



**INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER 2021**

## HSENIID BUSINESS SOLUTIONS PLC

### Chief Executive Officer's Review

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Dear Shareholders,

I'm pleased to present the financial results for the three months ending 31 December 2021, the first since our Initial Public Offering in December 2021.

hSenid Business Solutions recorded LKR 318.8 million in revenues during the period under review, a 66% year-on-year growth from the corresponding quarter of the previous financial year. For the first nine months, cumulative revenues were LKR 710.3 million, recording a 28% year-on-year growth.

Growth in topline during the quarter was supported by the completion of phase one of the Integrated Human Capital Management System for the Government of Uganda, which involved the project going live during the period under review. The project, launched in 2019, will now enter phase two in the next financial year.

Group earnings before interest, taxes, depreciation and amortisation (EBITDA) came in at LKR 121.2 million for the quarter, a 224% increase from LKR 37.4 million in the previous financial year. This growth was recorded despite an increase in operating expenses as a result of higher sales commissions in line with an increase in sales, and the impact of annual salary increases. Cumulative EBITDA for the first nine months was LKR 169.7 million, up 25% year-on-year.

Net profits for the quarter under review were at LKR 102.1 million, representing a strong growth, a 387% increase from LKR 20.9 million in the corresponding quarter of the previous financial year. This results in earnings per share (EPS) of LKR 0.46 for the current financial quarter, compared to LKR 0.10 in the previous year.

The quarter under review also saw an LKR 143 million in new deals closed, with nearly 13% generated from Bangladesh, which is a new market with high potential. In addition, hSenid launched the digital version of PeoplesHR Turbo in India during the quarter, which is a simplified Do-It-Yourself solution catering to SME clients. We expect to begin recognizing new deal revenues from PeoplesHR Turbo in India the fourth quarter of the current financial year.

**Sgd.**

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Sampath Jayasundara  
Chief Executive Officer  
07 February 2022  
Colombo

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF FINANCIAL POSITION

AS AT	GROUP		COMPANY	
	Unaudited 31.12.2021 Rs.	Audited 31.03.2021 Rs.	Unaudited 31.12.2021 Rs.	Audited 31.03.2021 Rs.
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	16,229,007	9,463,710	15,872,170	9,245,801
Right of use Assets	31,271,595	40,468,176	24,867,208	37,975,677
Intangible assets	190,636,315	160,497,821	185,471,623	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>242,600,729</u>	<u>214,893,520</u>	<u>365,492,427</u>	<u>344,595,051</u>
<b>Current Assets</b>				
Inventories	17,811,982	19,659,971	17,811,982	19,659,971
Trade and other receivables	506,102,721	444,859,200	595,951,394	531,696,507
Advances and prepayments	59,826,311	51,102,115	34,572,848	6,218,041
Other current financial assets	774,017,240	258,835,421	774,017,240	258,835,421
Cash and bank balances	421,070,080	261,483,690	322,950,423	107,709,392
	<u>1,778,828,333</u>	<u>1,035,940,397</u>	<u>1,745,303,887</u>	<u>924,119,332</u>
<b>Total Assets</b>	<u>2,021,429,062</u>	<u>1,250,833,916</u>	<u>2,110,796,314</u>	<u>1,268,714,383</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Stated capital	922,748,205	224,036,627	922,748,205	224,036,627
Currency translation reserve	14,446,066	17,775,308	-	-
Retained earnings	613,637,612	527,476,218	781,945,173	679,757,364
<b>Total Equity</b>	<u>1,550,831,883</u>	<u>769,288,153</u>	<u>1,704,693,378</u>	<u>903,793,990</u>
<b>Non-Current Liabilities</b>				
Retirement benefit obligation	74,780,966	71,432,216	74,780,966	71,432,216
Interest bearing borrowings	5,997,532	28,370,123	5,997,532	28,370,123
	<u>80,778,498</u>	<u>99,802,339</u>	<u>80,778,498</u>	<u>99,802,339</u>
<b>Current Liabilities</b>				
Trade and other payables	258,602,531	275,594,334	200,568,576	161,587,783
Deferred income	55,477,413	58,965,318	55,477,413	58,965,318
Interest bearing borrowings	73,819,089	39,861,757	67,387,031	37,309,251
Income tax payable	1,919,648	7,322,016	1,891,419	7,255,702
	<u>389,818,682</u>	<u>381,743,424</u>	<u>325,324,439</u>	<u>265,118,053</u>
<b>Total Equity and Liabilities</b>	<u>2,021,429,062</u>	<u>1,250,833,916</u>	<u>2,110,796,314</u>	<u>1,268,714,383</u>

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

**Sgd.**

Raveen Lasath

**Head of Finance**

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

**Sgd.**

Sampath Jayasundara

**CEO/Director**

**Sgd.**

Malinga Arsakularatne

**Director**

February 7, 2022

Colombo

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the three Months ended			For the Nine Months ended		
	Unaudited 31.12.2021	Unaudited 31.12.2020	Change %	Unaudited 31.12.2021	Unaudited 31.12.2020	Change %
	Rs.	Rs.		Rs.	Rs.	
<b>Revenue</b>	318,849,989	191,810,428	66%	710,312,830	553,707,971	28%
Cost of sales	(111,227,310)	(101,607,429)	9%	(329,416,793)	(266,509,940)	24%
<b>Gross profit</b>	207,622,679	90,203,000	130%	380,896,037	287,198,031	33%
Other income	3,576,891	729,409	390%	6,977,459	4,328,569	61%
Administrative expenses	(49,108,584)	(36,435,818)	35%	(129,676,652)	(101,399,348)	28%
Selling and marketing expenses	(40,139,107)	(16,597,433)	142%	(86,419,311)	(53,131,787)	63%
Finance cost	(1,590,280)	(595,302)	167%	(4,271,285)	(1,045,639)	308%
Finance income	4,032,627	619,086	551%	7,985,345	3,800,855	110%
Other operating expenses	(19,762,159)	(16,929,729)	17%	(56,587,276)	(49,830,907)	14%
<b>Profit before tax</b>	104,632,067	20,993,213	398%	118,904,318	89,919,774	32%
Tax (expense)/reversal	(2,488,562)	-		(2,738,811)	-	
<b>Profit for the period</b>	102,143,504	20,993,213	387%	116,165,507	89,919,774	29%
<b>Other comprehensive income</b>						
Exchange Gain/(Loss) on translation of foreign	(4,044,460)	(10,351,549)		(3,329,242)	7,597,066	
<b>Total comprehensive income for the period</b>	98,099,045	10,641,664		112,836,265	97,516,839	
<b>Profit for the period</b>						
Equity holders of the Company	102,143,504	20,993,213		116,165,507	89,919,774	
Non-controlling interest	-	-		-	-	
<b>Total comprehensive income/profit for the period</b>						
Equity holders of the Company	98,099,045	10,641,664		112,836,265	97,516,839	
Non-controlling interest	-	-		-	-	
<b>Earnings Per Share - Basic</b>	0.46	0.10		0.52	0.42	

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the three Months ended			For the Nine Months ended		
	Unaudited 31.12.2021	Unaudited 31.12.2020	Change %	Unaudited 31.12.2021	Unaudited 31.12.2020	Change %
	Rs.	Rs.		Rs.	Rs.	
<b>Revenue</b>	300,831,689	156,234,956	93%	616,094,000	492,802,182	25%
Cost of sales	<u>(92,382,738)</u>	<u>(73,420,078)</u>	26%	<u>(248,414,365)</u>	<u>(210,817,577)</u>	18%
<b>Gross profit</b>	208,448,951	82,814,878	152%	367,679,635	281,984,605	30%
Other income	2,779,685	(195,444)	1522%	4,579,082	375,271	1120%
Administrative expenses	(41,114,291)	(28,156,129)	46%	(104,129,242)	(76,969,180)	35%
Selling and marketing expenses	(38,906,324)	(15,041,107)	159%	(82,424,549)	(48,868,761)	69%
Finance cost	(1,532,826)	(595,302)	157%	(4,180,056)	(1,045,639)	300%
Finance income	4,032,627	619,086	551%	7,985,345	3,800,855	110%
Other operating expenses	(19,208,316)	(16,663,220)	15%	(55,108,753)	(49,469,518)	11%
<b>Profit before tax</b>	<u>114,499,506</u>	<u>22,782,763</u>	403%	<u>134,401,463</u>	<u>109,807,632</u>	22%
Tax (expense)/reversal	(2,209,540)	-		(2,209,540)	-	
<b>Profit for the period</b>	<u>112,289,966</u>	<u>22,782,763</u>	393%	<u>132,191,923</u>	<u>109,807,632</u>	20%
<b>Other comprehensive income</b>						
Exchange Gain/(Loss) on translation of foreign	-	-		-	-	
<b>Total comprehensive income for the period</b>	<u>112,289,966</u>	<u>22,782,763</u>		<u>132,191,923</u>	<u>109,807,632</u>	
<b>Profit for the period</b>						
Equity holders of the Company	112,289,966	22,782,763		132,191,923	109,807,632	
Non-controlling interest	-	-		-	-	
<b>Total comprehensive income/profit for the period</b>						
Equity holders of the Company	112,289,966	22,782,763		132,191,923	109,807,632	
Non-controlling interest	-	-		-	-	
<b>Earnings Per Share - Basic</b>	0.51	0.11		0.60	0.52	

HSENIID BUSINESS SOLUTIONS PLC  
STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	Currency Translation Reserve	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01st April 2020</b>	225,775,613	7,835,023	330,275,541	563,886,176
Profit for the period	-	-	89,919,774	89,919,774
Dividends			(19,778,208)	(19,778,208)
Other comprehensive income	-	7,597,066	-	7,597,066
Total comprehensive income	-	7,597,066	70,141,565	77,738,631
Share Issue	6,270,797			6,270,797
<b>Balance as at 31st December 2020</b>	<u>232,046,410</u>	<u>15,432,088</u>	<u>400,417,106</u>	<u>647,895,604</u>
<b>Balance as at 01st April 2021</b>	224,036,627	17,775,308	527,476,218	769,288,153
Profit for the period	-	-	116,165,507	116,165,507
Dividends			(30,004,113)	(30,004,113)
Other comprehensive income	-	(3,329,242)	-	(3,329,242)
Total comprehensive income	-	(3,329,242)	86,161,394	82,832,152
Dividends	-	-	-	-
Share Issue	698,711,578	-	-	698,711,578
<b>Balance as at 31st December 2021</b>	<u>922,748,205</u>	<u>14,446,066</u>	<u>613,637,612</u>	<u>1,550,831,883</u>
<b>Company</b>		<b>Stated Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Balance as at 01st April 2020</b>		225,775,613	463,948,475	689,724,088
Dividends			(19,778,208)	(19,778,208)
Profit for the period		-	109,807,632	109,807,632
Total comprehensive income		-	90,029,424	90,029,424
Share Issue		6,270,797		6,270,797
<b>Balance as at 31st December 2020</b>		<u>232,046,410</u>	<u>553,977,899</u>	<u>786,024,309</u>
<b>Balance as at 01st April 2021</b>		224,036,627	679,757,364	903,793,990
Dividends			(30,004,113)	(30,004,113)
Profit for the period		-	132,191,923	132,191,923
Total comprehensive income		-	102,187,809	102,187,809
Share Issue		698,711,578	-	698,711,578
<b>Balance as at 31st December 2021</b>		<u>922,748,205</u>	<u>781,945,173</u>	<u>1,704,693,378</u>

HSENIID BUSINESS SOLUTIONS PLC

STATEMENT OF CASH FLOWS

	Group		Company	
	Unaudited 31.12.2021	Unaudited 31.12.2020	Unaudited 31.12.2021	Unaudited 31.12.2020
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from/(used in) operating activities</b>				
Profit before tax	118,904,318	89,919,774	134,401,463	109,807,632
Adjustment For				
Depreciation	3,485,698	2,515,686	3,485,698	2,515,686
Amortisation	66,122,839	46,122,043	63,388,164	45,862,542
Impairment/(writing back) of trade receivable	(9,142,942)	8,111	(11,119,980)	-
Impairment/(writing back) of investments	-	-	-	-
Investments written off	-	-	-	-
Finance income	(7,985,345)	(3,800,855)	(7,985,345)	(3,800,855)
Dividend income	-	-	-	-
Finance cost	4,271,285	1,045,639	4,180,056	1,045,639
Provision for defined benefit plan	5,850,000	5,850,000	5,850,000	5,850,000
Forex loss/(gain)	(4,475,015)	207,615	(4,578,582)	(296,648)
Operating profit before working capital changes	177,030,837	141,868,013	187,621,473	160,983,996
Decrease / (Increase) in inventories	1,847,988	(2,108,304)	1,847,988	(2,108,304)
Decrease / (Increase) in trade and other receivables	(52,100,579)	(94,345,313)	(53,134,907)	(43,716,069)
Decrease/(Increase) in advance and prepayment	(8,724,195)	(49,385,667)	(28,354,807)	(491,057)
Increase / (Decrease) in deferred income	(3,487,905)	(3,441,824)	(3,487,905)	(3,441,824)
Increase / (Decrease) in trade and other payables	(16,991,803)	115,099,316	38,980,793	22,186,467
Cash generated from operations	97,574,344	107,686,221	143,472,636	133,413,209
Finance cost paid	(1,147,028)	(1,045,639)	(1,147,028)	(1,045,639)
Defined benefit obligation paid	(2,501,250)	-	(2,501,250)	-
Tax paid	(8,141,179)	(7,288,159)	(7,573,823)	(6,505,775)
Net cash from operating activities	85,784,887	99,352,423	132,250,535	125,861,795
<b>Cash flows from/(used in) investing activities</b>				
Acquisition of property, plant and equipment	(10,244,049)	(2,055,900)	(10,112,068)	(2,055,900)
Acquisition of intangible assets	(79,655,967)	(47,112,693)	(77,576,559)	(43,923,565)
Investments in short-term investments	-	-	-	-
Finance income received	7,985,345	3,800,855	7,985,345	3,800,855
Dividend received	-	-	-	-
Net cash used in investing activities	(81,914,671)	(45,367,738)	(79,703,281)	(42,178,610)
<b>Cash flows from/(used in) financing activities</b>				
Issuance of shares	698,711,578	6,270,797	698,711,578	6,270,797
Disbursement of term loans	-	25,000,000	-	25,000,000
Payment of lease installments	(19,500,758)	-	(16,080,850)	-
Dividend paid	(30,004,113)	(19,778,208)	(30,004,113)	(19,778,208)
Repayment of bank loans	(15,312,510)	(1,687,500)	(15,312,510)	(1,687,500)
Net cash used in financing activities	633,894,197	9,805,089	637,314,105	9,805,089
Currency translation adjustment	1,020,886	7,342,050	4,578,582	296,648
<b>Net increase in cash and cash equivalents</b>	638,785,299	71,131,824	694,439,941	93,784,922
<b>Cash and cash equivalents at the beginning of the period</b>	431,231,727	308,475,161	277,457,429	188,177,034
<b>Cash and cash equivalents at the end of the period</b>	1,070,017,027	379,606,985	971,897,370	281,961,957

**HSENIID BUSINESS SOLUTIONS PLC**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

**1 Basis of Preparation**

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 The Company raised LKR 691,738,450 through an IPO offer for subscription of 55,339,076 ordinary shares at a issue price of LKR 12.50 per share. The company listed its shares on the Main Board of the Colombo Stock Exchange on 21st December 2021**

**3 Contingent Liabilities**

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 31<sup>st</sup> March 2021.

**4 The Company has collected IPO funds LKR 691,738,450/- for the said objectives of the prospectus. Current status of the utilization of the said objectives are listed below:**

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in (LKR Mn)	Proposed date of utilization as per Prospectus	Amount allocated in LKR Mn (A)	% of total proceeds	Amount utilized in LKR Mn (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc)
1	Product Development Initiatives	202	January 2022 - December 2023	202	29%	-	0%	Unutilized funds have been temporarily invested with NDB Wealth Management Limited , Guardian Acuity Asset Management Limited and HNB Bank PLC
2	Market Development Initiatives	140	January 2022 - December 2023	140	20%	-	0%	
3	Potential Strategic Acquisitions in APAC and East African Regions	350	April 2022 - March 2024	350	51%	-	0%	
<b>Total</b>		<b>692</b>		<b>692</b>		<b>-</b>	<b>0%</b>	

**5 Market Price per Share**

	<b>2021</b>	<b>2020</b>
Highest	35.40	N/A
Lowest	20.20	N/A
Closing	34.60	N/A
Market Capitalization on 31st December, 2021	9,573,660,010	N/A

**6 Public Holding as at 31st December, 2021**

Issued Share Capital (No. of Shares)	276,695,376	N/A
Public Holding as % of Issued Share Capital	34.39%	N/A
Total Number of Shareholders	5,965	N/A
Number of Shareholders representing the Public Holding	95,140,477	N/A
Float Adjusted Market Capitalization - (LKR)	3,291,860,504	

The Company complies with the Minimum Public Holding requirement of the Main Board as per Option 4 of Section 7.13.1 (a) of the CSE Listing Rules.



HSENIID BUSINESS SOLUTIONS PLC  
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

**7 Shareholders' Information**

**7.1 Ordinary Voting Shares as at 31st December 2021**

<b>No</b>	<b>Name</b>	<b>No of Shares</b>	<b>%</b>
1	Hsenid Ventures (Private) Limited	68,839,540	24.88
2	Mr. R.S.Captain	29,081,699	10.51
3	Mr. Dinesh Saparamadu	27,800,110	10.05
4	Mr. K.P.R.B. De Silva	26,963,970	9.75
5	Mr. O.E.H. Kalvo	19,800,000	7.16
6	Ceylon Guardian Investment Trust PLC A/C # 02	18,053,690	6.52
7	Timex Garments (Pvt) Ltd	11,324,870	4.09
8	Argent Capital (Private) Ltd	11,235,070	4.06
9	Mr. Sampath Jayasundara	3,303,300	1.19
10	Hatton National Bank Plc-Ndb Wealth Growth And Inc	2,853,600	1.03
11	Citibank New York S/A Norges Bank Account 2	2,788,900	1.01
12	Mr. Nilam Alawdeen	2,420,000	0.87
13	GF Capital Global Limited	2,309,400	0.83
14	AIA Insurance Lanka Limited A/C No.07	1,738,061	0.63
15	Mr. S.E. Captain	1,500,000	0.54
16	Cocoshell Activated Carbon Company (Pvt) Ltd	1,014,700	0.37
17	Trading Partners (Pvt) Ltd	1,014,700	0.37
18	Mr. J.W. Nanayakkara	1,000,000	0.36
19	Union Assurance PLC-Universal Life Fund	798,318	0.29
20	Mr. A.L.S. Kumara	762,190	0.28
		<u>234,602,118</u>	<u>84.79</u>
	Others	<u>42,093,258</u>	<u>15.21</u>
		<u>276,695,376</u>	<u>100.00</u>

**7.2 Directors' and Chief Executive Officer's Shareholding as at 31st December 2021**

<b>No</b>	<b>Name</b>	<b>No of Shares</b>	<b>%</b>
1	Mr. Dinesh.Saparamadu	27,800,110	10.05
2	Mr. Sampath Jayasundara	3,303,300	1.19
3	Ms. Dishnira Saparamadu	Nil	
4	Mr. Apurva Udeshi	Nil	
5	Mr. Malinga Arsakularatne	Nil	
6	Mr. Madu Ratnayake	Nil	
7	Ms. Anarkali Moonesinghe	Nil	

HSENIID BUSINESS SOLUTIONS PLC  
CORPORATE INFORMATION

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NAME OF COMPANY	hSenid Business Solutions PLC
LEGAL FORM	A Limited liability company, incorporated in Sri Lanka in 2005. The ordinary shares of the Company were listed with the Colombo Stock Exchange of Sri Lanka on 21 December 2021.
BOARD OF DIRECTORS	Mr. Dinesh.Saparamadu Mr. Sampath Jayasundara Ms. Dishnira Saparamadu Mr. Apurva Udeshi Mr. Malinga Arsakularatne Mr. Madu Ratnayake Ms. Anarkali Moonesinghe
SECRETARIES	Corporate Services (Pvt) Ltd 216, De Saram Place Colombo 10. Tel : +94 11 4718200
AUDITORS	Messrs Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10
NATURE OF THE BUSINESS	Development of Human Capital Management Software Products and related services
REGISTERED OFFICE	50, Ward place Colombo 07 Tel : +94 11 4621111 Fax : +94 11 2394064 Email : info@hsenidbiz.com