



**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2022**

HSENIID BUSINESS SOLUTIONS PLC

Chief Executive Officer's Review

Dear Shareholders,

We are pleased to present the financial results for the three months ending 31 March 2022 and for the full year FY22.

For the fourth quarter, hSenid Business Solutions (hBS) recorded revenues of LKR 357.3 million, compared to LKR 408.8 million in the corresponding quarter of the previous financial year. The 12.6 percent year-on-year decline was mainly due to a drop in revenues from business operations in Singapore and Africa. For the full year, revenues were LKR 1,090.8 million, recording a 13.4 percent year-on-year growth.

Group earnings before interest, taxes, depreciation and amortisation (EBITDA) came in at LKR 351.1 million for the quarter, compared to LKR 204.3 million in the previous financial year. Growth was supported by favourable currency translations, offsetting the impact from lower revenues and an increase in operational expenses.

As a result, net profits for the quarter under review came in at LKR 343.6 million, compared to a profit of LKR 174.6 million in the corresponding quarter of the previous financial year. This results in an earnings per share (EPS) of LKR 1.46 compared to LKR 0.81 per share in the fourth quarter of the previous financial year. For the full year, net profits were LKR 455.3 million, compared to LKR 209.2 million in the previous financial year.

The quarter under review saw LKR 197.7 million in new deals confirmed. Expansion into Bangladesh is also on track, with the market expected to show further potential over the next 18-24 months. The Ugandan Government project, launched in 2019, has now entered phase two and is expected to record a notable contribution in FY23.

Looking forward, hBS will continue to provide strategic focus to its long-term objectives in line with those stated in the prospectus, including product development initiatives, and exploring potential strategic acquisitions in APAC and East African Regions.

Sgd.

Sampath K. Jayasundara
Chief Executive Officer
27 May 2022
Colombo

HSENIID BUSINESS SOLUTIONS PLC
STATEMENT OF FINANCIAL POSITION

AS AT	GROUP		COMPANY	
	Unaudited 31.03.2022 Rs.	Audited 31.03.2021 Rs.	Unaudited 31.03.2022 Rs.	Audited 31.03.2021 Rs.
ASSETS				
Non-Current Assets				
Property, plant and equipment	20,060,449	9,463,710	19,717,549	9,245,801
Right of use Assets	28,233,890	40,468,176	20,478,877	37,975,677
Intangible assets	214,888,450	160,497,821	206,040,983	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	-	2,422,063
	<u>265,190,920</u>	<u>214,893,519</u>	<u>383,096,771</u>	<u>344,595,051</u>
Current Assets				
Inventories	29,685,786	19,659,971	29,685,786	19,659,971
Trade and other receivables	530,898,771	444,859,200	601,689,787	531,696,507
Advances and prepayments	66,315,496	51,102,115	8,389,732	6,218,041
Other current financial assets	1,083,462,924	258,835,421	1,083,462,924	258,835,421
Cash and bank balances	413,247,696	261,483,690	215,679,628	107,709,392
	<u>2,123,610,673</u>	<u>1,035,940,397</u>	<u>1,938,907,858</u>	<u>924,119,332</u>
Total Assets	<u>2,388,801,592</u>	<u>1,250,833,916</u>	<u>2,322,004,629</u>	<u>1,268,714,383</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated capital	922,748,205	224,036,627	922,748,205	224,036,627
Currency translation reserve	13,097,441	17,775,308	-	-
Retained earnings	927,532,378	527,476,218	1,008,745,111	679,757,364
Total Equity	<u>1,863,378,023</u>	<u>769,288,153</u>	<u>1,931,493,316</u>	<u>903,793,990</u>
Non-Current Liabilities				
Retirement benefit obligation	80,744,970	71,432,216	80,744,970	71,432,216
Interest bearing borrowings	4,277,354	28,370,123	3,658,420	28,370,123
Deferred tax liability	1,822,942	-	1,829,107	-
	<u>86,845,266</u>	<u>99,802,339</u>	<u>86,232,497</u>	<u>99,802,339</u>
Current Liabilities				
Trade and other payables	319,021,712	275,594,334	191,942,453	161,587,783
Deferred income	81,481,592	58,965,318	81,481,592	58,965,318
Interest bearing borrowings	31,989,169	39,861,757	24,768,940	37,309,251
Income tax payable	6,085,830	7,322,016	6,085,830	7,255,702
	<u>438,578,304</u>	<u>381,743,424</u>	<u>304,278,816</u>	<u>265,118,053</u>
Total Equity and Liabilities	<u>2,388,801,592</u>	<u>1,250,833,916</u>	<u>2,322,004,629</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

May 27, 2022

Colombo

HSENIID BUSINESS SOLUTIONS PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the three Months ended			Year Ended 31st March		
	Unaudited 31.03.2022	Unaudited 31.03.2021	Change %	Unaudited 31.03.2022	Audited 31.03.2021	Change %
	Rs.	Rs.		Rs.	Rs.	
Revenue	357,296,984	408,796,004	-13%	1,090,790,758	961,479,240	13%
Cost of sales	(127,573,158)	(129,542,895)	-2%	(473,305,600)	(447,986,249)	6%
Gross profit	229,723,826	279,253,110	-18%	617,485,158	513,492,991	20%
Other income	283,719,384	28,470,752	897%	291,318,934	32,882,122	786%
Administrative expenses	(57,937,931)	(41,086,993)	41%	(194,551,831)	(143,144,634)	36%
Selling and marketing expenses	(104,646,080)	(62,052,758)	69%	(196,998,521)	(114,883,633)	71%
Finance cost	(1,467,462)	(6,458,478)	-77%	(5,757,535)	(7,497,161)	-23%
Finance income	24,018,445	7,161,268	235%	32,003,790	10,961,525	192%
Other operating expenses	(20,777,736)	(16,947,657)	23%		(68,956,273)	-100%
Profit before tax	352,632,446	188,339,242	87%	543,499,995	222,854,936	144%
Tax (expense)/reversal	(9,000,126)	(13,710,894)	-34%	(11,902,554)	(13,664,042)	-13%
Profit for the period	343,632,320	174,628,349	97%	531,597,441	209,190,894	154%
Other comprehensive income						
Exchange Gain/(Loss) on translation of foreign	(1,348,626)	3,948,707		(4,677,867)	9,940,285	
Re-measurements of defined benefit obligations	2,074,258	-		2,074,258	-	
Deferred tax on Re-measurements of defined benefit obligations	(44,061)	-		(44,061)	-	
Total comprehensive income for the period	344,313,891	178,577,055		528,949,771	219,131,179	
Profit for the period						
Equity holders of the Company	343,632,320	174,628,349		531,597,441	209,190,894	
Non-controlling interest	-	-		-	-	
Total comprehensive income/profit for the period						
Equity holders of the Company	344,313,891	178,577,055		528,949,771	219,131,179	
Non-controlling interest	-	-		-	-	
Earnings Per Share - Basic	1.46	0.81		1.93	0.96	

HSENIID BUSINESS SOLUTIONS PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the three Months ended			Year Ended 31st March		
	Unaudited 31.03.2022	Unaudited 31.03.2021	Change %	Unaudited 31.03.2022	Audited 31.03.2021	Change %
	Rs.	Rs.		Rs.	Rs.	
Revenue	317,688,755	314,558,849	1%	933,782,756	807,361,031	16%
Cost of sales	(111,383,086)	(101,334,833)	10%	(356,009,881)	(312,003,666)	14%
Gross profit	206,305,669	213,224,017	-3%	577,772,874	495,357,365	17%
Other income	282,720,616	26,925,897	950%	287,299,698	27,301,168	952%
Administrative expenses	(46,742,590)	(32,089,325)	46%	(150,677,121)	(109,550,384)	38%
Selling and marketing expenses	(184,114,947)	(60,670,420)	203%	(270,497,943)	(109,196,046)	148%
Finance cost	(1,097,668)	(6,041,219)	-82%	(5,277,724)	(7,086,858)	-26%
Finance income	24,018,445	7,076,635	239%	32,003,790	10,877,490	194%
Other operating expenses	(20,048,685)	(16,759,218)	20%		(66,228,736)	-100%
Profit before tax	261,040,839	131,666,366	98%	470,623,575	241,473,999	95%
Tax (expense)/reversal	(9,006,291)	(13,674,893)	-34%	(11,215,831)	(13,674,893)	-18%
Profit for the period	252,034,548	117,991,473	114%	459,407,745	227,799,105	102%
Other comprehensive income						
Exchange Gain/(Loss) on translation of foreign operations	-	-		-	-	
Re-measurements of defined benefit obligations	2,074,258	-		2,074,258	-	
Deferred tax on Re-measurements of defined benefit obligations	(44,061)	-		(44,061)	-	
Total comprehensive income for the period	254,064,745	117,991,473		461,437,942	227,799,105	
Profit for the period						
Equity holders of the Company	252,034,548	117,991,473		459,407,745	227,799,105	
Non-controlling interest	-	-		-	-	
Total comprehensive income/profit for the period						
Equity holders of the Company	254,064,745	117,991,473		461,437,942	227,799,105	
Non-controlling interest	-	-		-	-	
Earnings Per Share - Basic	1.07	0.54		1.63	1.05	

HSENIID BUSINESS SOLUTIONS PLC

STATEMENT OF CASH FLOWS

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Rs.	Rs.	Rs.	Rs.
Cash flows from/(used in) operating activities				
Profit before tax	543,499,995	222,854,936	470,623,575	241,473,999
Adjustment For				
Depreciation	5,534,877	3,610,086	5,218,580	3,427,288
Amortisation	90,185,175	84,593,873	86,349,279	79,020,562
Impairment/(writing back) of trade receivable	(3,864,480)	17,910,099	75,817,987	17,897,457
Finance income	(32,003,790)	(10,961,525)	(32,003,790)	(10,877,490)
Loss / (Gain) Disposal of assets	53,666	-	53,666	-
Finance cost	5,757,535	7,497,161	5,277,724	7,086,858
Provision for defined benefit plan	15,013,262	16,857,314	15,013,262	16,857,314
Forex loss/(gain)	(287,387,848)	(27,222,545)	(287,353,364)	(27,222,545)
Operating profit before working capital changes	336,788,393	315,139,400	338,996,918	327,663,443
Decrease / (Increase) in inventories	(10,025,815)	(5,753,825)	(10,025,815)	(5,753,825)
Decrease / (Increase) in trade and other receivables	(82,175,092)	(215,819,156)	(145,811,267)	(211,704,959)
Decrease/(Increase) in advance and prepayment	(15,213,381)	(30,314,736)	(2,171,691)	(553,702)
Increase / (Decrease) in deferred income	22,516,274	(154,579)	22,516,274	(154,579)
Increase / (Decrease) in trade and other payables	43,427,378	143,096,903	30,354,671	63,848,044
Cash generated from operations	295,317,758	206,194,007	233,859,090	173,344,422
Finance cost paid	(1,763,464)	(1,815,805)	(1,489,118)	(1,601,821)
Defined benefit obligation paid	(3,626,250)	(1,427,000)	(3,626,250)	(1,427,000)
Tax paid	(8,904,177)	(14,861,316)	(8,178,593)	(13,809,200)
Net cash from operating activities	281,023,867	188,089,886	220,565,129	156,506,401
Cash flows from/(used in) investing activities				
Acquisition of property, plant and equipment	(16,137,436)	(3,443,000)	(15,743,994)	(3,443,000)
Acquisition of intangible assets	(119,288,068)	(61,690,685)	(116,718,703)	(57,475,936)
Investments in short-term investments	(141,215,329)	(29,181,824)	(141,215,329)	(29,181,824)
Finance income received	32,003,790	10,961,525	32,003,790	10,877,490
Net cash used in investing activities	(244,637,043)	(83,353,984)	(241,674,235)	(79,223,270)
Cash flows from/(used in) financing activities				
Issueance of shares	698,711,578	6,270,797	698,711,578	6,270,797
Shares Issue expenses	(27,288,642)	-	(27,288,642)	-
Disbursement of term loans	-	25,000,000	-	25,000,000
Payment of lease installments	(27,453,001)	(22,807,832)	(21,644,050)	(18,954,408)
Dividend paid	(30,004,113)	(20,000,000)	(30,004,113)	(20,000,000)
Sg Repayment of bank loans	(19,479,180)	(7,541,670)	(19,479,180)	(7,541,670)
Net cash used in financing activities	594,486,641	(19,078,705)	600,295,593	(15,225,281)
Currency translation adjustment	280,581,438	37,099,369	287,353,364	27,222,545
Net increase in cash and cash equivalents	911,454,903	122,756,566	866,539,850	89,280,395
	431,231,727	308,475,161	277,457,429	188,177,034
Cash and cash equivalents at the end of the period	<u>1,342,686,630</u>	<u>431,231,727</u>	<u>1,143,997,279</u>	<u>277,457,429</u>

HSENIID BUSINESS SOLUTIONS PLC
STATEMENT OF CHANGES IN EQUITY

Group	Stated	Currency	Retained	Total
	Capital	Translation	Earnings	Equity
	Rs.	Reserve	Rs.	Rs.
Balance as at 01st April 2020	225,775,613	7,835,023	330,275,541	563,886,176
Profit for the period	-	-	209,190,894	209,190,894
Dividends	-	-	(20,000,000)	(20,000,000)
Other comprehensive income	-	9,940,285	-	9,940,285
Total comprehensive income	-	9,940,285	189,190,894	199,131,179
Re-statement of share capital in line with ROCI	(8,009,783)	-	8,009,783	-
Share Issue	6,270,797	-	-	6,270,797
Balance as at 31st March 2021	<u>224,036,627</u>	<u>17,775,308</u>	<u>519,466,435</u>	<u>769,288,153</u>
Balance as at 01st April 2021	224,036,627	17,775,308	527,476,218	769,288,153
Profit for the period	-	-	531,597,441	
Dividends	-	-	(30,004,113)	(30,004,113)
Other comprehensive income	-	(4,677,867)	-	(4,677,867)
Total comprehensive income	-	(4,677,867)	501,593,328	(34,681,981)
Share Issue	698,711,578	-	-	698,711,578
Share Issue Expenses	-	-	(27,288,642)	(27,288,642)
Re-measurements of defined benefit obligations	-	-	2,074,258	2,074,258
Deferred tax on Re-measurements of defined benefit obligations	-	-	(44,061)	(44,061)
Balance as at 31st March 2022	<u>922,748,205</u>	<u>13,097,441</u>	<u>1,003,811,101</u>	<u>1,408,059,305</u>
Company		Stated	Retained	Total
		Capital	Earnings	Equity
		Rs.	Rs.	Rs.
Balance as at 01st April 2020		225,775,613	463,948,475	689,724,088
Dividends		-	(20,000,000)	(20,000,000)
Profit for the period		-	227,799,105	227,799,105
Total comprehensive income		-	207,799,105	207,799,105
Re-statement of share capital in line with ROC		(8,009,783)	8,009,783	-
Share Issue		6,270,797	-	6,270,797
Balance as at 31st March 2021		<u>224,036,627</u>	<u>679,757,364</u>	<u>903,793,990</u>
Balance as at 01st April 2021		224,036,627	679,757,364	903,793,990
Dividends		-	(30,004,113)	(30,004,113)
Profit for the period		-	459,407,745	459,407,745
Total comprehensive income		-	429,403,631	429,403,631
Share Issue		698,711,578	-	698,711,578
Share Issue Expenses		-	(27,288,642)	(27,288,642)
Re-measurements of defined benefit obligations		-	2,074,258	2,074,258
Deferred tax on Re-measurements of defined benefit obligations		-	(44,061)	(44,061)
Balance as at 31st March 2022		<u>922,748,205</u>	<u>1,083,902,550</u>	<u>2,006,650,754</u>

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 interim condensed financial statements of the Group and the Company for the period ended 31st March 2022 were authorised for issue by the Board of Directors on 27th May 2022.

3 Other Income

With the Sri Lankan Rupee depreciation against USD and many currencies, the Group results include an exchange gain of LKR 286.6 Mn under the income statement along with the exchange translation gains.

4 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 31st March 2021.

5 Continuous Disclosure regarding status of utilization of funds raised via IPO

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%	11.30	6%	Unutilized funds have been temporarily invested with NDB Wealth Management Limited , Guardian Acuity Asset Management Limited and government securities (REPO)
2	Market Development Initiatives	140	January 2022 - December 2023	140	20%	1.00	1%	
3	Potential Strategic Acquisitions in APAC and East African Regions	350	April 2022 - March 2024	350	51%	-	0%	
Total		692		692		12.30	6%	

4 Market value per share for the quarter ended

	31.03.2022	31.03.2021
Highest	37.60	N/A
Lowest	17.40	N/A
Closing	18.00	N/A
Market Capitalization on 31st March, 2022	4,980,516,768	N/A

5 Public Holding as at 31st March, 2022

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	5,276	N/A
Number of Shareholders representing the Public Holding	95,917,618	N/A
Float Adjusted Market Capitalization - (LKR)	1,726,517,124	

The Company complies with the Minimum Public Holding requirement of the Main Board as per Option 5 of Section 7.13.1 (a) of the CSE Listing Rules.

HSENIID BUSINESS SOLUTIONS PLC
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

6 Shareholders' Information

6.1 Ordinary Voting Shares as at 31st March 2022

No	Name	No of Shares	%
1	Hsenid Ventures (Private) Limited	68,839,540	24.88
2	Mr. R.S.Captain	28,386,752	10.26
3	Mr. K.P.R.B. De Silva	28,330,504	10.24
4	Mr. Dinesh Saparamadu	27,800,110	10.05
5	Mr. O.E.H. Kalvo	19,800,000	7.16
6	Ceylon Guardian Investment Trust PLC A/C # 02	17,976,090	6.50
7	Argent Capital (Private) Ltd	11,235,070	4.06
8	Timex Garments (Pvt) Ltd	11,235,070	4.06
9	Mr. Sampath Jayasundara	3,303,300	1.19
10	GF Capital Global Limited	3,011,000	1.09
11	Citibank New York S/A Norges Bank Account 2	2,625,448	0.95
12	Mr. Nilam Alawdeen	2,420,000	0.87
13	AIA Insurance Lanka Limited A/C No.07	1,300,000	0.47
14	J.B Cocoshell (Pvt) Ltd	1,145,100	0.41
15	Cocoshell Activated Carbon Company (Pvt) Ltd	1,014,700	0.37
16	Citizens Development Business Finance PLC/T.Ruchira	997,509	0.36
17	Mr. A.L.S. Kumara	762,190	0.28
18	Union Assurance PLC-Universal Life Fund	716,389	0.26
19	Rosewood (Pvt) Limited-Account No.1	651,442	0.24
20	Bank of Ceylon A/C Ceybank Unit Trust	638,400	0.23
		<u>232,188,614</u>	<u>83.91</u>
	Others	<u>44,506,762</u>	<u>16.09</u>
		<u>276,695,376</u>	<u>100.00</u>

6.2 Directors' and Chief Executive Officer's Shareholding as at 31st March 2022

No	Name	No of Shares	%
1	Mr. Dinesh.Saparamadu	27,800,110	10.24
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

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 Arakularatne 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