

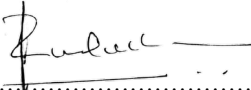


**INTERIM FINANCIAL STATEMENTS
FOR THE SEVEN MONTHS PERIOD ENDED 31ST OCTOBER 2021**

HSENIID BUSINESS SOLUTIONS LIMITED
STATEMENT OF FINANCIAL POSITION

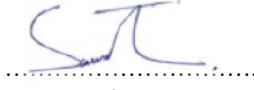
AS AT	GROUP		COMPANY	
	31.10.2021	31.03.2021	31.10.2021	31.03.2021
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, plant and equipment	13,315,109	9,463,710	13,089,778	9,245,801
Right of use Assets	27,751,457	40,468,176	27,751,457	37,975,677
Intangible assets	180,964,446	160,497,821	175,786,229	158,092,148
Goodwill on acquisition	2,008,131	2,008,131	-	-
Investments in subsidiaries	-	-	136,859,362	136,859,362
Deferred tax assets	2,455,682	2,455,682	2,422,063	2,422,063
	<u>226,494,824</u>	<u>214,893,519</u>	<u>355,908,889</u>	<u>344,595,051</u>
Current Assets				
Inventories	20,356,714	19,659,971	20,356,714	19,659,971
Trade and other receivables	470,285,952	444,859,200	560,353,417	531,696,507
Advances and prepayments	39,919,577	51,102,115	11,539,498	6,218,041
Other current financial assets	321,027,278	258,835,421	321,027,278	258,835,421
Cash and bank balances	246,046,059	261,483,690	127,328,602	107,709,392
	<u>1,097,635,580</u>	<u>1,035,940,397</u>	<u>1,040,605,509</u>	<u>924,119,332</u>
Total Assets	<u>1,324,130,404</u>	<u>1,250,833,916</u>	<u>1,396,514,398</u>	<u>1,268,714,383</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated capital	231,009,755	224,036,627	231,009,755	224,036,627
Currency translation reserve	19,946,482	17,775,308	-	-
Retained earnings	616,997,537	527,476,218	775,241,939	679,757,364
Total Equity	<u>867,953,774</u>	<u>769,288,153</u>	<u>1,006,251,694</u>	<u>903,793,990</u>
Non-Current Liabilities				
Retirement benefit obligation	73,480,966	71,432,216	73,480,966	71,432,216
Interest bearing borrowings	9,924,801	28,370,123	9,924,801	28,370,123
	<u>83,405,767</u>	<u>99,802,339</u>	<u>83,405,767</u>	<u>99,802,339</u>
Current Liabilities				
Trade and other payables	253,166,640	275,594,334	187,282,302	161,587,784
Deferred income	51,626,679	58,965,318	51,626,679	58,965,318
Interest bearing borrowings	65,092,284	39,861,757	65,092,284	37,309,250
Income tax payable	2,885,260	7,322,016	2,855,672	7,255,702
	<u>372,770,863</u>	<u>381,743,424</u>	<u>306,856,937</u>	<u>265,118,054</u>
Total Equity and Liabilities	<u>1,324,130,404</u>	<u>1,250,833,916</u>	<u>1,396,514,398</u>	<u>1,268,714,383</u>

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.


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Head of Finance

The Board of Directors is responsible for these financial statements. Signed for and on behalf of


.....
Director


.....
Director

November 23, 2021
Colombo

HSENIID BUSINESS SOLUTIONS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31st October

	GROUP		COMPANY	
	31.10.2021 Rs.	31.10.2020 Rs.	31.10.2021 Rs.	31.10.2020 Rs.
Revenue	579,157,382	402,225,374	493,321,749	375,910,398
Cost of sales	(254,111,032)	(189,722,052)	(184,979,056)	(159,837,340)
Gross profit	325,046,350	212,503,322	308,342,693	216,073,057
Other income	3,685,507	3,666,272	1,808,223	73,447
Administrative expenses	(95,142,562)	(76,089,822)	(75,588,935)	(56,993,465)
Selling and marketing expenses	(69,163,171)	(41,260,460)	(65,656,851)	(38,081,361)
Finance cost	(3,125,240)	(585,826)	(3,096,273)	(585,826)
Finance income	4,159,475	3,391,751	4,159,475	3,391,751
Other operating expenses	(43,380,473)	(38,511,679)	(42,270,103)	(38,306,014)
Profit before tax	122,079,886	63,113,558	127,698,229	85,571,590
Tax (expense)/reversal	(2,554,454)	-	(2,209,540)	-
Profit for the year	119,525,432	63,113,558	125,488,689	85,571,590
Other comprehensive income				
Exchange Gain/(Loss) on translation of foreign operations	2,171,174	2,185,332	-	-
Total comprehensive income for the period	<u>121,696,606</u>	<u>65,298,891</u>	<u>125,488,689</u>	<u>85,571,590</u>
Profit for the year				
Equity holders of the Company	119,525,432	63,113,558	125,488,689	85,571,590
Non-controlling interest	-	-	-	-
Total comprehensive income/profit for the period				
Equity holders of the Company	121,696,606	65,298,891	125,488,689	85,571,590
Non-controlling interest	-	-	-	-
Earnings Per Share - Basic	0.54	0.29	0.57	0.40

HSENIID BUSINESS SOLUTIONS LIMITED
STATEMENT OF CHANGES IN EQUITY

Group

	Stated Capital	Currency Translation Reserve	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2020	225,775,613	7,835,023	330,275,541	563,886,176
Profit for the period	-	-	63,113,558	63,113,558
Dividends	-	-	(19,778,208)	(19,778,208)
Other comprehensive income	-	2,185,332	-	2,185,332
Total comprehensive income	-	2,185,332	43,335,350	45,520,682
Share Issue	6,270,797	-	-	6,270,797
Balance as at 31st Oct 2020	<u>232,046,410</u>	<u>10,020,355</u>	<u>373,610,891</u>	<u>615,677,656</u>
Balance as at 01st April 2021	224,036,627	17,775,308	527,476,218	769,288,153
Profit for the period	-	-	119,525,432	119,525,432
Other comprehensive income	-	2,171,174	-	2,171,174
Total comprehensive income	-	2,171,174	119,525,432	121,696,606
Dividends	-	-	(30,004,113)	(30,004,113)
Share Issue	6,973,128	-	-	6,973,128
Balance as at 31st October 2021	<u>231,009,755</u>	<u>19,946,482</u>	<u>616,997,537</u>	<u>867,953,774</u>

Company

	Stated Capital	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01st April 2020	225,775,613	463,948,475	689,724,088
Dividends	-	(19,778,208)	(19,778,208)
Profit for the period	-	85,571,590	85,571,590
Total comprehensive income	-	65,793,382	65,793,382
Share Issue	6,270,797	-	6,270,797
Balance as at 31st October 2020	<u>232,046,410</u>	<u>529,741,857</u>	<u>761,788,266</u>
Balance as at 01st April 2021	224,036,627	679,757,364	903,793,990
Profit for the period	-	125,488,689	125,488,689
Total comprehensive income	-	125,488,689	125,488,689
Dividends	-	(30,004,113)	(30,004,113)
Share Issue	6,973,128	-	6,973,128
Balance as at 31st October 2021	<u>231,009,755</u>	<u>775,241,939</u>	<u>1,006,251,694</u>

HSENIID BUSINESS SOLUTIONS LIMITED
STATEMENT OF CASH FLOWS

For the period ended 31st October

	GROUP		COMPANY	
	31.10.2021 Rs.	31.10.2020 Rs.	31.10.2021 Rs.	31.10.2020 Rs.
Cash Flows from/(used in) Operating Activities				
Profit before tax	122,079,886	63,113,558	127,698,229	85,571,590
Adjustment For				
Depreciation	2,561,052	1,944,573	2,561,052	1,944,573
Amortisation	49,396,251	35,717,207	48,736,626	35,533,517
Impairment/(writing back) of trade receivable	2,003,924	3,005	-	-
Finance income	(4,159,475)	(3,391,751)	(4,159,475)	(3,391,751)
Finance cost	3,125,240	585,826	3,096,273	585,826
Provision for defined benefit plan	4,550,000	4,550,000	4,550,000	4,550,000
Forex loss/(gain)	(1,747,580)	192,668	(1,807,723)	(101,847)
Operating profit before working capital changes	<u>177,809,298</u>	<u>102,715,086</u>	<u>180,674,982</u>	<u>124,691,907</u>
Decrease / (Increase) in inventories	(696,743)	(4,623,054)	(696,743)	(4,623,054)
Decrease / (Increase) in trade and other receivables	(27,430,676)	(2,516,192)	(28,656,910)	(10,563,808)
Decrease/(Increase) in advance and prepayment	11,182,538	(24,844,409)	(5,321,457)	(1,564,617)
Increase / (Decrease) in deferred income	(7,338,639)	(10,818,200)	(7,338,639)	(10,818,200)
Increase / (Decrease) in trade and other payables	<u>(22,427,693)</u>	<u>26,740,651</u>	<u>25,694,520</u>	<u>762,984</u>
Cash generated from operations	<u>131,098,084</u>	<u>86,653,882</u>	<u>164,355,752</u>	<u>97,885,212</u>
Finance cost paid	(654,539)	(585,826)	(654,539)	(585,826)
Defined benefit obligation paid	(2,501,250)	-	(2,501,250)	-
Tax paid	<u>(6,991,209)</u>	<u>(6,747,307)</u>	<u>(6,609,570.00)</u>	<u>(6,231,905)</u>
Net cash from operating activities	<u>120,951,085</u>	<u>79,320,749</u>	<u>154,590,393</u>	<u>91,067,481</u>
Cash flows from/(used in) investing activities				
Acquisition of property, plant and equipment	(6,405,029)	(1,360,900)	(6,405,029)	(1,360,900)
Acquisition of intangible assets	(58,076,413)	(38,019,605)	(56,206,487)	(35,469,589)
Finance income received	4,159,475	3,391,751	4,159,475	3,391,751
Net cash used in investing activities	<u>(60,321,967)</u>	<u>(35,988,753)</u>	<u>(58,452,041)</u>	<u>(33,438,738)</u>
Cash flows from/(used in) financing activities				
Issuance of shares	6,973,128	6,270,797	6,973,128	6,270,797
Disbursement of term loans	-	25,000,000	-	25,000,000
Payment of lease installments	(13,840,083)	-	(12,350,175)	-
Dividend paid	(30,004,113)	(19,778,208)	(30,004,113)	(19,778,208)
Repayment of bank loans	<u>(12,534,730)</u>	<u>(412,001)</u>	<u>(12,534,730)</u>	<u>(412,001)</u>
Net cash used in financing activities	<u>(49,405,798)</u>	<u>11,080,588</u>	<u>(47,915,890)</u>	<u>11,080,588</u>
Currency translation adjustment	<u>3,750,022</u>	<u>1,989,256</u>	<u>1,807,723</u>	<u>101,847</u>
Net increase in cash and cash equivalents	<u>14,973,343</u>	<u>56,401,839</u>	<u>50,030,185</u>	<u>68,811,178</u>
Cash and cash equivalents at the beginning of the year	<u>431,231,727</u>	<u>308,475,161</u>	<u>277,457,429</u>	<u>188,177,034</u>
Cash and cash equivalents at the end of the period	<u>446,205,069</u>	<u>364,877,001</u>	<u>327,487,614</u>	<u>256,988,212</u>

NOTES TO THE FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED 31ST October, 2021

1. The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Audited Accounts for the year ended 31 March 2021 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
2. Where necessary, the presentation and classification of the financial statements of the previous period have been adjusted for better presentation and to be comparable with year end reporting.
3. There has not been a significant change in the nature of contingent liabilities, which were disclosed in the Audited Financial Statements for the year ended 31st March 2021.
4. On August 31, 2021, the Company sub-divided its ordinary shares at a sub-division ratio of 110 shares for each share held by the shareholders, thereby increasing the total number of shares of the Company from 2,012,330 to 221,356,300 ordinary shares. The subdivision did not result in any change to the stated capital of the Company
5. Earnings per share has been calculated after considering the aforementioned sub division ratio.