



# **SOFTLOGIC HOLDINGS PLC**

INTERIM FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED  
31 MARCH 2023

# Softlogic Holdings PLC

## CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022	Change as a %	Un-audited 3 months to 31-03-2023	Un-audited 3 months to 31-03-2022	Change as a %
<b>Continuing operations</b>						
Revenue from contract with customers	72,855,069	89,125,133	(18)	18,326,162	20,646,608	(11)
Revenue from insurance contracts	20,458,558	19,165,724	7	5,345,006	5,291,070	1
Interest income	3,925,136	2,937,818	34	1,026,161	867,401	18
<b>Total revenue</b>	<b>97,238,763</b>	<b>111,228,675</b>	<b>(13)</b>	<b>24,697,329</b>	<b>26,805,079</b>	<b>(8)</b>
Cost of sales	(62,598,709)	(73,858,671)	(15)	(16,831,027)	(16,463,397)	2
<b>Gross profit</b>	<b>34,640,054</b>	<b>37,370,004</b>	<b>(7)</b>	<b>7,866,302</b>	<b>10,341,682</b>	<b>(24)</b>
Other operating income	1,592,852	1,386,996	15	473,454	644,839	(27)
Distribution expenses	(4,390,429)	(3,709,614)	18	(1,757,620)	(1,213,928)	45
Administrative expenses	(26,026,531)	(25,019,645)	4	(6,788,861)	(11,208,457)	(39)
<b>Results from operating activities</b>	<b>5,815,946</b>	<b>10,027,741</b>	<b>(42)</b>	<b>(206,725)</b>	<b>(1,435,864)</b>	<b>(86)</b>
Finance income	7,627,654	4,707,864	62	1,384,634	2,364,252	(41)
Finance expenses	(29,086,945)	(13,728,388)	112	(7,216,435)	(7,594,920)	(5)
<b>Net finance cost</b>	<b>(21,459,291)</b>	<b>(9,020,524)</b>	<b>138</b>	<b>(5,831,801)</b>	<b>(5,230,668)</b>	<b>11</b>
Change in fair value of investment property	77,486	157,920	(51)	77,486	157,920	(51)
Share of profit/ (loss) of equity accounted investees	36,091	(12,574)	(387)	33,096	(741)	(4,566)
Change in insurance contract liabilities	(1,948,266)	(4,713,850)	(59)	73,208	(1,695,599)	(104)
<b>Loss before tax</b>	<b>(17,478,034)</b>	<b>(3,561,287)</b>	<b>391</b>	<b>(5,854,736)</b>	<b>(8,204,952)</b>	<b>(29)</b>
Tax expense	(3,054,582)	(1,716,499)	78	(737,876)	(27,978)	2,537
<b>Loss for the period</b>	<b>(20,532,616)</b>	<b>(5,277,786)</b>	<b>289</b>	<b>(6,592,612)</b>	<b>(8,232,930)</b>	<b>(20)</b>
<b>Attributable to:</b>						
Equity holders of the parent	(21,733,979)	(8,170,817)	166	(6,413,657)	(8,829,243)	(27)
Non-controlling interest	1,201,363	2,893,031	(58)	(178,955)	596,313	(130)
	<b>(20,532,616)</b>	<b>(5,277,786)</b>	<b>289</b>	<b>(6,592,612)</b>	<b>(8,232,930)</b>	<b>(20)</b>
<b>Loss per share</b>						
Basic	(18.22)	(6.85)	166	(5.38)	(7.40)	(27)

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022	Change as a %	Un-audited 3 months to 31-03-2023	Un-audited 3 months to 31-03-2022	Change as a %
<b>Loss for the period</b>	<b>(20,532,616)</b>	<b>(5,277,786)</b>	<b>289</b>	<b>(6,592,612)</b>	<b>(8,232,930)</b>	<b>(20)</b>
<b>Other comprehensive income</b>						
<b>Continuing operations</b>						
<b>Other comprehensive income to be reclassified to income statement in subsequent periods</b>						
Currency translation of foreign operations	6,530	(65,404)	(110)	17,498	(70,093)	(125)
Net change in fair value on derivative financial instruments	(471,672)	(3,161,777)	(85)	1,698,061	(3,082,197)	(155)
Net profit/ (loss) on financial instruments at fair value through other comprehensive income	(256,113)	(592,267)	(57)	181,934	(263,478)	(169)
Net other comprehensive gain/ (loss) to be reclassified to income statement in subsequent periods	(721,255)	(3,819,448)	(81)	1,897,493	(3,415,768)	(156)
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>						
Revaluation of land and buildings	6,575,275	7,734,185	(15)	6,575,275	7,697,160	(15)
Re-measurement gain/ (loss) on employee benefit liabilities	374,488	(826)	(45,438)	348,273	9,277	3,654
Share of other comprehensive income/ (loss) of equity accounted investments (net of tax)	847	(32)	(2,747)	847	(32)	(2,747)
Net profit/ (loss) on equity instruments at fair value through other comprehensive income	(282,073)	(647,981)	(56)	186,948	(367,778)	(151)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	(3,492,794)	(1,078,311)	224	(2,353,024)	(1,078,311)	118
Net other comprehensive income not to be reclassified to income statement in subsequent periods	3,175,743	6,007,035	(47)	4,758,319	6,260,316	(24)
<b>Other comprehensive income from continuing operations for the period, net of tax</b>	<b>2,454,488</b>	<b>2,187,587</b>	<b>12</b>	<b>6,655,812</b>	<b>2,844,548</b>	<b>134</b>
<b>Total comprehensive income/ (loss) for the period, net of tax</b>	<b>(18,078,128)</b>	<b>(3,090,199)</b>	<b>485</b>	<b>63,200</b>	<b>(5,388,382)</b>	<b>(101)</b>
<b>Attributable to:</b>						
Equity holders of the parent	(19,781,032)	(7,141,549)	177	(1,309,118)	(7,483,995)	(83)
Non-controlling interest	1,702,904	4,051,350	(58)	1,372,318	2,095,613	(35)
	<b>(18,078,128)</b>	<b>(3,090,199)</b>	<b>485</b>	<b>63,200</b>	<b>(5,388,382)</b>	<b>(101)</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 31-03-2023	Audited as at 31-03-2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,172,908	61,135,972
Right of use assets	7,774,205	8,457,434
Investment property	2,252,523	2,175,037
Intangible assets	8,180,697	8,461,213
Investments in equity accounted investments	61,213	44,274
Non-current financial assets	34,748,103	26,147,879
Rental receivable on lease assets and hire purchase	7,094,383	10,218,694
Other non-current assets	15,743,301	7,660,414
Deferred tax assets	2,780,103	3,027,670
	<b>140,807,436</b>	<b>127,328,587</b>
<b>Current assets</b>		
Inventories	10,493,112	13,471,197
Trade and other receivables	10,406,513	9,505,878
Loans and advances	7,756,234	7,266,487
Rental receivable on lease assets and hire purchase	726,456	1,044,190
Amounts due from related parties	83,358	1,902,457
Other current assets	3,634,471	3,997,872
Short term investments	10,213,339	15,064,502
Cash in hand and at bank	5,048,898	9,123,612
	<b>48,362,381</b>	<b>61,376,195</b>
<b>Total assets</b>	<b>189,169,817</b>	<b>188,704,782</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Stated capital	12,119,235	12,119,235
Revenue reserves	(49,239,419)	(26,397,403)
Other components of equity	8,869,634	5,844,134
	<b>(28,250,550)</b>	<b>(8,434,034)</b>
Non-controlling interests	14,979,997	14,031,498
<b>Total equity</b>	<b>(13,270,553)</b>	<b>5,597,464</b>
<b>Non-current liabilities</b>		
Insurance contract liabilities	24,462,093	22,559,124
Interest bearing borrowings	46,276,923	38,969,574
Lease liabilities	6,086,079	6,112,687
Public deposits	3,094,921	2,516,825
Deferred tax liabilities	7,203,342	3,266,142
Employee benefit liabilities	1,550,632	1,710,208
Other deferred liabilities	41,476	226
Other non-current financial liabilities	777,906	738,829
	<b>89,493,372</b>	<b>75,873,615</b>
<b>Current liabilities</b>		
Trade and other payables	21,199,271	29,157,350
Amounts due to related parties	28,919	28,919
Income tax liabilities	1,822,350	798,778
Other current financial liabilities	53,077,397	37,678,829
Current portion of interest bearing borrowings	14,022,779	15,608,025
Current portion of lease liabilities	1,480,371	1,824,452
Other current liabilities	2,840,927	2,382,595
Public deposits	9,335,704	13,065,182
Bank overdrafts	9,139,280	6,689,573
	<b>112,946,998</b>	<b>107,233,703</b>
<b>Total equity and liabilities</b>	<b>189,169,817</b>	<b>188,704,782</b>

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

**-sgd-**

Head of Finance

The Board of directors is responsible for the preparation and presentation of these financial statements.

**-sgd-**

Chairman

**-sgd-**

Director

01 December 2023

Colombo

# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### GROUP

In Rs. '000	Attributable to equity holders of parent											Non-controlling interest	Total equity
	Stated capital	Restricted regulatory reserve	Non-distributable regulatory loss allowance reserve	Revaluation reserve	Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
<b>As at 01 April 2022</b>	<b>12,119,235</b>	<b>309,613</b>	-	<b>12,448,948</b>	<b>(141,749)</b>	<b>(1,339,562)</b>	<b>263,436</b>	<b>(1,670,898)</b>	<b>(4,025,654)</b>	<b>(26,397,403)</b>	<b>(8,434,034)</b>	<b>14,031,498</b>	<b>5,597,464</b>
Profit/ (loss) for the year	-	-	-	-	-	-	-	-	-	(21,733,979)	<b>(21,733,979)</b>	1,201,363	<b>(20,532,616)</b>
Other Comprehensive income/ (loss)	-	-	-	2,439,793	5,823	(220,763)	-	-	(471,252)	199,346	<b>1,952,947</b>	501,541	<b>2,454,488</b>
<b>Total Comprehensive income/ (loss)</b>	-	-	-	2,439,793	5,823	(220,763)	-	-	(471,252)	(21,534,633)	<b>(19,781,032)</b>	1,702,904	<b>(18,078,128)</b>
Transfer to non-distributable regulatory loss allowance reserve	-	-	1,289,892	-	-	-	-	-	-	(1,289,892)	-	-	-
Revaluation transfer on disposals	-	-	-	-	-	-	-	-	-	(16,277)	<b>(16,277)</b>	(380)	<b>(16,657)</b>
Direct cost on issue of share	-	-	-	-	-	-	-	-	-	(1,214)	<b>(1,214)</b>	(432)	<b>(1,646)</b>
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(17,993)	-	-	<b>(17,993)</b>	(12,718)	<b>(30,711)</b>
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(740,875)	<b>(740,875)</b>
<b>As at 31 March 2023</b>	<b>12,119,235</b>	<b>309,613</b>	<b>1,289,892</b>	<b>14,888,741</b>	<b>(135,926)</b>	<b>(1,560,325)</b>	<b>263,436</b>	<b>(1,688,891)</b>	<b>(4,496,906)</b>	<b>(49,239,419)</b>	<b>(28,250,550)</b>	<b>14,979,997</b>	<b>(13,270,553)</b>
<b>As at 01 April 2021</b>	12,119,235	309,613	-	7,662,068	(77,382)	(816,260)	263,436	(793,132)	(866,581)	(18,215,716)	<b>(414,719)</b>	12,421,171	<b>12,006,452</b>
Profit/ (loss) for the year	-	-	-	-	-	-	-	-	-	(8,170,817)	<b>(8,170,817)</b>	2,893,031	<b>(5,277,786)</b>
Other Comprehensive income/ (loss)	-	-	-	4,786,880	(64,367)	(530,252)	-	-	(3,159,073)	(3,920)	<b>1,029,268</b>	1,158,319	<b>2,187,587</b>
<b>Total Comprehensive income/ (loss)</b>	-	-	-	4,786,880	(64,367)	(530,252)	-	-	(3,159,073)	(8,174,737)	<b>(7,141,549)</b>	4,051,350	<b>(3,090,199)</b>
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-	6,950	-	-	-	(6,950)	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(877,766)	-	-	<b>(877,766)</b>	(440,999)	<b>(1,318,765)</b>
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(2,000,024)	<b>(2,000,024)</b>
<b>As at 31 March 2022</b>	<b>12,119,235</b>	<b>309,613</b>	-	<b>12,448,948</b>	<b>(141,749)</b>	<b>(1,339,562)</b>	<b>263,436</b>	<b>(1,670,898)</b>	<b>(4,025,654)</b>	<b>(26,397,403)</b>	<b>(8,434,034)</b>	<b>14,031,498</b>	<b>5,597,464</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022
<b>CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax from continuing operations	(17,478,034)	(3,561,287)
<b>Adjustments for:</b>		
Finance income	(7,627,655)	(4,707,864)
Finance cost	29,086,945	13,728,388
Change in fair value of investment property	(77,486)	(157,920)
Share of results of equity accounted investees	(36,091)	12,574
Gratuity provision and related cost	416,320	302,647
Provisions for/ write-off of impaired receivables	38,282	2,902,544
Provision for write-off of inventories	81,926	128,888
Provisions for/ write-off of loans and advances	1,351,241	1,049,489
Provisions for/ write-off of investments in lease and hire purchase	311,326	148,957
Depreciation of property, plant and equipment	3,799,968	3,508,460
Profit on sale of property, plant and equipment	(57,816)	(16,893)
(Profit)/ loss on sale of investments	-	(107)
Impairment of investments	1,614,212	709,291
Change in fair value of put option liability	-	(154,609)
Amortisation/ impairment of intangible assets	308,460	319,553
Impairment/ derecognition of property, plant and equipment and right of use assets	6,874	25,996
Amortisation right of use assets	2,030,702	1,828,595
<b>Profit before working capital changes</b>	<b>13,769,174</b>	<b>16,066,702</b>
Increase/ (decrease) in inventories	2,896,158	(1,157,055)
Increase in trade and other receivables	(938,917)	(379,427)
(Increase)/ decrease in loans and advances	(916,511)	637,487
(Increase)/ decrease in investments in lease and hire purchase	3,130,720	(6,149,137)
(Increase)/ decrease in other current assets	321,320	(266,519)
Increase/ (decrease) in amounts due from related parties	1,819,099	(1,900,184)
Increase/ (decrease) in trade and other payables	(7,379,446)	610,704
Decrease in amounts due to related parties	-	(3,073)
Increase in other current liabilities	483,185	1,383,649
Increase in deferred income	16,402	19,524
Increase/ (decrease) in public deposits	(3,151,381)	1,001,189
Increase in insurance contract liabilities	1,902,970	4,713,850
<b>Cash generated from operations</b>	<b>11,952,773</b>	<b>14,577,710</b>
Finance income received	6,738,599	1,088,262
Finance expenses paid	(25,272,582)	(5,624,495)
Dividend received	17,000	-
Tax paid	(1,305,885)	(708,063)
Gratuity paid	(201,408)	(187,294)
<b>Net cash flow from/ (used in) operating activities</b>	<b>(8,071,503)</b>	<b>9,146,120</b>
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Purchase and construction of property, plant and equipment	(4,017,034)	(3,534,092)
Addition to intangible assets	(27,800)	(29,790)
Increase in other non-current assets	(2,273,842)	(2,176,269)
(Purchase)/ disposal of short term investments (net)	3,288,807	(278,880)
Dividends received	153,783	9,035
Purchase of non-current financial assets	(10,519,303)	(5,790,239)
Proceeds from sale of property, plant and equipment	149,237	92,194
<b>Net cash flow used in investing activities</b>	<b>(13,246,152)</b>	<b>(11,708,041)</b>

# Softlogic Holdings PLC

## CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022
<b>CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from shareholders with non-controlling interest on issue of equity shares in subsidiaries	2,374	8,467
Direct cost on issue of shares	(1,646)	-
Dividend paid to non-controlling interest	(1,406,972)	(1,355,050)
Increase in interest in subsidiaries	(33,085)	(1,327,839)
Proceeds from long term borrowings	12,294,373	8,899,757
Repayment of long term borrowings	(10,356,432)	(10,037,516)
Repayment of lease liabilities	(2,572,748)	(2,771,691)
Increase/ (decrease) in other non-current financial liabilities	39,077	61,332
Proceeds from/ (repayment of) other current financial liabilities (net)	15,398,568	11,174,294
<b>Net cash flow from financing activities</b>	<b>13,363,509</b>	<b>4,651,754</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(7,954,146)	2,089,833
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>12,620,733</b>	<b>10,535,990</b>
Effect of exchange rate changes	2,182	(5,090)
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>4,668,769</b>	<b>12,620,733</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
<b>Favourable balances</b>		
Cash in hand and at Bank	5,048,898	9,123,612
Short term investments	8,759,151	10,186,694
<b>Unfavourable balances</b>		
Bank overdrafts	(9,139,280)	(6,689,573)
<b>Cash and cash equivalents</b>	<b>4,668,769</b>	<b>12,620,733</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY INCOME STATEMENT

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022	Change as a %	Un-audited 3 months to 31-03-2023	Un-audited 3 months to 31-03-2022	Change as a %
Revenue from contract with customers	750,593	978,493	(23)	195,012	244,744	(20)
Cost of sales	(402,373)	(387,452)	4	(115,079)	(95,220)	21
<b>Gross profit</b>	<b>348,220</b>	<b>591,041</b>	<b>(41)</b>	<b>79,933</b>	<b>149,524</b>	<b>(47)</b>
Dividend income	17,767	1,712,285	(99)	17,767	751,758	(98)
Other operating income	25,589	36,109	(29)	19,839	7,852	153
Administrative expenses	(547,203)	(1,441,080)	(62)	(177,268)	(1,135,838)	(84)
<b>Results from operating activities</b>	<b>(155,627)</b>	<b>898,355</b>	<b>(117)</b>	<b>(59,729)</b>	<b>(226,704)</b>	<b>(74)</b>
Finance income	3,537,717	1,723,751	105	598,462	430,193	39
Finance expenses	(9,802,791)	(3,309,939)	196	(2,627,632)	(933,359)	182
<b>Net finance cost</b>	<b>(6,265,074)</b>	<b>(1,586,188)</b>	<b>295</b>	<b>(2,029,170)</b>	<b>(503,166)</b>	<b>303</b>
Change in fair value of investment property	117,445	117,005	-	117,445	117,005	-
<b>Loss before tax</b>	<b>(6,303,256)</b>	<b>(570,828)</b>	<b>1,004</b>	<b>(1,971,454)</b>	<b>(612,865)</b>	<b>222</b>
Tax expense	(74,827)	(45,991)	63	(74,827)	(45,991)	63
<b>Loss for the period</b>	<b>(6,378,083)</b>	<b>(616,819)</b>	<b>934</b>	<b>(2,046,281)</b>	<b>(658,856)</b>	<b>211</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.



# Softlogic Holdings PLC

## STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022	Change as a %	Un-audited 3 months to 31-03-2023	Un-audited 3 months to 31-03-2022	Change as a %
<b>Loss for the period</b>	<b>(6,378,083)</b>	<b>(616,819)</b>	<b>934</b>	<b>(2,046,281)</b>	<b>(658,856)</b>	<b>211</b>
<b>Other comprehensive income</b>						
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>						
Actuarial gain/ (loss) on retirement benefits	42,934	(10,004)	(529)	42,934	(10,004)	(529)
Net profit/ (loss) on equity instruments at fair value through other comprehensive income	4,300	(4,400)	(198)	4,300	(4,400)	(198)
Tax on other comprehensive income	(12,880)	2,401	(636)	(12,880)	2,401	(636)
<b>Other comprehensive profit/ (loss) for the period, net of tax</b>	<b>34,354</b>	<b>(12,003)</b>	<b>(386)</b>	<b>34,354</b>	<b>(12,003)</b>	<b>(386)</b>
<b>Total comprehensive profit/ (loss) for the period, net of tax</b>	<b>(6,343,729)</b>	<b>(628,822)</b>	<b>909</b>	<b>(2,011,927)</b>	<b>(670,859)</b>	<b>200</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 31-03-2023	Audited as at 31-03-2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	83,416	83,922
Right of use assets	215,968	243,576
Investment property	1,057,150	939,705
Intangible assets	1,366	1,833
Investments in subsidiaries	28,234,288	28,201,517
Investments in associates	41,000	41,000
Other non current financial assets	1,591,470	1,658,170
	<b>31,224,658</b>	<b>31,169,723</b>
<b>Current assets</b>		
Inventories	281	-
Trade and other receivables	848,459	2,307,010
Amounts due from related parties	17,007,806	15,235,917
Other current assets	87,163	98,113
Short term investments	119,285	784,846
Cash in hand and at bank	1,564,616	1,485,572
	<b>19,627,610</b>	<b>19,911,458</b>
<b>Total assets</b>	<b>50,852,268</b>	<b>51,081,181</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Stated capital	12,119,235	12,119,235
Revenue reserves	(4,076,313)	2,271,716
Other components of equity	(20,400)	(24,700)
<b>Total equity</b>	<b>8,022,522</b>	<b>14,366,251</b>
<b>Non-current liabilities</b>		
Interest bearing borrowings	6,533,657	5,590,856
Lease liabilities	184,976	203,879
Deferred tax liabilities	255,779	178,071
Employee benefit liabilities	128,178	140,555
	<b>7,102,590</b>	<b>6,113,361</b>
<b>Current liabilities</b>		
Trade and other payables	1,963,153	188,140
Amounts due to related parties	55,229	49,171
Other current financial liabilities	25,947,776	22,674,666
Current portion of interest bearing borrowings	7,357,457	7,438,756
Current portion of lease liabilities	38,356	37,495
Other current liabilities	128,979	63,012
Bank overdrafts	236,206	150,329
	<b>35,727,156</b>	<b>30,601,569</b>
<b>Total equity and liabilities</b>	<b>50,852,268</b>	<b>51,081,181</b>

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

**-sgd-**

Head of Finance

The Board of directors is responsible for the preparation and presentation of these financial statements.

**-sgd-**

Chairman

**-sgd-**

Director

01 December 2023  
Colombo

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

### COMPANY

In Rs. '000	Stated capital	Fair value reserve of financial assets at FVOCI	Revenue reserve	Total
<b>As at 01 April 2022</b>	<b>12,119,235</b>	<b>(24,700)</b>	<b>2,271,716</b>	<b>14,366,251</b>
Loss for the period	-	-	(6,378,083)	<b>(6,378,083)</b>
Other comprehensive income	-	4,300	30,054	<b>34,354</b>
<b>Total comprehensive income</b>	-	4,300	(6,348,029)	<b>(6,343,729)</b>
<b>As at 31 March 2023</b>	<b>12,119,235</b>	<b>(20,400)</b>	<b>(4,076,313)</b>	<b>8,022,522</b>
<b>As at 01 April 2021</b>	<b>12,119,235</b>	<b>(20,300)</b>	<b>2,896,138</b>	<b>14,995,073</b>
Loss for the period	-	-	(616,819)	<b>(616,819)</b>
Other comprehensive loss	-	(4,400)	(7,603)	<b>(12,003)</b>
<b>Total comprehensive income</b>	-	(4,400)	(624,422)	<b>(628,822)</b>
<b>As at 31 March 2022</b>	<b>12,119,235</b>	<b>(24,700)</b>	<b>2,271,716</b>	<b>14,366,251</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CASH FLOW

In Rs. '000	Un-audited 12 months to 31-03-2023	Audited 12 months to 31-03-2022
<b>CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES</b>		
Loss before tax	(6,303,256)	(570,828)
<b>Adjustments for:</b>		
Finance income	(3,537,717)	(1,723,751)
Dividend income	(17,767)	(1,712,285)
Finance cost	9,802,791	3,309,939
Change in fair value of investment property	(117,445)	(117,005)
Provisions for/ write-off of impaired receivables	49,889	820,311
Gratuity provision and related costs	32,181	22,180
Depreciation of property, plant and equipment	28,490	27,429
Amortisation right of use assets	48,434	34,684
Profit on sale of property, plant and equipment	28	(6,157)
Amortisation/ impairment of intangible assets	4,694	2,269
<b>Profit/ (loss) before working capital changes</b>	<b>(9,678)</b>	<b>86,786</b>
Increase in inventories	(281)	-
(Increase)/ decrease in trade and other receivable	1,408,663	(1,076,161)
(Increase)/ decrease in other current assets	10,950	(22,433)
(Increase)/ decrease in amount due from related parties	(1,705,187)	404,377
Increase in trade and other payables	1,775,013	112,488
Increase/ (decrease) in amount due to related parties	5,967	(31)
Increase/ (decrease) in other current liabilities	65,966	(5,545)
Decrease in deferred income	-	(3,604)
<b>Cash generated from/ (used in) operations</b>	<b>1,551,413</b>	<b>(504,123)</b>
Finance income received	3,542,017	1,524,976
Finance expenses paid	(8,802,228)	(3,284,141)
Dividend received	17,767	1,712,285
Tax paid	(10,001)	(21,787)
Gratuity paid	(1,533)	(5,002)
<b>Net cash flow used in operating activities</b>	<b>(3,702,565)</b>	<b>(577,792)</b>
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Purchase and construction of property, plant and equipment	(25,728)	(20,787)
Addition to intangible assets	(4,226)	(3,127)
Increase in interest in subsidiaries	(32,771)	(1,389,162)
(Purchase)/ disposal of other non current financial assets	-	(133,789)
(Purchase)/ disposal of short term investments (net)	665,561	(679,075)
Proceeds from sale of property, plant and equipment	-	11,682
<b>Net cash flow from/ (used in) investing activities</b>	<b>602,836</b>	<b>(2,214,258)</b>
<b>CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	4,607,284	4,489,852
Repayment of long term borrowings	(4,721,736)	(4,809,888)
Repayment of lease liabilities	(65,762)	(49,149)
Proceeds from/ (repayment of) short term borrowings (net)	3,273,110	3,119,906
<b>Net cash flow from financing activities</b>	<b>3,092,896</b>	<b>2,750,721</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(6,833)</b>	<b>(41,329)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>1,335,243</b>	<b>1,376,572</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>1,328,410</b>	<b>1,335,243</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
<b>Favourable balances</b>		
Cash in hand and at bank	1,564,616	1,485,572
<b>Unfavourable balances</b>		
Bank overdrafts	(236,206)	(150,329)
<b>Cash and cash equivalents</b>	<b>1,328,410</b>	<b>1,335,243</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.



# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Softlogic Holdings PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

The interim financial statements of the Group and the Company for the twelve months ended 31 March 2023 were authorised for issue by the Board of Directors on 01 December 2023.

### 2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim financial statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest thousand except when otherwise indicated.

### 3. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

During the quarter, there were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income.

Fair valuation was done as of 31 March 2023 for all unquoted equity shares classified as Level 3 within the fair value hierarchy according to fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 4. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

#### 4.1 Valuation of Life Insurance Fund (Zeroed Basis of Negative Liabilities at Product Level)

The valuation of life insurance fund as at 31 March 2023 was made by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited, who approved to transfer from Non-Participating Life Insurance Fund/ insurance contract liabilities to the Shareholders Fund as surplus transfer as disclosed below. □

For the twelve months ended 31 December 2022 - Rs. 4,263 Mn (2021 - Rs. 2,527 Mn) □

For the quarter ended 31 March 2023 - Rs. 730 Mn (2022 - Rs. 845 Mn).

#### 4.2 Transfer of One-off Surplus from Policyholder Fund to Shareholder Fund

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued a Direction No 16 on 20 March 2018 on "Guidelines/ directions for Identification and Treatment of One-off Surplus" and has instructed all life insurance companies to comply with the new direction. Based on the new guidelines life insurance companies are directed to transfer the one-off surplus attributable to policyholder non-participating fund to shareholder fund in the reporting period ended 31 December 2017. The transfer has been presented as a separate line item in the Income Statement as "change in contract liability due to transfer of one-off surplus" and as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under equity in accordance with above Direction. As required by the said direction, the Company received approval for this transfer on 29 March 2018.

Further distribution of one-off surplus to shareholders, held as part of the "Restricted Regulatory Reserve", is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The one-off surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 4.3 as per the directions of the IRCSL.

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 4.3 for details of assets supporting the restricted regulatory reserve as at 31 March 2023.

Movement in One-off Surplus Transfer In Rs. '000	Participating fund	Non- participating fund	Total
Value of insurance contract liability based on Independent Actuary - NPV as at 31 December 2015	3,866,780	2,472,575	<b>6,339,355</b>
Value of insurance contract liability based on Independent Actuary - GPV as at 31 December 2015	2,810,245	1,674,571	<b>4,484,816</b>
<b>Surplus created due to change in valuation method from NPV to GPV One off surplus as at 01 January 2016</b>	<b>1,056,535</b>	<b>798,004</b>	<b>1,854,539</b>
Transfer of one off surplus from long term fund to Restricted Regulatory Reserve	-	(798,004)	<b>(798,004)</b>
<b>Surplus created due to change in valuation method - One off surplus as at 31 March 2023</b>	<b>1,056,535</b>	<b>-</b>	<b>1,056,535</b>

The distribution of one-off surplus to shareholders as dividends shall remain restricted until company develops appropriate policies and procedures for effective management of its business

#### 4.3 Composition of investments supporting the Restricted Regulatory Reserve as at 31 March 2023

Asset Category	ISIN No.	Face value	Market value as at 31 March 2023 Rs. '000
<b>Government Securities</b>			
Treasury Bonds	LKB00628A153	100,000,000	<b>82,063</b>
	LKB00628A153	110,000,000	<b>90,270</b>
	LKB00628A153	100,000,000	<b>82,063</b>
	LKB00628A153	100,000,000	<b>82,063</b>
	LKB00931E153	100,000,000	<b>81,530</b>
	LKB00931E153	100,000,000	<b>81,530</b>
	LKB00931E153	120,000,000	<b>97,836</b>
	LKB00931E153	100,000,000	<b>81,530</b>
	LKB00931E153	100,000,000	<b>81,530</b>
	LKB00931E153	100,000,000	<b>81,530</b>
	LKB01528I017	100,000,000	<b>60,529</b>
<b>Total market value of the assets</b>			<b>902,474</b>

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 5. SHARE INFORMATION

#### 5.1 Public share holdings

Percentage of shares held by the public and the number of public shareholders is as given below:

As at	31-03-2023
Public shareholding (%)	13.09
Public shareholders	10,063
Float adjusted market capitalization (Rs. Mn.)	2,482.05
Minimum public holding percentage - The Company is in compliance with option 1 of the Listing Rules 7.14.1 (b) which requires 7.5% minimum public holding percentage and 200 minimum public shareholders.	

#### 5.2 Directors' share holdings

The number of shares held by the Board of Directors are as follows:

As at	31-03-2023
A K Pathirage - Chairman/ Managing Director	493,125,865
G W D H U Gunawardena	71,333,852
R J Perera	75,437,508
H K Kaimal	80,439,792
M P R Rassool	Nil
W M P L De Alwis, PC (resigned w.e.f. 15-06-2023)	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
S Saraf	Nil
C K Gupta (alternate director to Mr. S Saraf)	Nil
J D N Kekulawala	Nil
	<u>720,337,017</u>

#### 5.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 31-03-2023	%
1 Mr. A K Pathirage	493,125,865	41.35
2 Samena Ceylon Holdings Ltd	247,432,455	20.75
3 Mr. H K Kaimal	80,439,792	6.75
4 Mr. R J Perera	75,437,508	6.33
5 Mr. G W D H U Gunawardena	71,333,852	5.98
6 Samena Special Situations Fund III L.P.	53,653,654	4.50
7 Pemberton Asian Opportunities Fund	47,095,949	3.95
8 Samena Special Situations Fund II L.P.	15,000,000	1.26
9 Employees Provident Fund	7,230,500	0.61
10 Mr. S J Fancy	7,225,323	0.61
11 Mrs. A Selliah	4,700,000	0.39
12 Mr. N Samarasuriya	4,426,601	0.37
13 Mrs. A Kailasapillai	4,200,000	0.35
14 Dr. K M P Karunaratne	3,950,000	0.33
15 Miss. S Subramaniam	3,800,000	0.32
16 Arunodhaya Industries (Private) Limited	3,557,864	0.30
17 Arunodhaya (Private) Limited	3,000,000	0.25
18 Mr. K Aravinthan	2,867,550	0.24
19 Mr. S R S De Saram/ Mrs. S T T Jayasundera	2,427,552	0.20
20 Dr. S Selliah	2,053,232	0.17



# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 6. STATED CAPITAL MOVEMENTS

#### 6.1 No of shares

	No of shares
As at 01 April 2022	1,192,543,209
<b>As at 31 March 2023</b>	<b>1,192,543,209</b>

#### 6.2 Value of shares

	Rs. '000
As at 01 April 2022	12,119,235
<b>As at 31 March 2023</b>	<b>12,119,235</b>

### 7. INVESTOR INFORMATION

#### 7.1 Market value of shares

31-03-2023

The market value of an ordinary share of Softlogic Holdings PLC was as follows.

Last traded price on (Rs.)	-
Highest price recorded for the three months ending (Rs.)	-
Lowest price recorded for the three months ending (Rs.)	-
Market Capitalisation (Rs. Mn.)	-

#### 7.2 Ratios

Net assets per share at the period end (Rs.)	(23.69)
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#### 7.3 Share trading information from 01 January 2023 to 31 March 2023

Number of shares traded	-
Value of shares traded (Rs. Mn.)	-

### 8. CONTINGENCIES

#### CONTINGENT LIABILITIES

As at reporting date, there were no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2022.

### 9. CAPITAL COMMITMENTS

As at 31 March 2023, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 11,939.00 Mn (31 March 2022 - Rs. 11,536.70 Mn).

### 10. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the date of the statement of financial position, which require disclosure in the financial statements.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 11. RELATED PARTY TRANSACTIONS

#### 11.1 Transactions with related parties

In Rs. '000	Group		Company	
	12 months to 31-03-2023	12 months to 31-03-2022	12 months to 31-03-2023	12 months to 31-03-2022
<b>Subsidiaries</b>				
(Purchases)/ sales of goods	-	-	(6,063)	(1,383)
(Receiving)/ rendering of services	-	-	576,385	837,007
(Purchases)/ sale of property plant & equipment	-	-	(18,819)	(12,562)
Loans given/ (obtained)	-	-	(7,426,501)	(5,328,282)
Interest received/ (paid)	-	-	(774,498)	862,453
Rent received/ (paid)	-	-	112,451	66,121
Dividend received	-	-	17,767	1,712,285
Guarantee charges received	-	-	275,639	250,692
Guarantees given/ (obtained) - as at 31 March	-	-	39,977,402	35,060,323
<b>Associates</b>				
(Purchases) / sale of property plant & equipment	7,796	9	-	-
(Receiving) / rendering of services	7,779	3,998	5,855	5,588
Interest received / (paid)	471	157	471	157
<b>Key management personnel</b>				
Advance given/ (received)	78,387	1,572,321	(1,992)	(1,992)
Guarantees given/ (received)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	(9,760)	2,560	-	-
Advances given/ (received)	(49,511)	(44,010)	-	-
<b>Close family members of KMP</b>				
(Receiving)/ rendering of services	-	-	-	-

#### 11.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out under relevant commercial terms and conditions.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

# Softlogic Holdings PLC

## CORPORATE INFORMATION

### Name of Company

Softlogic Holdings PLC

### Legal Form

Public Limited Liability Company.

Incorporated in Sri Lanka on 25 February 1998 as a Private Limited Liability Company under the Companies Act No. 17 of 1982.

Re-registered on 17 December 2007 as a Public Limited Liability Company under the Companies Act No. 07 of 2007.

The status of the Company was changed to a Public Limited Company on 10 December 2008. Subsequent to the listing of shares on the Main Board of Colombo Stock Exchange, the name of the Company was changed to Softlogic Holdings PLC on 25 August 2011.

The Company has been transferred to the Second Board with effect from 09 November 2020 due to non-compliance with Minimum Public Holding Requirement in terms of Rule 7.13.1. of the CSE Listing Rules. Subsequently the Company transferred to the Diri Savi Board of the Colombo Stock Exchange with effect from 02 December 2020.

### Company Registration No

PV 1536 PB/PQ

### Registered Office of the Company

14, De Fonseka Place,

Colombo 05

Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2595 441

E-mail : info@softlogic.lk

Web : www.softlogic.lk

### Directors

A K Pathirage - Chairman/ Managing Director

G W D H U Gunawardena

H K Kaimal

R J Perera

M P R Rasool

Prof. A S Dharmasiri

A Russell-Davison

S Saraf

C K Gupta (alternative director to Mr. S Saraf)

J D N Kekulawala

W M P L De Alwis, PC (resigned w.e.f. 15-06-2023)

### Audit Committee

J D N Kekulawala - Chairman

Prof. A S Dharmasiri

W M P L De Alwis, PC (resigned w.e.f. 15-06-2023)

### Related Party Transaction Committee

Prof. A S Dharmasiri - Chairman

H K Kaimal

W M P L De Alwis, PC (resigned w.e.f. 15-06-2023)

### HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

J D N Kekulawala

W M P L De Alwis, PC

(resigned w.e.f. 15-06-2023)

### Secretaries

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### Investor Relations

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### Contact for Media

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### Bankers

Bank of Ceylon

Cargills Bank Ltd

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

Muslim Commercial Bank

National Development Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

Union Bank of Colombo PLC

State Bank of India

Indian Bank

### Auditors

Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10