growth.

A New Dimension to Risk Management

The issue of IFRS Sustainability Reporting standards brought a new dimension to risk management as the two standards have a significant focus on risk management. The Institute of Chartered Accountants of Sri Lanka has mandated adoption of the standards for financial periods beginning on or after 1st January 2025 which means that Singer Sri Lanka will need to report on this only by the financial year ending 31st March 2026. However, as part of the Hayleys Group, Singer Sri Lanka has commenced the journey to implementation in readiness for full compliance as it is clear that it

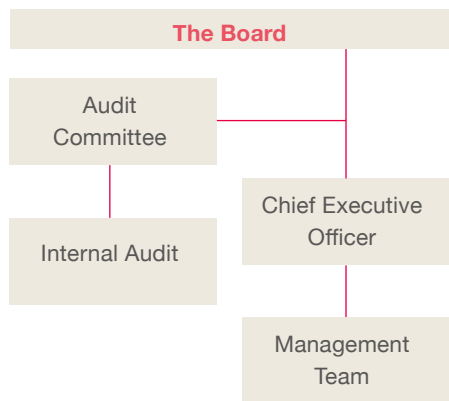
cannot be done overnight. Accordingly, the following changes have been made to support identification and management of sustainability related risks and opportunities and climate related risks and opportunities:

- Sustainability Steering Committee in place which includes the Finance Director
- Scenarios developed for identifying and assessing climate risks,
- Carrying out a qualitative analysis of the top 3 climate risks initially for a qualitative analysis

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.

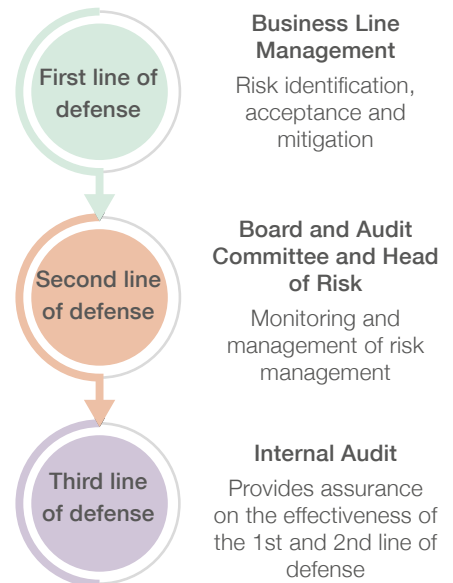
The Audit Committee is charged with assisting the Board in oversight of risk management and plays a key role in identifying, measuring, monitoring and mitigating key exposures. Risk assessments are constructively challenged by the Board and the Audit Committee to ensure that all significant risks are captured and monitored. Internal Audit serves as the third line of defence, providing assurance on the effective functioning of the risk management process.



The Audit Committee also reviews sustainability and climate related risks and opportunities and provides guidance on the same while also escalating matters to the Board.

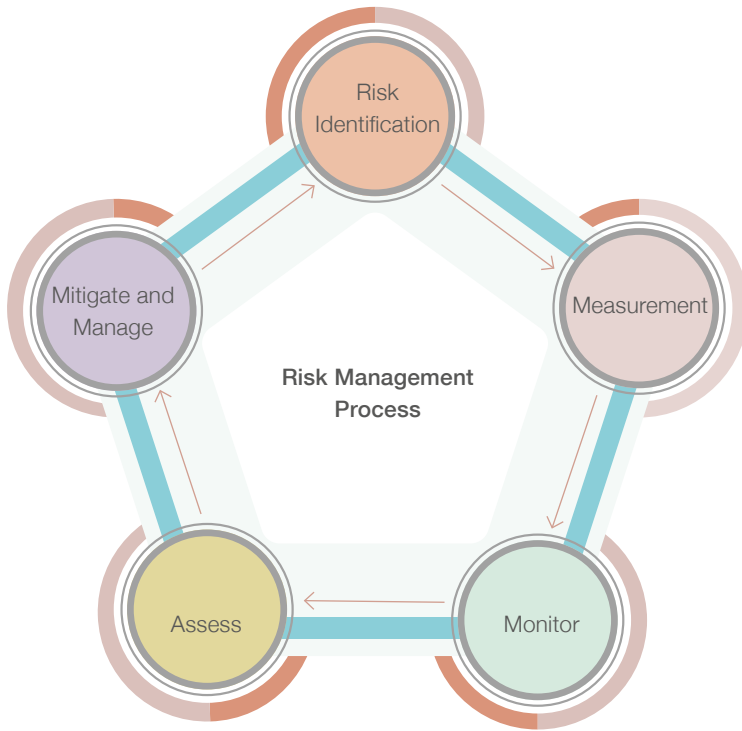
Approach to Risk Management

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



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.

Improvements to Processes

We implemented the following improvements to the Group’s risk management processes.

1. A dimension for time horizons

In 2023/24 we commenced ranking risk for three time horizons, short, medium and long term.

Period	Definition
Short Term	Within one year
Medium Term	One to five years
Long Term	Above five years

Risks were ranked for both impact and probability on all three time zones.

2. Expanding scope to cover ESG risks and business risks

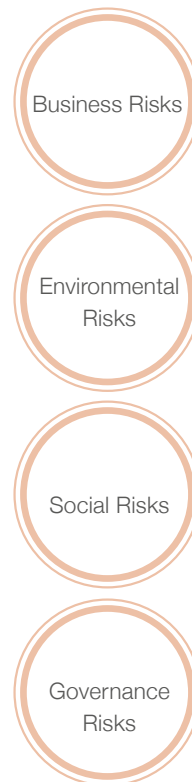
The risk register was expanded and organised to classify ESG risks and business risks.

3. Including opportunities separately

Opportunities were identified separately, and action plans included to ensure timely and effective implementation.

Principal Risks 2023/24

Singer Group maintains a comprehensive risk register categorised as follows:

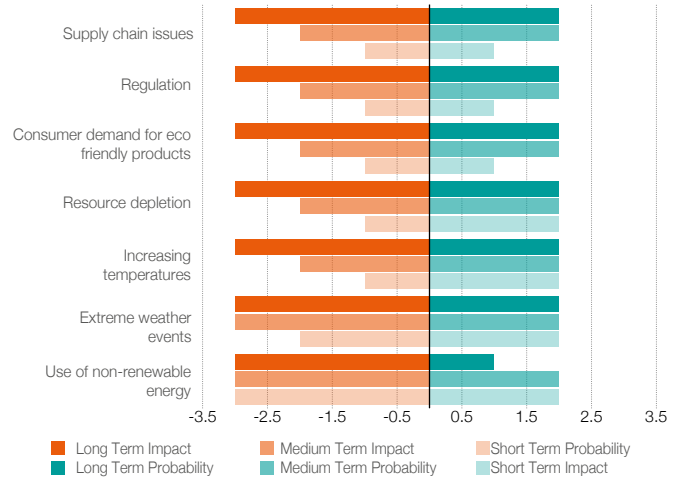


The risks monitored are presented graphically.

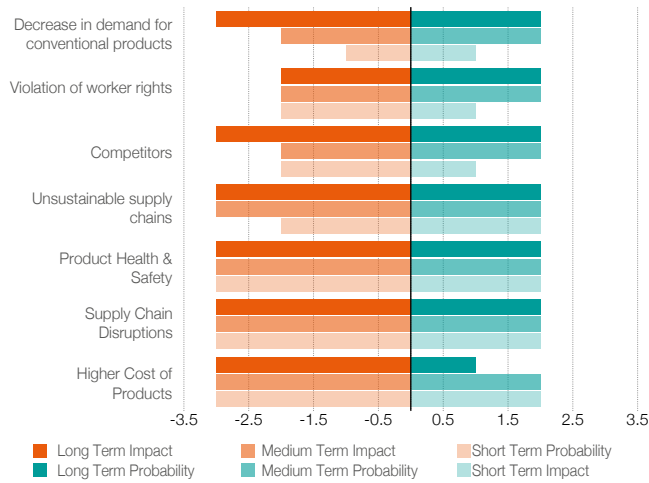
Business Risks



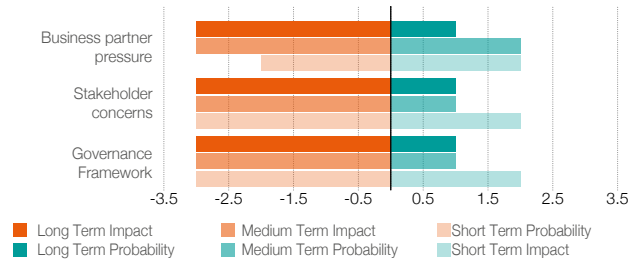
Environmental Risks



Social Risks



Governance Risks

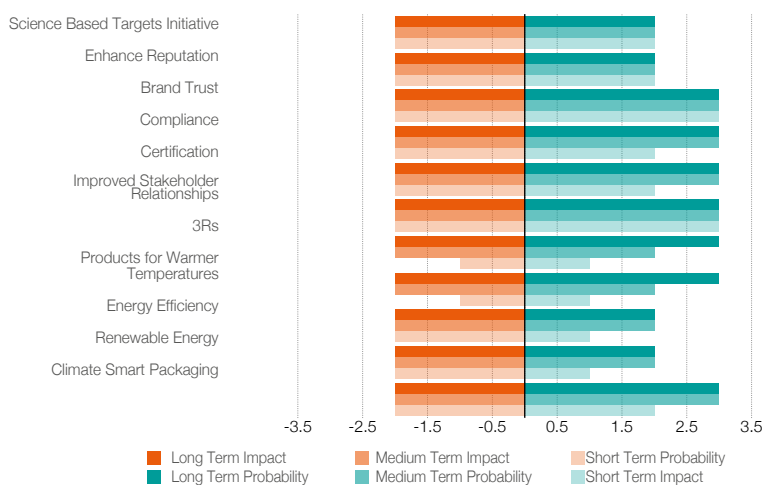


RISK MANAGEMENT

Risks & Key Risk Indicator	Description	Mitigation
Reduction in customers' disposable income	Due to the impact of price increase in essential items/ utility bills/ transport cost/ high import levy/ imposition of VAT for all items at 18% and new income tax regulations; the disposable income of customers have declined. Further, contraction in construction sector and migration of young people will reduce the home ownership and consumption. These factors will result in postponement of purchases and reduced need for appliances. Risk of low sales potential will have an adverse impact to both Company's and Branch Managements' cash flow and the profitability.	<ol style="list-style-type: none"> 1. Use hire purchase easy payment scheme as an advantage to gain customers. 2. Introduce low monthly payment schemes with interest rates reducing. 3. Discount promotions to continue to attract customers and promote sales/Introduce Entry level brands to Boost sales. 4. Explore export market. 5. Introduction and expansion of certain product lines which has demand such as solar energy.
Emerging grey market	Emerging of grey market activity due to high duty and taxes.	<ol style="list-style-type: none"> 1. Lobbying through Chambers. 2. Push hire purchase through low monthly payment schemes. 3. Introduce new products at lower price points. 4. Use marketing campaigns to inform customers about the potential risks associated with buying products from untrustworthy retailers
High employee attrition	Migration of employees has had a significant impact on talent retention. Failing to retain talented employees can result in a range of financial, operational, and cultural challenges for Singer.	<ol style="list-style-type: none"> 1. High Potential individuals have been fast tracked for development. 2. Talent retention plan was proposed to Group HR by the Director HR and presented to Chairman along with CEO. 3. Preferred employer brand.
Exchange rate volatility	The Rupee is expected to appreciate, driven by reduced demand resulting from lower public disposable income, along with sustained improvements in worker remittances and tourism compared to last year. However, escalating global uncertainties may lead to fluctuations in exchange rates, posing both transactional and translational risks.	Closely keeping an eye on currency forecasts with the assistance of the Parent company treasury team and doing forward bookings at the opportune time.
Logistics	The escalating tensions in the Israel-Palestine conflict, with the potential to spark a regional conflict, are causing considerable concern regarding disruptions to the global supply chain.	<p>The majority of our suppliers are situated in the Asian region (South and Southeast Asia), which means that any uncertainties mentioned are unlikely to affect our supply chain.</p> <p>Diversification of supply chains.</p> <p>Local manufacturing with international supply chains.</p>
Climate	Risks arising from prolonged droughts/ floods	Island wide network of 400+ showrooms Action plan - diversifying into overseas markets, i.e. Maldives.

Risks & Key Risk Indicator	Description	Mitigation
Raw materials	Reliance on unsustainable or ethically questionable sources	Increase sourcing from certified sustainable sources. Partner with suppliers to improve their environmental practices.
Energy	Contributing to higher carbon emission by using nonrenewable energy	Managing through energy management committee by implementing energy efficient guidelines and plan and invest in solar roof top panels.
Customer/market demand	Competitors	Regular competitor analysis and implement plans to attract customers through variety of products.
Product social impacts	Higher cost of products	Competitor price survey to analyse and implement price structures and affordable hire purchase settlement plans.
ESG related regulations	Increase demand from business partners to implement governance practices	Obtaining ESG related licenses on time.
Stakeholder engagement	Stakeholder concerns about product, services and business conduct	Improve the system to capture customer feedback. Address customer feedback promptly and effectively.

Opportunities





RISING HIGHER



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FINANCIAL CALENDAR

Financial Calendar - 2023/24

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

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

For the three months ended 30th June 2023 (Unaudited)	03rd August 2023
For the six months ended 30th September 2023 (Unaudited)	06th November 2023
For the nine months ended 31st December 2023 (Unaudited)	01st February 2024
For the twelve months ended 31st March 2024 (Unaudited)	09th May 2024

Annual Report and Annual General Meeting

Annual Report 2023/24 Approved	09th May 2024
Forty-Ninth Annual General Meeting	25th June 2024

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 2024.

Review of the year

Chairman's statement, (pages 13 to 15), and the Group Chief Executive Officer's Review, (pages 17 to 20) describe the Company's affairs and the Group's business. Financial results of the Company/Group are elaborated on pages 138 to 240. These reports together with the Audited Financial Statements reflect the state of affairs of the Company/Group.

Principal activities

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

Future developments

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

Environmental protection

Steps taken by the Company to ensure environmental protections given under natural capital on pages 80 to 87.

Risks

The Group has a structured risk management process in place to support its operations. The Audit Committees play a major role in this process. The Risk Management section of this report elaborates these practices and the Group's risk factors.

Amalgamations

Singer Business School (Private) Limited and Domus Lanka (Private) Limited with Singer (Sri Lanka) PLC

Singer Business School (Private) Limited a Company incorporated for providing educational services such as fashion designing, computer operation, vocational training etc. and Domus Lanka (Private) Limited a Company incorporated for designing, manufacturing and trading of furniture wholly owned subsidiaries of Singer (Sri Lanka) PLC were 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 01st January 2024.

Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC

The Boards of Singer (Sri Lanka) PLC, Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC resolved to amalgamate Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC at the Board meetings held on 07th November 2023 in terms of Section 239 of the Companies Act No. 07 of 2007, subject to receiving Shareholder approval and relevant regulatory approvals. Shareholders' approval was received for same at the Extraordinary General Meetings of the three companies held on 18th January 2024. The certificate of amalgamation was issued by the Registrar of Companies dated 07th February 2024 with the effective date of amalgamation as 31st January 2024.

According to the Amalgamation Proposal, Forty Million Seven Hundred and Thirty One Thousand Four Hundred and Twenty Two (40,731,422) ordinary voting shares at Rupees Twelve and Cents Fifty Nine (Rs. 12.59) each in Singer (Sri Lanka) PLC were issued and allotted to the minority shareholders of Regnis (Lanka) PLC, and to the minority shareholders of Singer Industries (Ceylon) PLC. Shares of dissented shareholders of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC were re-purchased.

Independent Auditors' Report

The Independent Auditors' Report on the Financial Statements is given on pages 133 to 137 in this Annual Report.

Financial statements

The Financial Statements for the year ended 31st March 2024 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 138 to 240 in this Annual Report.

Going Concern

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

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 145 to 243. The Company/Group has consistently applied the accounting policies as set out in Note 02 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 168.

Property, plant and equipment

During the financial year, the Group and the Company invested a sum of Rs. 518,894,532/- (2022/23 - Rs. 911,666,673/-) and Rs. 332,038,166/- (2022/23 - Rs. 584,953,947/-) in property, plant and equipment, respectively.

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

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 11.18 and 11.19 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 2024. The details of the valuation are given in Note 11.6 to the Financial Statements on pages 178 to 182 in this Annual Report.

Directors' responsibilities

The Statement of the Directors' Responsibilities is given on page 131.

Corporate governance

The Company has complied with Corporate Governance Rules laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and Listing Rules of the Colombo Stock Exchange. The Corporate Governance Section on pages 98 to 109 describes the good Corporate Governance Principles adopted by the Company.

Profit and appropriations

For the Year ended 31st March	2024 Rs.	2023 Rs.
Group Profit Before Tax for the Twelve Months Ended 31st March after Deducting all Expenses, Providing for Known Liabilities and Depreciation Amounts to	338,653,008	174,191,571
From this has to be deducted the Income Tax Expenses	(429,952,417)	(78,260,880)
Non-controlling Interest	(68,513,373)	(88,849,043)
Making a Profit/(Loss) for the Period	(159,812,782)	7,081,648
Total Other Comprehensive Income	(42,310,212)	75,367,493
Total Other Comprehensive Income - Non-controlling Interest	2,454,879	(47,769,863)
To this has to be added a Balance Brought Forward from the Previous Year	5,216,760,272	5,131,278,490
Adjustment due to Realisation on Revaluation Surplus	28,231,429	23,484,839
Leaving a Total Available for Appropriation	5,042,868,707	5,237,212,470
Transfer to Statutory and regulation loss allowance Reserve	(132,172,471)	(20,452,198)
Adjustment due to the Amalgamation of subsidiaries	(679,365,772)	-
Making a total Appropriation of		
Leaving balance on Group Basis to be Carried Forward of	4,231,330,464	5,216,760,227
The Balance to be Carried Forward on Company Only Basis will be	1,536,739,459	2,118,729,560

Dividends

The Company has not declared any dividends for the year ended 31st March 2024.

Reserves (excluding non-controlling interest)

Group reserves and retained equity as at 31st March 2024 amounted to Rs. 10,258 million vs Rs. 9,517 million as at 31st March 2023. 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. 1,138,856,653 comprising 1,167,617,912 ordinary shares as at 31st

March 2024 (Rs. 626,048,050/- comprising 1,126,886,490 ordinary shares as at 31st March 2023). Details are given in Note 22 to the Financial Statements on page 206. Stated capital and the number of ordinary voting shares have increased consequent to the issue of shares to the minority shareholders of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC after the amalgamation of such Companies with Singer (Sri Lanka) PLC.

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 239.

Statutory payments

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 131.

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 - ceased to be alternate with effect from 27th February 2024)

Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen - ceased to be alternate with effect from 20th January 2024)

Non-Executive

Mr. Sarath Ganegoda
Ms. Brindhini Perera

Independent Non-Executive

Mr. Deepal Sooriyaarachchi
Mr. Dumith Fernando
Mr. Hisham Jamaldeen
Ms. Gayani de Alwis

Senior Independent

Mr. Dilip De S. Wijeyeratne

Brief profiles of the Directors are shown on pages 90 to 94.

In accordance with Rule 9.8.5. (a) of the Colombo Stock Exchange (CSE) Listing Rules, Independent Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A.

In terms of Rule 9.6.3. of the CSE Listing Rules, Mr. Dilip De S. Wijeyeratne was appointed as the Senior Independent Director of the Company w.e.f. 01st November 2023.

Mr. Kapila Perera ceased to be the Alternate Director to Mr. Hisham Jamaldeen with effect from 20th January 2024.

Mr. Sujeewa Perera ceased to be the Alternate Director to Mr. Mahesh Wijewardene with effect from 27th February 2024.

In terms of Article 24 (4) of the Articles of Association of the Company, Mr. Hisham Jamaldeen and Mr. Dilip De S. Wijeyeratne retire by rotation and being eligible offer themselves for re- election and the shareholders will be requested to re-elect them 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.

The Directors have provided declarations in terms of the Listing Rules on the Fitness of Directors and CEO's and the Board is satisfied that the Directors have continuously satisfied the Fit and Proper Assessment criteria.

Audit Committee

The following Directors comprise the Audit Committee of the Board:

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

The Report of the Audit Committee on pages 110 to 111 sets out the manner of compliance by the Company in accordance with the requirements of the Section 9 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 - Independent Non-Executive Director
Mr. Deepal Sooriyaarachchi - Independent Non-Executive Director
Mr. Dilip De S. Wijeyeratne - Senior Independent Director

The Report of the Remuneration Committee on page 112 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 08 to the Financial Statements on page 171.

Nominations and Governance Committee

The following Directors comprised the Nominations and Governance Committee of the Board:

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

The composition of Nominations and Governance Committee was reconstituted to comply with Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) with effect from 09th May 2024. Accordingly, the composition of the Nominations and Governance Committee effective from 09th May 2024 is as follows;

Mr. Dilip De S. Wijeyeratne - Chairman - Senior Independent Director

Mr. Hisham Jamaldeen - Independent Non-Executive Director

Mr. Sarath Ganegoda - Non-Executive Director

The Report of the Board Nominations Committee on pages 113 to 114 sets out the manner of compliance by the Company in accordance with the requirements of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Related Party Transactions Review Committee

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

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

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

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

The Related Party Transactions of the Company and Singer Group 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 Related Party Transactions Review Committee on page 115 and 116 sets out the manner of compliance by the Company. Details of related party transactions are given in pages 239 to 242.

Directors' indemnity and insurance

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

Directors' interests and interest register

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

Directors' Remuneration

Executive Directors remuneration is structured within an established framework by the Board's Remuneration Committee to whom this task has been entrusted. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The total remuneration of the Executive Directors for the year ended 31st March 2024 is given in Note 08 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 2024 is given in Note 08 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 2024 Number of shares	Shareholding 01st April 2023 Number of shares
Mr. Mohan Pandithage	NIL	NIL
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. Brindhiini Perera	NIL	NIL
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene - ceased to be Alternate with effect from 27.02.2024)	NIL	NIL
Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen -ceased to be Alternate with effect from 20.01.2024)	3,000	3,000

Subsidiaries

As at 31st March 2024	Shareholding in Singer Finance (Lanka) PLC Number of shares
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Common Directors of the Singer Group Companies

Mr. Mohan Pandithage	NIL
Mr. Mahesh Wijewardene (Group CEO)	NIL
Mr. Deepal Sooriyaarachchi	NIL
Mr. Dumith Fernando	NIL
Mr. Hisham Jamaldeen	NIL
Mr. Sarath Ganegoda	NIL
Mr. Dilip De S. Wijeyeratne	NIL
Ms. Gayani de Alwis	NIL
Ms. Brindhiini Perera	NIL
Mr. Sujeewa Perera (Alternate) - ceased to be Alternate with effect from 27th February 2024	NIL
Mr. Kapila Perera (Alternate) - ceased to be Alternate with effect from 20th January 2024	17,900

Directors of Singer Finance (Lanka) PLC

Mr. Aravinda Perera	NIL
Mr. Thushan Amarasuriya (CEO)	50,155
Mr. Jayanth Perera	NIL
Ms. Darshini Talpahewa	NIL
Mr. Ranil De Silva	NIL
Mr. Saman Herath	NIL

Debentures

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

Employee Share Ownership Plans

The Company does not operate any employee share option schemes.

Subsidiaries

The names of the Directors who held office during the year ended 31st March 2024 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. Ranil De Silva
Mr. Saman Herath

Regnis Appliances (Private) Limited

Mr. Mohan Pandithage - Chairman
Mr. Mahesh Wijewardene - Group CEO
Mr. Sarath Ganegoda
Mr. Kelum Kospelawatte
Mr. Malin Fernando (resigned with effect from 01st November 2023)
Mr. Thulitha Mendis
Mr. Vajira Tennakoon

Reality Lanka Limited

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

Issue of listed debentures

The company has not issued any debentures during the year ended 31st March 2024.

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 256 to 259.

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 2024 was 3,102 (2023 - 2,986) and 2,098 (2023 - 1,858), 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 Company has complied with the revised Corporate Governance rules laid down under the Listing Rules of the Colombo Stock Exchange and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on pages 98 to 109 discusses this further.

Mr. Dilip De S. Wijeyeratne was appointed as the Senior Independent Director on 01st November 2023 in accordance with the Corporate Governance requirements. The Board was of the opinion that Mr. Mohan Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Group. Please refer the Senior Independent Director's Report on page 132.

The Directors and the CEO/MD satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director or CEO/MD during the financial year.

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.

Policies

The Company has adopted the policies established by the Parent Company on Matters relating to the Board of Directors and Board Committees, Corporate Governance, Nominations and Re-election, Remuneration, Risk Management and Internal Control, Whistleblowing and Anti-Bribery and

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

Corruption. 'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Group. The Company is in the process of formulating the other required policies.

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

During the year, Rs 662,789/- (2022/23 - Rs. 836,571/-) made by Group and no donations of the company. Details of same are given in Note 08 to the Financial Statements.

Transfer to the second Board

Due to the Non-compliance with minimum public holding requirement in terms of Rule 7.13.1 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 2024/25 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 08 on page 171 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-Ninth Annual General Meeting will be held at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 on Tuesday, 25th June 2024 at 3.00 pm.

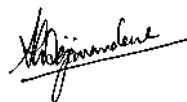
The Notice of the Annual General Meeting to the shareholders is given on page 324.

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
09th May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY

Section D.1.5 of the 'Code of Best Practice on Corporate Governance 2023' (the Code) issued by the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors presents a Responsibility Statement on the preparation and presentation of Financial Statements in the Annual Report together with a statement by the Auditors about their reporting responsibilities.

The responsibilities of the Directors in relation to the Financial Statements of the Company and the Group are set out in this statement. The responsibility of the Auditors, in relation to the Financial Statements is set out in the Report of the Auditors on pages from 133 to 137 as required by the Companies Act No.7 of 2007.

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 2024 giving a true and fair view of the state of affairs of the Company and the Group and of the profit and loss 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 133 to 137 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.

The Directors further confirm that to the best of their knowledge, the Company and its subsidiaries have not engaged in any activity that is harmful or hazardous to the environment and has complied with the relevant environmental laws and regulations.

By Order of the Board,



**Hayleys Group Services (Private) Limited
Company Secretaries**

Colombo
09th May 2024

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

[Profile of Mr. Dilip De S. Wijeyeratne is given on page 93 of this report.]

The Code of Best Practice on Corporate Governance 2023 (the Code) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange provide that a Senior Independent Director (SID) shall be appointed in the event of the Chairman and CEO is the same person or the Chairman is not an Independent Director. At Singer (Sri Lanka) PLC although the Chairman is not the CEO, he is not an Independent Director.

In order to comply with Section 9.6.3. of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 01st November 2023.

Role of the Senior Independent Director

The Senior Independent Director (SID) provides guidance to the Chairman on matters of governance of the Company.

The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company, should the need arise.

Activities During the Year

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

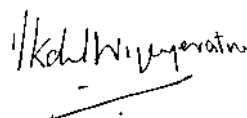
Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Directors were appraised.

A meeting was held with only the Independent Directors. Discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations was duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and making a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.



Dilip De S. Wijeyeratne

Senior Independent Director

Colombo
09th May 2024

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 2024, 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 material accounting policies and other explanatory notes set out on pages from 146 to 243.

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 2024, 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 recognised allowance for expected credit losses relating to Trade receivables of Rs. 1,008 million (Company Rs. 1,008 million), Hire debtors of Rs. 131 million (Company Rs. 127 million), other receivables Rs. 2,161 million (Company Rs. 2,160 million), Loans and advances and lease rental receivables amounting to Rs. 1,188 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 judgemental for any institution and the Group use subjective assumptions/ judgements made to determine the classification category (e.g. business model and SPPI assessment), and ECL modelling (e.g. macro-economic inputs) as per the requirements of SLFRS 09.</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.

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C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S.Goonewardene ACA, Ms. F.R Ziyad FCMA (UK), FCIT K. Somasundaram ACMA(UK)

INDEPENDENT AUDITOR'S REPORT



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

Risk Description	Our response
<p>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.</p> <p>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.</p>	<p>Working with our Financial Risk Management (FRM) Specialist:</p> <ul style="list-style-type: none">• 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 whether the disclosures on impairment of trade and other Receivables, loans and advances, finance lease receivable and hire purchase meet the disclosure requirements of the prevailing accounting standards.

02. Carrying value of Inventory

Risk Description	Our response
<p>Refer to note 2.5 (accounting policy) and note 16 to these Financial Statements.</p> <p>The Group has recognised a total inventory provision of Rs. 1,859 million (Company -Rs. 1,790 million) in arriving at a total inventory value of Rs. 21,601 million (Company - Rs. 21,207 million)</p> <p>The Group has significant levels of inventories and significant management judgments are taken with regard to categorisation 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 realisable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Obtaining and understanding an assessing the design, implementation and operating effectiveness of management's key internal controls over the provision computations and to ensure the accuracy of the inventory provision• Challenging the management with regard to the calculation methodology, the basis for provision and the process with respect to inventory provision.• Attending stock counts as at the year-end. In addition, assessing the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, and expired stocks that are written off in a timely manner and evaluating the results of the other counts performed by the management throughout the period to assess the existence of inventory• Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation.• Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realisable 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 realisable 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 (a) 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 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.

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 judgemental 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.

04. Revaluation of the Land and Buildings

Risk Description

Refer to Note 2.3 (accounting policy) and Note 11.1 and 11.6 to these financial statements.

The Group has recorded Land and Building carried Rs. 5,306 million (Company - Rs. 5,020 million) as at 31 March 2024 with the revaluation surplus of Rs. 724 million (Company - Rs. 724 million) .

Management's assessment of fair value of these land and building was determined on valuations performed by a qualified independent property valuer in accordance with recognised industry standards.

Estimating the fair value is a complex process which involves a significant degree of judgement and estimates in respect of per perch price of the land, capitalisation rates, value per square feet, diversity of locations and nature of the properties.

We identified assessing the valuation of land and building and owned by the Group as a key audit matter because of the complexity of the valuation, significant judgement and estimation.

Our response

Our audit procedures included;

- Assessing the objectivity, independence, competence and qualifications of the external valuer.
- Assessing appropriateness of valuation techniques, the key assumptions used against externally published market comparable or industry date where available.
- Discussions with the management and the external valuer in relation to the sensitivity of the key assumptions to the valuation of investment properties due to ongoing micro economic conditions.
- Assessing the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT



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.

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained



up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

24 May 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	3	69,973,442,275	54,767,233,822	63,333,444,999	47,950,386,172
Cost of Sales		(47,286,905,720)	(31,431,878,875)	(47,278,528,444)	(31,734,452,315)
Direct Interest Cost		(4,787,602,337)	(4,463,097,912)	-	-
Gross Profit		17,898,934,218	18,872,257,035	16,054,916,555	16,215,933,857
Other Income	5	345,057,398	248,026,509	190,774,906	209,989,632
Selling and Administrative Expenses		(14,806,344,911)	(12,614,475,931)	(12,238,591,754)	(10,293,169,842)
Impairment (Provision)/ Reversal on Trade and Other Receivables	8.1	(300,236,038)	181,960,851	(427,198,636)	140,084,595
Operating Profit		3,137,410,667	6,687,768,464	3,579,901,071	6,272,838,242
Finance Income	6	2,320,152,263	1,152,750,933	1,005,998,994	385,016,314
Finance Cost	7	(4,722,054,360)	(7,271,615,082)	(4,627,384,125)	(6,648,491,053)
Net Finance Cost		(2,401,902,097)	(6,118,864,149)	(3,621,385,131)	(6,263,474,739)
VAT on Financial Services		(396,855,562)	(394,712,745)	(77,000,000)	(78,000,000)
Profit/(Loss) Before Tax	8	338,653,008	174,191,570	(118,484,060)	(68,636,497)
Income Tax (Expense)/ Reversal	9	(429,952,417)	(78,260,880)	(179,217,281)	289,235,410
Profit/(Loss) for the Year		(91,299,409)	95,930,690	(297,701,341)	220,598,913
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss					
Revaluation Gain on Land and Buildings	11.6	724,043,709	-	724,043,709	-
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	15.1	(1,318,840)	744,823	(1,383,654)	(1,334,106)
Actuarial Gain / (Loss) on Employee Benefit Obligations	27.4	(56,954,640)	115,792,905	(66,535,027)	85,304,538
Related Taxes					
Tax on Other Comprehensive Income	9.4	(199,678,033)	(348,927,547)	(196,803,823)	(102,696,853)
Other Comprehensive Income for the year, Net of Tax		466,092,196	(232,389,819)	459,321,205	(18,726,421)
Total Comprehensive Income for the Year, Net of Tax		374,792,787	(136,459,129)	161,619,864	201,872,492
Profit Attributable to:					
Owners of the Company		(159,812,782)	7,081,647	(297,701,341)	220,598,913
Non-Controlling Interests		68,513,373	88,849,043	-	-
		(91,299,409)	95,930,690	(297,701,341)	220,598,913
Total Comprehensive Income Attributable to:					
Owners of the Company		303,824,535	(177,538,309)	161,619,864	201,872,492
Non-Controlling Interests		70,968,252	41,079,180	-	-
		374,792,787	(136,459,129)	161,619,864	201,872,492
Earnings per Share - Basic - (Rs.)	10.3	(0.14)	0.01	(0.26)	0.20
Dividend per Share (Rs.)	33	-	-	-	0.20

Figures in brackets indicate deductions

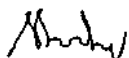
The Notes on pages 146 through 243 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Assets					
Property, Plant and Equipment	11	8,142,751,171	7,652,258,026	7,138,161,169	3,852,273,158
Right-of-Use Assets	11.21.1	4,819,974,972	4,469,009,310	4,071,277,218	3,788,866,478
Intangible Assets	12	504,398,898	521,067,914	406,817,784	408,575,764
Investment in Subsidiaries	13	-	-	1,760,085,080	2,963,023,473
Other Non - Current Assets	14	-	-	-	-
Other Investments	15.1	22,325,714	23,644,555	20,140,672	21,524,326
Trade and Other Receivables	18.1	10,690,226,033	7,773,774,479	822,169,619	737,680,455
Deferred Tax Assets	26.1	710,812,344	1,485,220,613	613,823,436	1,371,082,289
Non-Current Assets		24,890,489,132	21,924,974,897	14,832,474,978	13,143,025,943
Inventories	16	21,600,919,110	20,227,337,833	21,207,439,071	17,928,926,193
Loans Due From Related Parties	17	-	-	-	268,000,000
Income Tax Receivables	31.1	324,832,505	502,199,776	324,832,505	480,658,377
Trade and Other Receivables	18.2	37,846,590,932	28,236,227,785	19,638,962,654	10,659,760,265
Amounts due from Related Parties	19	46,020,958	91,133,000	87,344,093	154,824,197
Financial Assets at FVTPL	20	463,761,000	-	-	-
Deposits with Banks	21.2	702,898,074	1,413,997,183	448,875,000	-
Short Term Investments	15.2	2,478,590,812	2,013,991,655	-	-
Cash in Hand and at Bank	21.1	5,488,326,843	4,388,050,253	1,658,030,951	1,829,445,001
Current Assets		68,951,940,234	56,872,937,485	43,365,484,274	31,321,614,033
Total Assets		93,842,429,366	78,797,912,382	58,197,959,252	44,464,639,976
Equity and Liabilities					
Equity					
Stated Capital	22	1,138,856,653	626,048,050	1,138,856,653	626,048,050
Other Components of Equity	23	3,327,048,055	1,600,271,546	2,948,947,103	1,202,737,283
Revenue Reserves	24	6,931,330,464	7,916,760,272	4,236,739,459	4,818,729,560
Total Equity attributable to Equity Holders of the Company		11,397,235,172	10,143,079,868	8,324,543,215	6,647,514,893
Non - Controlling Interests	40	1,046,509,833	1,946,903,694	-	-
Total Equity		12,443,745,005	12,089,983,562	8,324,543,215	6,647,514,893
Liabilities					
Interest - Bearing Loans and Borrowings	25	8,405,000,000	10,242,000,000	6,200,000,000	7,550,000,000
Lease Liabilities	11.21.2	4,524,408,396	4,229,568,997	3,770,974,401	3,603,078,440
Deferred Tax Liabilities	26.1	76,557,516	741,264,681	-	-
Employee Benefit Obligations	27	1,229,148,364	1,060,341,381	1,058,873,730	724,718,298
Security Deposits	28	1,560,727,969	1,468,392,422	1,560,727,969	1,468,392,422
Other Financial Liabilities	35	3,252,235,016	5,844,247,621	-	-
Deferred Revenue	30	77,467,693	76,230,702	77,467,693	76,230,702
Other Non - Current Liabilities	29.1	175,427,321	188,341,665	175,427,321	188,341,665
Non-Current Liabilities		19,300,972,275	23,850,387,469	12,843,471,114	13,610,761,527
Trade and Other Payables	29	12,170,612,698	7,123,530,851	11,115,150,954	6,055,831,472
Deferred Revenue	30	359,489,705	216,229,503	359,439,868	216,165,352
Income Tax Payables	31.2	108,184,854	269,240,792	-	-
Dividend Payables	32	59,729,146	64,143,198	49,082,871	49,182,657
Amounts Due to Related Parties	34	1,527,753,520	829,668,233	2,144,824,511	1,231,687,560
Other Financial Liabilities	35	18,927,275,903	13,351,356,610	-	-
Lease Liabilities	11.21.2	1,084,238,570	1,024,002,828	974,537,577	907,649,310
Interest - Bearing Loans and Borrowings	25	25,312,181,152	18,399,810,730	20,377,748,427	14,271,246,066
Bank Overdrafts	21.3	2,548,246,538	1,579,558,606	2,009,160,715	1,474,601,139
Current Liabilities		62,097,712,086	42,857,541,351	37,029,944,923	24,206,363,556
Total Liabilities		81,398,684,361	66,707,928,820	49,873,416,037	37,817,125,083
Total Equity and Liabilities		93,842,429,366	78,797,912,382	58,197,959,252	44,464,639,976


The Notes on pages 146 through 243 form an integral part of these Financial Statements.

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

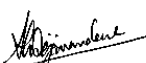


Shalinka Seresinhe
Finance Director

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	Note	Other Components of Equity		
		Stated Capital Rs.	Statutory Reserves	Regulatory Loss Allowance Reserve
			Rs.	Rs.
Balance at 31st March 2022		626,048,050	223,762,790	-
Charge Relating to Surcharge Tax	9.1.3			
Adjusted balance at 01st 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	-
Realisation on Revaluation Surplus		-	-	-
Transferred to/(from) during the year		-	81,078,972	51,093,499
Total Comprehensive Income for the Year				
Profit/(Loss) for the Year		-	-	-
Other Comprehensive Income				
Revaluation Gain on Land and Buildings		-	-	-
Actuarial Gain/(Loss) on Employee Benefit Obligations	27.4	-	-	-
Fair Value Change in Equity Instruments designated at Fair Value Through Other Comprehensive Income	15.1	-	-	-
Related Taxes				
Deferred Tax on Revaluation Gain on Land and Buildings	9.4	-	-	-
Deferred Tax on Actuarial gain/(loss) on Employee Benefit Obligations	9.4	-	-	-
Deferred Tax on Equity Investments 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 - 2022/2023		-	-	-
Total Distributions to Owners of the Company		-	-	-
New Share Issue to Minority Shareholders of the Amalgamated Companies		512,808,603	-	-
Transfers from Non Controlling Interest after the Amalgamation		-	-	-
Total Transactions with Owners of the Company, Recognised Directly in Equity		512,808,603	-	-
Balance at 31st March 2024		1,138,856,653	325,293,960	51,093,499

Fair Value 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 146 through 243 form an integral part of these Financial Statements.

Attributable to Equity Holders of the Company					Total Rs.	Non-Controlling Interests Rs.	Total Equity Rs.
Revaluation Reserves Rs.	Fair Value of Financial Assets at FVOCI Reserve Rs.	Revenue Reserves					
		General Reserves	Retained Earnings				
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	
(28,231,429)	-	-	28,231,429	-	-	-	
-	-	-	(132,172,471)	-	-	-	
-	-	-	(159,812,782)	(159,812,782)	68,513,373	(91,299,409)	
724,043,709	-	-	-	724,043,709	-	724,043,709	
-	-	-	(60,443,026)	(60,443,026)	3,488,386	(56,954,640)	
-	(1,331,849)	-	-	(1,331,849)	13,008	(1,318,841)	
(217,179,427)	-	-	-	(217,179,427)	-	(217,179,427)	
-	-	-	18,132,814	18,132,814	(1,046,516)	17,086,298	
-	415,096	-	-	415,096	-	415,096	
506,864,282	(916,753)	-	(42,310,212)	463,637,317	2,454,879	466,092,195	
506,864,282	(916,753)	-	(202,122,994)	303,824,535	70,968,252	374,792,786	
-	-	-	-	-	(32,448,832)	(32,448,832)	
-	-	-	-	-	-	-	
-	-	-	-	512,808,603	-	512,808,603	
1,116,887,938	-	-	(679,365,772)	437,522,166	(938,913,281)	(501,391,115)	
1,116,887,938	-	-	(679,365,772)	950,330,769	(971,362,113)	(21,031,344)	
2,946,412,326	4,248,270	2,700,000,000	4,231,330,464	11,397,235,172	1,046,509,833	12,443,745,005	

STATEMENT OF CHANGES IN EQUITY

Company	Note	Stated Capital	Other Components of Equity		Revenue Reserves		Total Equity
			Revaluation Reserves	Fair Value of Financial Assets at FVOCI Reserve	General Reserves	Retained Earnings	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
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	9.1.3					(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 of 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 Gain 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	33						
Final Dividend - 2021/2022		-	-	-	-	(225,377,298)	(225,377,298)
Total Distributions to owners of the Company		-	-	-	-	(225,377,298)	(225,377,298)
Amalgamation of subsidiaries		-	-	-	-	(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
Realisation of Revaluation Surplus		-	(16,388,074)	-	-	16,388,074	-
Loss for the Year		-	-	-	-	(297,701,341)	(297,701,341)
Other Comprehensive Income							
Revaluation Gain on Land & Building		-	724,043,709	-	-	-	724,043,709
Actuarial Loss on Employee Benefit Obligations	27.4	-	-	-	-	(66,535,027)	(66,535,027)
Fair Value Change in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	15.1	-	-	(1,383,654)	-	-	(1,383,654)
Related Taxes							
Deferred Tax on Revaluation Gain on Land and Buildings	9.4	-	(217,179,427)	-	-	-	(217,179,427)
Deferred Tax on Actuarial loss on Employee Benefit Obligations	9.4	-	-	-	-	19,960,508	19,960,508
Deferred Tax on Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	9.4	-	-	415,096	-	-	415,096
Total Other Comprehensive Income, Net of Tax		-	506,864,282	(968,558)	-	(46,574,518)	459,321,206
Total Comprehensive Income for the Year, Net of Tax		-	506,864,282	(968,558)	-	(344,275,860)	161,619,864
Transactions with Owners of the Company, Recognised Directly in Equity							
Distributions to Owners of the Company	33						
Final Dividend - 2022/2023		-	-	-	-	-	-
Total Distributions to Owners of the Company		-	-	-	-	-	-
New Share Issued to Minority Shareholders of the Amalgamated Companies		512,808,603	-	-	-	-	512,808,603
Recognition of Amalgamation Reserve through the Equity		-	1,256,702,170	-	-	(254,102,315)	-
Total Transactions with Owners of the Company, Recognised Directly in Equity		512,808,603	1,256,702,170	-	-	(254,102,315)	1,002,599,856
Balance at 31st March 2024		1,138,856,653	2,946,412,326	2,534,777	2,700,000,000	1,536,739,459	8,324,543,215

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 146 through 243 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit/ (Loss) Before Income Tax Expense		338,653,008	174,191,570	(118,484,060)	(68,636,497)
Adjustments for:					
Depreciation of Property, Plant & Equipment	11.9 11.17	828,426,048	762,709,301	565,792,276	535,245,916
Amortisation of Intangible Assets	12.8	56,844,068	55,547,619	39,390,078	36,164,041
Amortisation of Right of Use Assets	11.20.1	989,902,959	1,010,707,034	863,538,971	884,176,673
Loss on Disposal of Property, Plant and Equipment	8	724,219	2,291,561	724,219	2,291,561
Gain on Disposal of Property, Plant and Equipment	5	(12,571)	(70,981)	-	-
Interest Expense		4,722,054,360	6,328,642,183	4,627,384,125	5,801,184,381
Interest Income		(1,355,657,662)	(1,126,852,502)	(140,425,014)	(365,355,599)
Impairment / (Reversal) of Inventories	16.1	158,883,417	374,183,974	(6,499,413)	284,734,989
Impairment (Loss)/ Reversal on trade and Other Receivables	8	300,236,038	(181,960,851)	427,198,636	(140,084,595)
Dividend Income	5	(179,520)	(240,000)	(109,828,864)	(129,210,428)
Provision for Employee Benefit Obligations		268,053,559	224,960,606	183,444,741	151,372,661
Operating Profit Before Working Capital Changes					
(Increase)/Decrease in Inventory		(1,532,464,690)	2,420,669,715	(1,114,408,586)	2,535,840,584
(Increase)/Decrease in Debtors Falling due after one Year		(3,216,687,591)	4,729,406,312	(511,687,799)	(42,232,716)
(Increase)/Decrease in Debtors Falling due within one Year		(9,610,363,147)	6,970,804,592	(8,783,805,613)	7,973,898,376
(Increase)/Decrease in dues from Related Parties		45,112,042	(66,976,305)	1,569,948,440	43,786,852
Increase/(Decrease) in dues to Related Parties		698,085,287	(244,591,825)	(96,533,806)	(3,058,312,776)
Increase/(Decrease) in Security Deposits		(48,923,508)	6,045,368	(48,923,509)	12,841,832
Increase/(Decrease) in Trade and Other Payables		5,109,149,084	(12,461,345,394)	3,776,140,023	(8,022,289,286)
Increase/(Decrease) in Deferred Liabilities		144,497,194	(19,447,257)	144,511,508	(16,174,593)
Cash Generated from / (used in) Operations					
		(2,103,667,406)	8,958,674,720	1,267,476,353	6,419,241,376
Finance Costs Paid		(4,134,299,765)	(5,578,346,373)	(4,001,184,222)	(5,193,501,066)
Employee Benefits Paid	27	(156,937,579)	(90,736,818)	(115,933,162)	(64,878,626)
Income Tax Paid	31.2	(503,581,076)	(1,274,427,780)	(95,863,978)	(912,476,567)
Surcharge Tax Paid		-	(1,056,356,521)	-	(804,825,638)
Net Cash from/(used in) Operating Activities		(6,898,485,826)	958,807,228	(2,945,505,009)	(556,440,521)

STATEMENT OF CASH FLOWS

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment and Intangible Assets		(563,536,580)	(917,128,682)	(351,111,114)	(589,997,952)
Proceeds from Disposal of Property, Plant and Equipment		1,775,544	4,171,575	730,907	3,934,575
Cash and cash equivalents transferred from Amalgamation		-	-	20,272,264	(43,168,770)
Acquisition of Marketable Securities		(928,360,157)	(601,012,451)	-	-
Repayment of Loans Given to Related Companies		-	-	268,000,000	(158,000,000)
Interest Received		1,355,657,662	1,126,852,501	140,425,014	365,355,599
Dividend Received		-	240,000	109,828,864	129,210,428
Net Cash Flows from / (used in) Investing Activities		(134,463,531)	(386,877,057)	188,145,935	(292,666,120)
Cash Flows from / (used in) Financing Activities					
Proceeds From Interest - Bearing Loans and Borrowings		58,521,991,331	38,884,453,635	45,818,071,951	30,489,568,546
Repayment of Interest-Bearing Loans and Borrowings		(53,354,561,566)	(42,708,715,028)	(41,840,180,291)	(29,268,972,802)
Cash Paid out of Share buy back		(2,312,334)	-	(2,312,334)	-
Net Settlements to Lease Creditors		(1,658,722,330)	(1,272,826,228)	(1,475,219,092)	(1,077,901,874)
Increase in Customer Deposit Liabilities		2,983,906,688	7,049,090,919	-	-
Net payment to Minority Shareholders		(32,448,832)	-	-	-
Dividends Paid		(4,414,052)	(275,160,700)	(99,786)	(244,163,851)
Net Cash Flow from/(used in) Financing Activities		6,453,438,905	1,676,842,598	2,500,260,448	(101,469,981)
Net Increase/(Decrease) in Cash and Cash Equivalents		(579,510,451)	2,248,772,769	(257,098,626)	(950,576,622)
Cash and Cash Equivalents at the Beginning of the Year		4,222,488,830	1,973,716,061	354,843,862	1,305,420,484
Cash and Cash Equivalents at the End of the Year	20.2	3,642,978,379	4,222,488,830	97,745,236	354,843,862
Analysis of Cash and Cash Equivalents					
Favourable balances					
Cash in Hand and at Bank		5,488,326,843	4,388,050,253	1,658,030,951	1,829,445,001
Fixed Deposits		702,898,074	1,413,997,183	448,875,000	-
Unfavourable balances					
Bank Overdrafts		(2,548,246,538)	(1,579,558,606)	(2,009,160,715)	(1,474,601,139)
		3,642,978,379	4,222,488,830	97,745,236	354,843,862

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 146 through 243 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

1.1 Reporting Entity

1.1.1 General

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

In the Report of the Directors and in the Financial Statements, “the Company” refers to Singer (Sri Lanka) PLC as the Holding Company and “the Group” refers to the Consolidated Financial Statements of Singer (Sri Lanka) PLC and its Subsidiaries, Singer Finance (Lanka) PLC, Singer Industries (Ceylon) PLC, (up to 31st January 2024), Regnis (Lanka) PLC (up to 31st January 2024), Reality Lanka Limited, Regnis Appliances (Private) Limited, Singer Business School (Private) Limited (up to 01st January 2024) and Domus Lanka (Private) Limited (up to 01st January 2024).

Singer Industries (Ceylon) PLC and Regnis Lanka PLC were amalgamated with Singer (Sri Lanka) PLC on 31st January 2024 and Singer Business School (Private) Limited and Domus Lanka (Private) Limited were amalgamated with Singer (Sri Lanka) PLC on 01st January 2024.

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 concert 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

The Board of Singer (Sri Lanka) PLC, Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC resolved to amalgamate Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC at the Board meetings held on 07th November 2023 in terms of Section 239 of the Companies Act No. 07 of 2007, subject to receiving Shareholder approval and relevant regulatory approvals. Shareholders’ approval was received for the same at the Extraordinary General Meetings of the three Companies held on 18th January 2024. The Certificate of Amalgamation was issued by the Registrar of Companies dated 07th February 2024 with the effective date of amalgamation was 31st January 2024.

According to the Amalgamation proposal, Forty Million Seven Hundred and Thirty One Thousand Four Hundred and Twenty Two (40,731,422) ordinary voting shares at Rupees Twelve and Cents Fifty Nine (Rs. 12.59) each in Singer (Sri Lanka) PLC (SSL) have been issued and allotted to the minority shareholders of Regnis (Lanka) PLC, and to the minority shareholders of Singer Industries (Ceylon) PLC.

After the amalgamation, Hayleys PLC together with its Group Companies holds 87.28% (previously 90.43%) 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 2024 comprise the Company and its Subsidiaries namely, Singer Finance (Lanka) PLC, Singer Industries (Ceylon) PLC (up to 31st January 2024), Regnis (Lanka) PLC (up to 31st January 2024), Reality Lanka Limited, Regnis Appliances (Private) Limited, Singer Business School (Private) Limited (up to 01st January 2024) and Domus Lanka (Private) Limited (up to 01st January 2024).

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 owned 87.7% of its equity shares.

Under Section 244(1) A of the Companies Act No 7 of 2007 Singer Industries (Ceylon) PLC were amalgamated with Singer (Sri Lanka) PLC with effect from 31st January 2024.

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 owned 58.3% of its equity shares.

Under Section 244(1) A of the Companies Act No 7 of 2007 Regnis (Lanka) PLC was amalgamated with Singer (Sri Lanka) PLC with effect from 31st January 2024.

Reality Lanka Limited

Reality Lanka Limited was incorporated on 29th September 2006 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 29th September 2006. Singer (Sri Lanka) PLC owns 100% 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 100% of its equity shares

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.

In accordance with Section 244(i)(a) of the Companies Act No 7 of 2007, Singer Business School (Private) Limited was amalgamated with Singer (Sri Lanka) PLC with effect from 01st January 2024, confirmation of which was received via the Certificate of Amalgamation issued by the Registrar of Companies dated 22nd January 2024.

Domus Lanka (Private) Limited

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

In accordance with Section 244(i)(a) of the Companies Act No 7 of 2007, Domus Lanka (Private) Limited was amalgamated with Singer (Sri Lanka) PLC with effect from 01st January 2024, confirmation of which was received via the Certificate of Amalgamation issued by the Registrar of Companies dated 22nd January 2024.

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. The 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 schemes 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 were assembling sewing machines and manufacturing of cabinets and stands for sewing machines.

Regnis (Lanka) PLC

The principal activities of the Company were 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 Business School (Private) Limited

The principal activity of the Company was 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 was carrying on the business of designing, manufacturing and trading furniture.

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 2024 was 3,102 (2023 – 2,986), Company - 2,098 (2023 - 1,618).

NOTES TO THE FINANCIAL STATEMENTS

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 material 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 recognised in the FY 2021/2022 on account of the one-off Surcharge Tax as the law had not been enacted as at 31 March 2022.

The total Surcharge Tax liability has been recognised in the financial statements of the 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 the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The Directors' responsibility over Financial Statements is set out in detail in the Statement of Directors' Responsibility.

1.2.3 Approval of Financial Statements

The Financial Statements for the year ended 31st March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 09th May 2024.

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 rupee 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 recognised 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 2024 for the freehold lands / Buildings and as at 31 March 2024 for the investment properties. The key assumptions used to determine the fair value of the properties and sensitivity analysis are provided in Notes 11 to the Financial Statements.

- **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 (2023: Rs Nil) of tax losses carried forward.

- **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.

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).

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

NOTES TO THE FINANCIAL STATEMENTS

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

Disclosures for valuation methods, significant estimates and assumptions - Note 36

Quantitative disclosures of fair value measurement hierarchy - Note 36

Property (Land and Building) under revaluation model - Note 11

Financial instruments (including those carried at amortised cost) - Note 36

1.2.9 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements”.

1.2.10 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards

1.2.11 Going Concern

The Directors have made an assessment of the Group’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. 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 realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when it is:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities

2.1 Basis of Consolidation

The consolidated financial statements encompass the Company, its subsidiaries (together referred to as the “Group”)

Subsidiaries are disclosed in Note 13 to the Financial Statements.

2.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

Exposure, or rights, to variable returns from its involvement with the investee

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar

rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting right.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1.2 Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a Subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.1.3 Loss of Control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any

resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.1.4 Interest in Equity Accounted Investees

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income of those investees is presented as part of the Group's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Statement of Profit or Loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The Financial Statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit or Loss.

2.1.5 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

NOTES TO THE FINANCIAL STATEMENTS

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-present 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 three entities under common control is accounted by adding assets and liabilities as at the amalgamated date to the controlling entity and directly recognising the excess in the 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 Non Controlling Interests (NCI) amount of Regnis (Lanka) PLC and Singer Industries PLC purchased by Singer (Sri Lanka) PLC issuing new shares amounts to Rs. 512,808,603 and share buy back for cash amounts to Rs. 2,312,334. Accordingly NCI amounts in the consolidated financial statements represents the NCI amount of Singer (Finance) PLC.

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 recognised when they are originated. All other financial assets and financial liabilities are initially recognised 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;

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 amortised 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.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
 - terms that may adjust the contractual coupon rate, including variable-rate features;
 - prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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 amortised 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

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Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

As at the year end the Group did not have assets categorised as FVOCI.

➤ Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

Singer Finance (Lanka) PLC

The Group recognises 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 recognised 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 summarised 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.

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2.4.5.1 Impairment of Non-Financial Assets

The carrying amount of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or other cash-generating units (CGU). Goodwill arising from business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, less costs to sell, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.4.6 Leases

2.4.6.1 Leases

(a) Group as a Lessee

Definition of a Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an

identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16 which is applicable to leases entered after 1st April 2019 onward

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

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and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

2.6.1 Provisions for Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities. Provision is utilised to settle the actual claims made by the customers.

2.6.2 Loyalty points programme

The Group has loyalty point programmes which allows customers to accumulate points that can be redeemed against subsequent purchases. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue

2.6.3 Dividend Payables

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised.
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 recognised 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 recognised 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 recognised.
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

NOTES TO THE FINANCIAL STATEMENTS

2.8.2.1 Revenue Recognition Policy of Singer Finance (Lanka) PLC

Revenue is recognised to the extent that it is probable that control will pass to the customer and the revenue and associated costs incurred or to be incurred can be reliably measured. The following specific criteria are used for the purpose of recognition of revenue.

(a) Interest Income and Expense

Interest income and expense are recognised in profit or loss using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the EIR, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. Interest income and expense presented in the Income Statement include:

Interest on financial assets and financial liabilities measured at amortised cost calculated using EIR method;

(b) Over Due Interest

Over Due Interest have been accounted for on a cash received basis.

(c) Fees and Commission Income and Expense

Fees and commission income and expense that are integral to the EIR on a financial asset or liability are included in the measurement of the EIR. Other fees and commission income are recognised as the related services are performed.

(d) Net Gain / (Loss) from Trading

'Net gain / (loss) from trading' comprise gains less losses related to trading assets and liabilities, and include all realised and unrealised 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

Temporary differences in relation to Right -of -Use assets and a Lease liability are regarded separately, for the purpose of recognising 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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

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

and the registration threshold was revised w.e.f 20th March 2025 as follows.

- All persons with an aggregate annual turnover exceeding LKR 60,000,000 within 12 months
- All persons with an aggregate total turnover exceeding LKR 15,000,000 within a quarter
- The rate of SSCL is 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

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 2023/2024, 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 except the deferred tax related policies in Note No 2.14.4.

2.14 Standards Issued but not yet Effective.

A number of new standards are effective for annual report beginning after 1st April 2023 and earlier adoption is permitted. However, the group has not early adopted the new or amended standards in these financial statements.

2.14.1 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.

2.14.2 Classification of Liabilities as current of non-current and non-current liabilities with Covenants

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non – current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024

2.14.3 Supplier Finance Arrangements

The amendments introduces new disclosures relating to supplier finance arrangements that assists users of the financial statements to assess the effects of these arrangements on an entities' liabilities and cashflows and on entity's exposure to liquidity risk

The amendments apply for annual reporting periods beginning on or after 1 January 2024

2.14.4 Other Accounting Standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

Lack of Exchangeability – Amendments to LKAS 21

Lease liability in a Sale and Leaseback - Amendments to SLFRS 16

Changes in Material Accounting Policies – Deferred Tax related to assets & liabilities from a single transaction

The Group and Company have adopted Deferred Tax related to Assets and Liabilities arising from a single transaction from 01st April 2023.

The Group and Company previously accounted for deferred tax on leases by applying the integrally linked approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis. Accordingly, the Group and Company have recognized a separate deferred tax asset in relation to lease liabilities and a deferred tax liability in relation to right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

3. Revenue

(a) Revenue Streams

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue from Contracts with Customers	3.1	69,973,442,275	54,767,233,822	63,333,444,999	47,950,386,172
Total Revenue		69,973,442,275	54,767,233,822	63,333,444,999	47,950,386,172
(3.1) Revenue from Contracts with Customers					
Sale of Goods		58,724,832,848	45,175,058,834	58,711,004,222	44,836,296,698
Rendering of Services	3.2	11,248,609,427	9,592,174,988	4,622,440,777	3,114,089,474
		69,973,442,275	54,767,233,822	63,333,444,999	47,950,386,172
(3.2) Rendering of Services					
Interest Income on Hire Purchase		4,023,326,950	2,593,367,719	4,023,326,950	2,593,367,719
Interest Income on Leasing		1,930,655,620	2,068,593,694	-	-
Interest Income on Loans		3,693,781,588	3,504,292,357	-	-
Service Income		1,600,845,269	1,425,921,218	599,113,827	520,721,755
		11,248,609,427	9,592,174,988	4,622,440,777	3,114,089,474

(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	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
i) Major Products / Service Lines				
Consumer Electronics	6,321,970	4,357,666	6,321,970	4,357,666
Financial Services	11,248,609	9,592,175	4,622,441	3,114,089
Furniture	3,925,670	4,147,511	3,925,670	4,147,511
Home Appliances	22,235,766	18,225,925	22,216,278	18,783,398
Digital products	17,563,584	12,728,128	17,563,584	11,768,846
Sewing	2,127,101	2,453,122	2,126,636	2,510,590
Other	6,550,742	3,262,708	6,556,866	3,268,286
Revenue from Contract with Customers	69,973,442	54,767,234	63,333,445	47,950,386

For the Year ended 31st March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
ii) Timing of Revenue Recognition				
Products Transferred at a Point in Time	58,724,833	45,175,059	58,711,004	44,836,297
Products and Services Transferred Over Time	11,248,609	9,592,175	4,622,441	3,114,089
Revenue from Contract with Customers	69,973,442	54,767,234	63,333,445	47,950,386

(c) Contract Balances

Following table provides information about contract liabilities from contracts with customers.

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Advances Received from Customers	29	333,426,601	248,088,319	333,426,601	247,812,582
Deferred Revenue	30	436,957,398	292,460,205	436,907,561	292,396,054
Warranty Provision	29.1	449,006,095	416,273,617	431,550,920	397,199,332
		1,219,390,094	956,822,141	1,201,885,082	937,407,968

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 market 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, 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 Systems and security Surveillance.

4.2 Segmental Analysis of Revenue is as follows:

For the Year ended 31st March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Consumer Electronics	6,321,970	4,357,666	6,321,970	4,357,666
Financial Services	11,202,465	9,653,108	4,605,866	3,204,682
Furniture	3,925,670	4,147,511	3,925,670	4,147,511
Home Appliances	22,235,766	18,225,925	22,216,278	18,783,398
Digital products	17,563,584	12,728,128	17,563,584	11,768,846
Sewing	2,127,101	2,453,122	2,126,636	2,510,590
Other	6,596,886	3,201,773	6,573,441	3,177,693
	69,973,442	54,767,233	63,333,445	47,950,386

NOTES TO THE FINANCIAL STATEMENTS

4.3 Segmental Analysis of Profit Before Tax is as follows:

For the Year ended 31st March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Consumer Electronics	478,810	537,538	478,810	537,538
Financial Services	526,507	832,515	942,681	762,033
Furniture	149,070	373,744	149,070	373,744
Home Appliances	1,439,429	3,068,875	1,360,479	2,718,288
Digital Products	657,615	1,064,552	657,615	1,050,483
Sewing	14,595	260,847	155,691	212,662
Others	171,621	367,497	152,925	348,795
Dividend	-	240	109,829	129,210
Impairment (Loss)/ Reversal of Impairment on Trade and Other Receivables	(300,236)	181,961	(427,199)	140,085
Operating Profit	3,137,411	6,687,769	3,579,901	6,272,838
Net Finance Cost	(2,401,902)	(6,118,864)	(3,621,385)	(6,263,474)
VAT on financial services	(396,856)	(394,713)	(77,000)	(78,000)
Profit/(Loss) Before Tax	338,653	174,192	(118,484)	(68,636)

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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Dividend Income - Quoted	179,520	-	109,828,864	129,210,428
- Unquoted	-	240,000	-	-
Gain on Disposal of Property Plant and Equipment	12,571	70,981	-	-
Miscellaneous Income	273,006,765	189,172,937	9,087,500	22,236,613
Income from Financial Services	71,858,542	58,542,591	71,858,542	58,542,591
	345,057,398	248,026,509	190,774,906	209,989,632

6. Finance Income

For the Year ended 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest on Related Party Receivables	-	-	45,928,249	186,917,073
Interest Income on Short Term Investments	1,355,657,662	1,126,852,502	94,496,765	198,099,241
Foreign Exchange Gains	964,494,601	25,898,431	865,573,980	-
	2,320,152,263	1,152,750,933	1,005,998,994	385,016,314

7. Finance Cost

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest on Overdrafts and Loans		(4,042,836,441)	(5,696,695,976)	(3,908,515,093)	(5,257,962,672)
Interest on Lease Liabilities *		(537,958,864)	(540,527,357)	(539,108,604)	(543,221,709)
Interest on Security Deposits	28	(141,259,055)	(139,181,550)	(141,259,055)	(134,853,818)
Foreign Exchange Losses		-	(895,210,199)	-	(513,072,971)
Interest on Related Party Payables		-	-	(38,501,373)	(199,379,883)
		(4,722,054,360)	(7,271,615,082)	(4,627,384,125)	(6,648,491,053)
Net Finance Cost**		(2,401,902,097)	(6,118,864,149)	(3,621,385,131)	(6,263,474,739)

* Interest on Lease Liability – 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	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Stated After Charging all Expenses including the Following:					
Executive Directors' Emoluments		135,998,518	165,011,994	99,641,212	120,738,941
Non-Executive Directors' Fees		36,150,014	21,720,690	16,000,014	11,893,354
Auditors' Remuneration - Statutory Audit		7,726,635	7,554,600	3,136,000	2,851,000
- Audit Related Services		2,534,058	4,280,188	493,000	440,000
- Non-Audit Services		6,829,461	4,808,148	2,329,738	1,971,601
Impairment Provision/(Reversal) of Trade and other receivables	8.1	300,236,038	(181,960,851)	427,198,636	(140,084,595)
Provision/(Reversal) for Inventories	16.1	158,883,417	374,183,974	(6,499,413)	284,734,989
Amortisation of Intangible Assets	12.8	56,844,068	55,547,619	39,390,078	36,164,041
Depreciation of Property, Plant and Equipment	11.9/11.17	828,426,048	762,709,301	565,792,276	535,245,916
Depreciation of Right of Use Asset	11.21.1	989,902,959	1,010,707,034	863,538,971	884,176,673
Personnel Costs	8.2	4,342,596,471	4,032,322,256	2,606,064,467	2,426,138,355
Loss on Disposal of Property, Plant and Equipment		724,219	2,291,561	724,219	2,291,561
Donations		662,789	836,571	-	-
Royalty		700,073,317	565,725,930	634,107,315	491,618,076

NOTES TO THE FINANCIAL STATEMENTS

8.1 Impairment Provision/(Reversal) of Trade and Other Receivables

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Reversal for impairment of Hire Purchase Receivables	18.3	(20,877,556)	(23,130,633)	(20,979,295)	(20,762,052)
Reversal for impairment on Lease Receivables	18.3	(180,695,601)	(109,116,581)	-	-
Provision for impairment on Loan Receivables	18.3	53,631,264	67,981,364	-	-
Provision /(Reversal) for impairment on Trade Receivables	18.3	209,140,574	(305,424,930)	209,140,574	(307,052,472)
Provision for impairment on Other Receivables	18.3	239,037,357	187,729,929	239,037,357	187,729,929
		300,236,038	(181,960,851)	427,198,636	(140,084,595)

8.2 Personnel Costs

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Salaries and Bonuses		3,357,770,205	3,197,537,935	1,847,635,251	1,800,683,185
Provision for Employee Benefit Obligations	27.4	267,658,058	224,960,605	183,049,241	151,372,661
Defined Contribution Plan Costs - EPF, ETF and MSPS		717,168,208	609,823,716	575,379,974	474,082,509
		4,342,596,471	4,032,322,256	2,606,064,467	2,426,138,355

9. Tax Expenses / (Reversal)

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Income Tax Expenses					
Income Tax on Current Year Profits	9.1	471,239,605	356,205,183	166,503,629	3,568,486
Under/(Over) Provision in Respect of Previous Year	9.1	29,271,237	(4,485,588)	58,452,667	524,664
Tax on Dividend Income					
Tax on Dividend Income	9.1	19,381,564	18,125,460	-	18,089,460
		519,892,406	369,845,055	224,956,296	22,182,610
Deferred Tax					
Deferred Tax Expense /(Income) Recognised in statement of Profit or Loss	9.2	(89,939,989)	(291,584,175)	(45,739,015)	(311,418,020)
		429,952,417	78,260,880	179,217,281	(289,235,410)

9.1 Reconciliation Between Accounting Profit and Taxable Profit

For the Year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit/(Loss) Before Tax		338,653,008	174,191,569	(118,484,060)	(68,636,497)
Aggregate Disallowable Expenses		3,897,784,584	3,960,240,870	2,944,658,220	2,516,769,683
Aggregate Tax Deductible Expenses		(2,883,664,265)	(3,561,885,623)	(2,271,162,064)	(2,801,593,833)
Tax losses b/f	9.1.1	-	(34,217,549)	-	-
Recoverable write off to Profit or loss		-	-	-	-
Tax Losses c/f	9.1.1	-	-	-	-
Other consolidation adjustments		-	-	-	-
Taxable Income		1,352,773,327	538,329,269	555,012,096	(353,460,647)
Current Income Tax @ 18%		-	427,686	-	-
Current Income Tax @ 20%		11,387,377	751,014	-	-
Current Income Tax @ 24%		-	150,693,054	-	-
Current Income Tax @ 30%		459,852,227	204,333,429	166,503,629	3,568,486
Income Tax on Current Year Profits		471,239,604	356,205,183	166,503,629	3,568,486
Under/(Over) Provision in Respect of Previous Year	9	29,271,238	(4,485,588)	58,452,667	524,664
Tax on Dividend Income	9	19,381,564	18,125,460	-	18,089,460
Income Tax Expense		519,892,406	369,845,055	224,956,296	22,182,610

9.1.1 Tax Loss Movement

For the Year ended 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Tax Losses Brought Forward	-	34,217,549	-	-
Adjustments Based on Income Tax Return	-	-	-	-
Loss incurred During the Year	-	-	-	-
Tax Losses Utilised During the Year	-	(34,217,549)	-	-
Tax Losses Carried Forward	-	-	-	-

9.1.2 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 of 2022/2023 onwards income tax has been calculated based on the tax rate of 30% for all companies excluding Regnis Appliances (Private) Limited and at the rate of 20% for Regnis Appliances (Private) Limited.

9.1.3 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 as given below.

	Group		Company	
	Rs.		Rs.	
Profit after Tax 31st March 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	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred Tax Expense/(Income) Arising due to					
- Charge/ (Reversal) of Temporary Differences During the Year	26.2	(81,062,459)	51,957,529	(40,010,729)	53,935,692
- Adjustment due to change in Income Tax Rate		-	(334,612,286)	-	(358,915,540)
- Deferred Tax impact on Unrealised Profit in Inventory	26.2	(3,149,244)	(2,491,246)	-	-
- Deferred Tax impact on Realisation of Revaluation Surplus	26.2	(5,728,286)	(6,438,172)	(5,728,286)	(6,438,172)
		(89,939,989)	(291,584,175)	(45,739,015)	(311,418,020)

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.

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

For the Year ended 31st March	Note	2024			2023		
		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	26.2	-	-	-	-	(314,862,960)	(314,862,960)
Revaluation Gain on Land and Building	11.5	724,043,709	(217,179,427)	506,864,282	-	-	-
Actuarial Gain /(Loss) on Employee Benefit Obligations	27.4	(56,954,640)	17,086,298	(39,868,342)	115,792,905	(34,464,819)	81,328,086
Fair Value Change in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	15.1	(1,318,840)	415,096	(903,744)	744,823	400,232	1,145,055
		665,770,229	(199,678,033)	466,092,196	116,537,728	(348,927,547)	(232,389,819)
Company							
Impact on Income Tax Rate Change	26.2	-	-	-	-	(77,505,724)	(77,505,724)
Revaluation Gain on Land and Building	11.13	724,043,709	(217,179,427)	506,864,282	-	-	-
Actuarial Gain /(Loss) on Employee Benefit Obligations	27.4	(66,535,027)	19,960,508	(46,574,519)	85,304,538	(25,591,361)	59,713,177
Fair Value Change in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	15.1	(1,383,654)	415,096	(968,558)	(1,334,106)	400,232	(933,874)
		656,125,028	(196,803,823)	459,321,206	83,970,432	(102,696,853)	(18,726,421)

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	
	2024	2023	2024	2023
Profit Attributable to Ordinary Shareholders				
Profit/(Loss) for the Year (Rs.)	(91,299,409)	95,930,689	(297,701,341)	220,598,913
Profit Attributable to Owners of the Company (Rs.)	(159,812,782)	7,081,647	(297,701,341)	220,598,913
Number of Ordinary Shares in issue				
Weighted Average Number of Ordinary Shares	1,133,675,060	1,126,886,490	1,133,675,060	1,126,886,490
Earnings per Share - Basic - (Rs.)	(0.14)	0.01	(0.26)	0.20

10.3.1 Weighted Average Number of Ordinary Shares

For the Year ended 31st March	Group		Company	
	2024	2023	2024	2023
No of shares at the Beginning of the Year	1,126,886,490	1,126,886,490	1,126,886,490	1,126,886,490
Time weighted number of shares based on the amalgamation	6,788,570	-	6,788,570	-
No of shares at the end of the Year	1,133,675,060	1,126,886,490	1,133,675,060	1,126,886,490

10.3.1.(a) Time weighted number of shares based on the amalgamation

Time weighted number of shares based on the amalgamation has been determined by multiplying the number of shares outstanding before and after the amalgamation by the fraction of the year they were outstanding. Accordingly, number of shares outstanding before amalgamation was 1,126,886,490 as of 31 January 2024 and number of shares outstanding after amalgamation was 1,167,617,912 as of 31 March 2024. The fraction of year the number of shares outstanding before and after amalgamation was 10 months and 02 months respectively.

NOTES TO THE FINANCIAL STATEMENTS

11 Property, Plant and Equipment

11.1 Gross Carrying Value - Group

As at 31st March	Balance as at 1st April 2023 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31st March 2024 Rs.
At Cost				
Motor Vehicles	175,000,761	1,238,395	-	176,239,156
Furniture & Equipment	673,118,364	77,411,208	1,529,539	749,000,033
Plant & Machinery	1,574,522,140	33,901,040	3,571,926	1,604,851,254
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	1,092,115,385	115,737,705	6,533,900	1,201,299,190
Shop Furniture	995,860,095	58,764,380	218,875	1,054,405,600
Shop Equipment	1,914,199,452	98,166,840	316,849	2,012,049,443
Improvements on Leasehold Premises	2,026,735,430	133,674,964	6,398,126	2,154,012,268
	8,451,627,441	518,894,532	18,569,215	8,951,952,758
At Valuation				
Freehold Land	3,251,287,701	441,697,426	-	3,692,985,127
Freehold Building	1,415,787,754	331,360,194	134,359,447	1,612,788,501
	4,667,075,455	773,057,620	134,359,447	5,305,773,628
Gross Carrying Value Excluding Capital WIP	13,118,702,896	1,291,952,152	152,928,662	14,257,726,386
Machinery and Equipment	10,362,046	37,202,319	4,204,362	43,360,003
Improvements on Leasehold Premises	-	-	-	-
Total Capital Work -in-progress	10,362,046	37,202,319	4,204,362	43,360,003
Total Gross Carrying Value	13,129,064,942	1,329,154,471	157,133,024	14,301,086,389
As at 31st March				
	Balance as at 1st April 2022 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2023 Rs.
Total Gross Carrying Value	12,245,551,769	923,809,840	40,296,667	13,129,064,942

11.2 Depreciation and Impairment Losses - Group

As at 31st March	Balance as at 1st April 2023 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2024 Rs.
Freehold Building	71,679,904	90,295,815	134,359,447	27,616,272
Motor Vehicles	154,574,561	6,721,257	6,660,970	154,634,848
Furniture & Equipment	340,981,355	59,839,592	688,285	400,132,662
Plant & Machinery	1,024,446,218	99,928,695	2,662,214	1,121,712,699
Culinary School Equipment	75,814	-	-	75,814
E.D.P. Equipment	634,598,868	117,952,736	1,375,934	751,175,670
Shop Furniture	746,420,543	70,016,789	-	816,437,332
Shop Equipment	1,255,864,303	179,008,421	241,392	1,434,631,332
Improvements on Leasehold Premises	1,248,165,350	204,662,743	909,502	1,451,918,591
Total Depreciation and Impairment Loss	5,476,806,916	828,426,048	146,897,744	6,158,335,220

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.
Total Depreciation and Impairment Losses	4,724,108,199	762,709,301	10,010,584	5,476,806,916

11.3 Net Carrying Values - Group

As at 31st March	Group	
	2024 Rs.	2023 Rs.
Freehold Land	3,692,985,127	3,251,287,701
Freehold Building	1,585,172,229	1,344,107,850
Motor Vehicles	21,604,308	20,426,200
Furniture & Equipment	348,867,372	332,137,009
Plant & Machinery	483,138,555	550,075,922
Culinary School Equipment	-	-
E.D.P. Equipment	450,143,521	457,516,517
Shop Furniture	237,968,268	249,439,552
Shop Equipment	577,418,111	658,335,149
Improvements on Leasehold Premises	702,093,677	778,570,080
Total Capital Work -in-progress	43,360,003	10,362,046
Total Carrying Value of Property , Plant and Equipment	8,142,751,171	7,652,258,026

NOTES TO THE FINANCIAL STATEMENTS

11.3.1 Carrying Value

As at 31st March	Group	
	2024 Rs.	2023 Rs.
At Cost	2,864,593,815	3,056,862,475
At Valuation	5,278,157,356	4,595,395,551
Total Carrying Value of Property, Plant & Equipment	8,142,751,171	7,652,258,026

11.4 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 523,098,894/- (2023/24 Rs. 889,352,506/-) 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 2024 Rs.
Land	112,593,796
Building	337,602,186
Total Carrying Value	450,195,982

11.6 Land and buildings were revalued during the Financial Year 2023/24 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 the 2023/24 Financial statements from its effective date which is 31st March 2024. 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 -2023/2024 (Rs.) 724,043,709

11.7 Amounts by which values have been increased and decreased in respect of Land and Buildings revalued by the Independent Qualified Valuer is indicated below.

Company	Location	Address	Revaluation Surplus	
			2024 Rs.	2023 Rs.
Singer (Sri Lanka) PLC	Ambalantota	Main Street,Ambalantota.	5,240,386	-
	Balangoda	Ratnapura Road,Balangoda.	5,267,014	-
	Bandarawela	Main Street,Bandarawela.	5,579,476	-
	Borella	D.S.Senanayaka Mawatha,Borella.	9,624,334	-
	Chilaw	Bazaar Street,Chilaw.	12,984,770	-
	Colpetty	No 143, Galle Road,Colombo 03.	4,258,536	-
	Eheliyagoda	Ratnapuara Road,Eheliyagoda.	4,795,614	-
	Embilipitiya	Colombo Road,Pallegama,Embilipitiya.	7,286,770	-
	Galle	Main Street,Galle.	5,623,166	-
	Gampaha	Colombo Road,Gampaha.	14,853,338	-
	Hikkaduwa	Galle Road,Hikkaduwa.	8,153,850	-

Company	Location	Address	Revaluation Surplus	
			2024 Rs.	2023 Rs.
	Kadawatha	Kandy Road, Kadawatha.	4,838,354	-
	Kandy- Mega	Sirimavo Bandaranayake Mawatha, Kandy.	15,721,416	-
	Katugastota	Madawala Road, Katugastota.	7,218,204	-
	Kiridiwella	Gampaha Road, Kirindiwela	3,978,438	-
	Kurunegala	Bodhiraja Mawatha, Kurunegala.	6,280,012	-
	Maharagama	High Level Road, Maharagama.	7,518,138	-
Singer (Sri Lanka) PLC	Matara	Anagarika Dharmapala Mawatha, Matara.	8,852,786	-
	Middeniya	Katuwana Road, Middeniya.	8,322,960	-
	Mount Lavinia	Galle Road, Mount Lavia.	9,627,582	-
	Mount Lavinia-Mega	Galle Road, Mount Lavia.	33,216,920	-
	Nawalapitiya	Kotmale Road, Nawalapitiya.	9,163,392	-
	Negombo	Greens Road, Negombo.	6,807,406	-
	Nuwara-Eliya	Kandy street, Nuwara-Eliya.	6,412,124	-
	Panadura	Galle Road, Panadura.	9,859,898	-
	Piliyandala	Gonamadiitta Road, Piliyandala.	135,499,314	-
	Pussellawa	Nuwaraeliya Road, Pussellawa.	9,037,530	-
	Rathnapura	Colombo road, Rathnapura.	6,909,878	-
	Tangalle	Matara Road, Tangalle.	2,526,802	-
	Trincomalee	North Coast Road, Trincomalee	9,824,246	-
	Wellawatta	Galle Road, Wellawatta.	13,990,604	-
	Ratmalana	No 52, Ferry Road, Off Borupona Road, Ratmalana.	121,295,483	-
	Ratmalana	No.02, 5th Lane Ratmalana	203,474,968	-
			724,043,709	-

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

As at 31st March	2024 Rs.	2023 Rs.
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Fully depreciated Fixed Assets	3,557,947,468	2,872,594,927
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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	2024 Rs.	2023 Rs.
Cost of Sales	151,465,984	156,360,151
Administrative Expenses	676,960,064	606,349,150
	828,426,048	762,709,301

NOTES TO THE FINANCIAL STATEMENTS

11.10 Gross Carrying Value - Company

As at 31st March	Balance as at 1st April 2023 Rs.	Additions /Transfers Rs.	Through Amalgamation Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2024 Rs.
At Cost					
Motor Vehicles	162,977,268	1,238,395	11,778,491	-	175,994,154
Furniture & Equipment	319,299,996	2,743,233	22,080,981	-	344,124,210
Plant & Machinery	426,327,116	2,184,083	931,586,620	3,099,142	1,356,998,677
Culinary School Equipment	75,814	-	-	-	75,814
E.D.P. Equipment	843,129,985	69,568,345	40,371,434	6,168,797	946,900,967
Shop Furniture	995,860,095	58,764,380	-	218,875	1,054,405,601
Shop Equipment	1,914,199,453	98,166,840	1,876,842	316,849	2,013,926,286
Improvements on Leasehold Premises	1,467,609,860	99,372,892	-	6,398,126	1,560,584,626
	6,129,479,587	332,038,168	1,007,694,368	16,201,789	7,453,010,335
At Valuation					
Freehold Land	1,133,129,700	415,437,426	1,890,284,000	-	3,438,851,126
Freehold Building	808,250,000	314,892,125	582,192,883	124,412,508	1,580,922,500
	1,941,379,700	730,329,551	2,472,476,883	124,412,508	5,019,773,626
Machinery and Equipment	-	-	43,360,003	-	43,360,003
Total Capital Work -in-progress	-	-	43,360,003	-	43,360,003
Total Gross Carrying Value	8,070,859,287	1,062,367,719	3,523,531,254	140,614,297	12,516,143,964

As at 31st March	Balance as at 1st April 2022 Rs.	Additions / Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31st March 2023 Rs.
Total Gross Carrying Value	7,483,293,048	596,707,571	9,141,332	8,070,859,287

11.11 Depreciation and Impairment Losses - Company

As at 31st March	Balance as at 1st April 2023 Rs.	Charge for the year Rs.	Through Amalgamation	Disposals/ Transfers Rs.	Balance as at 31st March 2024 Rs.
Freehold Buildings	37,637,490	42,635,910	44,139,108	124,412,508	-
Motor Vehicles	137,176,346	6,686,246	10,728,492	-	154,591,084
Furniture & Equipment	223,500,410	17,781,957	17,681,972	-	258,964,338
Plant & Machinery	324,243,945	33,687,257	620,653,238	3,099,142	975,485,298
Culinary School Equipment	75,814	-	-	-	75,814
E.D.P. Equipment	491,914,062	83,708,568	31,331,848	4,803,414	602,151,064
Shop Furniture	746,420,541	70,016,789	-	-	816,437,330
Shop Equipment	1,255,864,304	179,008,421	-	241,392	1,434,631,333
Improvements on Leasehold Premises	1,001,753,216	132,267,128	1,626,188	-	1,135,646,532
Total Depreciation and Impairment Losses	4,218,586,128	565,792,276	726,160,846	132,556,456	5,377,982,793

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.
Total Depreciation and Impairment Losses	3,676,050,196	545,451,128	2,915,196	4,218,586,128

11.12 Net Carrying Value -Company

As at 31st March	Company	
	2024 Rs.	2023 Rs.
Freehold Land	3,438,851,126	1,133,129,700
Freehold Building	1,580,922,500	770,612,510
Motor Vehicles	21,403,070	25,800,922
Furniture & Equipment	85,159,871	95,799,585
Plant & Machinery	381,513,379	102,083,171
E.D.P. Equipment	344,749,903	351,215,923
Shop Furniture	237,968,271	249,439,554
Shop Equipment	579,294,953	658,335,149
Improvements on Leasehold Premises	424,938,094	465,856,644
Total Capital Work -in-progress	43,360,003	-
Total Carrying Value of Property , Plant and Equipment	7,138,161,169	3,852,273,158

NOTES TO THE FINANCIAL STATEMENTS

11.12.1 Carrying Value

As at 31st March	Company	
	2024 Rs.	2023 Rs.
At Cost	2,118,387,543	1,948,530,948
At Valuation	5,019,773,626	1,903,742,210
Total Carrying Value of Property, Plant & Equipment	7,138,161,169	3,852,273,158

11.13 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 332,038,166/- (2022/23 - Rs.584,953,947/-) on cash basis.

11.14 Land and buildings were revalued during the Financial Year 2023/24 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 the 2023/24 Financial statements from its effective date, which is 31st March 2024. 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 -2023/2024 (Rs.) 724,043,709

11.15 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 2024 Rs.
Land	100,851,000
Building	268,429,761
Total carrying amount	369,280,761

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

As at 31st March	2024 Rs.	2023 Rs.
Fully depreciated Assets	3,016,652,145	2,391,514,990

11.17 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	2024 Rs.	2023 Rs.
Cost of Sales	60,788,476	47,147,596
Administrative Expenses	505,003,800	488,098,320
	565,792,276	535,245,916

11.18 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	19,750,000	11,500,000	2,992,424	6,101	31,250,000
Ambanpola								
No.108 Yaluwewa,Ambanpola.	10.00	-	-	6,000,000	-	600,000	-	6,000,000
Balangoda								
Ratnapura Road,Balangoda.	6.20	1	2080	24,250,000	11,000,000	3,911,290	5,288	35,250,000
Bandarawela								
Main Street,Bandarawela.	4.10	1	2660	14,100,000	13,500,000	3,439,024	5,075	27,600,000
Borella								
D.S.Senanayaka Mawatha,Borella.	4.64	1	2310	76,000,000	14,000,000	16,379,310	6,061	90,000,000
Chilaw								
Bazaar Street,Chilaw.	13.05	1	4120	51,000,000	22,000,000	3,908,046	5,340	73,000,000
Colpetty								
No 143, Galle Road,Colombo 03.	3.35	1	1440	60,000,000	7,000,000	17,910,448	4,861	67,000,000
Eheliyagoda								
Ratnapuara Road,Eheliyagoda.	5.73	1	1660	16,250,000	8,750,000	2,835,951	5,271	25,000,000
Embilipitiya								
Colombo Road,Pallegama,Embilipitiya.	4.60	1	2070	22,500,000	11,500,000	4,891,304	5,556	34,000,000
Galle								
Main Street,Galle.	2.84	1	2250	18,500,000	11,500,000	6,514,085	5,111	30,000,000
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	70,000,000	40,000,000	3,917,180	5,083	110,000,000
Hikkaduwa								
Galle Road,Hikkaduwa.	8.74	1	2400	30,000,000	13,000,000	3,432,494	5,417	43,000,000
Kadawatha								
Kandy Road, Kadawatha.	3.80	1	1150	23,000,000	14,750,000	6,052,632	12,826	37,750,000
Kadawatha								
No 430/1,Ganemulla Road,Ihala-Karaghamuna,Kadawathe	4.38	-	-	19,000,000	-	4,337,900	-	19,000,000
Kalawana								
No. J63A,Watapotha 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	4,828	62,000,000
Kandy- Mega								
Sirimavo Bandaranayake Mawatha,Kandy.	15.70	1	12840	40,820,000	77,040,000	2,600,000	6,000	117,860,000
Katugastota								
Madawala Road,Katugastota.	4.88	1	1620	16,450,000	8,250,000	3,374,359	5,093	24,700,000
Kiridiwella								
Gampaha Road,Kirindiwella	8.10	1	2940	22,000,000	15,000,000	2,716,049	5,102	37,000,000

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.
Kurunegala								
Bodhiraja Mawatha, Kurunegala.	7.66	1	2810	33,000,000	12,000,000	4,308,094	4,270	45,000,000
Maharagama								
High Level Road, Maharagama.	6.20	1	2700	40,500,000	14,500,000	6,532,258	5,370	55,000,000
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	44,000,000	18,000,000	4,400,000	5,114	62,000,000
Middeniya								
Katuwana Road, Middeniya.	8.25	1	2670	16,500,000	18,500,000	2,000,000	6,929	35,000,000
Mount Lavinia								
Galle Road, Mount Lavia.	7.50	1	1900	41,500,000	19,500,000	5,533,333	10,263	61,000,000
Mount Lavinia-Mega								
Galle Road, Mount Lavia.	18.47	1	15500	114,000,000	72,000,000	6,172,171	4,645	186,000,000
Nawalapitiya								
Kotmale Road, Nawalapitiya.	4.70	1	2760	17,000,000	17,000,000	3,617,021	6,159	34,000,000
Negombo								
Greens Road, Negombo.	6.00	1	2040	28,500,000	10,000,000	4,750,000	4,902	38,500,000
Nuwara-Eliya								
Kandy street, Nuwara-Eliya.	4.65	1	1700	22,000,000	9,500,000	4,731,183	5,588	31,500,000
Panadura								
Galle Road, Panadura.	6.15	1	2940	24,000,000	16,000,000	3,902,439	5,442	40,000,000
Piliyandala								
Gonamaditta Road, Piliyandala.	1,144.35	9	118450	292,585,126	381,929,000	255,678	3,224	674,514,126
Pussellawa								
Nuwaraeliya Road, Pussellawa.	12.43	1	3295	29,100,000	18,500,000	2,341,110	5,615	47,600,000
Rathnapura								
Colombo road, Rathnapura.	5.80	1	3075	23,500,000	16,000,000	4,051,724	5,203	39,500,000
Ratmalana								
No.52, Ferry Road, Off Boruona Road, Ratmalana	705.00	18	123910	562,400,000	309,919,500	797,730	2,501	872,319,500
Ratmalana								
No.02 5th lane Ratmalana	362.50	10	75365	1,225,000,000	236,000,000	3,379,310	3,131	1,461,000,000
Ratmalana								
No.435 Galle Road Ratmalana	50.00	1	12440	328,780,000	87,000,000	6,575,600	6,994	415,780,000
Tangalle								
Matara Road, Tangalle.	4.60	1	1285	16,000,000	3,900,000	3,478,261	3,035	19,900,000
Trincomalee								
North Coast Road, Trincomalee	5.58	1	2335	24,000,000	15,750,000	4,301,075	6,745	39,750,000
Wellawatta								
Galle Road, Wellawatta.	4.60	1	2700	63,000,000	15,000,000	13,695,652	5,556	78,000,000
Moratuwa								
No. 17, New Galle Rd, Moratuwa	13.09	1	2990	46,000,000	9,000,000	3,514,133	3,010	55,000,000
Trincomalee								
Nayanmarthidal, Thampalakamam, Trincomalee.	60.00	-	-	9,000,000	-	150,000	-	9,000,000
				3,692,985,127	1,612,788,500			5,305,773,628

11.19 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 Feet Rs.	Total Value Rs.
Ambalantota								
Main Street,Ambalantota.	6.60	1	1885	19,750,000	11,500,000	2,992,424	6,101	31,250,000
Balangoda								
Ratnapura Road,Balangoda.	6.20	1	2080	24,250,000	11,000,000	3,911,290	5,288	35,250,000
Bandarawela								
Main Street,Bandarawela.	4.10	1	2660	14,100,000	13,500,000	3,439,024	5,075	27,600,000
Borella								
D.S.Senayaka Mawatha,Borella.	4.64	1	2310	76,000,000	14,000,000	16,379,310	6,061	90,000,000
Chilaw								
Bazaar Street,Chilaw.	13.05	1	4120	51,000,000	22,000,000	3,908,046	5,340	73,000,000
Colpetty								
No 143, Galle Road,Colombo 03.	3.35	1	1440	60,000,000	7,000,000	17,910,448	4,861	67,000,000
Eheliyagoda								
Ratnapura Road,Eheliyagoda.	5.73	1	1660	16,250,000	8,750,000	2,835,951	5,271	25,000,000
Galle								
Main Street,Galle.	2.84	1	2250	18,500,000	11,500,000	6,514,085	5,111	30,000,000
Gampaha								
Colombo Road,Gampaha.	17.87	1	7870	70,000,000	40,000,000	3,917,180	5,083	110,000,000
Hikkaduwa								
Galle Road,Hikkaduwa.	8.74	1	2400	30,000,000	13,000,000	3,432,494	5,417	43,000,000
Embilipitiya								
Colombo Road,Pallegama,Embilipitiya.	4.60	1	2070	22,500,000	11,500,000	4,891,304	5,556	34,000,000
Kadawatha								
Kandy Road, Kadawatha.	3.80	1	1150	23,000,000	14,750,000	6,052,632	12,826	37,750,000
Kandy- Mega								
Sirimavo Bandaranayake Mawatha,Kandy.	15.70	1	12840	40,820,000	77,040,000	2,600,000	6,000	117,860,000
Katugastota								
Madawala Road,Katugastota.	4.88	1	1620	16,450,000	8,250,000	3,374,359	5,093	24,700,000
Kiridiwella								
Gampaha Road,Kirindiwella	8.10	1	2940	22,000,000	15,000,000	2,716,049	5,102	37,000,000
Kurunegala								
Bodhiraja Mawatha,Kurunegala.	7.66	1	2810	33,000,000	12,000,000	4,308,094	4,270	45,000,000
Maharagama								
High Level Road,Maharagama.	6.20	1	2700	40,500,000	14,500,000	6,532,258	5,370	55,000,000
Matara								
Anagarika Dharmapala Mawatha, Matara.	10.00	1	3520	44,000,000	18,000,000	4,400,000	5,114	62,000,000
Middeniya								
Katuwana Road,Middeniya.	8.25	1	2670	16,500,000	18,500,000	2,000,000	6,929	35,000,000
Mount Lavinia								
Galle Road,Mount Lavia.	7.50	1	1900	41,500,000	19,500,000	5,533,333	10,263	61,000,000
Mount Lavinia-Mega								
Galle Road,Mount Lavia.	18.47	1	15500	114,000,000	72,000,000	6,172,171	4,645	186,000,000
Nawalapitiya								
Kotmale Road,Nawalapitiya.	4.70	1	2760	17,000,000	17,000,000	3,617,021	6,159	34,000,000

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.
Negombo								
Greens Road, Negombo.	6.00	1	2040	28,500,000	10,000,000	4,750,000	4,902	38,500,000
Nuwara-Eliya								
Kandy street, Nuwara-Eliya.	4.65	1	1700	22,000,000	9,500,000	4,731,183	5,588	31,500,000
Panadura								
Galle Road, Panadura.	6.15	1	2940	24,000,000	16,000,000	3,902,439	5,442	40,000,000
Piliyandala								
Gonamaditta Road, Piliyandala.	1,144.35	9	118450	292,585,126	381,929,000	255,678	3,224	674,514,126
Pussellawa								
Nuwaraeliya Road, Pussellawa.	12.43	1	3295	29,100,000	18,500,000	2,341,110	5,615	47,600,000
Ratmalana								
No.52, Ferry Road, Off Borupona Road, Ratmalana	705.00	18	123910	562,400,000	309,919,500	797,730	2,501	872,319,500
Ratmalana								
No.02 5th lane Ratmalana	362.50	10	75365	1,225,000,000	236,000,000	3,379,310	3,131	1,461,000,000
Ratmalana								
No.435 Galle Road Ratmalana	50.00	1	12440	328,780,000	87,000,000	6,575,600	6,994	415,780,000
Rathnapura								
Colombo road, Rathnapura.	5.80	1	3075	23,500,000	16,000,000	4,051,724	5,203	39,500,000
Tangalle								
Matara Road, Tangalle.	4.60	1	1285	16,000,000	3,900,000	3,478,261	3,035	19,900,000
Trincomalee								
North Coast Road, Trincomalee	5.58	1	2335	24,000,000	15,750,000	4,301,075	6,745	39,750,000
Wellawatta								
Galle Road, Wellawatta.	4.60	1	2700	63,000,000	15,000,000	13,695,652	5,556	78,000,000
				3,449,985,126	1,569,788,500			5,019,773,626

11.20 Measurement of Fair Value

(i) Fair Value Hierarchy

The fair value of property was determined by an external independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the properties has been categorised as level 3 fair value based on the input to the valuation technique used.

(ii) Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Interrelationship between key unobservable inputs and fair value measurements.
Contractors Method: The contractor's method works on the basis that a property's value can be equated to its cost. Valuer assess the cost of the building if it would have constructed in current year, and deduct margin for usage of the property based on their year of construction.	<ul style="list-style-type: none"> ➤ Market value of land (Price per Perch). Valuer has used range of prices for respective lands based on their recently transacted cost. ➤ Construction cost per Square feet of a building. ➤ Depreciation rate for the usage of assets. 	<p>The Estimated fair value would increase (decrease) if -</p> <ul style="list-style-type: none"> ➤ Market Value per perch was higher (lower) ➤ Cost per square feet was higher (lower) ➤ Depreciation rate for usage lower (higher)
Land value is based on the market prices of each land respectively. Value of property is considered as summation of land & Building value.		

11.21 Right-of-Use Assets

11.21.1 Right of Use Assets - Entity as a Lessee

Group Asset Details	Cost			Depreciation				Carrying Value	
	Balance as at 1st April 2023	Additions	Terminations	Balance as at 31st March 2024	Balance as at 1st April 2023	Charge for the year	Terminations	Balance as at 31st March 2024	31st March 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	8,253,917,297	1,513,727,059	(1,467,890,432)	8,299,753,924	3,784,907,987	989,902,959	(1,295,031,994)	3,479,778,952	4,819,974,972
Total	8,253,917,297	1,513,727,059	(1,467,890,432)	8,299,753,924	3,784,907,987	989,902,959	(1,295,031,994)	3,479,778,952	4,819,974,972

Group Asset Details	Cost			Depreciation				Carrying Value	
	Balance as at 1st April 2022	Additions	Terminations	Balance as at 31st March 2023	Balance as at 1st April 2022	Charge for the Year	Terminations	Balance as at 31st March 2023	31st March 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	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

Company Asset Details	Cost			Depreciation				Carrying Value	
	Balance as at 1st April 2023	Additions	Terminations	Balance as at 31st March 2024	Balance as at 1st April 2023	Charge for the year	Terminations	Balance as at 31st March 2024	31st March 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	7,184,614,036	1,308,380,472	(1,451,548,321)	7,041,446,187	3,395,747,558	863,538,971	(1,289,117,560)	2,970,168,969	4,071,277,218
Total	7,184,614,036	1,308,380,472	(1,451,548,321)	7,041,446,187	3,395,747,558	863,538,971	(1,289,117,560)	2,970,168,969	4,071,277,218

Company Asset Details	Cost			Depreciation				Carrying Value	
	Balance as at 1st April 2022	Additions	Terminations	Balance as at 31st March 2023	Balance as at 1st April 2022	Charge for the period	Terminations	Balance as at 31st March 2023	31st March 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	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

NOTES TO THE FINANCIAL STATEMENTS

11.21.2 Group - Lease Liabilities

	Balance As at 1st April 2023 Rs.	Additions Rs.	Terminations Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2024 Rs.
Buildings	5,253,571,825	1,513,727,057	(141,082,853)	641,153,267	(1,658,722,330)	5,608,646,966
Total	5,253,571,825	1,513,727,057	(141,082,853)	641,153,267	(1,658,722,330)	5,608,646,966

	Rs.
	Rs.
Lease Liabilities Due Within One Year	1,084,238,570
Lease Liabilities Due After One Year	4,524,408,396
	5,608,646,966

	Balance as at 1st April 2022 Rs.	Additions Rs.	Terminations 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.
	Rs.
Lease Liability due within one year	1,024,002,828
Lease Liability due after one year	4,229,568,997
	5,253,571,825

11.21.3 Company - Lease Liabilities

	Balance As at 1st April 2023 Rs.	Additions Rs.	Terminations Rs.	Interest charges Rs.	Payments Rs.	Balance as at 31st March 2024 Rs.
Buildings	4,510,727,750	1,308,380,473	(137,485,757)	539,108,604	(1,475,219,092)	4,745,511,978
Total	4,510,727,750	1,308,380,473	(137,485,757)	539,108,604	(1,475,219,092)	4,745,511,978

	Rs.
	Rs.
Lease Liabilities Due Within One Year	974,537,577
Lease Liabilities Due After One Year	3,770,974,401
	4,745,511,978

	Balance as at 1st April 2022 Rs.	Additions Rs.	Terminations 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.
	Rs.
Lease Liabilities Due Within One Year	907,649,310
Lease Liabilities Due After One Year	3,603,078,440
	4,510,727,750

11.21.4 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 2024	297,351,166	786,887,404	1,038,303,304	2,417,263,441	1,068,841,650	5,608,646,966
	297,351,166	786,887,404	1,038,303,304	2,417,263,441	1,068,841,650	5,608,646,966

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 2024	273,410,096	701,127,481	867,903,102	2,088,137,442	814,933,857	4,745,511,978
	273,410,096	701,127,481	867,903,102	2,088,137,442	814,933,857	4,745,511,978

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

For the Year Ended 31st March	Group	Company
	2024 Rs.	2024 Rs.
Depreciation Expense of Right of Use Assets - Administrative Expense	971,837,530	863,538,971
Depreciation Expense of Right of Use Assets - Cost of Sales	18,065,429	-
Interest Expense on Lease Liabilities - Direct Interest Cost	103,194,403	-
Interest Expense on Lease Liabilities - Finance Cost	537,958,864	539,108,604

11.21.6 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	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Fixed rent	1,658,722,330	1,272,826,228	1,475,219,092	1,077,901,874

There were no variable lease Payments for the Group during the Financial Year 2023/24.

11.21.7 Currency Wise Analysis Obligation

Consolidated and the Company lease obligation amounts are in Sri Lankan Rupees.

NOTES TO THE FINANCIAL STATEMENTS

12. Intangible Assets

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Mark with Indefinite Useful Life	12.1	93,512,500	93,512,500	93,512,500	93,512,500
Software	12.2	344,550,593	362,509,529	246,969,479	250,017,379
Other Intangible Assets Externally Acquired	12.3	66,335,805	65,045,885	66,335,805	65,045,885
		504,398,898	521,067,914	406,817,784	408,575,764

12.1 Trade Mark with Indefinite Useful Life

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 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 of Rs.55,000,000/- (Note 12.4) and UNIC Brand name of 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	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost					
As at the Beginning of the Year		766,872,250	741,090,074	522,373,388	485,959,917
Acquired During the Year		36,714,536	25,782,176	15,349,797	3,050,005
Amalgamation- Subsidiary Companies		-	-	28,978,108	33,363,466
Disposals During the Year		(678,421)	-	-	-
As at the End of the Year		802,908,365	766,872,250	566,701,293	522,373,388
Amortisation					
As at the Beginning of the Year		404,362,721	351,091,646	272,356,009	222,435,094
Amortisation Charge for the Year		54,410,838	53,271,075	36,956,848	33,887,497
Amalgamation- Subsidiary companies		-	-	10,418,957	16,033,418
Disposals During the Year		(415,787)	-	-	-
As at the End of the Year		458,357,772	404,362,721	319,731,814	272,356,009
Carrying Amount					
Balance at the beginning of the year		362,509,529	389,998,428	250,017,379	263,524,823
Balance at the End of the year		344,550,593	362,509,529	246,969,479	250,017,379

12.3 Other Intangible Assets Externally Acquired

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost					
Balance at the Beginning of the year		103,428,920	101,434,920	103,428,920	101,434,920
Acquired During the Year		3,723,150	1,994,000	3,723,150	1,994,000
Balance at the End of the year		107,152,070	103,428,920	107,152,070	103,428,920
Amortisation					
Balance at the Beginning of the year		38,383,035	36,106,491	38,383,035	36,106,491
Amortisation Charge for the Year		2,433,230	2,276,544	2,433,230	2,276,544
Balance at the End of the year		40,816,265	38,383,035	40,816,265	38,383,035
Carrying Value					
Balance at the Beginning of the year		65,045,885	65,328,429	65,045,885	65,328,429
Balance at the End of the year		66,335,805	65,045,885	66,335,805	65,045,885

Other Intangible Assets externally acquired include Sony distribution rights amounting to Rs.46,431,920/-, Hayleys Brand Amounting to Rs.32,000,000/- which as been fully amortised as at 31st March 2022 and Website Development amounting to Rs.24,997,0000 /-.

12.4 SISIL Trademark

The company acquired the “SISIL” Trademark in December 2000, amounting to Rs. 55 million. The Management is of the opinion that the aforementioned trademark has an indefinite useful life as their associated brand awareness and recognition have existed over 30 years and the Company intends to utilise the said trademark for the foreseeable future. There are no legal, regulatory, contractual, competitive, economic or other factors that may limit its useful life and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for any impairment as at 31st December 2013.

Annual Sales Growth for Next Five Years	10%
Gross Margin	26%
Discount Rate	12%
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 has 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 2024.

Annual Sales Growth for Next Five Years	8%
Gross Margin	27%
Discount Rate	12%
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. on 2nd January 2008 including the Agencies of Phillips and Kenwood for Rs. 32 million. The entire purchase consideration was treated as Goodwill and had 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 value as at 31st March 2024 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 value 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	24%
Discount Rate	12%
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	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Amortisation of Software	12.2	54,410,838	53,271,075	36,956,848	33,887,497
Amortisation of other intangible assets Externally Acquired	12.3	2,433,230	2,276,544	2,433,230	2,276,544
Amortisation Charge for the Year		56,844,068	55,547,619	39,390,078	36,164,041

13 Investment In Subsidiaries - Company

As at 31st March	Country of Incorporation	Holding %	Number of Shares		Carrying Value	
			2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Quoted Investment						
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 Set off with Singer (Sri Lanka) PLC - During the year with the amalgamation			(17,544,628)	-	(692,407,683)	-
Investment at the End of the Year			-	17,544,628	-	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 Set off with Singer (Sri Lanka) PLC - During the year with the amalgamation			(13,137,154)	-	(722,530,710)	-
Investment at the End of the Year			-	13,137,154	-	722,530,710

As at 31st March	Country of Incorporation	Holding %	Number of Shares		Carrying Value	
			2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non-Quoted-Investment						
Singer Digital Media (Private) Limited						
	Sri Lanka	100%				
Investment at the Beginning of the Year			-	500,000	-	5,000,000
Investments made during the Year			-	-	-	-
Investments Set off with Singer (Sri Lanka) PLC -During the year with the amalgamation in 2022/23			-	(500,000)	-	(5,000,000)
Investment at the End of the Year			-	-	-	-
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 Set off with Singer (Sri Lanka) PLC-During the year with the amalgamation			(1,000,000)	-	(10,000,000)	-
Investment at the End of the Year			-	1,000,000	-	10,000,000
Reality Lanka Limited						
	Sri Lanka	100%				
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 transferred due to the Amalgamation of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC			7,200,000	-	72,000,000	-
Investment at the End of the Year			18,215,077	11,015,077	182,150,770	110,150,770
Regnis Appliances (Private) Limited						
	Sri Lanka	100%				
Investment at the Beginning of the Year			-	-	-	-
Investments made during the Year						
Investments Disposed During the Year						
Investment transferred due to the Amalgamation of Regnis (Lanka) PLC **			15,000,000	-	150,000,000	-
Investment at the End of the Year			15,000,000	-	150,000,000	-
Total Investment in Subsidiaries			-	-	1,760,085,080	2,963,023,473

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

** Refer Note 13.1.1 (a)

NOTES TO THE FINANCIAL STATEMENTS

13.1 Amalgamation of Subsidiary Companies

13.1.1 Amalgamation of Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC.

The Board of Directors of Singer (Sri Lanka) PLC, Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC decided to amalgamate its subsidiaries, Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC (The Company) at the board meetings held on the 07th of November 2023, in terms of Section 239 of the Companies Act No 07 of 2007 and share holder approval for the amalgamation was received at the Extra Ordinary General Meetings of the three companies held on the 18th of January 2024. The amalgamation was effective from 31 January 2024.

The Amalgamation of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC with Singer (Sri Lanka) PLC was recognised as a common control combination as per the companies' accounting policies. Amalgamated entity's assets and liabilities added to the consolidated financial statements the amalgamation reserve directly recognised in the statement of changes in equity. The investment in subsidiaries of Rs.1.4 billion recorded in the Company was set off against the equity of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC on 31 st January 2024.

13.1.1 (a) Investment transfer - Regnis Appliances (Private) Ltd

Regis Appliances (Private) Limited was a originally fully owned subsidiary of Regnis Lanka PLC. Following the amalgamation of Regnis Lanka PLC within Singer (Sri Lanka) PLC on 31 st January 2024, Regnis Appliances (Private) Limited has become a fully owned subsidiary of Singer (Sri Lanka) PLC.

13.1.2 Amalgamation of Singer Business School (Private) Limited, Domus Lanka (Private) Limited with Singer (Sri Lanka) PLC.

The fully owned subsidiary companies of Singer (Sri Lanka) PLC, Singer Business School (Private) Ltd and Domus Lanka (Private) Limited were 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 01 st January 2024. As a result, the values in the books of Singer Business School (Private) Limited was amalgamated and the investment in subsidiary of Rs.10 million recorded in the Company was set off against the equity of Singer Business School (Private) Limited on the 01st of January 2024. The Amalgamation of Singer Business School (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.

13.1.3 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.

13.2 Effect of Amalgamation - Consolidated Financial Statements

There is no impact on the Consolidated Financial Statements since all amalgamated companies were subsidiaries of Singer (Sri Lanka) PLC and continued to be consolidated with Singer (Sri Lanka) PLC up to the date of amalgamation.

13.2.1 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) PLC as at 31 st March 2024 include the assets and liabilities of the amalgamated entities, Singer Industries (Ceylon) PLC, Regnis Lanka PLC and Singer Business School (Private) Limited as the companies were amalgamated on 31 st January 2024 and 01st January 2024 respectively. However, the comparative statement of financial position in Singer (Sri Lanka) PLC as at 31st March 2023 excluded the assets and liabilities of the amalgamated entity.

The statement of financial position in the separate financial statements of Singer (Sri Lanka) PLC as at 31 March 2023 include the assets and liabilities of the amalgamated entity Digital Media (Pvt) Ltd, as the Company was amalgamated on 30th January 2023. However, the comparative statement of financial position in Singer (Sri Lanka) PLC as at 31 March 2022 excludes the assets and liabilities of the amalgamated entity Digital Media (Pvt) Ltd.

The following are the effect of amalgamation of Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC, Singer Business School (Private) Limited and 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 31st January 2024, 01st January 2024 and 30th January 2023 respectively.

13.2.1.1 (a) Effect of Amalgamation on 31st January 2023 - Regnis (Lanka) PLC, Singer Industries (Ceylon) PLC

	Singer (Sri Lanka) PLC	Regnis (Lanka) PLC	Singer Industries (Ceylon) PLC	Effect on Amalgamation Regnis	Effect on Amalgamation SIC	As restated Amalgamating with Regnis & SIC
Non Current Assets						
Property, Plant & Equipment	3,684,946,530	1,107,419,627	1,268,049,853	1,107,419,627	1,683,829,853	6,476,196,010
ROU Asset	3,868,955,326	-	-	-	-	3,868,955,326
Intangible Assets	391,551,850	18,559,151	-	18,559,151	-	410,111,001
Investment in Subsidiaries	2,953,023,473	180,635,653	91,597,508	(524,407,683)	(668,530,710)	1,760,085,080
Other Investment	21,524,326	-	415,780,000	-	-	21,524,326
Trade and Other Receivables	815,560,845	1,404,630	1,317,325	1,404,630	1,317,325	818,282,800
Deferred Taxation	1,499,270,997	-	-	(229,636,470)	(376,286,018)	893,348,509
Current Assets						
Inventories	14,527,230,550	1,957,208,341	200,396,535	1,957,208,341	200,396,535	16,684,835,426
Loans Due from Related Parties	175,000,000	-	-	(100,000,000)	(75,000,000)	-
Income Tax Receivable	426,556,322	-	6,704,863	(24,197,372)	1,033	402,359,983
Trade and Other Receivables	19,188,663,876	183,734,091	8,940,730	183,734,091	8,940,730	19,381,338,697
Amounts Due from Related Parties	-	1,338,021,820	97,181,041	-	-	-
Cash & Cash Equivalents	1,636,807,147	6,780,505	5,600,627	6,780,505	5,600,627	1,649,188,279
	49,189,091,242	4,793,763,818	2,095,568,482	2,396,864,820	780,269,375	52,366,225,437
Equity						
Stated Capital	626,048,050	211,192,425	100,003,800	430,577,635	82,230,968	1,138,856,653
Capital Reserves	1,185,577,221	475,416,513	792,043,516	475,416,513	792,043,516	2,453,037,250
Other Component of Equity	3,503,334	-	-	-	-	3,503,334
Revenue Reserve	4,306,216,144	829,099,138	522,017,769	(97,191,203)	(220,788,294)	3,988,236,647
Non-Current Liabilities						
Interest Bearing Loans & Borrowings	6,700,000,000	-	-	-	-	6,700,000,000
Lease Liability	3,591,208,437	-	-	-	-	3,591,208,437
Retirement Benefit Obligations	742,313,396	155,587,416	44,916,910	155,587,416	44,916,910	942,817,722
Deferred Tax Liability	-	229,636,470	376,286,018	-	-	-
Security Deposits	1,537,841,156	-	-	-	-	1,537,841,156
Deferred Revenue	74,363,221	-	-	-	-	74,363,221
Other Non Current Liabilities	180,162,230	-	-	-	-	180,162,230
Current Liabilities						
Trade and Other Payables	9,851,658,588	1,244,518,164	40,851,829	1,246,379,959	41,302,506	11,139,341,053
Lease Liability	974,537,577	-	-	-	-	974,537,577
Deferred Revenue	270,603,605	-	-	-	-	270,603,605
Income Tax Payables	-	24,197,372	6,703,830	-	-	-
Dividends Payable	49,146,058	3,289,099	2,173,701	3,289,099	2,173,701	54,608,858
Amounts due to Related Parties	1,152,581,195	696,149,444	76,467,428	(641,872,376)	(20,713,613)	489,995,206
Loans due to Related Parties	-	100,000,000	75,000,000	-	-	-
Interest Bearing Loans & Borrowings	16,965,752,355	821,043,348	50,000,000	821,043,348	50,000,000	17,836,795,703
Bank Overdraft	977,578,675	3,634,429	9,103,681	3,634,429	9,103,681	990,316,785
	49,189,091,242	4,793,763,818	2,095,568,482	2,396,864,820	780,269,375	52,366,225,437

Since the amalgamation was within the Group, no Goodwill is recognised and upon the merger, the excess was recognised in the statement of changes in equity

NOTES TO THE FINANCIAL STATEMENTS

13.2.1.1 (b) Effect on amalgamation on statement of changes in equity

Regnis (Lanka) PLC	
Transfer of net assets (on date of amalgamation) of Regnis (Lanka) PLC	1,515,708,076
Set-off of investment by Singer (Sri Lanka) PLC in Regnis (Lanka) PLC	(722,530,710)
Set -off Investment Property valuation impact in Regnis (Lanka) PLC	(12,635,653)
New Share Issue for Minority Interest - (Note 13.2.1.1 (c))	(430,577,635)
Share buyback of Minority Interest	(1,861,795)
Balance transferred on amalgamation	348,102,284
Singer Industries (Ceylon) PLC	
Transfer of net assets (on date of amalgamation) of Singer Industries (Ceylon) PLC	1,414,065,085
Set-off of investment by Singer (Sri Lanka) PLC in Singer Industries (Ceylon) PLC	(692,407,683)
Set -off Investment Property valuation impact	(37,596,352)
New Share Issue for Minority Interest - (Note 13.2.1.1 (c))	(82,230,968)
Share buyback of Minority Interest	(450,677)
Balance transferred on amalgamation	601,379,405
Balance transferred to amalgamation Reserve	1,002,599,856

13.2.1.1 (c) Following the amalgamation of subsidiary companies, Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC, Forty Million Seven Hundred and Thirty One Thousand Four Hundred and Twenty Two (40,731,422) ordinary voting shares at Rupees Twelve and Cents Fifty Nine (Rs. 12.59) each in Singer (Sri Lanka) PLC (SSL) have been issued and allotted to the minority shareholders of Singer Industries (Ceylon) PLC and shareholders of Regnis (Lanka) PLC. Accordingly, ordinary shares of 6,531,451 and 34,199,971 have been issued to Minority shareholders of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC respectively at Rs. 12.59 each.

13.2.1.2 (a) Effect of Amalgamation on 1st January 2024 - Singer Business School (Private) Limited

	Singer (Sri Lanka) PLC	Singer Business School (Private) Limited	Effect on Amalgamation	As restated Amalgamating with SBS
Non Current Assets				
Property, Plant & Equipment	3,706,726,741	2,365,242	2,365,242	3,709,091,983
ROU Asset	3,658,115,492	-	-	3,658,115,492
Intangible Assets	392,141,986	211,752	211,752	392,353,738
Investment in Subsidiaries	2,963,023,473	-	(10,000,000)	2,953,023,473
Other Investment	21,524,326	-	-	21,524,326
Trade and Other Receivables	891,546,816	-	-	891,546,816
Deferred Taxation	1,507,783,639	-	-	1,507,783,639
Current Assets				
Inventories	13,732,961,126	-	-	13,732,961,126
Loans Due from Related Parties	175,000,000	-	-	175,000,000
Income Tax Receivable	427,313,560	-	-	427,313,560
Trade and Other Receivables	19,420,667,463	-	-	19,420,667,463
Amounts Due from Related Parties	96,173,483	67,265,476	67,265,476	163,438,959
Cash & Cash Equivalents	2,753,681,537	20,629,242	20,629,242	2,774,310,779
	49,746,659,642	90,471,712	80,471,712	49,827,131,354
Equity				
Stated Capital	626,048,050	10,000,000	-	626,048,050
Capital Reserves	1,186,942,894	-	-	1,186,942,894
Other Component of Equity	3,503,334	-	-	3,503,334
Revenue Reserve	4,288,232,599	53,118,168	53,118,168	4,341,350,767
Non-Current Liabilities				
Interest Bearing Loans & Borrowings	7,150,000,000	-	-	7,150,000,000
Lease Liability	3,498,213,613	-	-	3,498,213,613
Retirement Benefit Obligations	758,534,851	-	-	758,534,851
Deferred Tax Liability	-	733,643	733,643	733,643
Security Deposits	1,517,965,563	-	-	1,517,965,563
Revenue	77,021,536	-	-	77,021,536
Other Non Current Liabilities	170,328,302	-	-	170,328,302
Current Liabilities				
Trade and Other Payables	9,427,136,372	530,173	530,173	9,427,666,545
Lease Liability	882,428,104	-	-	882,428,104
Deferred Revenue	294,056,724	-	-	294,056,724
Income Tax Payables	-	2,537,214	2,537,214	2,537,214
Dividends Payable	49,146,058	-	-	49,146,058
Amounts due to Related Parties	3,341,624,733	23,552,514	23,552,514	3,365,177,247
Interest Bearing Loans & Borrowings	16,475,476,909	-	-	16,475,476,909
Bank Overdraft	-	-	-	-
	49,746,659,642	90,471,712	80,471,712	49,827,131,354

Since the amalgamation was within the Group, no Goodwill is recognised and upon the merger, the excess was recognised in the statement of changes in equity

13.2.1.2 (b) Effect on amalgamation on statement of changes in equity

Transfer of net assets (on date of amalgamation) of Singer Business School (Private) Limited	63,118,168	
Set-off of investment by Singer (Sri Lanka) PLC in Singer Business School (Private) Limited	(10,000,000)	
Balance transferred to amalgamation Reserve	53,118,168	-

NOTES TO THE FINANCIAL STATEMENTS

13.2.1.3 (a) Effect of Amalgamation on 31st January 2023 - Singer Digital Media (Private) Limited

	Singer (Sri Lanka) PLC	Singer Digital Media (Private) Limited	Effect on Amalgamation	As restated Amalgamating with DM
Non Current Assets				
Property, Plant & Equipment	3,830,726,075	1,548,411	1,548,411	3,832,274,486
ROU Asset	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 Investments	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
Deferred 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
Deferred 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
Bank Overdraft	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 was within the Group, no Goodwill is recognised and upon the merger, the excess was recognised in the statement of changes in equity

13.2.1.3 (b) Effect on amalgamation on 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 on 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 amortise the leasehold land over the lease period of 50 years, on straight line basis. The Company current year cancel the agreement and hens disposal of leasehold land . The reconciliation of pre-paid operating lease is as follows:

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost				
Balance at the Beginning of the year	-	65,062,510	-	-
Acquired during the Year	-	-	-	-
Disposed During the year	-	(65,062,510)	-	-
Balance at the End of the year	-	-	-	-
Amortisation				
Balance at the Beginning of the year	-	5,747,188	-	-
Amortised during the Year	-	542,189	-	-
Disposed During the year	-	(6,289,377)	-	-
Balance at the End of the year	-	-	-	-
Carrying value	-	-	-	-

15. Other Investments

15.1 Non Current Financial Assets

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

As at 31st March	No. of Shares		Group Value		Company Value	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non-Quoted						
Equity Investment Lanka Limited	1,665,000	1,665,000				
Balance at the Beginning of the Year			21,524,326	22,858,432	21,524,326	22,858,432
Change in Fair Value during the Year			(1,383,654)	(1,334,106)	(1,383,654)	(1,334,106)
Balance at the End of the Year			20,140,672	21,524,326	20,140,672	21,524,326
Credit Information Bureau of Sri Lanka	100	100				
Balance at the Beginning of the Year			2,120,229	41,300	-	-
Change in Fair Value during the Year			64,813	2,078,929	-	-
Balance at the End of the Year			2,185,042	2,120,229	-	-
			22,325,714	23,644,555	20,140,672	21,524,326

The group designated the investment shown above as Equity Securities at FVOCI because these equity securities represent investments that the group intends to hold for the long term for strategic purpose.

There were no disposal of Strategic investments during the Financial Year 2023/24 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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
(a) Financial Assets at Amortised Cost				
Investment in Treasury Bills	2,478,590,812	2,013,991,655	-	-
	2,478,590,812	2,013,991,655	-	-

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

16. Inventories

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Raw Materials		2,088,334,182	3,209,411,511	1,867,484,429	1,436,513,145
Work-in-Progress		486,892,493	647,203,867	398,918,468	384,555,665
Finished Goods		17,790,698,135	16,461,029,380	17,771,975,467	16,175,004,274
Supplies and Spare Parts		1,302,313,751	1,250,096,338	1,302,313,751	1,180,479,233
Goods-in-Transit		1,814,709,733	372,245,024	1,656,535,308	275,069,378
		23,482,948,294	21,939,986,120	22,997,227,423	19,451,621,694
Provision for Inventories	16.1	(1,858,629,865)	(1,699,746,448)	(1,789,788,352)	(1,522,695,501)
Unrealised profit in Inventory		(23,399,319)	(12,901,839)	-	-
Total Inventories at the lower of cost and net realisable value		21,600,919,110	20,227,337,833	21,207,439,071	17,928,926,193

16.1 Provision for Inventories

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year		1,699,746,448	1,325,562,474	1,522,695,501	1,235,345,290
Amalgamation of Subsidiary Companies		-	-	273,592,264	2,615,222
Amounts Provided/(Reversal) During the Year	8	158,883,417	374,183,974	(6,499,413)	284,734,989
Balance at the End of the Year		1,858,629,865	1,699,746,448	1,789,788,352	1,522,695,501

16.2 There were no Inventories Pledged as Securities for Loans obtained by the Group/Company as at 31st March 2024.

17. Loans Due From Related Parties

As at 31st March	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Singer Industries (Ceylon) PLC (Amalgamated on 31st January 2024)	Subsidiary	-	-	-	118,000,000
Regnis (Lanka) PLC (Amalgamated on 31st January 2024)	Subsidiary	-	-	-	150,000,000
		-	-	-	268,000,000

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	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Hire Purchase Debtors					
Hire Purchase Debtors – Installment Receivables		737,756,322	735,807,378	737,756,322	735,807,378
Less: Hire Purchase Debtors- Unearned Interest Income		(302,480,092)	(352,227,253)	(302,480,092)	(352,227,253)
		435,276,230	383,580,125	435,276,230	383,580,125
Lease Receivables					
Lease - Installments Receivables		8,696,315,490	5,997,427,968	-	-
Less: - Lease Receivables - Unearned Interest Income		(2,024,763,863)	(993,207,190)	-	-
		6,671,551,627	5,004,220,778	-	-
Loan Receivables					
Consumer and Personal Loans - Installments Receivables		3,981,208,235	2,329,629,003	-	-
Less: Loan Receivables - Unearned Interest Income		(836,510,026)	(347,327,265)	-	-
		3,144,698,209	1,982,301,738	-	-
Other Receivables					
Rent paid in Advance		222,045,045	213,588,824	222,045,045	213,588,825
Loans to Employees	18.4	216,654,922	190,083,013	164,848,344	140,511,505
		438,699,967	403,671,837	386,893,389	354,100,330
		10,690,226,033	7,773,774,479	822,169,619	737,680,455

NOTES TO THE FINANCIAL STATEMENTS

18.2 Current

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Hire Purchase Debtors					
Hire Purchase Debtors - Installment Receivables		11,764,063,148	6,961,049,780	11,760,825,443	6,957,913,815
Less: Hire Purchase Debtors - Unearned Interest Income		(2,115,573,321)	(1,341,233,547)	(2,115,573,321)	(1,341,233,547)
Provision for Impairment	18.3	(130,711,467)	(154,392,095)	(127,473,762)	(151,256,129)
		9,517,778,360	5,465,424,138	9,517,778,360	5,465,424,139
Lease Receivables					
Lease – Installments Receivables		6,583,892,714	5,801,450,246	-	-
Less: Lease Receivables - Unearned Interest Income		(1,840,076,405)	(1,210,867,071)	-	-
Provision for Impairment	18.3	(479,532,472)	(707,440,297)	-	-
		4,264,283,837	3,883,142,878	-	-
Loan Receivables					
Consumer and Personal Loans - Installments Receivables		14,437,917,009	13,560,231,555	-	-
Less: Loan Receivables- Unearned Interest Income		(789,022,279)	(458,424,754)	-	-
FD Loans		688,820,502	934,233,585	-	-
Net Receivable		14,337,715,232	14,036,040,386	-	-
Less: Provision for Impairment	18.3	(708,401,919)	(708,406,707)	-	-
		13,629,313,313	13,327,633,679	-	-
Trade Receivables					
Trade Receivables		6,496,267,201	3,693,407,160	6,496,267,201	3,657,158,167
Less : Provision for Impairment	18.3	(1,007,537,520)	(802,010,733)	(1,007,537,520)	(802,010,733)
		5,488,729,681	2,891,396,427	5,488,729,681	2,855,147,434
Other Receivables					
Advance and Other Receivables		6,706,899,251	4,147,407,360	6,530,129,262	3,961,483,448
Less : Provision for Impairment	18.3	(2,161,274,474)	(1,922,419,819)	(2,160,185,374)	(1,921,330,719)
		4,545,624,777	2,224,987,541	4,369,943,888	2,040,152,729
Prepayments		295,953,394	345,437,853	196,477,729	233,525,853
Loans to Employees	18.4	104,907,570	98,205,270	66,032,997	65,510,110
		400,860,964	443,643,123	262,510,726	299,035,963
		37,846,590,932	28,236,227,785	19,638,962,654	10,659,760,265

18.3 Provision For Impairment

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade, Hire Purchases, Lease and Other Receivables					
Provision for Impairment - Hire Purchase Debtors					
Movement					
Balance at the Beginning of the Year		154,392,095	180,177,174	151,256,129	174,672,628
(Reversals) During the Year	8.1	(20,877,556)	(23,130,633)	(20,979,295)	(20,762,052)
Written-off /Transferred During the Year		(2,803,072)	(2,654,446)	(2,803,072)	(2,654,447)
Balance as at End of the Year		130,711,467	154,392,095	127,473,762	151,256,129
Provision for Impairment - Lease Rental Receivable					
Movement					
Balance at the Beginning of the Year		707,440,297	836,804,805	-	-
(Reversals) During the Year	8.1	(180,695,601)	(109,116,581)	-	-
Written-off /Transferred During the Year		(47,212,224)	(20,247,927)	-	-
Balance as at end of the Year		479,532,472	707,440,297	-	-
Provision for Impairment - Loan Receivables					
Movement					
Balance as at the Beginning of the Year		708,406,707	670,930,574	-	-
Provided During the Year	8.1	53,631,264	67,981,364	-	-
Written-off /Transferred During the Year		(53,636,052)	(30,505,231)	-	-
Balance as at end of the Year		708,401,919	708,406,707	-	-
Provision for Impairment - Trade Receivables					
Movement					
Balance at the Beginning of the Year		802,010,733	1,133,839,322	802,010,733	1,016,406,045
Provided/(Reversals) During the Year	8.1	209,140,574	(305,424,930)	209,140,574	(307,052,472)
Written-off /Transferred During the Year		(3,613,787)	(26,403,659)	(3,613,788)	(26,403,659)
Amalgamation subsidiary company		-	-	-	119,060,819
Balance at end of the Year		1,007,537,520	802,010,733	1,007,537,520	802,010,733
Total Provision for Trade Receivables		2,326,183,378	2,372,249,832	1,135,011,283	953,266,862
Provision for Impairment - Other Receivables					
Movement					
Balance at the Beginning of the Year		1,922,419,819	1,734,695,655	1,921,330,719	1,733,606,555
Provided During the Year	8.1	239,037,357	187,729,929	239,037,357	187,729,929
Amalgamation subsidiary companies		(182,702)	(5,765)	(182,702)	(5,765)
Balance at End of the Year		2,161,274,474	1,922,419,819	2,160,185,374	1,921,330,719
Total Provision for Trade, Hire Purchases, Lease and Other Receivables at the end of the Year		4,487,457,852	4,294,669,651	3,295,196,657	2,874,597,581

The contractual amount outstanding on Financial Assets that were written off during the year ended 31st March 2024 and there are no enforcement activity pending as of 31st March 2024.

NOTES TO THE FINANCIAL STATEMENTS

18.4 Loans to Employees

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Movement				
Balance at the Beginning of the Year	288,288,283	334,517,524	206,021,615	247,026,044
Loans Granted During the Year	225,394,871	195,207,790	139,850,000	61,250,000
Less: Repayments	(191,311,376)	(236,647,971)	(114,990,274)	(102,254,429)
Unwinding of interest	16,899	(167,664)	-	-
Less: Provision for Impairment	(826,185)	(4,621,396)	-	-
Balance as at the End of the Year	321,562,492	288,288,283	230,881,341	206,021,615
Due Within One Year	104,907,570	98,205,270	66,032,997	65,510,110
Due After One Year	216,654,922	190,083,013	164,848,344	140,511,505

18.5 Maturity Analysis of Hire Purchase, Lease and Loan Receivables

Group - As at 31 March 2024

	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	3,650,400,555	5,867,377,805	430,732,722	742,808	3,800,700	9,953,054,590
Lease Rental Receivables	1,343,126,074	2,921,157,762	5,265,922,890	1,395,206,946	10,421,791	10,935,835,462
Loans Receivables	5,376,251,896	8,253,061,418	2,287,256,267	850,206,159	7,235,782	16,774,011,522
	10,369,778,525	17,041,596,985	7,983,911,879	2,246,155,913	21,458,273	37,662,901,574

Group - As at 31 March 2023

	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

Company - As at 31 March 2024

	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	3,650,400,555	5,867,377,805	430,732,722	742,808	3,800,700	9,953,054,590
	3,650,400,555	5,867,377,805	430,732,722	742,808	3,800,700	9,953,054,590

Company - As at 31 March 2023

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

19. Amounts Due from Related Parties

As at 31st March	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Singer Finance (Lanka) PLC	Subsidiary	-	-	41,323,135	63,691,197
Advantis Projects & Engineering (Private) Limited	Fellow Subsidiary	81,650	-	81,650	-
Advantis Express (Private) Limited	Fellow Subsidiary	2,231,700	-	2,231,700	-
Hayleys Travels (Private) Limited	Fellow Subsidiary	384,090	-	384,090	-
Dipped Products PLC	Fellow Subsidiary	43,299	-	43,299	-
Creative Polymats (Private) Limited	Fellow Subsidiary	86,383	-	86,383	-
Hanwella Rubber Products Limited	Fellow Subsidiary	90,109	-	90,109	-
Hayleys Aventura (Private) Limited	Fellow Subsidiary	-	1,305,397	-	1,305,397
Talawakelle Tea Estates PLC	Fellow Subsidiary	1,628,781	-	1,628,781	-
Hayleys Fabric PLC	Fellow Subsidiary	9,528,019	2,885,849	9,528,019	2,885,849
Hayleys Consumer Products Limited	Fellow Subsidiary	1,191,971	-	1,191,971	-
The Kingsbury PLC	Fellow Subsidiary	-	18,899	-	18,899
DPL Sports Gloves (Private) Limited	Fellow Subsidiary	350,711	-	350,711	-
Hayleys Consumer Products Limited	Fellow Subsidiary	-	157,488	-	157,488
South Asia Textiles (Private) Limited	Fellow Subsidiary	12,183,693	26,831	12,183,693	26,831
Fentons Limited	Fellow Subsidiary	8,358,547	78,084,905	8,358,547	78,084,905
Alumex PLC	Fellow Subsidiary	9,068,750	9,530	9,068,750	9,530
Energynet (Private) Limited	Fellow Subsidiary	449,260	427,600	449,260	427,600
LOGIWIZ Limited	Fellow Subsidiary	-	6,713,277	-	6,713,277
Puritas (Private) Limited	Fellow Subsidiary	-	228,241	-	228,241
HJS Condiments Limited	Fellow Subsidiary	343,995	1,274,983	343,995	1,274,983
		46,020,958	91,133,000	87,344,093	154,824,197

20. Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets measured at FVTPL are those assets that the Company acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. Trading assets are those assets that the Company acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

These investments are initially recognised at fair value and transaction costs that are directly attributable to its acquisition or issue is charge to profit or loss. Subsequently, recorded in the Statement of Financial Position at fair value. Changes in fair value are recognised in profit or loss.

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Investment in Treasury Bonds (Note 20.1)	463,761,000	-	-	-

20.1 Investment in Treasury Bonds

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the year	-	-	-	-
Investment during the year	428,905,261	-	-	-
Gain / (Loss) from marked to market valuation	34,855,739	-	-	-
Balance at the End of the year	463,761,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

21. Cash and Cash Equivalents

Components of Cash and Cash Equivalents

21.1 Cash in hand and at bank

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash at Banks	5,110,880,293	4,023,375,537	1,653,502,451	1,823,431,097
Cash in Hand	377,446,550	364,674,716	4,528,500	6,013,904
	5,488,326,843	4,388,050,253	1,658,030,951	1,829,445,001

21.2 Deposits with Banks

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deposits with Banks	702,898,074	1,413,997,183	448,875,000	-
	702,898,074	1,413,997,183	448,875,000	-

21.3 Bank Overdrafts

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Bank Overdrafts *	(2,548,246,538)	(1,579,558,606)	(2,009,160,715)	(1,474,601,139)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	3,642,978,379	4,222,488,830	97,745,236	354,843,862

*All the overdraft interest rates are linked to AWPLR.

Refer the Note 25.5 for overdraft facility limits.

22 Stated Capital

As at 31st March	Note	2024 Number	2023 Number
Number of Shares - Ordinary Shares	21.1	1,167,617,912	1,126,886,490
		1,167,617,912	1,126,886,490

As at 31st March	Note	2024 Rs.	2023 Rs.
Ordinary Shares	21.1	1,138,856,653	626,048,050
		1,138,856,653	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.

22.1 Movement of Ordinary Shares

As at 31st March	2024	
	Number	Rs.
No of shares at the Beginning of the Year	1,126,886,490	626,048,050
New shares issued to minority share holders of the amalgamated companies	40,731,422	512,808,603
No of shares at the end of the Year	1,167,617,912	1,138,856,653

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.

23 Other Components of Equity

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Capital Reserves	23.1	2,946,412,326	1,350,891,535	2,946,412,326	1,199,233,948
Statutory Reserves	23.2	325,293,960	244,214,988	-	-
Regulatory Loss Allowance Reserve		51,093,499	-	-	-
Fair Value of Financial Assets at FVOCI Reserve		4,248,270	5,165,023	2,534,777	3,503,335
		3,327,048,055	1,600,271,546	2,948,947,103	1,202,737,283

Regulatory Loss Allowance Reserve

As per the Section 7.1 of the Finance Business Act Direction No. 01 of 2020 (Classification and measurement of Credit Facilities), the Singer Finance (Lanka) PLC requires to create a non-distributable regulatory loss allowance reserve through an appropriation of retained earnings, where the loss allowance for expected credit loss (ECL) falls below the regulatory provision (CBSL). Accordingly, Rs. 51,093,499 being transferred from retained earnings to regulatory loss allowance reserve during the period.

Fair Value of Financial Assets at FVOCI Reserve

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.

23.1 Capital Reserves

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revaluation Reserves					
Revaluation Reserve	23.1.1	2,946,412,326	1,350,891,535	2,946,412,326	1,199,233,948
		2,946,412,326	1,350,891,535	2,946,412,326	1,199,233,948

NOTES TO THE FINANCIAL STATEMENTS

23.1.1 Revaluation Reserves Attributable to Equity Holders

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year	1,350,891,535	1,635,091,637	1,199,233,948	1,291,762,073
Realisation on Revaluation Surplus	(28,231,429)	(23,484,839)	(16,388,074)	(15,022,401)
Revaluation Gain on Land and Buildings	724,043,709	-	724,043,709	-
Deferred Tax on Revaluation Gain on Land and Buildings	(217,179,427)	-	(217,179,427)	-
Impact of Deferred Tax rate change on Revaluation Reserve	-	(260,715,263)	-	(77,505,724)
Transfer due to Amalgamation of subsidiary companies	1,116,887,938	-	1,256,702,170	-
Balance at the End of the Year	2,946,412,326	1,350,891,535	2,946,412,326	1,199,233,948

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.

23.2 Statutory Reserves

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
(a) Reserve Fund					
Reserve Fund	23.2.1	325,293,960	244,214,988	-	-
		325,293,960	244,214,988	-	-

23.2.1 Reserve Fund

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at the Beginning of the Year	244,214,988	223,762,790	-	-
Transfer of Surplus During the Year	81,078,972	20,452,198	-	-
Balance as at the End of the Year	325,293,960	244,214,988	-	-

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.

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 net profit after taxation 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	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 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		4,231,330,464	5,216,760,272	1,536,739,459	2,118,729,560
Retained Earnings		4,231,330,464	5,216,760,272	1,536,739,459	2,118,729,560
Revenue Reserves		6,931,330,464	7,916,760,272	4,236,739,459	4,818,729,560

24.1 General Reserves

The general reserve which is a revenue reserve represents the set aside by the Directors for general application.

The movement of general reserve is as follows:

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 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	2024	2024	2024	2023	2023	2023
	Amount Repayable Within One Year Rs.	Amount Repayable After One Year Rs.	Total Rs.	Amount Repayable Within One Year Rs.	Amount Repayable After One Year Rs.	Total Rs.
Debentures (Note 25.2)	222,690,500	2,005,000,000	2,227,690,501	1,448,828,434	2,005,000,000	3,453,828,434
Bank Loans (Note 25.3 a,b)	24,608,739,156	6,200,000,000	30,808,739,156	15,294,474,230	7,675,000,000	22,969,474,230
Securitisation (Note 25.4)	407,636,857	200,000,000	607,636,857	1,511,690,612	562,000,000	2,073,690,612
	25,239,066,513	8,405,000,000	33,644,066,514	18,254,993,276	10,242,000,000	28,496,993,276
Accrued Interest	73,114,639	-	73,114,639	144,817,454	-	144,817,454
	25,312,181,152	8,405,000,000	33,717,181,153	18,399,810,730	10,242,000,000	28,641,810,730

NOTES TO THE FINANCIAL STATEMENTS

25.2 Debentures - Group

	As at 1st April 2023 Rs.	New Issues Rs.	Redemption Rs.	As at 31st March 2024 Rs.
Fixed rate 13.00%. Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 09th April 2023	848,540,844	-	(848,540,844)	-
6 Months T-Bill+3.75%. Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 19th May 2023	287,149,769	-	(287,149,769)	-
Fixed rate 13.25%. Senior, Unsecured, Listed, Redeemable, Rated Debentures redeemable on 19th May 2025	5,596,943	-	-	5,596,943
Fixed rate 9.25% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	624,090,847	-	-	624,090,847
1 Year T-Bill Rate + 3.75% Listed, Rated, Unsecured, Subordinated Debenture Redeemable on 25th June 2026	1,697,776,536	-	(92,995,111)	1,604,781,425
Transaction Cost	(9,326,505)	-	2,547,791	(6,778,714)
	3,453,828,434	-	(1,226,137,933)	2,227,690,501

25.3 Bank Loans - Group

As at 31st March	As at 1st April 2023 Rs.	Loans Obtained Rs.	Repayment Rs.	As at 31st March 2024 Rs.
(a) Bank Loans Repayable within one Year - Group				
Bank Loans, Short Term Loans and Current Portion of Long-Term Loans	15,294,474,230	56,411,738,024	(47,097,473,098)	24,608,739,156
Total	15,294,474,230	56,411,738,024	(47,097,473,098)	24,608,739,156

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, Seylan Bank PLC, Union Bank PLC, Standard Chartered Bank, Sampath Bank PLC, and Peoples Bank. These loans bears interest rate between 8.00% to 15.00% and due for settlement at maturity and quarterly payments.

(b) Bank Loan Repayable after one year - Group

Company	Lender/ Rate of Interest (p.a)	Repayment	Security	As at 31st March 2024 Rs.	As at 31st March 2023 Rs.
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC (Variable Rate-Linked to AWPLR, review monthly)	Quarterly	Negative Pledged	1,000,000,000	2,000,000,000
Singer (Sri Lanka) PLC	Commercial Bank of Ceylon PLC (Fixed Rate)	Semi Annually	Negative Pledged	900,000,000	1,500,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Clean Basis	1,200,000,000	1,800,000,000
Singer (Sri Lanka) PLC	Sampath Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Negative Pledged	-	250,000,000
Singer (Sri Lanka) PLC	Hatton National Bank PLC (Variable Rate-Linked to AWPLR, review monthly)	Quarterly	Clean Basis	1,000,000,000	2,000,000,000
Singer (Sri Lanka) PLC	Bank of Ceylon (Variable Rate - Linked to AWPLR, review monthly)	Semi Annually	Negative Pledged	2,100,000,000	-
Singer Finance (Lanka) PLC	Seylan Bank PLC (Fixed Rate)	Quarterly	Lease Receivables	-	125,000,000
				6,200,000,000	7,675,000,000

25.4 Securitisation Loans - Group

As at 31st March	As at 1st April 2023 Rs.	New Issues / Accrued Interest Rs.	Redemption Rs.	As at 31st March 2024 Rs.
Securitisation Loans	2,073,690,612	(179,193,577)	(1,286,860,142)	607,636,893
Total	2,073,690,612	(179,193,577)	(1,286,860,142)	607,636,893

(a) Securitisation Loans

Company	Trustee Bank/ Interest Rate (p.a)	Repayment	Security	As at 31st March 2024	As at 31st March 2023
Singer Finance (Lanka) PLC	Hatton National Bank/Fixed Rate	Structured	Lease Receivables	407,636,857	590,735,000
Singer Finance (Lanka) PLC	Hatton National Bank/Fixed Rate	Quarterly	Lease Receivables	-	122,318,876
Singer Finance (Lanka) PLC	Hatton National Bank/Fixed Rate	Monthly	Lease Receivables	200,000,000	1,360,636,736
				607,636,857	2,073,690,612

NOTES TO THE FINANCIAL STATEMENTS

25.5 Bank Facilities- Group

As at 31st March	2024		2023	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	2,884,781,335	4,285,000,000	1,579,558,606	3,900,000,000
Term Loans	7,200,000,000	7,350,000,000	9,571,956,743	10,000,000,000
Short Term Loans and Current Portion of Long Term Loans	23,192,488,530	35,325,000,000	16,889,700,069	25,465,000,000
Securitisation Loans	1,600,000,000	1,600,000,000	2,073,690,612	4,050,000,000
Total Debt Facility	34,877,269,865	48,560,000,000	30,114,906,030	43,415,000,000
Guarantees	2,706,764,391	3,365,000,000	2,166,058,158	3,410,000,000
Letter of Credit	5,695,563,557	10,760,000,000	889,744,452	15,119,000,000
Total Debt and Other Facilities	43,279,597,813	62,685,000,000	33,170,708,639	61,944,000,000

25.6 Interest Bearing Loans and Borrowings - Company

As at 31st March	2024 Amount Repayable Within One Year Rs.	2024 Amount Repayable After One Year Rs.	2024 Total Rs.	2023 Amount Repayable Within One Year Rs.	2023 Amount Repayable After One Year Rs.	2023 Total Rs.
Bank Loans (Note 25.7 a,b)	20,304,633,788	6,200,000,000	26,504,633,788	14,129,700,069	7,550,000,000	21,679,700,069
	20,304,633,788	6,200,000,000	26,504,633,788	14,129,700,069	7,550,000,000	21,679,700,069
Accrued Interest	73,114,639	-	73,114,639	141,545,997	-	141,545,997
	20,377,748,427	6,200,000,000	26,577,748,427	14,271,246,066	7,550,000,000	21,821,246,066

25.7 Bank Loans - Company

(a) Bank Loans Repayable within One Year

	As At 1st April 2023 Rs.	Loans Obtained Rs.	Repayments Rs.	As At 31st March 2024 Rs.
Bank Loans ,Short Term Loans and Current Portion of Long-Term Loans	14,129,700,069	44,430,217,208	(38,255,283,489)	20,304,633,788
Total	14,129,700,069	44,430,217,208	(38,255,283,489)	20,304,633,788

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 PLC. These loans bears interest rate between 8.00% to 15.00% and due for settlement at maturity and quarterly payments.

(b) Bank Loans repayable after one year

Lender/Rate of Interest (p.a)	Repayment	Security	As at 31st March 2024 Rs.	As at 31st March 2023 Rs.
Commercial Bank of Ceylon PLC (Variable Rate-Linked to AWPLR, review monthly)	Quarterly	Negative Pledged	1,000,000,000	2,000,000,000
Commercial Bank of Ceylon PLC (Fixed Rate)	Semi Annually	Negative Pledged	900,000,000	1,500,000,000
Bank of Ceylon	Semi Annually	Clean Basis	2,100,000,000	-
Hatton National Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Clean basis	1,200,000,000	1,800,000,000
Sampath Bank PLC (Variable Rate - Linked to AWPLR, review monthly)	Quarterly	Negative Pledged	-	250,000,000
Hatton National Bank PLC (Variable Rate-Linked to AWPLR, review monthly)	Quarterly	Clean basis	1,000,000,000	2,000,000,000
			6,200,000,000	7,550,000,000

25.8 Bank Facilities-Company

As at 31st March	2024		2023	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	2,084,044,267	3,170,000,000	1,474,601,139	2,640,000,000
Term Loans	6,200,000,000	6,200,000,000	7,550,000,000	7,550,000,000
Short Term Loans and Current Portion of Long-Term Loans	19,292,488,530	30,675,000,000	14,129,700,069	22,500,000,000
Total Debt Facility	27,576,532,797	40,045,000,000	23,154,301,208	32,690,000,000
Guarantees	2,706,764,391	3,365,000,000	2,166,058,158	3,410,000,000
Letter of Credit	5,695,563,557	10,065,000,000	661,817,807	13,260,000,000
Total Debt and Other Facilities	35,978,860,745	53,475,000,000	25,982,177,173	49,360,000,000

NOTES TO THE FINANCIAL STATEMENTS

26 Deferred Tax Assets/(Liabilities)

26.1 Net Deferred Tax Assets

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred Tax Assets		710,812,344	1,485,220,613	613,823,436	1,371,082,289
Deferred Tax Liabilities		(76,557,516)	(741,264,681)	-	-
Net Deferred Tax Assets	26.2	634,254,828	743,955,932	613,823,436	1,371,082,289

26.2 Net Deferred Tax Assets

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year		743,955,932	801,299,303	1,371,082,289	1,125,639,261
Amalgamation of subsidiaries		36,941	-	(606,194,044)	36,721,861
Amount (Charge) / Reversal of Temporary Differences During the Year	9.2	81,062,459	(51,957,529)	40,010,729	(53,935,692)
Amount (Originating) / Reversal During the Year - Recognised in the Other Comprehensive Income	9.4	17,501,394	(34,064,586)	20,375,604	(25,191,129)
Deferred Tax Impact on Realisation of Revaluation Surplus	9.2	5,728,286	6,438,172	5,728,286	6,438,172
Deferred Tax relating to impact on Income Tax Rate changed in Profit or Loss	9.4	-	334,612,286	-	358,915,540
Deferred Tax relating to impact on Income Tax Rate changed in Revaluation Reserve		-	(314,862,960)	-	(77,505,724)
Deferred Tax relating to Revaluation gain on Property , Plant and Equipment	9.4	(217,179,427)	-	(217,179,427)	-
Deferred Tax Impact on Unrealised Profit in inventory	9.2	3,149,244	2,491,246	-	-
Balance as at the End of the Year	-	634,254,828	743,955,932	613,823,436	1,371,082,289

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	2024		2023	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.

(a) Composition of Net Deferred Tax Asset

Property, Plant and Equipment and Intangible Assets	-	1,622,503,713	-	1,482,864,309
Provision for Inventories	554,919,386	-	503,829,720	-
Provision for Receivables	1,078,772,528	-	974,817,607	-
Employee Benefit Obligation	367,916,730	-	317,392,577	-
Unrealised Exchange Loss	-	76,085,545	85,348,566	-
Right Of Use Asset	-	1,244,363,118	-	1,340,702,793
Lease Liability	1,545,879,356	-	1,658,449,303	-
Provision for Warranty	29,719,205	-	27,685,262	-
	3,577,207,205	2,942,952,377	3,567,523,036	2,823,567,103
Net Deferred Tax Assets		634,254,828		743,955,932

26.3.2 Company

As at 31st March	2024		2023	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Deferred Tax Asset				
Property, Plant and Equipment and Intangible Assets	-	1,454,140,749	-	555,970,577
Provision for Inventories	537,255,579	-	456,808,650	-
Provision for Receivables	1,002,601,972	-	862,379,273	-
Employee Benefit Obligations	317,662,119	-	217,415,490	-
Unrealised Exchange Loss	-	72,701,384	84,465,091	-
Right of Use Asset	-	1,221,383,165	-	1,136,659,943
Lease Liability	1,476,982,807	-	1,417,091,807	-
Provision for Warranty	27,546,256	-	25,552,498	-
	3,362,048,733	2,748,225,298	3,063,712,809	1,692,630,520
Net Deferred Tax Assets	613,823,436	-	1,371,082,289	-

27 Employee Benefit Obligations

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Present Value of Unfunded Gratuity	1,229,148,364	1,060,341,381	1,058,873,730	724,718,298
Provision for Employee Benefit Obligations				
Balance at the Beginning of the Year	1,060,341,381	1,041,152,483	724,718,298	719,013,509
Amalgamation of Subsidiary Companies	-	-	200,504,326	8,743,525
Adjustment due to Transfer of Employees from the Company	751,864	(6,241,210)	941,864	(5,384,858)
Adjustment due to Transfer of Employees in to the Company	1,131,864	6,999,225	-	1,156,625
Actuarial (Gain)/ Loss on Employee Benefit Obligations	56,954,640	(115,792,905)	66,535,027	(85,304,538)
Past service cost	-	-	-	-
Current Service cost	89,516,758	75,536,144	61,446,603	48,003,481
Interest Costs	177,389,436	149,424,462	120,660,774	103,369,180
	1,386,085,943	1,151,078,199	1,174,806,892	789,596,924
Benefit Paid during the Year	(156,937,579)	(90,736,818)	(115,933,162)	(64,878,626)
Balance at the End of the Year	1,229,148,364	1,060,341,381	1,058,873,730	724,718,298

27.1 The Group and Company maintains 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 March 31, 2024 by Mr. M Poopalanathan, AIA, of Messrs. Actuarial & Management Consultants (Pvt) Ltd. 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".

NOTES TO THE FINANCIAL STATEMENTS

27.3 Following key assumptions were made in arriving at the above figures:

	2024	2023
(a) Rate of Discount	12% (net of tax)	18% (net of tax)
(b) Salary Escalation Rate	11.0%	16.0%
	Salary Escalation rates higher than expected will cause the value of liabilities to increase.	
(c) Retirement Age		
All Staff Members	60 Years	60 Years

Discount rate

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.

LKAS 19 requires the risk discount rate to be based on the market yield of high quality Corporate bonds (AA and above) of similar duration to the liability. Due to the lack of long term high quality bonds available in the Sri Lankan market, discount rate is determined by examining short and medium term government and corporate bonds. For the purpose of this valuation, the Company has considered discount rate of 12%. A rate of discount of 18% has been used at the previous valuation. The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert. As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19. Further, the salary increment rate of 11% is considered appropriate to be in line with the Company's targeted future. Due to the discount rate and salary increment rate account the current market conditions and inflation rate. Salary increments when taking into assumptions used, nature of non-financial assumptions and experience of the assumptions of the company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions.

(d) Staff Withdrawal Rates

	2024	2023
Singer (Sri Lanka) PLC (Branch/Other staff)	13%	13%
Singer (Sri Lanka) PLC – Factory -Furniture	5%	4%
Singer (Sri Lanka) PLC – Factory -Refrigerator	5%	4%
Singer (Sri Lanka) PLC – Factory- Sewing Machine	4%	5%
Singer Finance (Lanka) PLC	12%	16%
Regnis Appliances (Private) Limited	4%	3%

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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Less than or Equal One Year	132,294,875	168,905,242	110,784,032	119,708,733
Over One Year and Less than or Equal Five Years	560,395,855	488,135,380	499,041,417	330,823,942
Over Five Years and Less than or Equal Ten Years	351,364,149	273,068,411	306,625,495	191,916,392
Over 10 Years	185,093,485	130,232,347	142,422,786	82,269,232
	1,229,148,364	1,060,341,381	1,058,873,730	724,718,297

(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 6.1 Years (2022/23 -8.5 Years) and of the Group is 7.2 Years (2022/23 -7.9 Years)

(i) Sensitivity of Assumption Employed on Actuarial Valuation

Assumptions regarding discount rate and Salary Increment rate have significantly effect on the amounts recognized in the Statement of Comprehensive Income of Statement of Financial Position.

The following table demonstrate the sensitivity of a reasonably possible changing such assumption with all other variables held constant, in the actuarial valuation of retirement benefit obligation as at 31st March 2024.

Group			
Increase/ (Decrease) in Discount rate	Increase/ (Decrease) in Salary Increment rate	Sensitivity Effect on Statement of Comprehensive Income Increase / (Decrease) in results for the Year Rs.	Sensitivity Effect on Retirement Benefit Obligation Increase/ (Decrease) Rs.
1%		1,162,980,724	
-1%		1,302,496,896	
	1%		1,307,939,855
	-1%		1,156,970,917

Company			
Increase/ (Decrease) in Discount rate	Increase/ (Decrease) in Salary Increment rate	Sensitivity Effect on Statement of Comprehensive Income Increase / (Decrease) in results for the Year Rs.	Sensitivity Effect on Retirement Benefit Obligation Increase/ (Decrease) Rs.
1%		1,004,043,959	
-1%		1,119,341,006	
	1%		1,123,983,138
	-1%		998,924,282

27.4 The expense and actuarial gain or losses so recognised and included in following lines of cost of sales and Selling and Administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income respectively.

For the Year Ended 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost of Sales	70,980,308	57,375,889	27,087,890	16,388,051
Selling and Administration Expenses	195,925,886	167,584,716	155,019,487	134,984,610
	266,906,194	224,960,605	182,107,377	151,372,661
Other Comprehensive Income	56,954,640	(115,792,905)	66,535,027	(85,304,538)

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 2024		As at 31st March 2024	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Discount Rate (1% Movement)	(66,167,636)	73,348,536	(54,829,768)	60,467,278
Future Salary (1% Movement)	78,791,495	(72,177,444)	65,109,410	(59,949,446)

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27.6 Average Future Working Life Time of Employees

As at 31st March	Group	Company
	2024 Years	2024 Years
Average Future Working Life Time of Employees	7.2	6.1

27.7 Actuarial assumptions

Actuarial assumptions	Criteria	Description
Demographic assumptions	Mortality - In service	A1967/70 Mortality table issued by the Institute of Actuaries, London (ultimate mortality table)
Amalgamation - Singer Digital Media (Private) Limited	Staff withdrawal rate	The staff turnover rate at an age represents the probability of an employee leaving within one year of that age due to reasons other than death, ill health and normal retirement. The withdrawal rate refer note 27.3 (d)
	Normal retirement age	The employees who are aged over the specified retirement age have been assumed to retire on their respective next birthdays. Management staff -60 years / Non-Executive staff 60 years.
Financial assumptions	Rate of discount	The rate of discount taken for 2023/24 12% p.a (2022/23 18% p.a)
	Salary escalation Rates	A salary increment of 11% p.a. (2022/23 – 16% p.a.) has been used in respect of the active employees.

27.8 Actuarial losses/(gains) recognised in statement of profit or loss and other comprehensive income

As at 31st March	Group	Company
	2024 Rs.	2024 Rs.
Experience adjustment	32,044,945	42,760,009
Actuarial losses/(gains) due to changes in financial assumptions	34,173,736	29,100,563
Actuarial losses/(gains) due to changes in demographic assumptions	(9,264,041)	(5,325,545)
Total actuarial losses/ (gains)	56,954,640	66,535,027

28 Security Deposits

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at Beginning of the Year		1,468,392,422	1,462,347,054	1,468,392,422	1,406,990,989
Amalgamation of subsidiary company		-	-	-	48,559,601
Contribution During the Year		195,454,225	153,710,002	195,454,225	153,710,002
Interest Charges during the Year	7	141,259,055	139,181,550	141,259,055	134,853,818
Recoveries		(89,442,311)	(224,995,688)	(89,442,311)	(213,871,492)
Security Deposits Released during the Year		(154,935,422)	(61,850,496)	(154,935,422)	(61,850,496)
Balance at End of the Year		1,560,727,969	1,468,392,422	1,560,727,969	1,468,392,422

29 Trade and Other Payables

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Payables		7,642,337,479	2,805,765,440	7,164,212,832	2,358,861,359
ETF Payable		-	-	-	-
Advances Received from Customers	3 (c)	333,426,601	248,088,316	333,426,601	247,812,582
Accrued Expenses		2,295,572,348	2,093,505,575	2,132,655,812	1,731,143,728
Other Payables		1,625,642,059	1,748,239,568	1,228,732,110	1,509,156,136
Provisions for Warranty	29.1	273,634,210	227,931,952	256,123,599	208,857,667
		12,170,612,698	7,123,530,851	11,115,150,954	6,055,831,472

29.1 Provisions for Warranty

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at beginning of the Year	416,273,617	405,217,890	397,199,332	384,524,495
Provision made during the Year	181,350,947	136,097,467	167,994,978	124,318,030
Utilised during the Year	(148,563,033)	(125,041,740)	(133,643,390)	(111,643,193)
Balance as at the end of the Year	449,061,531	416,273,617	431,550,920	397,199,332

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Due after One Year	175,427,321	188,341,665	175,427,321	188,341,665
Due within One Year	273,634,210	227,931,952	256,123,599	208,857,667
	449,061,531	416,273,617	431,550,920	397,199,332

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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at Beginning of the Year	292,460,205	311,907,462	292,396,054	308,570,647
Amounts Recognised during the Year	518,949,630	218,566,463	518,949,630	218,566,463
Amounts Transferred during the Year	(374,452,437)	(238,013,720)	(374,438,123)	(234,741,056)
Balance at the End of the Year	436,957,398	292,460,205	436,907,561	292,396,054
Due within One Year	359,489,705	216,229,503	359,439,868	216,165,352
Due after One Year	77,467,693	76,230,702	77,467,693	76,230,702

30.1 Deferred Revenue includes the loyalty liability, deferred service fee on air conditioners and Sanasuma Extended Warranty Scheme as at 31st March 2024.

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31 Income Tax Payables / (Receivables)

31.1 Income Tax (Receivables) / Payables

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Income Tax Receivables	(324,832,505)	(502,199,776)	(324,832,505)	(480,658,377)
Income Tax Payables	108,184,854	269,240,792	-	-
Net Income Tax Receivable	(216,647,651)	(232,958,984)	(324,832,505)	(480,658,377)

31.2 Income Tax (Receivables) / Payables

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2024 Rs.
Balance at the Beginning of the Year		(232,958,984)	669,338,611	(480,658,377)	433,939,510
Income Tax on Current Year Profits	9	471,239,605	356,205,183	166,503,629	3,568,486
Tax on Dividend Income	9	19,381,564	18,125,460	-	18,089,460
(Over)/Under Provision in respect of previous Year	9	29,271,239	(4,485,588)	58,452,667	524,664
Payments made during the year		(503,581,076)	(1,274,427,780)	(95,863,978)	(912,476,567)
Irrecoverable Economic Service Charge		-	2,285,130	-	-
Amalgamation of Subsidiary companies		-	-	26,733,554	(24,303,930)
Net Income Tax Receivables		(216,647,651)	(232,958,984)	(324,832,505)	(480,658,377)

32 Dividend Payables

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Unclaimed Dividends	59,729,146	64,143,198	49,082,871	49,182,657
	59,729,146	64,143,198	49,082,871	49,182,657

33 Dividends

As at 31st March	Company	
	2024 Rs.	2023 Rs.
Ordinary Shares	-	225,377,298
3rd Interim Dividend - 2021/22 - Rs.0.20	-	225,377,298
Dividend per Share (Rs.)	-	0.20

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

As at 31st March	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Hayleys PLC	Parent Company	45,096,835	213,197,352	39,394,928	148,320,616
Singer Industries (Ceylon) PLC	Subsidiary Company	-	-	-	6,803,282
Regnis (Lanka) PLC	Subsidiary Company	-	-	-	229,822,223
Regnis Appliances (Private) Limited	Subsidiary Company	-	-	691,044,116	198,755,497
Reality Lanka Limited	Subsidiary Company	-	-	24,146,173	21,584,922
Singer Business School (Private) Limited	Subsidiary Company	-	-	-	42,647,698
Hayleys Travels (Private) Limited	Fellow Subsidiary	7,257,350	-	7,257,350	-
Toyo Cushion Lanka (Private) Limited	Fellow Subsidiary	124,374,420	129,310,612	124,374,420	129,310,612
Fentons Limited	Fellow Subsidiary	1,024,584,101	201,632,458	1,019,259,176	198,187,470
Energy Net (Private) Limited	Fellow Subsidiary	152,492	2,840,984	-	2,840,984
Logiwiz Limited	Fellow Subsidiary	47,519,481	83,954,892	47,519,481	83,954,892
Creative Polymats (Private) Limited	Fellow Subsidiary	85,778,740	127,007,209	85,778,740	124,119,994
Hayleys Business Solutions International (Private) Limited	Fellow Subsidiary	483,417	440,519	390,075	328,704
Advantis Express	Fellow Subsidiary	584,925	-	584,925	-
Hayleys Aventura (Private) Limited	Fellow Subsidiary	26,883,505	15,938,979	994,315	-
Advantis Freight (Private) Limited	Fellow Subsidiary	70,054,205	5,607,499	67,171,750	5,436,936
Hayleys Electronics (Private) Limited	Fellow Subsidiary	52,993,990	-	-	-
Sri Lanka Shipping Company Limited	Fellow Subsidiary	5,949,826	1,666,238	5,949,826	1,666,238
Ravi Industries (Private) Limited	Fellow Subsidiary	-	91,713	-	-
Puritas (Private) Limited	Fellow Subsidiary	2,418,950	1,636,904	2,418,950	1,636,904
Expelogix (Private) Limited	Fellow Subsidiary	6,317,659	-	6,317,659	-
CEVA Logistics Lanka (Private) Limited	Fellow Subsidiary	-	414,645	-	414,645
Clarion Shipping (Private) Limited	Fellow Subsidiary	644,914	239,980	644,914	239,980
IML Delivery Systems (Private) Limited	Fellow Subsidiary	16,647,711	24,825,264	16,647,711	24,825,264
Hayleys Travels (Private) Limited	Fellow Subsidiary	-	-	-	-
Mountain Hawk Express (Private) Limited	Fellow Subsidiary	-	636,112	-	636,112
The Kingsbury PLC	Fellow Subsidiary	117,485	96,235	-	-
Mabroc Teas (Private) Limited	Fellow Subsidiary	3,845,514	-	3,845,514	-
Hayleys Consumer Products Limited	Fellow Subsidiary	150,702	2,048,210	150,702	2,048,210
Culture Club Resorts (Private) Limited	Fellow Subsidiary	-	-	-	-
Hayleys Advantis Limited	Fellow Subsidiary	189,151	1,226,073	189,151	1,226,073
Hayleys Lifesciences (Private) Limited	Fellow Subsidiary	-	-	-	-
Advantis Projects & Engineering (Private) Limited	Fellow Subsidiary	744,635	218,500	744,635	218,500
Vallibel One PLC	Other related companies	-	6,661,804	-	6,661,804
Uni Dil Packaging Limited	Other related companies	4,963,512	9,976,052	-	-
		1,527,753,520	829,668,233	2,144,824,511	1,231,687,560

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35 Other Financial Liabilities / (Assets)

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at Beginning of the Year	19,195,604,231	12,146,513,312	-	-
New Deposits	7,260,555,206	20,453,386,528	-	-
Capitalisation of Interest	1,465,870,054	907,147,541	-	-
	27,922,029,491	33,507,047,381	-	-
Repaid Deposits	(5,742,518,572)	(14,311,443,150)	-	-
Balance at the End of the Year	22,179,510,919	19,195,604,231	-	-
Due within One Year	18,927,275,903	13,351,356,610	-	-
Due after One Year	3,252,235,016	5,844,247,621	-	-
Deposit Classification				
Fixed Deposits at Amortised Cost	21,544,417,620	18,824,612,028	-	-
Saving Deposits	635,093,299	370,992,203	-	-
	22,179,510,919	19,195,604,231	-	-

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.

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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 behavior. 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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade and other Receivables	48,536,816,965	36,010,002,263	20,461,132,273	11,397,440,720
Cash at Bank	5,110,880,293	4,023,375,537	1,653,502,451	1,823,431,097
Amounts due from Related Parties	46,020,958	91,133,000	87,344,093	154,824,197
Loans due from Related Parties	-	-	-	268,000,000
Other Financial Assets	2,942,351,812	2,013,991,655	-	-
Deposits at Bank	702,898,074	1,413,997,183	448,875,000	-
Total	57,398,044,144	43,552,499,637	22,709,929,859	13,643,696,015

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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Retail Customers	37,662,901,576	30,046,303,335	9,953,054,590	5,849,004,264
Wholesale Customers	5,488,729,681	2,891,396,427	5,488,729,681	2,855,147,434
Others	5,385,185,708	3,072,302,501	5,019,348,002	2,693,289,022
Total	48,536,816,965	36,010,002,263	20,461,132,273	11,397,440,720

Impairment Analysis

The aging of receivables at the Reporting date:

Group	2024			2023		
	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.
Not Past due	32,550,093,181	222,304,547	15,080,407,790	21,025,543,847	241,473,967	20,784,069,880
Past due 0-30 Days	8,446,448,192	72,082,566	3,602,377,956	6,114,262,679	123,135,883	5,991,126,796
Past due 31-120 Days	6,334,909,150	249,828,883	1,695,570,644	7,706,806,325	457,750,624	7,249,055,701
Past due more than 120 Days	5,668,621,649	3,942,152,756	82,775,883	5,458,059,063	3,472,309,177	1,985,749,886
Total	53,024,274,818	4,487,457,853	48,536,816,965	40,304,671,914	4,294,669,651	36,010,002,263

Company	2024			2023		
	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.	Gross Rs.	Impairment Provision Rs.	Net Receivables Rs.
Not Past due	15,212,956,133	132,548,343	15,080,407,790	9,752,267,046	141,682,861	9,610,584,185
Past due 0-30 Days	3,641,534,223	39,156,267	3,602,377,956	1,221,433,735	59,480,911	1,161,952,824
Past due 31-120 Days	1,845,525,282	149,954,638	1,695,570,644	854,054,772	244,996,952	609,057,820
Past due more than 120 Days	3,056,313,291	2,973,537,408	82,775,883	2,444,282,748	2,428,436,858	15,845,890
Total	23,756,328,928	3,295,196,656	20,461,132,273	14,272,038,301	2,874,597,582	11,397,440,719

NOTES TO THE FINANCIAL STATEMENTS

Total Impairment for the year resulted from counterparties

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year	4,294,669,651	4,556,447,530	2,874,597,581	2,924,685,228
Impairment Loss Recognised	300,236,038	(181,960,851)	427,198,636	(140,084,595)
Amounts Written-off	(107,346,098)	(79,817,028)	(6,599,562)	(29,063,871)
Amalgamation - Digital Media (Private) Limited	-	-	-	119,060,819
Balance at the End of the Year	4,487,559,591	4,294,669,651	3,295,196,655	2,874,597,581

Total impairment for the period resulted from following counterparties.

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Impairment for Hire Purchase Debtors	130,711,466	154,392,095	127,473,762	151,256,129
Impairment for Lease Rental Receivables	(479,532,472)	707,440,297	-	-
Impairment for Loan Receivables	(708,401,919)	708,406,707	-	-
Impairment for Trade Receivables	1,007,537,520	802,010,733	1,007,537,520	802,010,733
Impairment for Other Receivables	2,161,274,474	1,922,419,819	2,160,185,374	1,921,330,719
Total	4,487,457,851	4,294,669,651	3,295,196,655	2,874,597,581

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 2024.

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group	Carrying Amount	Contractual Cash Flows	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
As at 31st March 2024	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.

Non-Derivative Financial Liabilities							
Secured bank loans	4,035,176,976	4,487,520,318	4,487,520,318	-	-	-	-
Unsecured bank loans	26,773,562,180	27,735,938,800	16,056,923,047	4,705,173,973	4,310,170,548	2,663,671,233	-
Unsecured Debenture issues	2,227,690,500	2,654,293,222	435,991,857	213,301,365	5,000,000	2,000,000,000	-
Lease Liability	5,608,646,966	5,608,646,966	536,414,980	547,823,590	2,093,918,543	2,430,489,853	1,058,868,026
Bank overdrafts	2,548,246,538	2,548,246,538	2,548,246,538	-	-	-	-
Securitisation Loans	607,636,893	686,325,866	315,636,893	170,688,973	200,000,000	-	-
Security Deposits	1,560,727,969	1,560,727,969	1,560,727,969	-	-	-	-
Trade and Other Payables	7,975,764,080	7,975,764,080	7,509,671,867	466,092,213	-	-	-
Amounts Due to Related Parties	1,527,753,520	1,527,753,520	1,527,753,520	-	-	-	-
Public Deposits	22,179,510,919	24,664,924,197	16,227,242,845	3,813,971,415	1,232,828,460	3,365,372,047	25,509,430
Total	75,044,716,507	79,450,141,476	51,206,129,834	9,917,051,529	6,783,049,526	10,459,533,133	1,084,377,455

Group 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.
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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	531,281,222	617,711,629	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	3,053,853,756	3,053,853,756	2,971,516,570	82,337,186	-	-	-
Amounts Due to Related Parties	829,668,233	829,668,233	829,668,233	-	-	-	-
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	59,880,913,807	69,223,542,493	34,383,280,814	9,443,453,958	9,946,408,085	11,528,685,342	873,763,265

Company 31st March 2024	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 Months or Less	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
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Non-Derivative Financial Liabilities							
Unsecured bank loans	26,504,633,788	27,735,938,800	16,056,923,047	4,705,173,973	4,310,170,548	2,663,671,233	-
Lease Liability	4,745,511,978	4,745,511,978	507,119,257	467,418,321	867,903,102	2,088,137,442	814,933,857
Security Deposits	1,560,727,969	1,560,727,969	1,560,727,969	-	-	-	-
Trade and Other Payables	7,497,639,433	7,497,639,433	7,497,639,433	-	-	-	-
Amounts Due to Related Parties	2,144,824,511	2,144,824,511	2,144,824,511	-	-	-	-
Bank Overdrafts	2,009,160,715	2,009,160,715	2,009,160,715	-	-	-	-
Total	44,462,498,394	45,693,803,405	29,756,544,463	5,192,442,761	5,178,073,650	4,751,808,675	814,933,857

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.
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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	2,606,673,941	2,606,673,941	2,524,336,755	82,337,186	-	-	-
Amounts Due to Related Parties	1,231,687,560	1,231,687,560	1,231,687,560	-	-	-	-
Bank overdrafts	1,474,601,139	1,474,601,139	1,474,601,139	-	-	-	-
Total	32,971,782,881	32,404,338,298	5,684,450,109	3,798,492,800	5,236,801,675	6,969,696,297	629,273,344

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 2024	As at 31st March 2023
	USD*	USD*
Trade Payables	-	-
Net Exposure	8,043,944	2,642,685

* USD – United States Dollars

The following significant exchange rates have been applied:

	Average Rate		Year end Spot Rate	
	2024	2023	As at 31st March 2024	As at 31st March 2023
	Rs.	Rs.	Rs.	Rs.
USD	315.30	354.83	299.25	325.00
CNY	44.19	52.33	41.50	47.92
EURO	343.56	375.26	324.49	358.58
GBP	397.96	434.15	378.71	407.50

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
2024				
USD (5% Movement)	(126,812)	126,812	(88,769)	88,769
2023				
USD (5% Movement)	(46,885)	46,885	(32,820)	32,820

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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Fixed Rate Instruments				
Financial Assets	37,662,901,576	33,118,605,837	9,953,054,590	5,849,004,265
Financial Liabilities	(26,138,426,946)	(16,919,474,230)	(21,204,633,788)	(15,629,700,069)
	11,524,474,630	16,199,131,607	(11,251,579,198)	(9,780,695,804)
Variable Rate Instruments				
Financial Liabilities	(5,300,000,000)	(6,050,000,000)	(5,300,000,000)	(6,050,000,000)
	(5,300,000,000)	(6,050,000,000)	(5,300,000,000)	(6,050,000,000)

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% Decrease Rs. '000	1% Increase Rs. '000	1% Decrease Rs. '000
31st March 2024				
Variable Rate Instruments	(53,000)	53,000	(37,100)	37,100
Cash Flow Sensitivity (Net)	(53,000)	53,000	(37,100)	37,100
31st March 2023				
Variable Rate Instruments	(60,500)	60,500	(42,350)	42,350
Cash Flow Sensitivity (Net)	(60,500)	60,500	(42,350)	42,350

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 2024	Note	Financial Assets at FVTPL	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
			Rs.	Rs.	Rs.	
Financial Assets at FVTPL	20	463,761,000	-	-	463,761,000	Level 2
Investment in Equity Securities	15.1		22,325,715	-	22,325,715	Level 3
Hire Purchase Debtors	18		-	9,953,054,589	9,953,054,589	-
Lease Rental Receivables	18		-	10,935,835,462	10,935,835,462	-
Loan Receivables	18		-	16,774,011,522	16,774,011,522	-
Trade Receivables	18		-	5,488,729,681	5,488,729,681	-
Other Receivables	18		-	5,385,185,708	5,385,185,708	-
Amounts due from Related Parties	19			46,020,958	46,020,958	-
Cash and Cash Equivalents	21.1			5,488,326,843	5,488,326,843	-
Investment in Treasury Bills	15.2			2,478,590,812	2,478,590,812	-
Deposits with Banks				702,898,074	702,898,074	-
Total		463,761,000	22,325,715	56,792,716,644	57,278,803,359	-
Debentures	25.2			2,227,690,500	2,227,690,500	-
Bank Loans	25.3			30,808,073,892	30,808,073,892	-
Securitisation Loans	25.4			607,636,893	607,636,893	-
Bank Overdraft	21.3			2,884,781,335	2,884,781,335	-
Security Deposits	28			1,560,727,969	1,560,727,969	-
Trade and Other Payables	29			7,975,764,080	7,975,764,080	-
Amounts due to Related Parties	34			1,527,753,520	1,527,753,520	-
Deposits from Customers	35			22,179,510,919	22,179,510,919	-
Total				69,435,404,276	69,435,404,276	-

Group 31st March 2023	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
		Rs.	Rs.	Rs.	
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	-
Amounts due from Related Parties	19		91,133,000	91,133,000	-
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	43,473,531,233	43,497,175,788	-
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 Overdrafts	21.3		1,579,558,606	1,579,558,606	-
Security Deposits			1,468,392,423	1,468,392,423	-
Trade and Other Payables	28		3,053,853,756	3,053,853,756	-
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			54,624,070,525	54,624,070,525	-

Company 31st March 2024	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
		Rs.	Rs.	Rs.	

Investment in Equity Securities	15.1	20,140,672		20,140,672	Level 3
Loans due from Related Parties	17		-	-	
Hire Debtors	18		9,953,054,590	9,953,054,590	
Trade Debtors	18		5,488,729,681	5,488,729,681	
Other Debtors	18		4,632,454,613	4,632,454,613	
Amounts due from Related Parties	19		87,344,093	87,344,093	
Cash and Cash Equivalents	21.1		1,658,030,951	1,658,030,951	
Total		20,140,672	21,582,494,852	21,602,635,524	-
Security Deposits	28		1,560,727,969	1,560,727,969	
Bank Loans	25		- 26,504,633,788	26,504,633,788	
Bank Overdrafts	21.3		- 2,009,160,715	2,009,160,715	
Lease Liability	11.2		4,745,511,977	4,745,511,977	
Trade and Other Payables	29		- 7,497,639,433	7,497,639,433	
Amounts due to Related Parties	34		- 2,144,824,511	2,144,824,511	
Total			- 44,462,498,394	44,462,498,394	-

Company 31st March 2023	Note	Financial Assets at FVOCI	Financial Assets/ Liabilities at Amortised cost	Total Carrying Value	Fair Value Measurement Level
		Rs.	Rs.	Rs.	

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	18		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	25.8		- 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		- 2,606,673,941	2,606,673,941	
Amounts due to Related Parties	34		- 1,231,687,560	1,231,687,560	
Total			- 32,971,782,881	6,781,355,062	-

Wherever the assets and liabilities are not fair valued, it was assumed that the carrying value of such assets and liabilities are a reasonable approximation to it's fair value as majority of such assets and liabilities are with shorter maturity periods.

NOTES TO THE FINANCIAL STATEMENTS

(I) Fair Value Versus Carrying Amounts

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 2023	23,644,555	21,524,326
Net charge in fair value (Unrealised)	(1,318,840)	(1,383,654)
Balance as at 31st March 2024	22,325,715	20,140,672
Loss Included in OCI	(1,318,840)	(1,383,654)

Net Assets per share as at 31st March 2024 Rs. 9.76

The Group holds an investment in equity shares of Equity Investment Lanka Limited with a fair value of Rs. 22,325,714, measured at Net Asset basis. Fair value of this investment was categorised as level 3 as at 31st March 2024. 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 2024	Note	Level 1	Level 2	Level 3	Total
Group					
Financial Assets measured at Fair Value through Other Comprehensive Income	15			22,325,715	22,325,715
Company					
Financial Assets measured at Fair Value through Other Comprehensive Income	15			20,140,672	20,140,672

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 institutions financial strength and stability. This widely accepted concept tries to specify the limit to which a business can expand in terms of its risk-weighted assets. Finance companies in pursuit of business expansion, could engage themselves in activities that regularly change their risk profile. In light of this, regulatory capital requirements have been established to avoid undue expansion beyond specified limits, keeping a hold on companies' exposure to risk. Capital serves as a comfort to absorb unexpected losses, providing a degree of security to depositors and other key stakeholders.

This Measure has been introduced by the Central Bank of Sri Lanka to protect the interest of the various stakeholders of the Company while ensuring the maintenance of confidence and stability of the financial system.

The capital adequacy ratio is calculated as a percentage on company's capital to its risk weighted assets as specified by the direction No 03 of 2018 with the effect from 1st July 2018.

Based on the Direction No. 03 of 2018 the Listed Finance Companies which are having asset base less than 100 Billion need to have minimum Core Capital Ratio (Tier-I) of 8.5% and a Total Capital Ratio 12.5% with 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 include 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	
	2024 Rs.	2023 Rs.		2024 Rs.	2023 Rs.
Total Risk-Weighted Assets Computation					
Notes and Coins	283,286,650	254,314,115	0%	-	-
Cash Items in the Process of Collection	87,091,006	103,195,627	20%	17,418,201	20,639,125
Fixed Assets	1,336,418,840	1,298,311,478	100%	1,336,418,840	1,298,311,478
Other Assets/Exposures	355,404,802	309,182,362	100%	355,404,802	309,182,362
Investment in Government Securities	2,942,351,812	2,013,991,655	0%	-	-
Claims on Banks					
AAA to BBB-	3,701,426,334	3,563,382,611	20%	740,285,267	712,676,522
Below B-	-	4,012,499	150%	-	6,018,749
Claims on Corporates					
AAA to AA-	-	-	20%	-	-
Unrated	2,185,043	2,120,229	100%	2,185,043	2,120,229
Retail claims in respect of motor vehicles and machinery	10,087,230,984	8,936,390,391	100%	10,087,230,984	8,936,390,391
Claims Secured by Gold					
Outstanding claim portion up to 70% of the market value	5,030,914,386	6,380,720,529	0%	-	-
Remaining outstanding claim portion over 70% of the market value	482,592,468	1,192,944,142	100%	482,592,468	1,192,944,142
Retail claims secured by immovable property					
Retail claims that qualify for regulatory capital purposes	19,273,451	-	50%	9,636,726	-
Retail claims that do not qualify for regulatory capital purposes	-	78,066,590	100%	-	78,066,590
Other retail claims	9,439,435,298	4,269,348,547	125%	11,799,294,123	5,336,685,684
Non-performing retail claims secured by immovable property					
Specific provisions are equal or more than 20%	-	-	50%	-	-
Specific provisions are less than 20%	4,249,138	-	100%	4,249,138	-
Other Non-Performing Assets					
Specific provisions are equal or more than 20%	104,438,703	297,822,738	100%	104,438,703	297,822,738
Specific provisions are less than 20%	2,006,129,469	1,271,637,844	150%	3,009,194,204	1,907,456,766
Total Risk - Weighted Assets	35,882,428,384	29,975,441,357		27,948,348,499	20,098,314,776

As at 31st March	Balance		Risk-Weighted Factor %	Risk-Weighted Balance	
	2024 Rs.	2023 Rs.		2024 Rs.	2023 Rs.
Risk Weighted Amount for Operational Risk					
Interest Income	6,614,124,667	5,081,737,180	15%	992,118,700	762,260,577
Interest Expenses	(3,755,861,333)	(2,758,426,084)	15%	(563,379,200)	(413,763,913)
Non-interest income	426,118,000	828,945,325	15%	63,917,700	124,341,799
	3,284,381,333	3,152,256,421		492,657,200	472,838,463
Risk-Weighted Amount for operational Risk under the Basic Indicator Approach				3,782,707,705	4,110,488,766
Total Risk - Weighted Assets	39,166,809,718	33,127,697,778		31,889,606,099	23,881,022,481
Total Capital Base Computation					
Stated Capital				1,996,444,457	1,996,444,457
Reserved Fund				335,410,743	254,563,754
Published Retained Earnings				2,829,206,668	2,722,160,451
Less:-					
Deferred tax assets (net)				93,093,404	113,392,070
Other Intangible Assets (net)				87,824,543	80,387,296
Tier 1 Capital				4,980,143,921	4,779,389,296
Instruments qualified as Tier 2 Capital				933,333,333	1,333,333,333
Tier 2 Capital				933,333,333	1,333,333,333
Total Base				5,913,477,255	6,112,722,629

Capital Adequacy ratio

As at 31st March		2024 %	2023 %
Core Capital Ratio	Core Capital	15.62%	20.01%
	Risk- Weighted Assets		
Total Capital Ratio	Capital Base	18.54%	25.60%
	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. 5,785 million (2023-Rs.889.7 million) and Rs. 5,696 million (2023- Rs.661.8million)

37.2 Commitments

Singer Finance (Lanka) PLC

Operating lease commitments as at 31st March 2024 is as follows:

Within One Year	Rs. 9.3 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, Nations Trust Bank PLC and Hatton National Bank PLC which has carrying value of Rs.8,146 million, Rs. 500 million, Rs.750 million, Rs. 950 million, Rs.3,200 million, Rs.2,535 million, Rs.463 million, Rs.619 million and Rs.8,332 million respectively as at 31 March 2024.

Singer Finance (Lanka) PLC has given a negative pledge over the Company's Lease receivable and Loans for the following banks over Loans, Overdrafts, Securitisation & Debentures having a carrying value of Rs.8.5 billion as at 31st March 2024.

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 PLC	150% of the Bank's exposure	Overdraft Facility	200	300
Seylan Bank PLC	130% of the Bank's exposure	Loan	925	
		Overdraft Facility	250	1,528
Nations Trust Bank PLC	130% of the Bank's exposure	Loan	1,800	
		Overdraft Facility	200	2,600
Cargills Bank PLC	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 PLC	Company exposure	Loan	500	1,000
National Development Bank PLC	130% of the Bank's exposure	Loan	400	
		Overdraft Facility	100	650
Trustee (Hatton National Bank PLC & National Savings Bank)	130% of the Bank's exposure	Securitisation	562	731
			6,237	8,499

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, totaling to Rs. 1,499 million. The assessments were appealed against and in due course the Commissioner General of Inland Revenue issued the determination on the appeal. In terms of the same, Rs. 791 million of Deemed VAT liability and penalty of Rs. 395 million totaling to Rs.1,186 million was held to be a Deemed VAT liability for the seven quarters for the period from 1st January 2014 to 30th September 2015. The Company after carefully reviewing the situation and based on the advice of tax consultants, was of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly Company decided to appeal to the Tax Appeals Commission against the determination. Further, the Company had previously provided bank guarantees amounting to Rs. 297 million to the Commissioner General of Inland Revenue - Tax Appeals Commission.

The Tax Appeals Commission hearings were concluded on 28th February 2023, and the determinations were consequently issued on the 17th of May 2023 and 23rd May 2023 for all seven quarters for the period from 1st January 2014 to 30th September 2015 – though the Company was not informed of such determinations for a period of approximately one month from such dates. The Tax Appeals Commission in determining the case has confirmed the purported determinations made by the Commissioner General of Inland Revenue for all seven quarters. Accordingly at the time of receiving the said determinations on the 20th of June 2023, the company deposited 10% of the pending assessed value amounting to Rs. 108 Mn in lieu of renewing the bank guarantees which were previously given.

The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly, the Company has decided to seek the judicial review in the Appellate Court against the determination issued by the Tax Appeals Commission by making an application for a case stated, which was submitted to the Court of Appeal in August 2023. Hence, no provision has been made in the Financial Statements until the matter has been determined by the Court.

- (b) Commissioner General of Inland Revenue has issued an assessment notice on Singer (Sri Lanka) PLC pertaining to an additional VAT on Financial Services Liability for the taxable period of 01st January 2016 to 31 December 2016. The assessment was for a VAT on Financial Services payment of Rs. 27 million and penalty of Rs. 16 million, totaling to Rs. 43 million. Subsequently, Commissioner General of Inland Revenue had given the determination on the appeal. As per the same, Rs. 26 million of VAT on Financial Services liability and a penalty of Rs. 26 million totaling to Rs. 52 million is payable as a VAT on Financial Services liability for the period 1st January 2016 to 31st December 2016. The Company after carefully reviewing the situation and based on the advice of tax consultants, was of the opinion that the Company has strong grounds on which to contest the CGIR's determination. Accordingly, the Company decided to appeal to the Tax Appeals 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 Appeals 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. 16 million respectively, totaling to 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 provided a bank guarantee amounting to Rs. 37 million to the Commissioner General of Inland Revenue - Tax Appeals Commission on 02nd March 2023.

The determination was issued by the Tax Appeals Commission for the year of assessment 2018/2019 on 21st November 2023 confirming the assessment notices issued. The tax authorities has exercised the bank guarantee of Rs. 37 million on 7th December 2023.

The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Income Tax. Accordingly, the Company has decided to seek the judicial review in the Appellate Court against the determination issued by the Tax Appeals Commission by making an application for a case stated, which was submitted to the Court of Appeal in February 2024. Hence, no provision has been made in the Financial Statements until the matter has been determined by the Court.

- (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 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 totaling to Rs. 2.5 million against fixed deposits of Rs. 2.5 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 18th March 2024 for further trial. Further, the Company has received summons for case number 004674/21DMR claiming Rs. 3.8 million as damages. The case will be called on 13th June 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.

NOTES TO THE FINANCIAL STATEMENTS

- (g) Regnis (Lanka) PLC which is merged with Singer (Sri 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 which is now merged with Singer (Sri Lanka) PLC cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee to the Director General of Customs 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 on additional duty payable on imports which is contested by the Company.

37.5 Impact of Recent Economic Conditions

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

(i) Changes in interest rates

LKR interest rates significantly declined during the year ended March 31, 2024 with the policy measures adopted by CBSL

The following measures were taken to reduce the impact of interest Cost;

- 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 old inventory thereby reducing borrowings

(ii) Fluctuation of foreign currency and significant rupee appreciation

The LKR/USD continues to be at 300 levels due to the prudent policy measures adopted by CBSL, along with the resultant decline in importer demand and improvement of the Balance of Payment of the country. The appreciation of Rupee during the year, adversely affected export companies to be competitive in the international market place, given the tax amendments, high cost of operations and inflation. However, we envisage the cost adjustments will ease the immediate challenges in the months to come. Further, Government initiatives to lighten import restrictions and floating of exchange rates might result in some volatilities in the months ahead.

The following measures were taken to reduce the impact of a volatile exchange rate;

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

(iii) Other Considerations

The VAT change implemented with effect from 01st January 2024 resulted in panic buying before the VAT hike in December 2023, which may see a reduction in consumer demand in the short term.

The escalation of violence along the red sea will increase the price of products imported to the country and may see delays in receiving products in the near term.

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

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) Transactions with Parent Companies

Name of the Company	Nature of Transaction	Group		Company	
		For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
		31st March 2024 Rs. Million	31st March 2023 Rs. Million	31st March 2024 Rs. Million	31st March 2023 Rs. Million
Hayleys PLC	Expenses Reimbursed	526.1	494.7	399.09	378.3

39.2 (b) Transactions with Subsidiary Companies

Name of the Company	Nature of Transaction	Company	
		* For the Year Ended 31st March 2024 Rs. Million	For the Year Ended 31st March 2023 Rs. Million
Regnis (Lanka) PLC	Corporate guarantees given on behalf of the Company	-	455.5
* (Transactions up to the amalgamation date of 31st January 2024)	Purchases	4,377	4,201.9
	Non-trade Settlement	37	145.0
	Funds paid for purchases	3,656	4,441.5
	Expenses reimbursed	103.5	113.1
	Sale of fixed asset	-	-
	Interest income	1.6	16.9
	Interest Expenses	25.9	-
	Interest income on Loan	18.7	54.1
	Interest income on Corporate Guarantee	1.9	2.3
	Sales	-	462.3
	Trade Receipt for sales	-	219.6
	Balance Payable	-	229.8
	Loan Obtained	-	300.0
	Loan Settlements	-	150.0
Advances -Trade - Set Off	-	200.0	
Singer Industries (Ceylon) PLC	Purchases	286.1	573.7
* (Transactions up to the amalgamation date of 31st January 2024)	Sales	0.2	68.1
	Interest Income	12.0	24.20
	Lease Rental Expenses	-	30.2
	Expenses Reimbursed	52.4	38.0
	Non Trade Settlement	0.4	4.3
	Trade Settlement	255.2	534.1
	Management Fee	-	0.1
	Balance Payable	-	6.8
	Loans granted	-	158.0
	Loans Settlements	75.0	150.0

NOTES TO THE FINANCIAL STATEMENTS

Name of the Company	Nature of Transaction	Company	
		* For the Year Ended 31st March 2024 Rs. Million	For the Year Ended 31st March 2023 Rs. Million
Regnis Appliances (Private) Limited	Purchases	2,041.5	2027.63
	Non-Trade Settlement	100.0	112.5
	Sales	12.9	238.1
	Trade Settlements	1,819.5	1,965.7
	Reimbursement of the Expenses	37.5	48.1
	Interest Expense	6.2	3.5
	Interest Income	2.9	14.7
	Balance Payable	473.8	198.8
	Sale of Fixed assets	-	0.5
Reality Lanka Limited	Rent Expense	14.4	5.6
	Interest Expense	-	4.5
	Balance Payable Trade	94.1	21.6
Singer Business School (Private) Limited * (Transactions up to the amalgamation date of 01st January 2024)	Brand Utilisation Charge	0.7	0.9
	Rent Expense	3.8	5.0
	Balance Payable Trade	-	1.6
	Expenses Reimbursed	1.8	1.4
Singer Finance (Lanka) PLC	Withdrawals of Rental Collections from Singer (Sri Lanka) PLC	1,536.2	1,593.9
	Sales Financed to Purchase Goods from Singer (Sri Lanka) PLC	0.1	1.0
	Sale of Assets	52.94	50.7
	Net Interest Expense/Income	3.4	15.8
	Rental Collections through Singer (Sri Lanka) PLC	1,537.9	1,860.7
	Service Charge Income	-	0.0
	Collection Commission paid	18.2	19.2
	Royalty Expense Charged During the Year	66.0	64.5
	Rent Reimbursed	10.3	10.6
	Expenses Reimbursed	209.7	186.4
	Dividend Paid	-	129.2
	Balance Payable	328.2	

39.2 (c) Transactions with Companies under Common Control of Hayleys PLC

Name of the Company	Nature of Transaction	Group		Company	
		For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2024	For the year ended 31st March 2023
		Rs. Million	Rs. Million	Rs. Million	Rs. Million
Hayleys Aventura (Private) Limited	Purchases	101.5	180.8	-	-
Alumex PLC	Sales	12.5	2.7	12.5	2.7
The Kingsbury PLC	Purchases	1.4	0.5	-	-
	Sales	-	1.0	-	1.0
Fentons Limited	Sales	62.2	93.6	62.2	93.6
	Purchases	2,318	636.8	2,292	595.0
Energynet (Private) Limited	Purchases	3.0	0.1	-	-
Toyo Cushion Lanka (Private) Limited	Purchases	481.3	437.4	481.3	437.4
Logiwiz Limited	Service provided	502.5	591.0	502.5	591.0
	Purchases	12.2	34.1	12.2	34.1
Mabroc Teas (Private) Limited	Sales	5.0	0.1	5.0	0.1
	Purchases	12.8	6.4	10.6	5.1
Haycarb PLC	Sales	-	0.2	-	0.2
Creative Polymats (Private) Limited	Purchases	218.4	256.4	218.4	252.3
Advantis Freight (Private) Limited	Service provided	248.1	82.1	216.0	71.0
IML Delivery Systems (Private) Limited	Service provided	0.1	-	-	-
Sri Lanka Shipping Company Limited	Service provided	29.4	49.2	29.4	49.2
Puritas (Private) Limited	Purchases	0.1	-	0.1	-
Hayleys Business Solutions International (Private) Limited	Service provided	5.9	2.9	4.2	2.7
Hayleys Consumer Products (Private) Limited	Sales	5.2	3.5	5.2	3.5
CEVA Logistics Lanka (Private) Limited	Service provided	19.4	57.6	19.4	57.6
South Asia Textiles (Private) Limited	Sales	22.7	17.0	22.7	17.0
Clarion Shipping (Private) Limited	Service provided	13.0	79.7	13.0	79.7
Uni Dil Packaging Limited	Purchases	104.4	7.5	30.4	-
Hayleys Advantis Limited	Sales	0.4	1.9	0.4	1.9
Hayleys Agriculture Holdings Limited	Sales	-	1.7	-	1.7
Advantis Express (Private) Limited	Service provided	4.4	-	4.4	-
Hayleys Travels (Private) Limited	Sales	-	2.0	-	2.0
Hayleys Fabric PLC	Sales	16.0	13.4	16.0	13.4
Expelogix (Private) Limited	Purchases	4.6	-	0.2	-
Haycarb Value Added Products (Private) Limited	Sales	-	1.4	-	1.4
Dipped Products PLC	Sales	4.8	13.7	4.8	13.7

39.2 (d) Transactions with Other Related Parties

Company	Relationship	Name of Director	Nature of Transaction	For the Year Ended 31st March	
				2024	2023
Vallibel one PLC	Control/Significant Shareholder	K.D.D Perera	Expense Reimbursed	-	45.8

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

NOTES TO 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.

For the Year Ended 31st March	Group		Company	
	2024 Rs. Million	2023 Rs. Million	2024 Rs. Million	2023 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 2023/2024 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 2023/2024 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.

39.3 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 Personnel of the Group.

39.3.2 Transactions with Close Family Members of Key Management Personnel (KMP)

Close family members are defined as spouse or dependent. A dependent 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	2024 Rs. Million	2023 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	204.6	154.5

For the Year Ended 31st March	Group		Company	
	2024 Rs. Million	2023 Rs. Million	2024 Rs. Million	2023 Rs. Million
(ii) Compensation of Key Management				
Short Term Employee Benefits	135.9	165.0	99.6	120.7
Post-Employment Benefits paid	31.7	21.0	31.7	20.8

(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 2024	Singer Finance (Lanka) PLC Rs	Singer Industries (Ceylon) PLC Rs.	Regnis (Lanka) PLC Rs.	Other Individually Immaterial Subsidiaries Rs.	Total Rs
NCI Percentage (%)	20.07	-	-	-	-
Non-Current Assets	11,387,578,241	-	-	-	-
Current Assets	25,206,865,454	-	-	-	-
Non-Current Liabilities	6,382,639,479	-	-	-	-
Current Liabilities	24,997,505,106	-	-	-	-
Net Assets	5,214,299,110	-	-	-	-
Net Assets Attributable to NCI	1,046,509,833	-	-	-	1,046,509,833
Revenue	6,596,600,148	-	-	-	-
Profit	404,234,943	-	-	-	-
OCI	(3,524,159)	-	-	-	-
Total Comprehensive Income	400,710,784	-	-	-	-
Profit Allocated to NCI	8,112,995,306	-	-	-	-
OCI Allocated to NCI	(70,729,871)	-	-	-	-
Cash Flows from Operating Activities	(1,448,173,892)	-	-	-	-
Cash Flows from Investment Activities	1,354,168,209	-	-	-	-
Cash Flows from Financing Activities	856,984,587	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	762,978,905	-	-	-	-

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)	-	-

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 2023/24 except for the amalgamation of Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Singer Business School (Private) Limited and Domus Lanka (Private) Limited with Singer (Sri Lanka) PLC.

RISING TRUER

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PARENT, SUBSIDIARIES AND RELATED COMPANIES

Company name	Principal activity	Directors
Hayleys PLC Parent Company	Global marketing and manufacturing, agriculture, power and energy, domestic and industrial lighting, transportation and logistics, leisure and aviation, consumer, investments and services.	Mr. Mohan Pandithage - Chairman and Chief Executive Mr. Sarath Ganegoda Mr. Rajitha Kariyawasan Dr. Harsha Cabral, PC Mr. Ruwan Waidyaratne Mr. Hisham Jamaldeen Mr. Aravinda Perera Ms. Jayanthi Dharmasena Mr. Rohan Karunaratna Mr. Gamini Gunaratne Mr. Timothy Speldewinde (appointed on 03rd January 2024) Mr. Yohan Perera (appointed on 01st April 2024)
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 (retired w.e.f. 24th May 2024) Ms. Darshini Talpahewa Mr. Ranil De Silva Mr. Saman Herath Mr. Dhammika Siriwardene (appointed on 22nd April 2024)
Reality Lanka Limited Singer - Interest 100%	Investment on properties.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Thulitha Mendis
Regnis Appliances (Private) Limited Singer - Interest 100%	Manufacturing washing machines.	Mr. Mohan Pandithage - Chairman Mr. Mahesh Wijewardene - Group CEO Mr. Sarath Ganegoda Mr. Kelum Kospelawatte Mr. Vajira Tennakoon Mr. Thulitha Mendis Mr. Malin Fernando (resigned w.e.f. 01st November 2023)

A DECADE IN PERSPECTIVE

Year Ended	31st March (12 Months) 2024 Rs. '000	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 (12 Months) 2019 Rs. '000	31st March (15 Months) 2018 Rs. '000	31st December (12 Months) 2016 Rs. '000	31st December (12 Months) 2015 Rs. '000	31st December (12 Months) 2014 Rs. '000
GDP Growth - %	(2.30)	(8.20)	3.70	(3.60)	(4.90)	3.2	3.2	4.1	6.00	7.40
Market Capitalisation Growth - %	0.11	0.07	(0.18)	(0.14)	(19.20)	(37.81)	(4.44)	(8.48)	17.00	32.50
Trading Results										
Group Revenue - Net	69,973,442	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
Profit Before Tax	338,653	174,192	5,535,560	3,818,007	610,717	672,129	2,049,052	3,126,233	1,895,275	1,155,608
Tax	(429,952)	(78,261)	1,425,769	1,210,485	183,450	286,149	828,758	768,477	659,236	373,974
Profit for the Year	(91,299)	95,931	4,109,791	2,607,521	427,268	385,981	1,220,295	2,357,756	1,236,039	781,634
Total Comprehensive Income for the Year	374,793	(136,459)	4,554,012	2,809,992	449,249	1,006,328	691,655	2,623,507	1,206,343	891,279
Property, Plant and Equipment	8,142,751	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
Investment in Equity Accounted Investees	-	-	-	-	-	-	-	-	54,831	55,189
Right-of-use Assets	4,819,975	4,469,009	4,807,413	4,433,003	4,448,560	-	-	-	-	-
Other Investments	22,326	23,645	22,900.00	24,990	113,258	17,061	17,061	17,061	17,061	17,061
Deferred Tax Assets/(Liabilities)	634,255	743,956	801,299	497,329	155,734	(246,869)	(467,236)	124,061	144,913	65,235
Other Non-Current Assets	11,194,625	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
Total Non-Current Assets****	24,890,489	21,924,975	25,943,298	23,997,865	23,276,548	18,284,665	14,708,066	14,035,582	10,404,802	8,827,239
Current Assets	68,951,940	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
Current Liabilities	62,097,712	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
Net Current Assets	6,854,228	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
Total Assets Less Current Liabilities	31,744,717	35,199,106	35,342,952	26,350,010	25,086,069	22,385,818	14,922,095	20,060,398	16,959,979	12,178,083
Security Deposits	1,560,728	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
Interest bearing Loans, Borrowings repayable and Lease Liabilities after one year	12,929,408	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
Employee Benefits Obligations	1,229,148	1,060,341	1,041,152	946,775	900,984	871,971	794,645	651,144	486,465	383,912
Public Deposits Payable after one year	3,252,235	5,844,248	2,317,848	2,091,132	1,979,089	804,556	411,394	454,013	645,008	798,492
Net Assets	12,443,745	12,089,984	13,540,625	10,258,637	8,187,906	8,451,644	8,184,568	9,554,905	6,769,985	5,917,169
Share Capital and Reserves										
Stated Capital	1,138,857	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048
Other Component of Equity	3,328,108	1,600,272	1,863,292	1,437,544	1,274,990	1,281,219	713,928	1,153,325	894,898	1,006,486
Revenue Reserves	6,930,271	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
Shareholders' Funds	11,397,235	10,143,080	11,569,544	8,480,094	6,568,894	6,943,097	6,835,454	8,153,817	6,249,401	5,475,209
Non-Controlling Interest	1,046,510	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
Total Equity	12,443,745	12,089,984	13,540,625	10,258,637	8,187,906	8,451,644	8,184,568	9,554,905	6,733,985	5,917,169

A DECADE IN PERSPECTIVE

Year Ended	31st March (12 Months) 2024 Rs. '000	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 (12 Months) 2019 Rs. '000	31st March (15 Months) 2018 Rs. '000	31st December (12 Months) 2016 Rs. '000	31st December (12 Months) 2015 Rs. '000	31st December (12 Months) 2014 Rs. '000
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Ratio and Statistics .										
Profitability										
Earning per Share - Rs *	(0.14)	0.01	3.51	2.18	0.25	0.22	0.93	1.88	1.02	0.63
Net Assets per Share - Rs. *	9.76	9.00	10.27	7.53	5.83	6.16	6.07	7.24	5.58	4.86
Return on Average Net Assets - %	(0.74)	0.75	34.54	28.27	5.14	4.64	13.76	28.89	19.50	13.90
Dividends										
Amount - Rs. '000	-	225,377	1,239,575	713,695	93,907	244,159	826,383	1,101,845	525,880	313,024
Per Share - Rs. *	-	0.20 *	1.10	0.63	0.08	0.22	0.73	0.98	0.47	0.28
Cover	-	0.98	3.15	2.45	0.14	0.58	1.21	1.00	1.63	1.48
Others										
Market Price per Share - Rs.	16.10	15.00	14.00	17.4**	20.20	25.00	40.20	126.20	137.90	117.90
Price Earnings Ratio	(61.92)	75.00	4.03	11.23	2,020.00	208.33	45.17	128.78	181.45	287.56
Annual Sales Growth - %	27.77	(28.73)	14.00	23.13	(6.42)	N/A ***	38.78	21.22	30.30	16.50
Current Ratio	1.11	1.33	1.18	1.06	1.05	1.12	1.00	1.27	1.40	1.20
Average Annual Inflation - %	2.50	50.30	21.50	4.70	4.20	4.30	4.20	3.75	0.90	3.30
Net Income to Net Revenue - %	(0.13)	0.18	5.35	3.87	0.78	0.66	1.87	5.02	3.20	2.60

* 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 non-current Assets after deducting the Net of Deferred Tax Assets and Liabilities.

QUARTERLY ANALYSIS

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	12,994,985	14,374,811	14,064,258	12,860,669	26,766,959	14,530,728	16,147,240	13,001,026
Profit/Loss Before Tax	(1,078,685)	228,979	(778,458)	843,538	1,526,850	26,698	668,946	(925,023)
Tax expenses	174,173	(94,472)	162,557	(225,069)	(484,234)	73,418	(282,447)	167,862
Profit/Loss After Tax	(904,512)	134,507	(615,901)	618,469	1,042,616	100,116	386,499	(757,161)
Profit attributable to Owners of the Company	(893,798)	120,599	(635,464)	574,787	1,007,713	92,241	361,738	(780,545)
Profit attributable to Non Controlling Interests	(10,714)	13,908	19,563	43,682	34,903	7,875	24,761	23,384
Total Comprehensive Income for the Period, Net of Tax	(904,512)	134,507	(615,901)	618,469	1,042,616	(201,321)	852,591	(688,114)
Non current Assets	21,413,997	24,852,010	21,967,869	23,733,403	23,268,638	23,463,458	24,890,489	21,924,977
Current Assets	56,350,229	67,156,180	59,989,197	60,998,448	64,610,659	58,081,246	68,951,943	56,872,938
Non Current Liabilities	21,639,400	22,985,441	21,416,912	21,207,960	20,345,466	20,994,243	19,302,602	23,850,388
Current Liabilities	44,939,354	56,629,351	49,970,584	50,544,472	55,954,094	47,772,363	62,096,085	42,857,542

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2024	2023	2024	2023	2024	2023	2024	2023
	Market Price Per Share (Rs.)	14.20	8.90	16.70	9.80	12.00	8.40	16.10
Basic Earning Per Share (Rs.)	(0.79)	0.11	-0.56	0.52	0.89	0.08	0.32	(0.69)
Highest price recorded for the quarter (Rs.)	15.80	14.60	17.50	12.40	16.70	9.90	16.40	15.70
Lowest price recorded for the quarter (Rs.)	10.90	8.50	14.30	7.40	11.40	8.00	11.90	8.20
Market Capitalisation (Rs. Bn)	15,776	10,029	18,819	11,043	13,523	9,466	18,799	16,903
Share Trading Information								
No of transactions	1,609	2,169	2,239	5,308	899	2,005	3,583	4,540
No of share traded	5,309,063	3,237,121	9,537,839	14,157,155	2,003,888	4,923,017	26,471,599	13,685,573
Value of shares traded (Rs.)	74,091,946	32,981,329	152,261,540	139,589,297	28,571,944	44,697,850	370,470,465	164,178,093

HORIZONTAL AND VERTICAL ANALYSIS

Horizontal Analysis - Group

Statement of Profit or Loss

For the Year ended	31st March 2024	31st March 2023	31st March 2022	31st March 2021	31st March 2020
Revenue	128%	100%	140%	123%	100%
Cost of Sales	129%	86%	144%	129%	100%
Direct Interest Cost	262%	244%	105%	102%	100%
Gross Profit	109%	115%	135%	113%	100%
Other Income	115%	83%	87%	74%	100%
Selling and Administrative Expenses	128%	109%	117%	108%	100%
Impairment (Provision/Reversal) on Trade and Other Receivables	30%	(18%)	70%	91%	100%
Operating Profit	76%	162%	200%	131%	100%
Finance Income	909%	452%	67%	338%	100%
Finance Cost	137%	210%	72%	62%	100%
Net Finance Cost	75%	191%	72%	40%	100%
VAT on Financial Services	128%	127%	123%	94%	100%
Profit Before Tax	55%	29%	906%	625%	100%
Income Tax Expense	234%	43%	777%	660%	100%
Profit for the Year	(21%)	22%	962%	610%	100%

Horizontal Analysis - Company

Statement of Profit or Loss

For the Year Ended	31st March 2024	31st March 2023	31st March 2022	31st March 2021	31st March 2020
Revenue	144%	109%	156%	124%	100%
Cost of Sales	152%	102%	161%	128%	100%
Gross Profit	138%	125%	143%	115%	100%
Other Income	64%	70%	65%	88%	100%
Selling and Administrative Expenses	125%	105%	116%	107%	100%
Impairment (Provision)/Reversal on Trade and Other Receivables	68%	(22%)	45%	73%	100%
Operating Profit	125%	220%	250%	149%	100%
Finance Income	278%	106%	37%	177%	100%
Finance Cost	139%	200%	64%	65%	100%
Net Finance Cost	122%	212%	67%	52%	100%
VAT on Financial Services	151%	153%	184%	156%	100%
Profit Before Tax	76%	44%	(3240%)	(1689%)	100%
Income Tax Expense	(106%)	172%	(674%)	(522%)	100%
Profit for the Year	(2337%)	1732%	30682%	13730%	100%

Horizontal Analysis - Group

Statement of Financial Position

As at	31st March 2024	31st March 2023	31st March 2022	31st March 2021	31st March 2020
ASSETS					
Property, Plant and Equipment	118%	111%	109%	98%	100%
Right-of-Use Assets	108%	100%	108%	100%	100%
Intangible Assets	198%	204%	215%	123%	100%
Other Non - Current Assets	0%	0%	96%	98%	100%
Other Investments	20%	21%	20%	22%	100%
Trade and Other Receivables	94%	69%	108%	105%	100%
Deferred Tax Assets	86%	117%	145%	106%	100%
Non-Current Assets	104%	92%	110%	102%	100%
Inventories	135%	126%	143%	113%	100%
Income Tax Receivables	56%	87%	8%	3%	100%
Trade and Other Receivables	160%	120%	150%	102%	100%
Amounts due from Related Parties	314%	273%	72%	32%	100%
Financial Assets at FVTPL					
Other Financial Assets	0%	0%	0%	0%	100%
Deposits with Banks	693%	1395%	175%	60%	100%
Short Term Investments	357%	290%	204%	117%	100%
Cash in hand and at Bank	872%	697%	472%	297%	100%
Current Assets	165%	136%	151%	108%	100%
Total Assets	143%	120%	136%	106%	100%
Equity					
Stated Capital	182%	100%	100%	100%	100%
Capital Reserves	270%	124%	150%	113%	100%
Other Component of Equity	88%	86%	74%	100%	0%
Statutory Reserve	178%	134%	123%	109%	100%
Revenue Reserves	148%	170%	195%	137%	100%
Total Equity Attributable to Equity Holders of the Company	174%	154%	176%	129%	100%
Non - Controlling Interests	65%	120%	122%	110%	100%
Total Equity	152%	148%	165%	125%	100%
Liabilities					
Interest - Bearing Loans and Borrowings	103%	125%	148%	87%	100%
Lease Liabilities	106%	93%	106%	101%	100%
Deferred Tax Liabilities	11%	158%	124%	56%	100%
Employee Benefit Obligations	136%	118%	116%	105%	100%
Security Deposits	112%	105%	105%	98%	100%
Other Financial Liabilities	164%	295%	117%	106%	100%
Deferred Revenue	81%	83%	120%	117%	100%
Other Non - Current Liabilities	221%	100%	132%	175%	100%
Non-Current Liabilities	110%	136%	127%	94%	100%
Trade and Other Payables	131%	76%	207%	201%	100%
Deferred Revenue	207%	124%	115%	120%	100%
Income Tax Payables	47%	38%	257%	121%	100%
Dividends Payable	48%	52%	66%	107%	100%
Amounts Due to Related Parties	674%	366%	474%	151%	100%
Other Financial Liabilities	376%	265%	195%	166%	100%
Lease Liabilities	199%	112%	133%	126%	100%
Interest - Bearing Loans and Borrowings	117%	85%	93%	56%	100%
Bank Overdrafts	103%	64%	47%	69%	100%
Current Liabilities	156%	108%	134%	107%	100%
Total Liabilities	142%	116%	132%	103%	100%
Total Equity and Liabilities	143%	120%	136%	106%	100%

HORIZONTAL AND VERTICAL ANALYSIS

Horizontal Analysis - Company

Statement of Financial Position

As at	31st March 2024	31st March 2023	31st March 2022	31st March 2021	31st March 2020
ASSETS					
Property, Plant and Equipment	195%	105%	104%	98%	100%
Right-of-Use Assets	102%	95%	107%	97%	100%
Intangible Assets	207%	208%	215%	113%	100%
Investment in Subsidiaries	56%	100%	100%	100%	100%
Other Investments	647%	126%	134%	147%	100%
Trade and Other Receivables	2%	89%	83%	96%	100%
Deferred Tax Assets	106%	177%	146%	108%	100%
Non-Current Assets	119%	106%	106%	99%	100%
Inventories	149%	126%	144%	113%	100%
Loans Due From Related Parties	0%	60%	25%	0%	100%
Income Tax Receivables	81%	120%	0%	0%	100%
Trade and Other Receivables	158%	86%	148%	104%	100%
Amounts due from Related Parties	457%	483%	620%	121%	100%
Other Financial Assets	0%	0%	0%	0%	100%
Short Term Investments	0%	0%	0%	0%	100%
Cash in hand and at Bank	420%	463%	439%	198%	100%
Current Assets	152%	110%	143%	105%	100%
Total Assets	142%	108%	132%	103%	100%
Equity					
Stated Capital	182%	100%	100%	100%	100%
Capital Reserves	258%	105%	113%	102%	100%
Other Component of Equity	42%	58%	74%	100%	0%
Revenue Reserves	191%	217%	266%	147%	100%
Total Equity Attributable to Equity Holders of the Company	209%	167%	196%	127%	100%
Total Equity	209%	167%	196%	127%	100%
Liabilities					
Interest - Bearing Loans and Borrowings	101%	123%	106%	49%	100%
Lease Liabilities	98%	93%	102%	98%	100%
Employee Benefit Obligations	166%	114%	113%	103%	100%
Security Deposits	117%	110%	106%	97%	100%
Deferred Revenue	81%	83%	120%	117%	100%
Other Non - Current Liabilities	221%	231%	230%	175%	100%
Non-Current Liabilities	106%	112%	106%	74%	100%
Trade and Other Payables	167%	91%	207%	204%	100%
Deferred Revenue	216%	129%	118%	109%	100%
Income Tax Payables	0%	0%	1721%	100%	0%
Dividends Payables	125%	126%	174%	150%	100%
Amounts Due to Related Parties	63%	36%	121%	125%	100%
Other Financial Liabilities	0%	0%	0%	0%	0%
Lease Liabilities	190%	177%	167%	122%	100%
Interest - Bearing Loans and Borrowings	162%	113%	107%	65%	100%
Bank Overdrafts	134%	98%	28%	88%	100%
Current Liabilities	149%	97%	134%	113%	100%
Total Liabilities	135%	102%	125%	100%	100%
Total Equity and Liabilities	142%	108%	132%	103%	100%

Vertical Analysis - Group

Statement of Profit or Loss

For the Year Ended	31st March		31st March		31st March		31st March		31st March	
	2024		2023		2022		2021		2020	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
Revenue	69,973	100%	54,767	100.0%	76,848	100.0%	67,412	100.0%	54,751	100.0%
Cost of Sales	(47,287)	68%	(31,432)	57.4%	(52,736)	68.6%	(47,028)	69.8%	(36,538)	66.7%
Direct Interest Cost	(4,788)	6.8%	(4,463)	8.1%	(1,920)	2.5%	(1,872)	2.8%	(1,829)	3.3%
Gross Profit	17,899	26%	18,872	34.5%	22,192	28.8%	18,511	27.6%	16,384	29.9%
Other Income	345	0.5%	248	0.5%	262	0.3%	221	0.3%	300	0.5%
Selling and Administrative Expenses	(14,806)	21%	(12,614)	23.0%	(13,514)	17.6%	(12,430)	18.4%	(11,551)	21.1%
Impairment (Provision)/Reversal on Trade and Other Receivables	(300)	(0.4%)	182	(0.3%)	(703)	0.9%	(920)	1.4%	(1,011)	1.8%
Operating Profit	3,137	4%	6,688	12.2%	8,237	10.6%	5,383	8.1%	4,122	7.6%
Finance Income	2,320	3.3%	1,153	2.1%	170	0.2%	864	1.3%	255	0.5%
Finance Cost	(4,722)	7%	(7,272)	13.3%	(2,490)	3.2%	(2,136)	3.2%	(3,456)	6.3%
Net Finance Cost	(2,402)	3%	(6,119)	11.2%	(2,320)	3.0%	(1,272)	1.9%	(3,200)	5.7%
VAT on Financial services	(397)	0.6%	(395)	0.7%	(382)	0.5%	(292)	0.4%	(311)	0.6%
Profit Before Tax	339	0.5%	174	0.3%	5,536	7.1%	3,818	5.8%	611	1.3%
Income Tax Expense	(430)	0.6%	(78)	0.1%	(1,426)	1.9%	(1,210)	1.8%	(183)	0.3%
Profit for the Year	(91)	(0.1%)	96	0.2%	4,110	5.2%	2,608	4.0%	427	0.9%

Vertical Analysis - Company

Statement of Profit or Loss

For the Year Ended	31st March		31st March		31st March		31st March		31st March	
	2024		2023		2022		2021		2020	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
Revenue	63,333	100%	47,950	100.0%	68,652	100.0%	54,864	100.0%	44,126	100%
Cost of Sales	(47,279)	75%	(31,734)	66.2%	(50,090)	73.0%	(39,897)	72.7%	(31,128)	70.5%
Gross Profit	16,055	25%	16,216	33.8%	18,562	27.0%	14,967	27.3%	12,998	29.5%
Other Income	191	0.3%	210	0.4%	196	0.3%	265	0.5%	300	0.7%
Selling and Administrative Expenses	(12,239)	19%	(10,293)	21.5%	(11,344)	16.5%	(10,528)	19.2%	(9,810)	22.2%
Impairment (Provision)/Reversal on Trade and Other Receivables	(427)	(0.7%)	140	(0.3%)	(281)	0.4%	(460)	0.8%	(631)	1.4%
Operating Profit	3,580	6%	6,273	13.1%	7,132	10.5%	4,245	7.8%	2,857	6.5%
Finance Income	1,006	1.6%	385	0.8%	135	0.2%	639	1.2%	362	0.8%
Finance Cost	(4,627)	7%	(6,648)	13.9%	(2,129)	3.1%	(2,175)	4.0%	(3,323)	7.5%
Net Finance Cost	(3,621)	6%	(6,263)	13.1%	(1,994)	2.9%	(1,536)	2.8%	(2,961)	6.8%
VAT on Financial Services	(77)	0.1%	(78)	0.2%	(94)	0.1%	(80)	0.1%	(51)	0.1%
Profit Before Tax	(118)	0.2%	(69)	0.0%	5,044	7.4%	2,629	5.0%	(156)	(0.5%)
Income Tax Expense	(179)	(0.3%)	289	(0.6%)	(1,135)	1.7%	(880)	(1.6%)	168	0.4%
Profit for the Year	(298)	(0.5%)	221	0.5%	3,909	5.8%	1,749	3.4%	13	(0.3%)

HORIZONTAL AND VERTICAL ANALYSIS

Vertical Analysis - Group

Statement of Financial Position

As at	31st March 2024	31st March 2023	31st March 2022	31st March 2021	31st March 2020
ASSETS					
Property, Plant and Equipment	8.68%	9.71%	8.42%	9.82%	10.53%
Right-of-Use Assets	5.14%	5.67%	5.38%	6.40%	0.00%
Intangible Assets	0.54%	0.66%	0.61%	0.45%	0.39%
Other Non - Current Assets	0.00%	0.00%	0.07%	0.09%	0.09%
Other Investments	0.02%	0.03%	0.03%	0.04%	0.17%
Trade and Other Receivables	11.39%	9.87%	13.63%	17.11%	17.27%
Deferred Tax Assets	0.76%	1.88%	1.42%	1.26%	0.00%
Non-Current Assets	26.52%	27.82%	29.56%	35.17%	36.49%
Inventories	23.02%	25.67%	25.77%	26.23%	24.46%
Income Tax Receivables	0.35%	0.64%	0.05%	0.02%	0.88%
Trade and Other Receivables	40.27%	35.83%	39.49%	34.60%	35.90%
Amounts due from Related Parties	0.11%	0.11%	0.03%	0.03%	0.00%
Other Financial Assets	0.00%	0.00%	0.00%	0.00%	0.04%
Deposits with Banks	0.75%	1.79%	0.20%	0.09%	0.15%
Short Term Investments	2.64%	2.56%	1.58%	1.17%	1.06%
Cash in hand and at Bank	5.85%	5.57%	3.33%	2.70%	0.96%
Current Assets	73.48%	72.18%	70.44%	64.83%	63.51%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Stated Capital	1.21%	0.80%	0.70%	0.90%	0.94%
Capital Reserves	3.14%	1.71%	1.83%	1.78%	1.66%
Other Component of Equity	0.01%	0.01%	0.00%	0.01%	0.00%
Statutory Reserves	0.35%	0.31%	0.25%	0.29%	0.28%
Revenue Reserves	7.38%	10.05%	10.16%	9.26%	7.11%
Total Equity attributable to Equity Holders of the Company	12.15%	12.87%	12.95%	12.24%	10.01%
Non - Controlling Interests	1.12%	2.46%	2.20%	2.57%	2.47%
Total Equity	13.26%	15.34%	15.15%	14.80%	12.48%
Liabilities					
Interest - Bearing Loans and Borrowings	8.96%	13.00%	13.56%	10.29%	12.46%
Lease Liabilities	4.82%	5.37%	5.12%	6.22%	6.51%
Deferred Tax Liabilities	0.08%	0.94%	0.52%	0.54%	1.02%
Employee Benefit Obligations	1.31%	1.35%	1.17%	1.37%	1.37%
Security Deposits	1.66%	1.86%	1.64%	1.97%	2.13%
Other Financial Liabilities	3.47%	7.42%	2.59%	3.02%	3.02%
Deferred Revenue	0.08%	0.10%	0.12%	0.16%	0.14%
Other Non - Current Liabilities	0.19%	0.24%	0.21%	0.21%	0.12%
Non-Current Liabilities	20.57%	30.27%	24.95%	23.76%	26.78%
Trade and Other Payables	12.96%	9.04%	21.61%	27.06%	14.22%
Deferred Revenue	0.39%	0.27%	0.23%	0.30%	0.27%
Income Tax Payables	0.12%	0.34%	0.80%	0.40%	0.35%
Dividends Payables	0.06%	0.08%	0.09%	0.19%	0.19%
Amounts Due to Related Parties	1.63%	1.05%	1.20%	0.49%	0.35%
Other Financial Liabilities	20.17%	16.94%	11.00%	12.08%	7.67%
Lease Liabilities	1.16%	1.30%	1.02%	0.99%	0.83%
Interest - Bearing Loans and Borrowings	26.97%	23.34%	22.65%	17.44%	33.11%
Bank Overdrafts	2.72%	2.00%	1.32%	2.47%	3.78%
Current Liabilities	66.17%	54.39%	59.90%	61.44%	60.74%
Total Liabilities	86.74%	84.66%	84.85%	85.20%	87.52%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

Vertical Analysis - Company

Statement of Financial Position

As at	31st March 2024	31st March 2023	31st March 2022	31st March 2021	31st March 2020
ASSETS					
Property, Plant and Equipment	12.27%	8.66%	7.04%	8.47%	8.90%
Right-of-Use Assets	7.00%	8.52%	7.67%	9.15%	9.72%
Intangible Assets	0.70%	0.92%	0.78%	0.53%	0.48%
Investment in Subsidiaries	2.84%	6.66%	5.48%	7.03%	7.23%
Other Investments	0.19%	0.05%	0.04%	0.06%	0.04%
Trade and Other Receivables	0.03%	1.66%	1.29%	1.90%	2.03%
Deferred Tax Assets	1.41%	3.08%	2.08%	1.97%	1.89%
Non-Current Assets	25.49%	29.57%	24.37%	29.11%	30.29%
Inventories	36.44%	40.32%	37.93%	38.24%	34.79%
Loans Due From Related Parties	0.00%	0.60%	0.20%	0.00%	1.09%
Income Tax Receivables	0.56%	1.08%	0.00%	0.00%	0.98%
Trade and Other Receivables	33.64%	23.97%	33.92%	30.70%	30.28%
Amounts due from Related Parties	0.25%	0.35%	0.37%	0.09%	0.08%
Other Financial Assets	0.00%	0.00%	0.00%	0.00%	0.07%
Short Term Investments	0.00%	0.00%	0.00%	0.00%	1.45%
Cash in hand and at Bank	2.85%	4.11%	3.20%	1.86%	0.96%
Current Assets	74.51%	70.43%	75.63%	70.89%	69.72%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Stated Capital	1.96%	1.41%	1.16%	1.48%	1.53%
Capital Reserves	5.06%	2.70%	2.39%	2.77%	2.78%
Other Component of Equity	0.00%	0.01%	0.01%	0.01%	0.00%
Revenue Reserves	7.28%	10.84%	10.94%	7.76%	5.42%
Total Equity attributable to Equity Holders of the Company	14.30%	14.96%	14.48%	12.03%	9.74%
Total Equity	14.30%	14.96%	14.48%	12.03%	9.74%
Liabilities					
Interest - Bearing Loans and Borrowings	10.65%	16.98%	12.01%	7.10%	15.00%
Lease Liabilities	6.48%	8.10%	7.25%	8.97%	9.40%
Employee Benefit Obligations	1.82%	1.63%	1.33%	1.55%	1.55%
Security Deposits	2.68%	3.30%	2.60%	3.06%	3.24%
Deferred Revenue	0.13%	0.17%	0.20%	0.25%	0.22%
Other Non - Current Liabilities	0.31%	0.42%	0.35%	0.34%	0.20%
Non-Current Liabilities	22.07%	30.60%	23.74%	21.27%	29.62%
Trade and Other Payables	19.09%	13.62%	25.45%	32.11%	16.18%
Deferred Revenue	0.62%	0.49%	0.37%	0.43%	0.41%
Income Tax Payables	0.00%	0.00%	0.80%	0.06%	0.00%
Dividends Payables	0.08%	0.11%	0.13%	0.14%	0.10%
Amounts Due to Related Parties	3.69%	2.77%	7.65%	10.09%	8.33%
Other Financial Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Lease Liabilities	1.67%	2.04%	1.58%	1.48%	1.25%
Interest - Bearing Loans and Borrowings	35.01%	32.09%	25.01%	19.26%	30.73%
Bank Overdrafts	3.45%	3.32%	0.79%	3.13%	3.67%
Current Liabilities	63.62%	54.44%	61.78%	66.70%	60.65%
Total Liabilities	85.70%	85.05%	85.52%	87.97%	90.26%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

SHARE INFORMATION

Stated Capital

	31st March 2024	31st March 2023
Stated Capital (Rs.)	1,138,856,653	626,048,050
Number of Ordinary Shares	1,167,617,912	1,126,886,490
Class of Shares	Ordinary Shares	
Voting Rights	One Vote per Ordinary Share	

Issue of ordinary shares

40,731,422 ordinary voting shares of the Company were issued for a total consideration of Rs. 512,808,602.98 on 31st January 2024 to the minority shareholders of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC.

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 2024

No. of Shareholders: 31st March 2024 – 5,943 (31st March 2023 – 4,183).

	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	2,416	707,475	0.06	7	3,164	0.00	2,423	710,639	0.06
1,001 - 10,000	2,258	8,624,810	0.74	20	77,189	0.01	2,278	8,701,999	0.75
10,001 - 100,000	995	31,597,323	2.71	13	517,656	0.04	1,008	32,114,979	2.75
100,001 - 1,000,000	211	55,641,401	4.76	1	100,499	0.01	212	55,741,900	4.77
Over 1,000,000	22	1,070,348,395	91.67	-	-	-	22	1,070,348,395	91.67
Total	5,902	1,166,919,404	99.94	41	698,508	0.06	5,943	1,167,617,912	100.00
Category									
Individuals	5,576	111,907,815	9.58	40	648,508	0.06	5,616	112,556,323	9.64
Institutions	326	1,055,011,589	90.36	1	50,000	0.00	327	1,055,061,589	90.36
Total	5,902	1,166,919,404	99.94	41	698,508	0.06	5,943	1,167,617,912	100.00

Dividends

Dividend for 2023/24 - Nil (2022/23 – Nil)

Directors' Shareholding

	Shareholding 31st March 2024 Number of shares	Shareholding 01st April 2023 Number of shares
Mr. Mohan Pandithage	NIL	NIL
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. Brindhiini Perera	NIL	NIL
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene - ceased to be Alternate with effect from 27.02.2024)	NIL	NIL
Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen - ceased to be Alternate with effect from 20.01.2024)	3,000	3,000

Market value per share

	Twelve months ended 31st March 2024 Rs.		Twelve months ended 31st March 2023 Rs.	
Highest during the year	17.50	28th August 2023	15.70	29th March 2023
Lowest during the year	10.90	17th May 2023	7.40	07th July 2022
Closing	16.10		15.00	

Twenty largest shareholders

	Name of Shareholder	As at 31st March 2024	
		Number of Shares	%
1	Hayleys PLC	783,801,111	67.13
2	Hayleys Advantis Limited	111,382,980	9.54
3	Volanka (Private) Limited	34,787,235	2.98
4	Hayleys Aventura (Private) Limited	31,595,745	2.71
5	Carbotels (Private) Limited	29,042,553	2.49
6	Hayleys Agriculture Holdings Limited	28,404,255	2.43
7	Mr. Kulappuarachchige Don Dammika Perera	20,807,739	1.78
8	Mrs. Mihiri Virani Fernando	6,025,000	0.52
9	J.B. Cocoshell (Private) Limited	4,402,833	0.38
10	People's Leasing & Finance PLC/ L.P. Hapangama	4,109,350	0.35
11	Seylan Bank PLC / Senthilverl Holdings (Private) Ltd	1,784,335	0.15
12	People's Leasing & Finance PLC/Dr.H.S.D.Soyso & Mrs.G.Soyso	1,648,389	0.14
13	People's Leasing & Finance PLC/Mr.D.M.P.Disanayake	1,554,045	0.13
14	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Private) Limited	1,500,000	0.13
15	Union Investment (Private) Ltd	1,355,798	0.12
16	Seylan Bank PLC / Mohamed Mushtaq Fuad	1,300,596	0.11
17	Mrs. Anoma Kamalika Amarasuriya	1,200,000	0.10
18	Miss. Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.10
19	Mr. Abey Siri Hemapala Munasinghe & Mr. A.R.R. Munasinghe	1,153,220	0.10
20	Mrs. Herath Mudiyanseelage Anoma Ramani Kumari Kaluhendiwela	1,144,663	0.10
		1,068,192,761	91.48
	Others	99,425,151	8.52
	Total	1,167,617,912	100.00

There were no non-voting shares as at 31st March 2024

Listed debentures

There were no listed debentures as at 31st March 2024.

SHARE INFORMATION

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

Share trading

For the year ended	As at 31st March 2024	As at 31st March 2023
Number of Transactions	8,330	14,022
Number of Shares Traded	43,322,389	36,002,866
Value of Shares Traded (Rs.)	625,395,893	381,446,567

Public Holding As at 31st March 2024

The percentage of shares held by the public is 10.94% (2023 – 7.72%).

Number of Shareholders representing public holding – 5,943 (2023 - 4,174)

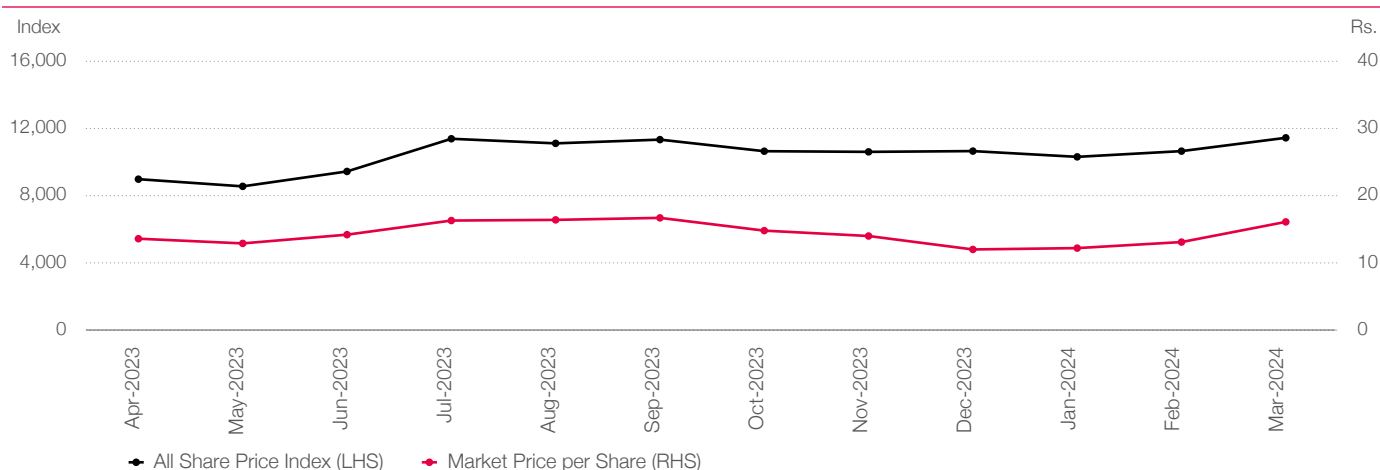
Float adjusted market capitalisation – Rs. 2,055,829,833.40 (2023- Rs. 1,304,934,555.42)

The Company is not in compliance with option 5 of the Listing Rule 7.13.1 (i) (a) which requires a Company with a Float Adjusted Market Capitalisation of less than Rs. 2.5 Bn. to maintain a minimum public Holding of 20%

Record of Scrip Issues

Year ended 31st March	Issue	Basis	Number of Shares	Cumulative Stated 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	Sub - division	1 for 1	62,604,805	-
2017	Sub - division	3 for 1	250,419,220	-
2021	Sub - division	3 for 1	751,257,660	-
2024	Amalgamation of Regnis (Lanka) PLC (REG) and Singer Industries Ceylon PLC (SIC) with Singer (Sri Lanka) PLC	3.6544877 for 1 share of REG and 2.6735504 for 1 share of SIC (minority shareholders only)	40,731,422	1,138,857
Total Number of Shares			1,167,617,912	1,138,857

All share price index Vs market price per share



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 2023 by the Institute of Chartered Accountants of Sri Lanka and the Section 9 of the Listing Rules of the Colombo Stock Exchange 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 2023 by the Institute of Chartered Accountants of Sri Lanka covering following eight fundamental aspects:

- Directors
- Director Remuneration

- Relations with Shareholders
- Accountability and Audit
- Institutional Investors
- Other Investors
- Internet of Things and Cybersecurity
- Sustainability: ESG Risk and Opportunities

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 six times during the period ended 31st March 2024. Details of the meetings and attendance of the members are set out on page 103. The meetings convened by the Board Subcommittees during 2023/24 are also provided on page 103.	☑
		The regularity of Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	A board pack containing all relevant information is submitted to the Board of Directors.	☑
Responsibility of the Board	A.1.2	Board should be responsible for matters including: Ensuring the formulation and implementation of a sound business strategy.	The Board is responsible for the strategic planning process of the Company. This includes the responsibility for the formulation of the strategic vision and mission of the Company, setting the overall corporate policy and strategy, monitoring performance and reviewing risks and major investments. The Board also takes on the added responsibility of directing Company performance towards achieving the best results possible and increasing shareholder value. The Board sets the broad parameters of the Company's business. The Company's business units are then tasked with their application, in achieving specific targets and objectives.	☑
		Appointing the Chair and the Senior Independent Director if relevant.	Mr. Dilip De S. Wijeyeratne was appointed as the Senior Independent Director on 01st November 2023 in accordance with the Corporate Governance requirements. The Board was of the opinion that Mr. Mohan Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Group.	☑

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 91.</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 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 Executive Committee which is represented by all Heads of Divisions, and are shared with Divisional Heads and Heads of all SBUs. The Executive Committee together with the Heads of Divisions and SBUs have the autonomy and freedom to translate these objectives to specific goals that are achievable.</p> <p>Key programmes are identified by the Group CEO for each year in line with the Annual Plan after they are discussed at Executive Committee meetings. A review of progress on plan implementation is a key item on the agenda of the monthly Management Review meetings.</p>	☑
		Ensuring the adoption of an effective CEO and Senior Management succession strategy.	<p>Succession planning is given due recognition in the corporate culture. Effective succession planning is a criterion in the performance appraisals of the Senior Management and Key Management.</p> <p>Addition to that, as part of the development and succession programme, the "3x3x3" initiative seeks to ensure that all positions of Key Managers, Senior Managers, Middle Managers and Junior Managers have been identified and are groomed for succession.</p>	☑
		Approving budgets and major capital expenditure.	Budgets and major capital expenditure are reviewed and approved by the Board.	☑
		Determining the matters expressly reserved to the Board and those delegated to the Management including limits of authority and financial delegation.	<p>The Board has agreed and reserved power to determine matters including approving of major capital expenditure, appointing the Secretary to the Board and seeking professional advice as and when needed.</p> <p>Limits of authority and financial delegation are agreed by the Board in order to manage affairs efficiently.</p>	☑
		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 pages 110 to 111.</p> <p>Risk Management framework is given in the Risk Management Report appearing from pages 117 to 121.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Ensuring the availability of information communication technology (ICT) roadmap in line with business strategy of the company, and monitor the progress of implementation through the ICT dashboard.	ICT roadmap is in line with business strategy. Progress of implementation is monitoring through ICT dash board.	☑
		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 and ESG risk and opportunities 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.	☑
		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 146 to 167 and the related changes to significant accounting policies are described in Note 2.13.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks.	Performance and progress of strategy implementation, budgets, plans and risks are monitored through a formal reporting process.	☑
		Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company.	The Board ensures compliance to annual and quarterly corporate reporting requirements.	☑
		Fulfilling such other Board functions as relevant to the Organisation.	<p>The Board makes every endeavour to ensure a balanced and objective assessment of the Company's position, performance and prospects.</p> <p>Members from professional accounting bodies are on the Board ensuring financial and economic acumen, knowledge and other Board members from the professional marketing bodies ensure stimulation of marketing knowledge of the Board members.</p>	☑
Compliance with laws and seeking independent professional advices	A.1.3	The Board collectively, and Directors individually, must act in accordance with the laws of the country and there should be a procedure agreed by the Board of Directors to obtain independent professional advice where necessary, at the Company's expense.	<p>As mentioned above, there is a significant emphasis across the organisation to ensure compliance with applicable laws and regulations.</p> <p>The Board members are permitted to obtain independent professional advice from a third party including the Company's External Auditors and other professional consultants whenever deemed necessary at the expense of the Company.</p>	☑
Company Secretary	A.1.4	All Directors should have access to the advice and service of the Company Secretary, who is responsible to the Board in ensuring, that the Board procedures are followed and that the applicable rules and regulations are complied with. Any question of the removal of the Company Secretary should be a matter for the Board as a whole.	The Company Secretary ensures that all Board Terms of Reference are followed and applicable rules and regulations are adhered to. The Company Secretary advises the Board and ensures that the Company complies with its Articles of Association, Companies Act and such regulatory publication, Board procedures and other applicable rules and regulations are followed. All Directors have access to the Company Secretary. The Secretary possesses the required qualifications as set out in the Companies Act.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		The Company should obtain appropriate insurance cover as recommended by the Nomination Committee for the Board, Directors and Key Management Personnel.	The parent Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.	☑
Independent judgement of Directors	A.1.5	All Directors should bring independent judgement to bear on issues of strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	<p>The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.</p> <p>In advance of every Board meeting, each Director receives a comprehensive set of Board papers and any additional information requested by the Directors. It is the Group CEO's duty to ensure that all members are properly briefed.</p> <p>None of the Independent Directors have held executive responsibilities in the Company. In accordance with Rule 9.8.5. (a) of the Listing Rules of the Colombo Stock Exchange (CSE) Independent Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A.</p>	☑
Dedication of adequate time and effort by the Directors	A.1.6	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owned to the Company are satisfactorily discharged.	<p>The Board met on six occasions during the year.</p> <p>The Board is satisfied that the Chairman and the Non-Executive Directors committed sufficient time during 2023/24 to fulfil their duties.</p>	☑
	A.1.7	One-third of Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the Company to do so.	As per Articles of Association, resolutions could be passed with majority voting. However, if a single Director deems it necessary that such resolution must be decided at a Board meeting and not by circulation, the Chairman shall put the resolution to be decided in a meeting.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Training for new and existing Directors	A.1.8	Every Director should receive appropriate training when first appointed to the Board of a company, and subsequently as necessary. The training curricular should encompass both general aspects of directorship and matters specific to the particular industry/ company concerned. A Director must recognise that there is a need for continuous training and expansion of the knowledge and skill required to effectively perform his duties as a Director. The Board should regularly review and agree on the training and development needs of the Directors.	<p>The Directors are given the opportunities to familiarise and obtain an in-depth understanding of the Company's business, its strategies, risks and processes at their discretion.</p> <p>Training is provided to Executive Directors and Alternate Directors (if any) 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> <p>In accepting an appointment as a Director, consideration is given to the responsibilities of the role, ability to commit time, any existing or potential conflicts of interest and required competencies.</p>	☑

A.2 Chairman and Group Chief Executive Officer (Group CEO)

Main Principle

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Separation of the roles of Chairman and Group CEO	A.2.1	The positions of Chairman and Group CEO are separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority.	<p>Although Chairman acts as Executive Chairman, the Chairman's and Group CEO's functions are separated to ensure a balance of power of authority and this dual panel structure has been continued throughout the year 2023/24.</p> <p>The Chairman of the Board of Directors functions in an executive capacity.</p> <p>The Group Chief Executive Officer functions as an Ex-Officio Director of the Board and is the apex executive in charge of the day-to-day management of operations and business of the Company, while providing the link between the, Board of the Parent Company and Divisional Heads (Key Management).</p>	☑

CORPORATE GOVERNANCE COMMENTARY

A.3 Chairman's role

Main principle

The Chairman's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Role of Chairman	A.3.1	The Chairman should conduct Board proceedings in a proper manner and ensure, inter alia, that –		
		➤ The agenda for Board meetings is developed in consultation with the CEO, Directors and the Company Secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance.	Agenda for Board meetings is developed in consultation with the Group CEO, Directors, Finance Director and the Company Secretary.	☑
		➤ Sufficiently detailed information of matters included in the agenda should be provided to Directors in a timely manner.	Required information are provided to Directors in a timely manner.	☑
		➤ All Directors are made aware of their duties and responsibilities and the Board and Committee structures through which it will operate in discharging its responsibilities.	All Directors are aware of their duties and responsibilities and Chairman and Group CEO provide a comprehensive overview of the Company and its operations once a new Director is appointed to the Board.	☑
		➤ The effective participation of both Executive and Non-Executive Directors is secured.	The Chairman is responsible for leading the Board and for its effectiveness. In practice, this means taking responsibility for the Board's composition, ensuring that the Board focuses on its key tasks and supports the Group CEO in managing the day-to-day running of the Company. The Chairman is also the ultimate point of contact for shareholders, particularly on corporate governance issues.	☑
		➤ All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company.	The Chairman satisfies himself that the information available to the Board is sufficient to make an informed assessment of the Company's affairs as well as to discharge their duties to all stakeholders.	☑
		➤ All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusion of matters of corporate concern on the agenda.	Necessary information and presentations are done if necessary to the agenda items. All Directors are free to communicate with Divisional Heads and Head of Risk Management to call additional information necessary.	☑
		➤ A balance of power between Executive and Non-Executive Directors is maintained.	The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.	☑
		➤ The views of Directors on issues under consideration are ascertained; and	Chairman ensures that regular meetings are conducted at least once a quarter and the minutes of the meetings are accurately recorded.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<p>➔ The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders.</p>	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 (CA Sri Lanka), 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 90 to 94.</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 115 to 116.	☑
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 Director of the Company has made written submissions as to their independence/ non-independence against the specified criteria set out by the Company, which is in line with the requirements of Schedule C of this Code.	☑
Determination of Independence of Director	A.5.5	The Board should make a determination annually as to the independence or non-independence of each Non-Executive Director based on such a declaration made of decided criteria and other information available to the Board, and should set out in the Annual Report the names of Directors determined to be “independent”. The Board should specify the criteria not met and the basis for its determination in the Annual Report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary.	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence, as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: Mr. Deepal Sooriyaarachchi Mr. Hisham Jamaldeen Mr. Dumith Fernando Mr. Dilip De S. Wijeyeratne Ms. Gayani de Alwis	☑
Appointment of Alternate Director	A.5.6	If an Alternate Director is appointed by a Non-Executive Director such Alternate Director should not be an executive of the Company. If an Alternate Director is appointed by an Independent Director, the person who is appointed also should meet the criteria of independence and the provision on minimum number of independent Directors also should be satisfied.	There were no alternate Directors as at the year end 31st March 2024.	☑
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.	The Company has appointed a Senior Independent Director since the Chairman is an Executive Director.	☑
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. A report from the Senior Independent Director should be included in the Annual Report.	Senior Independent Director make himself available for confidential discussions with other Directors where necessary. Statement of Senior Independent Director is given on page 132 of this Annual Report.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Chairman's meetings with Non-Executive Directors	A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Chairman meets with Non-Executive Directors without the presence of Executive Directors, whenever necessary.	☑
Recording of concerns in Board Minutes	A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board minutes.	Concerns raised by the Directors during the period, if any, are recorded in the minutes of Board meetings with adequate details by the Company Secretary.	☑

A.6 Supply of information

Main principle

The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Management obligation to provide appropriate and timely information to the Board	A.6.1	Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by Management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings.	<p>The Company ensures that the Directors receive adequate information in a timely manner. On urgent matters, every effort is made to provide the information, as early as possible.</p> <p>The Board receives a standard set of documents, which are timely, accurate, relevant and comprehensive. These papers include a detailed analysis of financial and non-financial information. The Board may call for additional information or clarify issues with any member of the Executive Committee.</p> <p>If necessary, all Directors are adequately briefed by the Group CEO on matters arising at Board meetings. The Secretary and the Compliance Officer ensure that Board papers are circulated in advance prior to Board meeting.</p> <p>If necessary, members of the Executive Committee, External Auditors and outside Consultancies makes presentations on issues of importance.</p> <p>The Chairman ensures that all Directors are briefed adequately on issues arising at Board meetings.</p>	☑
Adequate time for effective conduct of Board meetings	A.6.2	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 meetings are provided in advance to facilitate its effective conduct.	☑

CORPORATE GOVERNANCE COMMENTARY

A.7 Appointments to the Board; Nomination Committee

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
Composition of Nomination	A.7.1	A Nomination Committee should be established to make recommendations to the Board on all new Board appointments. Majority of the membership of the Committee shall comprise maximum of 3 Directors of be Non-Executive Directors and shall include at least two or one third (whichever is higher) of Independent Non-executive Directors. In situations where a Senior Independent Director has been appointed, he/she should chair the Nomination Committee.	The composition of the Committee was re-composite on 09th May 2024 to be in compliance with the Code and the Listing Rules. Accordingly, the Committee consists the Senior Independent Director, an Independent Non-Executive Director and a Non-Executive Director. The Chairman of the Committee is the Senior Independent Director. Please refer Nominations and Governance Committee on pages 113 and 114	☑
Assessment of Board composition by the Nomination Committee	A.7.2	The Nomination Committee should annually assess Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.	Board as a whole annually assessed the composition of the Board to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the Company. The findings of such assessments are taken into account when new Board appointments are considered.	☑
Disclose of required details of new Directors to shareholders	A.7.4	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 with the relevant information. The details of the current Board of Directors and new appointments are provided on pages 125 to 130 in this Annual Report.	☑
Member of the Committee and the work of the Committee	A.7.5	The chairman and members of the Nomination Committee should be identified in the Annual Report. 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.	Refer Nominations and Governance Committee Report on pages 113 and 114	☑
Terms of Reference for Nominations Committee	A.7.6	Terms of reference for Nomination Committees are set out in Schedule E.	Terms of Reference for Nominations and Governance Committee was adopted by the Board.	☑

A.8 Re-election

Main principle

All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Re-election of Non-Executive Directors, Chairman, and CEO	A.8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their reappointment should not be automatic.	In terms of the Articles of Association, one-third of the Directors, except for Chairman, Managing Director/Group CEO, retire by rotation and may offer themselves for re-election at the AGM. By virtue of being the Chairman, Managing Director/ Group CEO are not required to make themselves available for re-election as per the Articles of Association. The Company's Articles of Association provides that any Director appointed by the Board during the period shall hold office until the next Annual General Meeting and seek reappointment by the shareholders at the said AGM.	☑
	A.8.2	All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a résumé minimally as set out in paragraph A.7.3 above, to enable shareholders to make an informed decision on their election.	Based on the Articles of Association and the current composition of the Board, a Director seeks for re-election, every three years. A résumé of the Directors coming up for re-election at the AGM, 2023/24 is available on pages 126 to 130. The Chairman and Group Chief Executive Officer do not retire by rotation.	☑
Resignation	A.8.3	In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Written communications are provided to the Board by Directors who resign prior to completion of his appointed term.	☑

A.9 Appraisal of Board performance

Main principle

Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Annual performance evaluation of the Board and its Committee	A.9.1	The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities as set out in A.1.2.	The performance of the Board and the sub-committees is reviewed and evaluated by the Board and Chairman based on a self-appraisal basis.	☑
	A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its committees. The evaluation should be carried out by each Director individually. The collective outcome should be compiled and made available to Nomination Committee, which should make recommendations to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and company knowledge, training of Directors, governance processes, strategy review and other factors relevant to its effectiveness.	Annual self-evaluation forms were circulated to the directors.	☑

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 90 to 94 of Board of Directors.	<input checked="" type="checkbox"/>
		ii. The nature of his/her expertise in relevant functional areas;	Available on pages 90 to 94 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 90 to 94 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 90 to 94 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 125 to 130 of Board of Directors.	<input checked="" type="checkbox"/>
		vii. Number/percentage of Board meetings of the Company attended during the year;	Available on page 103.	<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 pages 125 to 130.	<input checked="" type="checkbox"/>
x. Number/percentage of Committee meetings attended during the year.	Available on page 103.	<input checked="" type="checkbox"/>		

A.11 Appraisal of Group Chief Executive Officer

Main principle

The Board should be required, at least annually, to assess the performance of the Group CEO.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Setting annual targets and the appraisal of performance of the CEO	A.11.1	At the commencement of every fiscal year, the Board in consultation with the CEO, should set, in line with the short, medium and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the Group CEO during the year.	The Annual Business Plan is prepared setting up short-term, medium-term and long-term financial and non-financial goals. The Annual Business Plan is initially approved by the Board.	☑
	A.11.2	The performance of the Group CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.	Assessment of performance of the Group CEO is carried out by the Board at the end of each year to ensure that pre-agreed targets have been achieved or if not whether there are acceptable reasons for not achieving them.	☑

B. Directors' remuneration

B.1 Remuneration procedure

Main principle

Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Establishment of the Remuneration Committee	B.2.1	The Board of Directors should set up a Remuneration Committee to make recommendations to the Board on the Company's framework of remunerating the Chief Executive Officer, Executive and Non-Executive Directors, and guidelines for fair and transparent procedures for remunerating senior management, including post-employment benefits as well as terminal benefits.	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.	☑
			Remuneration and perquisites of Group CEO is considered and recommended by the Parent Company – Hayleys PLC Remuneration Committee.	
Composition of the Remuneration Committee	B.2.2	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.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Consultation of the Chairman and access to professional advice	B.2.3	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.	<input checked="" type="checkbox"/>

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.2.4	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.2.5	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.2.6	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.2.7	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"/>

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Performance-based remuneration of Executive Directors	B.2.8	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.2.9	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"/>
Designing the remuneration of Executive Directors	B.2.10	In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule G. 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 112.	<input checked="" type="checkbox"/>
Early termination of Executive Directors	B.2.11	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.2.12	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"/>

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Determination of remuneration of Non-Executive Directors	B.2.13	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.	☑
Level of remuneration of Non-Executive Directors	B.2.14	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.	☑
Chairman and Members of the Remuneration Committee	B.2.15	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year.	Please refer page 112 of the Remuneration Committee Report for details of the Chairman and members of the Board Remuneration Committee.	☑
Terms of Reference	B.2.16	The Terms of Reference for Remuneration Committee are set out in Schedule H.	Terms of Reference for the Committee was adopted by the Board	☑

B.3 Disclosure of remuneration

Main principle

The Company's Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of remuneration	B.3.1	The Annual Report should set out the names of Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Remuneration Committee, contain a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Please refer Remuneration Committee Report on page 112 for disclosure on the names of Remuneration Committee members and Remuneration Policy of the Company. Please refer Note 8 to the Financial Statements on page 171 for aggregate remuneration paid to Executive and Non-Executive Directors.	☑
	B.3.2	The Annual Report should also contain the number and aggregate remuneration of the senior management personnel reporting directly to the chief executive officer including that of the chief executive officer, if he/she is not an executive director.	Please refer Note 8 to the Financial Statements on page 171.	☑

C. Relations with shareholders

C.1 Constructive use of Annual General Meeting (AGM) and Conduct of General Meetings

Main principle

Boards should use the AGM to communicate with shareholders and should encourage their participation.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Adequate Notice of the AGM	C.1.1	Companies should arrange for the Notice of AGM and related papers to be sent to shareholders at least as determined by statute, before the meeting.	A copy of the Annual Report including Financial Statements is posted on corporate website as well as CSE website. The Notice of Meeting and the Form of the Proxy are sent to shareholders 15 working days prior to the date of the AGM, as required by statute, in order to provide the opportunity to all the shareholders to attend the AGM.	<input checked="" type="checkbox"/>
Separate resolution for all separate issues at the AGM	C.1.2	Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The Proxy Form and any announcements of the results of a vote should make it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.	Company proposes a separate resolution at the AGM on each substantially separate issue. Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.	<input checked="" type="checkbox"/>
	C.1.3	The Company should ensure that all valid proxy appointments received for General Meetings are properly recorded and counted. For each resolution where a vote has been taken on a show of hands, the Company should ensure that the following information is given at the Meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the Company: <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"/>

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Availability of all Subcommittee Chairmen	C.1.4	The Chairman of the Board should arrange for the Chairmen of the Audit, Remuneration, Nomination and Related Parties Transactions Review Committees and the Senior Independent Director where such appointment has been made, to be available to answer questions at the AGM if so requested by the Chairman.	The Chairman of the Company ensures that Chairmen of all Board Subcommittees namely, Audit, Remuneration, Nomination and Related Party Transactions Review Committees are present at the AGM to answer the questions under their purview.	☑
Procedures of Voting at AGM	C.1.5	Companies should circulate with every Notice of General Meeting, a summary of the procedures governing voting at General Meetings.	A summary of the procedures governing voting at General Meeting is circulated to shareholders with every Notice of General Meeting.	☑

C.2 Communication with shareholders

Main principle

The Board should implement effective communication with shareholders.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Channel to reach all shareholders of the Company	C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	<p>The primary modes of communication between Company and the shareholders are the CSE announcements, Interim Financial Statements, Shareholders Circulars/Notices, Annual Report and AGM. Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the business of Company, either verbally or in writing prior to the AGM.</p> <p>The Company used the following channels to disseminate timely information;</p> <ul style="list-style-type: none"> ☞ Shareholders meetings ☞ Financial and other notices as and when required through the Colombo Stock Exchange ☞ Corporate website ☞ Press notices. 	☑
Policy and methodology for communication with shareholders	C.2.2	The Company should disclose the policy and methodology for communication with shareholders.	The Company will focus on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. The Company will ensure information is communicated accurately and in such a way as to avoid the creation or continuation of a false market.	☑
Implementation of the Policy and methodology for communication with shareholders	C.2.3	The Company should disclose how they implement the above policy and methodology.	<p>Printed copies of Annual Report are provided to all shareholders on request without charge and soft copies are available in CSE website and corporate website.</p> <p>All other announcements are also posted on the CSE website and corporate website.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Contact person for the communication	C.2.4	The Company should disclose the contact person for such communication.	Details of Company Secretary are disclosed in Corporate Information Section. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company. In addition, Head of Investor Relations is assigned to handle communications related to investor relations. Such questions, requests and comments should be addressed to the Company Secretary and in the absence of him the Group Chief Executive Officer.	☑
Process to make Directors aware of major issues and concerns of shareholders	C.2.5	The Company should have a process to make all Directors aware of major issues and concerns of shareholders and this process should be disclosed by the Company.	The Company Secretary shall maintain a record of all correspondence received and will deliver as soon as practicable such correspondence to the Board or individual Director/s as applicable. The Board or individual Director/s, as applicable, will generate an appropriate response to all validly received shareholder correspondence and will direct the Company Secretary to send the response to the particular shareholder.	☑
	C.2.6	The Company should decide the person to contact in relation to shareholders' matters.	Company Secretary or head of Investor Relations can be contacted in relation to shareholders' matters.	☑
	C.2.7	The process for responding to shareholders matters should be formulated by the Board and disclosed.	Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.	☑

C.3 Major and Material Transactions

Main principle

Further to complying with the requirements under the Companies Act, Securities and Exchange Commission law and Colombo Stock Exchange regulations; as applicable, directors should disclose to shareholders all proposed material 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.	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	C.3.3	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 131 confirming this position.</p> <p>The Company had strictly complied with the requirements of the Companies Act No. 07 of 2007 in the preparation of Quarterly and Annual Financial Statements which are prepared and presented in conformity with Sri Lanka Accounting Standards. Further, Company has complied with the reporting requirements prescribed by the regulatory authority such as the Colombo Stock Exchange.</p>	<input checked="" type="checkbox"/>

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance																		
			<p>In case of Subsidiary Company – Singer Finance (Lanka) PLC has also complied with the requirements of the Finance Companies Act No. 78 of 1988 and amendments thereto and reporting requirements prescribed by the regulatory authorities such as the Central Bank of Sri Lanka and the Colombo Stock Exchange. Given below is a table containing the dates on which the Annual and Interim Financial Statements of Singer Finance (Lanka) PLC were uploaded to the CSE website/ dispatched to the shareholders in the year under review:</p> <table border="1"> <thead> <tr> <th>Report</th> <th>Date of Dispatch/ Upload</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Annual Report for the year ended 31st March 2023</td> <td>06th June 2023</td> <td>Complied</td> </tr> <tr> <td>Interim Financials for 3 months ended 30th June 2023</td> <td>25th July 2023</td> <td>Complied</td> </tr> <tr> <td>Interim Financials for 6 months ended 30th September 2023</td> <td>31st October 2023</td> <td>Complied</td> </tr> <tr> <td>Interim Financials for 9 months ended 31st December 2023</td> <td>30th January 2024</td> <td>Complied</td> </tr> <tr> <td>Interim Financials for 12 months ended 31st March 2024</td> <td>07th May 2024</td> <td>Complied</td> </tr> </tbody> </table>	Report	Date of Dispatch/ Upload	Status	Annual Report for the year ended 31st March 2023	06th June 2023	Complied	Interim Financials for 3 months ended 30th June 2023	25th July 2023	Complied	Interim Financials for 6 months ended 30th September 2023	31st October 2023	Complied	Interim Financials for 9 months ended 31st December 2023	30th January 2024	Complied	Interim Financials for 12 months ended 31st March 2024	07th May 2024	Complied	☑
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Interim Financials for 12 months ended 31st March 2024	07th May 2024	Complied																				
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>	☑																		

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Directors' Report in the Annual Report	D.1.4	<p>The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that:</p> <ul style="list-style-type: none"> ➤ the Company has not engaged in any activity which contravenes laws and regulations; ➤ the Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested; ➤ the Company has made all endeavours to ensure the equitable treatment of shareholders; ➤ the Directors have complied with best practices of corporate governance ➤ Property, plant and equipment is reflected at fair value, where it is different from fair value adequate disclosures are made ➤ the business is a going concern, with supporting assumptions or qualifications as necessary; and ➤ they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if it is unable to make any of these declarations, to explain why it is unable to do so. 	<p>The Annual Report of the Board of Directors on the affairs of the Company given on pages 125 to 130 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 303 and 304 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 131.</p> <p>The "Independent Auditors' Report" on pages 133 to 137 Statement of the Auditor's responsibility.</p> <p>The Statement on Internal Control is given on page 131 in the Statement of Director's Responsibilities.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Management Discussion and Analysis	D.1.6	<p>The Annual Report should contain a “Management Discussion and Analysis”, discussing, among other issues:</p> <ul style="list-style-type: none"> ➤ business model; ➤ industry structure and developments; ➤ opportunities and threats; ➤ risk management; ➤ internal control systems and their adequacy; ➤ governance; ➤ stakeholder relationships; ➤ social and environmental protection activities carried out by the Company; ➤ financial performance; ➤ investment in physical and intellectual capital; ➤ human resource/industrial relations activities carried out by the company; and ➤ prospects for the future. <p>The Management Discussion and Analysis may be structured based on the integrated reporting framework issued by International Integrated Reporting Council and “a preparer’s guide to integrated Corporate Reporting” issued by CA Sri Lanka.</p>	<p>Please refer Chairman’s Statement on pages 12 to 15, Group Chief Executive Officer’s Review on pages 16 to 20, and Management Discussion and Analysis on pages 28 to 43 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 arise, an EGM will be called for and shareholders will be notified.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

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 2024.</p> <p>Related party transactions review committee reviewed related party transactions of the Singer Group which is described in this Annual Report in pages 115 and 116.</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 adopt a framework for risk management and the processes to identify, assess, monitor and manage risks with clear delegation of responsibilities to ensure its effectiveness in supporting achievement of the strategic, operational, and financial objectives of the company.</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 Deputy Director of Risk Management, who reports to the Board Audit Committee and Group CEO.</p>	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
			<p>In relation to the retail network, the internal audit function includes an individual risk assessment for every outlet directly operated by Singer (Sri Lanka) PLC, based on five criteria:</p> <ol style="list-style-type: none"> 1. Receivables management 2. Inventory management 3. Cash management 4. Internal checks and balances 5. Effectiveness of internal controls <p>Each location is graded by the Internal Audit Department based on its adherence to controls and its administrative performance on the management of the five criteria mentioned above.</p>	☑
Review the need for internal audit function	D.2.1.1	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 117 to 121 in the Risk Management report.	☑
	D.2.2.2	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.2.2.3	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 2024, 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 131 for details.	☑

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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 pages 110 to 111 of the Audit committee report under the heading Composition of the Committee.	☑
Terms of Reference of the Audit Committee	D.3.2	The Audit Committee should have a written Terms of Reference, dealing clearly with its authority and duties. The Audit Committee's written Terms of Reference must address: The Committee's purpose – which, at a 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 pages 110 and 111 of this Annual Report.	☑

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ Making recommendations to the Board, pertaining to appointment, reappointment and removal of External Auditors and to approve the External Auditors; ➤ To develop and implement policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; ➤ To review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Sri Lankan professional and regulatory requirements; ➤ Discussion of the audit plan, key audit issues, their resolution and management responses; ➤ Review the Company's annual Audited Financial Statements and Quarterly Financial Statements with management and the Auditor to ensure compliance with the Sri Lanka Accounting Standards and other relevant laws and regulations; ➤ To review significant financial reporting judgements; ➤ Review the Company's earnings press releases and financial information and earnings guidance provided to analysts and rating agencies; ➤ Discussion of policies and practices with respect to risk assessment and risk management; ➤ Ensuring that a process of sound system of internal control is in place; 		

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ Ensuring that at least once in every three years a review of the Board's risk management, internal controls, business continuity, planning and information security systems are carried out and appropriate remedial action recommended to the Board; ➤ Ensuring that an effective internal audit function is in place and monitor and review the internal audit activities; ➤ Meeting separately, periodically, with Management, Auditors and Internal Auditors; ➤ Ensuring that there is a mechanism for the confidential receipt, retention and treatment of complaints alleging fraud, received from internal/ external sources and pertaining to accounting, internal control or other such matters; ➤ Assuring confidentiality to whistle-blowing employees; ➤ Setting clear hiring policies for employees or former employees of the Auditors; and ➤ Reporting regularly to the Board of Directors. 		☑
Disclosure of names of the members of the Audit Committee	D.3.3	<p>A separate section of the Annual Report should describe the work of the Committee in discharging its responsibilities. The report should include –</p> <ul style="list-style-type: none"> ➤ The names of the Directors (persons in the Parent Company's Committee in the case of a Group Company) comprising the Audit Committee should be disclosed in the Annual Report. ➤ The number of meetings held and attendance of each Director; ➤ The scope of work and how its roles and responsibilities were discharged; ➤ An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external audit, and information on the length; 	Names of the members of the Audit Committee are given on page 110 under the section on the Composition of the Committee and disclosure on the independence of the Auditors is found on pages 133 to 137 under the Auditors' in the Annual Report of the Board of Directors on the Affairs of the Company on pages 125 to 130.	☑
		<p>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.</p>	Report by the Audit Committee is given on pages 110 to 111.	☑
		<p>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.</p>	Report by the Audit Committee is given on pages 110 to 111.	☑

D.5 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.5.1	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.5.2	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.5.3	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 pages 115 to 116.	<input checked="" type="checkbox"/>

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Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> ➤ A procedure to inform all related parties of what constitutes exempted related party transactions. ➤ A procedure and guideline to delegate to Key Management Personnel to deal with recurrent related party transactions as defined in the CSE Listing Rules. ➤ A procedure for the RPT Review Committee to review and recommend to the Board matters relating to such transactions. ➤ Any interested Directors should not participate at the meeting at which the transaction relating to him/her is discussed unless invited to seek clarification/information. ➤ A procedure and definition of disclosure required to be made by the Company on an annual basis, those requiring immediate disclosure and those requiring shareholder approval. ➤ A procedure to identify related party transactions which require immediate disclosure as per the CSE Listing Rules and to ensure that required disclosures are made by the Company to the Colombo Stock Exchange in accordance with the CSE Listing Rules. ➤ A procedure to identify related party transactions which require shareholder approval by special resolution at an Extraordinary General Meeting. ➤ The Company Secretary should maintain a permanent record in manual or electronic form of such statements, submissions, approvals, and minutes. ➤ Review and recommend to the Board the related party disclosures to be made in the Annual Report of the Company. 		

D.6 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.6.1	<p>All companies must disclose whether they have a Code of Business Conduct and Ethics for Directors and Key Management Personnel and if they have such a code, make an affirmative declaration in the Annual Report that all Directors and Key Management Personnel have declared compliance with such code, and if unable to make that declaration, state why they are unable to do so.</p> <p>Each company may determine its own policies in the formulation of such a code, but all companies should address the following important topics in their respective codes:</p> <ul style="list-style-type: none"> ☞ Conflict of interest; ☞ Bribery and corruption; ☞ Entertainment and gift; ☞ Accurate accounting and record-keeping; ☞ Fair and transparent procurement practices; ☞ Corporate opportunities; ☞ Confidentiality; ☞ Protection and proper use of company assets including information assets; ☞ Compliance with laws, rules and regulations (including insider trading laws); and ☞ Encouraging the reporting of any illegal, fraudulent or unethical behaviour. 	<p>Company has an internally-developed Code of Conduct. All employees including Directors, Key Managers and Senior Managers are bound by the Company's written Code of Ethics that includes the following aspects:</p> <ul style="list-style-type: none"> ☞ Exercise honesty, objectivity and diligence when performing one's duties. ☞ Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance. ☞ Maintain confidentiality of commercial and price sensitive information. ☞ Work within applicable laws and regulations. ☞ Safeguard the Company's assets. ☞ Avoid conduct that will reflect badly on the person concerned or the Company's image. ☞ Strictly avoid giving or accepting any kind of bribe, either directly or indirectly. ☞ Strictly avoid making contributions for political funds, either directly or indirectly. ☞ Strictly avoid any kind of sexual harassment. <p>The Company has implemented a formal whistle-blowing procedure and encourages any employee who suspects wrong doing at work, whether by Management, peers or any other employee, to raise their concerns.</p> <p>Other Policies</p> <p>In addition, the Company implements policies covering:</p> <ul style="list-style-type: none"> ☞ Recruitment and selection ☞ Financial integrity/Financial Manual ☞ Use of Company property including computers ☞ Non-harassment in the workplace ☞ Environment, safety and health ☞ Security of IT system 	☑

CORPORATE GOVERNANCE COMMENTARY

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	D.6.2	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 a policy and process to ensure that material and price sensitive information is immediately disclosed to the Colombo Stock Exchange immediately after relevant decisions are made by the Board of Directors. This task is assigned to the Company Secretary and it is a prime responsibility of the Company Secretary.	☑
	D.6.3	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 the Compliance Officer of the Company.	☑
Affirmative Statement by the Chairman	D.6.7	The Chairman must affirm in the Company's Annual Report that a code of conduct and ethics has been introduced company-wide and the procedure for disseminating, monitoring and compliance with that code. He must also disclose that he is not aware of any violation of any of the provisions of the code of business conduct and ethics.	Please refer Chairman's statement on pages 12 to 15 in this Report.	☑

D.6 Corporate governance disclosures

Directors should be required to disclose the extent to which the Company adheres to established principles and practices of good corporate governance.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Corporate Governance	D.6.1	The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this Code.	This Report from pages 98 to 109 and 260 to 305 sets out the manner and extent to which Singer (Sri Lanka) PLC has complied with the principles and provisions of the Code.	☑

Shareholders

E. Institutional investors

E.1 Shareholder voting

Main principle

Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Communication with Shareholders	E.1.1	A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	<p>In order to avoid conflict of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regard, 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.2.2	When evaluating Companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	The Institutional Investors are at liberty to give due weight to matters relating to the Board structure and composition, when they consider resolutions relating to Board structure and composition.	☑

CORPORATE GOVERNANCE COMMENTARY

F. Other investors

F.1 Investing/Divesting decision

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Individual Shareholders	F.1	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	<input checked="" type="checkbox"/>
Individual Shareholder Voting	F.2	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Individual shareholders are encouraged to participate in General 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 Deputy 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.	Deputy 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 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.	☑

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H. Sustainability: ESG Risk & Opportunities

H.1 The board should consider sustainability/ESG risk and opportunities in the company's business model, operations, short- and medium-term planning and in its long-term strategy to ensure that the company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.1	Provide the impact of ESG Risks & Opportunities for the Board	<p>The Annual Report contains sufficient and relevant information of to assess how ESG risks and opportunities are recognised, managed, measured and reported presented from pages 296 to 297.</p> <p>The impact of ESG issues are disclosed in Risk Management report from pages 296 to 297.</p> <p>Further, information related to the ESG Risks & Opportunities are provided to the Board in the Corporate Budget Discussion as well.</p>	☑

H.2 The board and key management personnel should continuously engage with and consider the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities, as stakeholder expectations are heightening across various sustainability/ESG issues relating to the protection of environment and other ESG issues. Many institutional investors consider these factors in their investment decision making.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.2.1	Method of recognising significant stakeholders & their matters	The company has its own method to recognise the major stakeholders, their matters and level of interest & it is described in the Stakeholder Relationships in Page 30.	☑

H.3 The company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.3.1	Environmental and Social Governance	<p>The Company has a unique ESG Framework which names as "‘Singer-Paramaarthayen Perata’ (Progress through purpose)". It includes the Social and Relationship Framework separately.</p> <p>Refer the Social and Relationship in Page 30.</p>	☑

H.4 The board should establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognising, managing and measuring on all pertinent aspects of sustainability using financial and non-financial

measures.

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.4.1, H.4.2, H.4.3	Method of measuring the Impact on Company Sustainability through ESG factors & Boards Role on ESG Factors	<p>The Company is measuring the impact on sustainability through analysing the data gathered from the Factories .</p> <p>The Company has recognised the key resources deployed in the business and financial and non-financial measures are established.</p> <p>The Company has identified risk and has taken mitigatory actions for the risks which have an impact on the sustainability of the business and are discussed in the Risk Management report from pages 117 to 123.</p> <p>The Board has committed to environment, social and governance aspects and the environmental management and social activities have been discussed from pages 64 to 69.</p>	☑

H.5 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

Corporate governance principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.5.1, H.5.2, H.5.3, H.5.4	How the ESG risks are recognised, measured, & Reported & the Board's Responsibility on ESG	<p>Board is responsible on the ESG risks and whenever a risk aroused in ESG, the board members will be discussed it in the quarterly board meetings.</p> <p>Refer the Risk Management section in pages 117 to 123.</p>	☑

CORPORATE GOVERNANCE COMMENTARY

Section B

This section covers the Company's extent of adherence to the requirements of the Continuous Listing Requirements Section 9 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 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2024:

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Policies	9.2.1	Establish and maintain the policies and disclose the fact of existence of such policies together with the details relating to such policies.	The Company has established and continues to maintain the policies on Board Committees, Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social Governance and Sustainability and Anti Bribery and Corruption.	☑
Board Committees	9.3	following Board committees are established and maintained at a minimum and are functioning effectively. (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	The Company has established Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee	☑
Chairperson of Board Committees	9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Chairperson of Board Committees is not the Chairperson of the Board	☑

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Meeting Procedures	9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Company maintains records of all resolutions passed at General Meetings.	<input checked="" type="checkbox"/>
Communication and relations with shareholders and investors	9.4.2	(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	The Company has a Shareholder Communication and Relations policy and it is published on the corporate website. The contact person is mentioned. The policy includes a process whereby Directors are informed of major issues and concerns of shareholders.	<input checked="" type="checkbox"/>
Policy on matters relating to the Board of Directors	9.5	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors	The Company maintains a Policy on Matters relating to the Board of Directors.	<input checked="" type="checkbox"/>

CORPORATE GOVERNANCE COMMENTARY

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Chairperson and CEO	9.6.2	<p>A Listed Entity that is unable to comply with Rule 9.6.1 shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules). Such Market Announcement shall include the following:</p> <p>(a) The reasons for non-compliance</p> <p>(b) The rationale for combining the positions of the Chairperson and CEO.</p>	<p>Chairperson and CEO are not the same person. However, since the Chairman is an Executive market announcement was made on 03rd November 2023 with the required information.</p>	☑
The Requirement for a SID	9.6.3	<p>A Listed Entity shall appoint an Independent Director as the SID in the following instances:</p> <p>i. The Chairperson and CEO are the same person</p> <p>ii. The Chairperson and CEO are Close Family Members or Related Parties</p> <p>Such appointment shall be immediately disclosed with reasons for such appointment, by way of a Market Announcement</p>	<p>The Company has appointed a Senior Independent Director since the Chairperson is an Executive Director.</p>	☑
	9.6.3 (b)	<p>The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members.</p>	<p>The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.</p>	☑
	9.6.3 (c)	<p>The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.</p>	<p>The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance</p>	☑
		<p>The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.</p>	<p>The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 132.</p>	☑

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Fitness of Directors and CEOs	9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria'	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfill the assessment criteria set out in the Listing Rules	☑
	9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	The Directors and the CEO has provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.	☑
Board Composition	9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	The Board consisted of 09 Directors up to 31st March 2024	☑
Independent Directors	9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Five Directors are Independent	☑
	9.8.3	Criteria for determining independence:	All NEDs have submitted their confirmations on Independence as per the criteria set by the Company, which is in line with the regulatory requirements.	
	9.8.5	The Board of Directors of Listed Entities shall require: (a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report. (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	Each ID signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director.	☑

CORPORATE GOVERNANCE COMMENTARY

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Disclosures relating to Directors	9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	Disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board. Please refer pages 90 to 94 for the brief resume of each Director	☑
	9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	All changes to Board Sub-Committees were immediately informed to the Colombo Stock Exchange	☑
	9.10.4	Disclosure relating to Directors	Pages 125 to 130 of the Annual Report contains the relevant information	☑
	Nominations and Governance Committee	9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Refer the Nominations and Governance Committee Report on pages 113 to 114.
9.11.4		Composition	The Nominations and Governance Committee comprises 2 Independent Non-Executive Directors and 1 Non-Executive Director. Chairman of the Committee is the Senior Independent Director.	☑
9.11.5		Functions	Refer the Nominations and Governance Committee Report on pages 113 to 114	☑
Remuneration Committee	9.12.1	Details of Remuneration Committee	Refer the Remuneration Committee Report on page 112 and Principles B1 to B3 on pages 98 to 109 of this Corporate Governance Report.	☑
	9.12.6	Composition The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity.	Remuneration Committee comprise three Independent Directors. The Chairman of the Committee is an Independent Director.	☑
	9.12.7	Functions	Refer Remuneration Committee report on page 112	☑
	9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Refer Remuneration Committee report on page 112	☑

Section	Rule No.	Corporate governance rule	Details of compliance	Compliance
Audit Committee	9.13.1	Audit & Risk Functions	Audit Committee additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	☑
	9.13.2	Written Terms of Reference	Refer Audit Committee Report on pages 110 to 111.	☑
	9.13.3	Composition	Audit Committee comprises three Independent Non-Executive Directors. Chairman of the Committee is the Senior Independent Director who is a member of a recognised professional accounting body.	☑
	9.13.4	Functions	Refer Audit Committee report on pages 110 to 111	☑
The Related Party Transactions Review Committee (RPTRC)	9.14.2	Composition	RPTRC comprises 3 Directors out of which 2 Directors are Independent. Chairman of the Committee is an Independent Non-Executive Director. Please refer the Report of the Related Party Transaction Review Committee in pages 115 to 116	☑
	9.14.3	Function	Please refer the Report of the Related Party Transaction Review Committee on pages 115 to 116	☑
	9.14.4	General Requirements	Please refer the Report of the Related Party Transaction Review Committee on pages 115 to 116	☑
	9.14.5	Review of Related Party Transactions	Please refer the Report of the Related Party Transaction Review Committee on pages 115 to 116.	☑
	9.14.7	Immediate Disclosures	Please refer Note 39 of the Notes to the Accounts on pages 145 to 222	☑
	9.14.8 (1) & (2)	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Please refer Note 39 of the Notes to the Accounts on pages 145 to 222	☑
	9.14.8. (3)	The Report by the Related Party Transaction Review Committee	Please refer the Report of the Related Party Transaction Review Committee on pages 115 to 116	☑
	9.14.8 (4)	An affirmative declaration by the Board of Directors	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on pages 125 to 130	☑
General Disclosures	9.16	Additional Disclosures	Please refer the Report of the Board of Directors on pages 131	☑

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 2024:

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 126 to 130.	☑
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Management Discussion and Analysis on pages 28 to 45 and Notes to the financial statements on pages 145 to 222.	☑
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 256 to 259.	☑
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 256 to 259.	☑

CORPORATE GOVERNANCE COMMENTARY

Rule No.	Applicable requirement	Details of compliance	Compliance
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 125 to 130.	<input checked="" type="checkbox"/>
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Risk Management on pages 117 to 122.	<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 28 to 43.	<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 176 to 186.	<input checked="" type="checkbox"/>
7.6 (ix)	Number of shares representing the Entity's stated capital.	Share Information on pages 256 to 259.	<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 256 to 259.	<input checked="" type="checkbox"/>
7.6 (xi)	Financial ratios and market price information.	Highlights on page 6, Share Information on pages 256 to 259, ten year summary on pages 247 and 248	<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 146 to 243.	<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"/>
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules.	Corporate Governance on pages 98 to 109 and 298 to 303.	<input checked="" type="checkbox"/>
7.6 (xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Entity as per audited financial statements, whichever is lower.	Notes to the Financial Statements on pages 146 to 243.	<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 2024:

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 146 to 243.	☑
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed.	Financial Statements on pages 138 to 143.	☑
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company.	Independent Auditors' Report on pages 133 to 137.	☑
168 (1) (d)	Accounting Policies and any changes therein.	Notes to the Financial Statements on pages 146 to 243.	☑
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 125 to 130.	☑
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Notes to the Financial Statements on pages 146 to 243.	☑
168 (1) (g)	Corporate donations made by the Company during the accounting period.	Notes to the Financial Statements on pages 146 to 243.	☑
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 125 to 130 and Board of the Directors on pages 90 to 94.	☑
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 146 to 243.	☑
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 125 to 130.	☑
168 (1) (k)	Acknowledgment 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 125 to 130.	☑

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

Independent practitioner's assurance report to the Board of Directors of Singer (Sri Lanka) PLC on the Integrated Annual Report FY 2023/24

Scope

We have been engaged by Singer (Sri Lanka) PLC 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 Singer (Sri Lanka) PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Singer (Sri Lanka) PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Singer (Sri Lanka) PLC

In preparing the Subject Matter, Singer (Sri Lanka) PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy,

organisational overview & external environment outlook presented in the Integrated Annual Report is presented 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 management is responsible for selecting the Criteria, and for presenting the Subject Matter 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 8 April 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment,

including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or 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 organisation creates value, the external environment, strategy, approaches to putting members first, governance and reporting.

- Obtained an understanding of the description of the organisation's strategy and how the organisation 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, Environment, 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. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's 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 information contained in the Integrated Annual Report of Singer (Sri Lanka) PLC for the year ended 31 March 2024, in order for it to be in accordance with the Criteria.

24th May 2024
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhiveli B.Com (Sp)

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INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

Independent practitioner's assurance report to the Board of Directors of [Singer (Sri Lanka) PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2023/24

Scope

We have been engaged by Singer (Sri Lanka) PLC 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 Singer (Sri Lanka) PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Singer (Sri Lanka) PLC's (the "Entity's") Integrated Annual Report/ Annual Report/ Sustainability Report for the year ended 31 March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

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 <https://www.globalreporting.org>

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented 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 management is responsible for selecting the Criteria, and for presenting the Subject Matter 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 8 April 2024.

Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in

accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or 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 organisation 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 organisation'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.

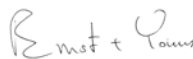
Emphasis of matter

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. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Singer (Sri Lanka) PLC for the year ended 31 March 2024, in order for it to be in accordance with the Criteria.



24th May 2024
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

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GRI CONTENT INDEX

Statement of use	Singer (Sri Lanka) PLC has reported in accordance with the GRI Standards for the period 1st April 2023 to 31st March 2024
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	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED			
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organisational details	Overview	5	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 organisation's sustainability reporting	Overview	5				
	2-3 Reporting period, frequency and contact point	Overview	4-5				
	2-4 Restatements of information	Overview	5				
	2-5 External assurance	Independent Assurance on Integrated Reporting	4				
	2-6 Activities, value chain and other business relationships	Value Creation Model	28-29, 64-66,77				
	2-7 Employees	Human Capital	59				
	2-8 Workers who are not employees	Human Capital	59				
	2-9 Governance structure and composition	Corporate Governance	98-99				
	2-10 Nomination and selection of the highest governance body	Corporate Governance	102				
	2-11 Chair of the highest governance body	Corporate Governance	114				
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	101				
	2-13 Delegation of responsibility for managing impacts	Corporate Governance		2-13	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	101				
	2-15 Conflicts of interest	Corporate Governance	289				
	2-16 Communication of critical concerns	Corporate Governance	289				
	2-17 Collective knowledge of the highest governance body	Corporate Governance		2-17	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance		2-18	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-19 Remuneration policies	Corporate Governance	113				
	2-20 Process to determine remuneration	Corporate Governance	113				
	2-21 Annual total compensation ratio	Corporate Governance		2-21	Information unavailable/incomplete	The group does not currently measure this criteria	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-22 Statement on sustainable development strategy	Corporate Governance	12-15				
	2-23 Policy commitments	Corporate Governance		2-23	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-24 Embedding policy commitments	Corporate Governance		2-24	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-25 Processes to remediate negative impacts	Corporate Governance		2-25	Information unavailable/incomplete	The group does not currently measure this criteria	
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance	105-106				
	2-27 Compliance with laws and regulations	Corporate Governance	107				
	2-28 Membership associations	Social & Relationship Capital	67				
	2-29 Approach to stakeholder engagement	Stakeholder Relationships	30-31				
	2-30 Collective bargaining agreements	Human Capital	61				
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics	36-37	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	37-38				
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	Value Added Statement	109				
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital	33				
	201-3 Defined benefit plan obligations and other retirement plans	Human Capital	215-218				
	201-4 Financial assistance received from government			201-4	Not applicable	Not relevant to the Group's operations	
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	Social & Relationship Capital	64-69, 71-74				
	203-2 Significant indirect economic impacts	Social & Relationship Capital	64-69, 71-74				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED			
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	67				
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance		205-1	Information unavailable/incomplete	The group does not currently measure this criteria	
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance	108				
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance		205-3	Information unavailable/incomplete	Not Disclosed	
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	165-167, 172-174				
	207-2 Tax governance, control, and risk management	Corporate Governance	165-167, 172-174				
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance	165-167, 172-174				
	207-4 Country-by-country reporting			207-4	Not applicable	Not relevant to the Group's operations	
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			301-3	Not applicable	The group does not currently measure this criteria	
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Natural Capital	84				
	302-2 Energy consumption outside of the organisation	Natural Capital		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

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.	
				REQUIREMENT(S) OMITTED				
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	Natural capital		303-2	Information unavailable/incomplete	The group does not currently measure this criteria		
	303-3 Water withdrawal	Natural capital	84					
	303-4 Water discharge	Natural capital	85					
	303-5 Water consumption	Natural capital	84					
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		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		306-4	Information unavailable/incomplete	Not disclosed	
	306-5 Waste directed to disposal	Natural Capital	85		306-5	Information unavailable/incomplete	Not disclosed	
Employment								
GRI 3: Material Topics 2021	3-3 Management of material topics							
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	60		401-1	Partially Reported	Partially Reported	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	62					
	401-3 Parental leave	Human Capital	63					

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED			
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				
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	61				
	403-5 Worker training on occupational health and safety	Human Capital	60				
	403-6 Promotion of worker health	Human Capital	61				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	61				
	403-8 Workers covered by an occupational health and safety management system	Human Capital	60				
	403-9 Work-related injuries	Human Capital	61				
	403-10 Work-related ill health	Human Capital	61				
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	404-1	Information unavailable/ incomplete	The group does not currently measure this criteria	
	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	62				
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	63, 100	405-1	Partially Report	Partially Reported	
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	63				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED			
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	63				
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	Social & Relationship 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	67				
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	67				
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	68				
	413-2 Operations with significant actual and potential negative impacts on local communities			413-2	Information unavailable/incomplete	The group does not currently measure this criteria	
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			414-1	Information unavailable/incomplete	The group does not currently measure this criteria	
	414-2 Negative social impacts in the supply chain and actions taken	Social & Relationship Capital	67				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO	OMISSION	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED			
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	67				
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	67				
	417-2 Incidents of non-compliance concerning product and service information and labeling			417-2	Information unavailable/incomplete	The group does not currently measure this criteria	
	417-3 Incidents of non-compliance concerning marketing communications	Social & Relationship Capital	67				

DISTRIBUTION NETWORK

Singer Shops

Ampara

Ampara - C
Akkaraipattu
Ampara
Kalmunai
Kalmunai B
Uhana
Dehiattakandiya
Padiyathalawa
Pothuvil

Anuradhapura

Anuradhapura A
Anuradhapura B
Anuradhapura C
Kahatagasdigiliya
Nochchiyagama
Rambewa
Shomes- Anuradhapura
Thalawa
Thambuttegama
Thirappane
Eppawela
Galenbidunuwewa
Galnewa
Habarana
Kekirawa
Kekirawa - B
Horowpathana
Kebithigollewa
Medawachchiya

Badulla

Badulla
Badulla - C
Badulla B
Bandarawela
Bandarawela B
Bandarawela -C
Diyathalawa
Hali-Ela
Haputhale
Shomes-Badulla
Girandurukotte
Mahiyangana
Mahiyangana - B
Meegahakiula
Passara
Welimada - B
Welimada A

Batticaloa
Batticaloa
Batticaloa B
Chenkalady
Kalawanchikudy
Kattankudy

Colombo

Colpetty
Dehiwela
Kotahena
Mattakkuliya
Milagiriya
Thimbirigasyaya
Union Place
Union Place - B
Wellawatta
Boralesgamuwa
Borella C
Delkanda
Kohuwela
Maradana
Pita-Kotte
Samsung -Nugegoda
Ward Place
Wellampitiya
Angoda
Athurugiriya
Battaramulla
Gothatuwa
Kaduwela
Malabe
Pelawatta
Thalawathugoda
Avissawella
Avissawella - B
Hanwella
Homagama
Homagama - B
Kottawa
Maharagama
Maharagama B
Padukka
Shomes- Godagama
Attidiya
Katubedda
Moratuwa
Moratuwa - B
Piliyandala
Piliyandala B
Piliyandala - C
Rathmalana

Galle

Imaduwa
Neluha
Ambalangoda
Elpitiya
Hikkaduwa
Pitigala
Thalgaswala
Ahangama
Baddegama
Galle - C
Galle B
Galle-A
Karapitiya
Pinnaduwa
Wanduramba
Weligama

Gampaha

Dompe
Gampaha
Ganemulla
Kadawatha A
Kadawatha B
Mawaramandiya
Pugoda
Shomes-Kadawatha
Weliveriya
Yakkala
Delgoda
Divulpitiya
Katana
Kochchikade
Maradagahamulla
Negombo
Negombo - C
Seeduwa
Shomes-Negombo
Hiripitiya
Kirindiwela
Kirindiwela - B
Mirigama
Mirigama - B
Nittambuwa
Nittambuwa - B
Pasyala
Veyangoda
Veyangoda - B
Ja Ela - B
Ja-Ela
Kandana

Kiribathgoda B
Minuwangoda
Minuwangoda - B
Peliyagoda
Ragama
Wattala

Hambantota

Ambalantota
Ambalanthota B
Angunakolapelessa
Hambantota
Kataragama
Middeniya
Suriyawewa
Tissamaharama
Tissamaharama – B
Beliatta
Tangalle

Jaffna

Chankani
Chavakachcheri
Chunnakam - B
Jaffna
Jaffna Pannai Branch
Jaffna-Hospital Road
Kodikamam
Manipay
Nelliady
Point Pedro
Murunkan

Kalutara

Aluthgama
Beruwela
Darga Town
Agalawatta
Baduraliya
Bandaragama
Bulathsinghala
Horana
Ingiriya
Kalutara A
Mathugama
Matugama - B
Pelawatta-Matu
Shomes-Kalutara
Wadduwa
Panadura
Panadura - B

Kandy

Digana
Digana - B
Katugastota
Katugastota - B
Kundasale
Poojapitiya
Rikillagaskada
Ududumbara
Wattegama
Gampola
Gampola - C
Gampola B
Geliya
Ginigathhena
Hatton
Nawalapitiya
Pussellawa
Galaha
Kandy
Kandy - B
Mawanella
Mawanella - B
Peradeniya
Pilimathalawa
Pilimathalawa - B
Shomes- Kandy
Akurana
Alawathugoda

Kegalle

Dehiowita
Deraniyagala
Kegalle
Kegalle - C
Kegalle B
Kotiyakumbura
Polgahawela
Ruwanwella
Shomes-Kegalle
Yatyanthota
Rambukkana
Warakapola
Warakapola – B

Kilinochchi
Kilinochchi
Kilinochchi – B

DISTRIBUTION NETWORK

Kurunegala

Bingiriya
Hettipola
Kuliyapitiya
Kuliyapitiya - B
Ibbagamuwa
Kurunegala - D
Kurunegala B
Kurunegala C
Mawathagama
Narammala
Narammala - B
Pothuhara
Rideegama
Galewela - B
Melsiripura
Giriulla
Pannala
Galgamuwa
Katupotha
Maho
Nikawaratiya - B
Nikaweratiya
Polpithigama
Wariyapola
Alawwa

Matara

Akuressa
Akuressa - B
Deniyaya
Kamburupitiya
Morawaka
Urubokka
Dickwella
Dickwella - B
Hakmana
Issadeen Town
Matara-A
Matara-B
Shomes-Matara

Mannar

Mannar

Mullaitivu

Mallavi
Mullaitivu
Puthukudiyiruppu

Matale

Dambulla
Wilgamuwa
Matale
Matale - B
Naula
Pallepola
Rattota
Shomes- Matale

Moneragala

Bibile
Badalkumbura
Buttala
Monaragala
Monaragala - B
Siyambalanduwa
Wellawaya

Nuwara Eliya

Nuwaraeliya - C
Nuwaraeliya A
Nuwaraeliya-B
Thalawakelle

Polonnaruwa

Aralaganwila
Bakamoona
Diyasenapura
Hingurakgoda
Jayanthipura
Kaduruwela
Kaduruwela B
Medirigiriya
Polonnaruwa
Welikanda
Parakramapura

Puttalam

Chilaw
Nattandiya
Norochcholai
Puttalam
Shomes- Chilaw
Wennappuwa
Dankotuwa
Anamaduwa

Ratnapura

Balangoda
Balangoda - B
Embilipiti New Town
Embilipitiya
Godakawela
Kahawatta
Kahawatta - B
Eheliyagoda
Eheliyagoda - B
Kalawana
Kiriella
Kuruwita
Nivithigala
Rathnapura - C
Rathnapura A
Rathnapura B
Shomes-Rathnapura

Trincomalee

Pelmadulla
Pelmadulla - B
Trincomalee
Trincomalee B
Kantalai
Muttur

Vavuniya

Vavuniya
Vavuniya - B

Lite Shop

Nawa Medagama
Wilachchiya
Lunugala
Kokkadicholai
Kelaniya
Ukuwela
Pabahinna
Pallebedda
Dippitiya
Bulathkohupitiya
Piduruwela

Budget-Shop

Budget-Shop -Borella
Budget-Shop Udahamul
Budget Shop-Horana
Budget Shop-Moratuwa

Budget Shop-
Katugasthota
Budget Shop Kurunegala
Budget Shop-Eheliyagoda
Budget Shop-Dambulla

Singer Mega

Mega Malabe
Mega Kaduwela
Mega Borelasgamuwa
Mega Peliyagoda
Mega Thurstan Road
Mega Kotte
Mega Mount Lavinia
Mega Nugegoda
Mega Rajagiriya
Mega Colpetty
Mega Maharagama
Mega Thalawathugoda
Mega Katubedda
Mega Kottawa
Mega Nugegoda B
Mega Beko & Sony
Havelock City
One Galle Face
Mega Ratmalana
Mega Kiribathgoda
Mega Negombo
Mega Wattala
Mega Ja-Ela
Mega Gampaha
Mega Panadura
Mega Kaluthara
Mega Kandy
Mega Kandy City Centre
Mega Kurunegala
Mega Warehouse

Approved Dealers

Badulla

Ettampitiya
Haldummulla

Colombo

Kosgama
Moragahahena

Galle

Habaraduwa

Hambantota

Walasmulla
Weeraketiya

Kandy

Galagedara
Menikhinna
Kadugannawa

Kegalle

Hemmathagama

Kurunegala

Kobeigane

Matale

Yatawatte

Matara

Pitabeddara

Matale

Polwatta

Moneragala

Thanamalwila
Medagama

Nuwara Eliya

Walapane

Polonnaruwa

Diyabeduma

Ratnapura

Kolonne

Vavuniya

Settikulam

Other

Katunayake Duty Free
Store

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

Return Product Repair Centers

B M N Engineering
Cool Breeze
Jayakody Repair
K Tronic
K V Electronic
Kariyawasam
Kumara Electronic
Lahiru Ref
Pradeep Chaminda Perera
S A Electricals
S J V Bulathgama
S N Com Sys
Sampath Electrical
Super Tec
T.S.Electronic

Mobile Phone & Computer Service Franchise Agents

Akila-Ambalanthota (Shadow Computer And Video House)
Buddi-Avissawella (Bestway Computers)
Care 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)
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)
Rangana Perera - Kelaniya (Progres Computer Technology)
Rayan Saliya - Kandy (Rayan Zone)
Really Techzone
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)

Shammi - Middeniya (Ranmak Tech Solution (Pvt) Ltd)
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)
Weerakoon-Dambulla (Eteam Technologies)
Western Digital Computer Systems And Electronics (Pvt) Ltd
Wimal-Anuradhapura (Rapid Computer)
Hasitha Electronics and Electricals
THIRD EYE TECHNOLOGIES
Colombo Trading International Pvt Ltd
Arotel Mobile
Yurani Technologies

Corporate Service

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
Kool Rite Services
Lahiru Ref
Melona Air Con Services
Metro Engineering
New Ashen Electricals
New Dynamic Ref Engineers
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
Snow Feel
Sri Lanken Engineering
Sun Ref Engineers

Super Cool Air Condition
Techway Services
Tempcool Engineering
Wishu Air Cool
Yellowma Airconditioning

Vavuniya

Ayesha Electricals
Emil Electronics
Europa Spears
Majee A/C & Electrical (Vavuniya)
North Air Kilinochchi - Sc Vavuniya
Pacifia Cool Mount Kilinochchi - Sc
Presad Signees
Raj Motor Winding
Chandana Furniture
BL ELECTRONICS
M.R. COOLING
JC Lanka Machinery

Ratnapura

Amangi Electronics
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
Nalin Ref Engineers
T Mech Ref & Air
RTS Electricals

Polonnaruwa

Ananda Electricals
Ashoka Ref
Dj Engineers
Express Cooling Centre
J & P Electronics
Mahaweli Electronics
Manjula Ref & Cool
Mr K.P.G.C.K. Kottagepitiya

Niluka Ref & Electricals
Nipuna Marasinghe Ref Cool
Subasinghe Ref Engineers
Thilak Electronics
Udarata Motors
Udaya Motors
Yehara Sewing Machine Centre

Matara

C.J. Electricals
Chaminda Air Ref Engineering
Dammika Sewing Machine Service
Dharshana Industries
Emano Air Cooler
E Max Electricals
Isuru Aero Tec
Jayoda Cushion Works
Lal Electronics
Lion Electronics
New Shiny Electronics
New Freeze Air
Nilanka Pathirana Ref Centre
Penguin International
Prince Electricals
Priyantha Ref Engineers
Rohan Ref Centre
Ruhunu Ref & Air Services
Sd Machine Service Centre
Sigma Electronics
Thisara Ref & Electricals
U D Ref Engineering
Uduwella Ref Engineering
Go First Industries
Sampath Engineering Works-Kataragama

Pasyala

ACT Engineering
Aysha Ref & AC Engineering
Chicko AC Mec
Cool Plus
Deepthi Sewing Machine Service
Herath Electricals
Kavia Engineering
Kavindu Ref N Air
New Pc House
P P Wickramasinghe
Pradeep Ref Engineers
S T S Technical Service
Saleena Electronics
SD Machine
Silicone Electronics
Sisira Furniture
Sumith Motor Works

Super Electronics & Air Technics
Susantha Ref Electricals
Techno Ref & Air Enterprises
Thilak Electricals
Udaya Ref
GPJ Ref Engineers
Dinu Electricals
Lakshan Electricals
Red Air
Cool World Ref & Air Con. Engineering Service

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 - Easy Cool
Maharagama - Keerthi De Jayasinghe Engineering
Maharagama - Ranmadu Sewing Machine Agent
Maharagama - Super Cool
Maharagama - Ushan Electricals
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
LAHIRU ELECTRICALS
NUWAN ENGINEERING
High Cool Air & Ref Center

Kuliyapitiya

Adhikari Ref
Cool Air Technology
CS Ref Engineers
Freezair
High Cool Engineer
Mahesh Electricals & Services
Malaka Machine Service Center
Modern Air Condition
Nethushi Taylors & Machine S/C
New Leeds Electronics
Prabath Ref And Air
S P L Technologies
S S Machine Center
Samodha Electronics & Services

Sanjewa Auto Works
Senarathne Air Condition
Sisira Furniture
Sri Ishara Madushika Furniture
Tamasha Electricals
Techno Frost
Thapobaane International
Ultra Air Conditioning
Valiants Cooling And Services
Wasantha Air Condition
World Air Conditioner

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 Services
Snow Cool Engineers
Srimal Electrical
Super Air Electrical Works
Super Electronics And Air Technics (Kandy)
Tech Mart Ref Engineers
Thapobaane International
Thisara Electronics And Electricals
Thushara Electronics
Thushara Engineers & Motor Works
Vimod Electricals
Vithanage Electricals
Neon Electrical

SERVICE NETWORK

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
VIJI AIR CONDITIONERS
SS MULTI PROFESSIONAL

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
Electro-Frost
ER ENGINEERS - COLOMBO
Geliater Engineering-Colombo
Hirumal Air Condition Services - Colombo
Kapila Machine Repair
Melona Aircon Services - Colombo
MLK Electronics
New Ashen Electricals - Colombo
New Dynamic Ref Engineers - Colombo
Power Link - Colombo
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
Tempcool Engineering - Colombo
United Air Cool-Colomobo
Wasantha Electronics
Yellowma Air-Conditioning - Colombo
Yoshitha Machine Center

KUMARA ELECTRONICS
DANUKA ENGINEERING COMPANY
SAT ENGINEERING
T C AIR COOL
DIMORA REF AND COOL
SENEVIRATNE REF & AIR CONDITIONER
SERVICES
K&D REF & AIR CONDITION
RICH EYE ENGINEERING
AIR UNIQUE PVT LTD

Badulla

Aruna Electricals
Balendran Machine Center
Chandana Electronic
Cool Air Engineering (Pvt) Ltd
Cool D Center
Dream Electrical
Hiruna Electronics
Hishan Electricals
Keshala Electricals
Kavee Electronic
Machine Centre - Bibile
Piyal Motors
Rajapaksha Electricals
Ravi Service Technology
Refco Electricals
Rooban Furniture
Sameera Cooling Service
Sewing Tec Machine Service
Shenu Electricals
Tele Lab
Tharindu Electricals
Thilina Electrical
Wasantha Mechanical & Electrical
Wasantha Sofa Coordinator
Youth Electronics

Anuradhapura
B T Technology
Buddhika Electricals
Dream Home Furniture
Indunil Ref
J C Lanka Machinery
Luck Cool Ref Engineers
Madawa Motors
Malik Ref Electricals
New Gihan Service
Ransri Electronics
Sumedha Electronics
Sumudu Electricals
Lahiru Ref Engineers
K D Engineers
KLK Air Engineering

Ampara

Air Golden Enterprises
Akele
Ameesha Electricals
Amila Srilal Dissanayake
Aruna Ref & Electricals
Chill Air Refrigeration
Cool Air Rel & Electrical
Isuru Electrical
Isuru Sameera Cushion Work
Januda Ref & Electricals
Life Line Enterprises
Magic Cool Air Con
R.M.M.Sofa Repair
Ravie
S R Vikum Prasanna
Smart Cool Air
Speed Cool
Techno Cool
ULTRACOOOL
Umjah

Aluthgama

Air Cool
Amal Ref & Electricals
Ashan Electronics & Electricals
Benaragama Engineering
Cool Line Air Condition
Cool Tech Engineering (Sc Aluthgama)
Dinan Machine Centre
Global Electricals
Lal-Electronics
Mendis Cool Solution Work Shop
New Air Tech
New Darshana Electronics
Nimnethu Electronics
Nishantha Repair Center
Pradeep Ref & Electricals Engineering
Sausiri Electrical
Senevirathne Air Condition
Silver Dale Electronics
Siri Electricals
Sola Edge Cooling & Power Solution
WISHU AIR COOL
Sameera Electrical
DS Electrical

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 number of ordinary shares outstanding at the Balance Sheet date.

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

NOTICE IS HEREBY GIVEN THAT THE FORTY NINTH ANNUAL GENERAL MEETING OF SINGER (SRI LANKA) PLC will be held on **Tuesday, 25th June 2024 at 3.00 p.m.** at the Chas P. Hayley Lounge 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 2024 with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. Hisham Jamaldeen, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.
3. To re-elect as a Director Mr. Dilip De S. Wijeyeratne, who retires by rotation at the Annual General Meeting in terms of Article 24(4) of the Articles of Association of the Company.
4. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. Mohan Pandithage in terms of Section 211 of the Companies Act No. 07 of 2007.

Ordinary Resolution

'That Mr. Abeyakumar Mohan Pandithage, who has attained the age of seventy three 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'.

5. To authorise the Directors to determine donations and contributions to charities for the ensuing year.
6. To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the year 2024/25 and to authorise the Directors to determine their remuneration.
7. To consider any other business of which due notice has been given.

By Order of the Board,
SINGER (SRI LANKA) PLC



HAYLEYS GROUP SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
30th May 2024

Notes:

1. The Annual Report of the Company for 2023/24 is available on the corporate website www.singersl.com 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 him/her 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. A shareholder who requires a hard copy of the Annual Report must post or handover the duly completed 'Request Form - Annexure A' 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 Ninth Annual General Meeting of the Company to be held on Tuesday, 25th June 2024 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 2024 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Mr. Hisham Jamaldeen, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Mr. Dilip De S. Wijeyeratne, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
4. 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"/>
5. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the year 2024/25 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this day of 2024.

.....
 Signature

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)
Mahesh Wijewardene
Group Chief Executive Officer
Deepal Sooriyaarachchi
Dumith Fernando
Hisham Jamaldeen
Sarath Ganegoda
Dilip De S. Wijeyeratne
Gayani de Alwis
Brindhini Perera
Sujeewa Perera
(Alternate Director to Mahesh
Wijewardene - Ceased to be Alternate
w.e.f 27th February 2024)
Kapila Perera
(Alternate Director to Hisham
Jamaldeen - Ceased to be Alternate
w.e.f. 20th January 2024)

Senior management

Mahesh Wijewardene
Group Chief Executive Officer
Sujeewa Perera
Director - SSL Factory and Logistics
Kelum Kospelawatta
Factory Director - Refrigerator and
Washing Machine Factory
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
Shalinka Seresinhe
Finance Director
Janmesh Antony
Marketing Director
Indika Gunathilake
Deputy Director – B2B and Emerging
Channels
Aruna Kolambage
Deputy Factory Director - Singer
Industries Factory
Irzan Carder
Deputy Director – Risk Management
Priyanjith Meegoda
Deputy Director – Hire Purchase and
Credit
Kasun Udayanga
Deputy Director – Service and Process
Development
Damitha Serasinghe
Deputy Director – Information
Technology
Asantha Karunarathne
Senior Manager –
Merchandising and Promotions
Ransiri Perera
Group Administration Manager
Hemantha Perera
Senior Manager – Budgeting and
Planning
Terrence Martyn
Senior Manager – Sewing and Business
School
Piyum Jayatilake
Marketing Manager
Thanuja Senaviratne
Senior Manager Information Technology
– 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
Indika Perera
Business Development Manager –
Wholesale
Suren Kanishka
Senior Manager – Promotions
Upul Peiris
Business Development Manager –
Retail (South)
Sampath Jayatilake
Senior Manager – Human Resources
Priyantha Wettewa
Factory Manager - Regnis Appliances
(Private) Limited
Shirani Edirisinghe
Senior Manager Human Resources -
Factory
Mohamed Hanas
Business Development Manager –
Digital Media
Dr. Mahinda Balasuriya
Head of Regulatory and Quality
Assurance
Upali Ganehiarachchi
Head of Business Development
Manager – Agro and General Trading
Lasanka Arunajith
Head of Logistics
Gihan Jayawardana
Operations Manager – Furniture
Sujith Sirimanne
Business Development Manager –
North
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
Minuwan Gunaratne
Business Development Manager -
Singer Mega Channel
Prasad Dasanayake
Head of Operations - Regnis Factory
Vinod Gamage
Senior Manager - Manufacturing
Finance
Darshana Appuhamy
Marketing Manager

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