



SINGER[®]

Trusted Excellence



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED 31ST MARCH 2013

Group Chief Executive Officer's Review

The business environment was difficult in the first quarter with low demand by the customers and consumer sentiments being further affected by the extensive discussions on possible increase of electricity charges. The effect of the drought destroying part of the harvest and floods in some of the districts in late last year continued into the first quarter.

In the first quarter the Company's gross sales revenue increased by 2%. However, unfortunately as the retail sector came under Value Added Tax, the revenue which is recorded, net of turn over taxes was marginally below prior year. At group level, the revenue was marginally above prior year.

The Company's communications segment increased revenue by 114% and became the third largest business segment pushing the sewing-related products to fourth place. The communications segment mainly includes computers which grew by 37% over prior year, digital cameras which grew by 25% over prior year and mobile phones which grew by nine times over prior year. The transport segment grew by 43% and furniture by 25% while agro segment reduced by 20%, sewing machines by 14%, white goods and kitchen-related products by 10% and electronics by 6%.

While the Company maintained its gross profit and restricted the selling and administration expenses to 9%, the increase in the financial cost affected the profits. The net finance cost for the year was an increase of 99% for the Company and 98% for the Group. The income tax was lower due to lower profit.

In comparison with the first quarter of last year, the net financial cost doubled due to increase in interest rates by almost 70% and due to the increase in borrowings.

The Company's Profit reduced by 57%, while the Group Profit decreased by 50%.

The Company's Subsidiary Singer Finance (Lanka) PLC, had increased revenue of 17.5% although Net Profit reduced by 22%.

The Group nevertheless expects the markets to recover in the months ahead and saw a better growth in revenue in the month of April in comparison to the previous six months. The expected reduction of interest is also expected to help the bottom line.

I wish to place on record my appreciation of all our staff for their contribution and commitment in challenging market conditions.

I also thank the Chairman and Board of Directors of the Company and the Chairman and Chief Executive Officer of Singer Asia for their valuable support and guidance.

I also thank all our shareholders for their continued trust in the Board of Directors and the Management of the Company.

Sincerely,

Asoka Pieris

Group Chief Executive Officer

Colombo,

7th May 2013

Comprehensive Income Statement

For the quarter ended 31st March	Group		Company		Variance		Variance		
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	Group Rs. '000	%	Company Rs. '000	%	
Revenue	6,220,701	6,181,862	5,826,289	5,846,081	38,839	+	19,792	- 0.3	
Cost of Sales	(3,912,361)	(3,942,001)	(3,912,361)	(3,942,001)	(29,640)	-	(29,640)	- 1	
Direct Interest Cost	(147,780)	(109,779)	—	—	(38,001)	+	—	—	
Gross Profit	2,160,560	2,130,082	1,913,928	1,904,080	30,478	+	9,848	+	1
Other Income	57,548	42,144	36,430	40,615	15,403	+	4,185	-	10
Selling and Administration Expenses	(1,550,411)	(1,419,665)	(1,401,121)	(1,289,133)	(130,746)	+	(111,988)	+	9
Other Operating Expenses	(65,423)	(45,140)	(61,161)	(42,451)	(20,283)	+	(18,710)	+	44
Finance Cost	(327,201)	(186,525)	(327,201)	(186,525)	(140,676)	+	(140,676)	+	75
Finance Income	10,966	27,079	43,194	44,085	16,113	-	891	-	2
Net Finance Cost	(316,235)	(159,446)	(284,007)	(142,440)	(156,789)	+	(141,567)	+	99
Share of Profit of Equity Accounted Investees (Net of Income Tax)	334	398	—	—	64	-	—	—	—
Value Added Tax on Financial Services	(5,905)	(9,995)	(5,250)	(5,250)	(4,090)	-	—	-	0
Profit before Tax	280,468	538,378	198,819	465,421	257,910	-	266,602	-	57
Income Tax Expense	(94,446)	(163,786)	(70,163)	(164,420)	(69,340)	-	(94,257)	-	57
Profit for the Period	186,022	374,592	128,656	301,001	188,570	-	172,345	-	57
Other Comprehensive Income									
Revaluation of Property, Plant and Equipment	—	—	—	—					
Income Tax on Other Comprehensive Income	—	—	—	—					
Other Comprehensive Income for the Period - Net of Tax	—	—	—	—					
Total Comprehensive Income for the Period	186,022	374,592	128,656	301,001					
Profit Attributable to:									
Owners of the Company	174,845	362,435	128,656	301,001					
Non-Controlling Interest	11,177	12,157	—	—					
Profit for the Period	186,022	374,592	128,656	301,001					
Total Comprehensive Income Attributable to:									
Owners of the Company	174,845	362,435	128,656	301,001					
Non-Controlling Interest	11,177	12,157	—	—					
Total Comprehensive Income for the Period	186,022	374,592	128,656	301,001					
Earnings per Share - Basic (Rs.)	1.40	2.89	1.03	2.40					

Above figures are provisional and subject to audit.

	1st Quarter 2013 Rs.	1st Quarter 2012 Rs.
Share Prices		
Highest	113.00	138.50
Lowest	95.00	97.50
Last Traded Price	99.50	101.00

Statement of Financial Position

As at 31st	Group			Company		
	March 2013 Rs. '000	March 2012 Rs. '000	December 2012 Rs. '000	March 2013 Rs. '000	March 2012 Rs. '000	December 2012 Rs. '000
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2,250,107	1,740,355	2,151,208	2,196,647	1,710,801	2,106,383
Intangible Assets	188,379	164,781	189,256	163,116	151,131	166,954
Investments in Subsidiaries	—	—	—	982,242	400,000	982,242
Investments in Equity Accounted Investees	52,998	47,284	52,663	48,000	48,000	48,000
Other Investments	17,061	17,061	17,061	17,020	17,020	17,020
Trade and Other Receivables	5,125,087	4,710,094	5,044,790	1,302,874	1,314,048	1,295,483
Deferred Tax Assets	145,346	137,758	150,284	145,346	125,502	146,300
	<u>7,778,978</u>	<u>6,817,333</u>	<u>7,605,262</u>	<u>4,855,245</u>	<u>3,766,502</u>	<u>4,762,382</u>
Current Assets						
Inventories	5,642,070	4,618,712	4,226,074	5,642,070	4,606,279	4,226,074
Loans due from Related Parties	153,635	183,635	93,635	815,285	1,051,288	1,492,054
Trade and Other Receivables	8,958,363	7,774,875	8,355,654	6,046,556	4,843,109	5,329,017
Amounts due from Related Parties - Trade	11,727	12,017	134,398	11,727	444,219	138,581
Amounts due from Related Parties - Non-Trade	47,566	104,723	19,181	47,566	104,723	19,181
Deposits with Banks	50,267	50,759	50,983	—	—	—
Marketable Securities	338,075	263,884	318,720	—	—	—
Cash and Cash Equivalents	600,883	325,907	615,316	586,252	314,707	424,277
	<u>15,802,586</u>	<u>13,334,512</u>	<u>13,813,961</u>	<u>13,149,456</u>	<u>11,364,325</u>	<u>11,629,183</u>
Total Assets	<u>23,581,564</u>	<u>20,151,845</u>	<u>21,419,223</u>	<u>18,004,701</u>	<u>15,130,827</u>	<u>16,391,564</u>
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	770,493	653,182	773,312	770,493	653,182	773,312
Statutory Reserve	83,982	52,835	78,425	—	—	—
Revenue Reserves	3,200,702	3,027,645	3,778,757	2,750,893	2,652,174	3,369,579
Total Equity Attributable for Equity Holders of the Company	<u>4,681,225</u>	<u>4,359,710</u>	<u>5,256,542</u>	<u>4,147,434</u>	<u>3,931,404</u>	<u>4,768,939</u>
Non-Controlling Interest	367,869	268,152	356,692	—	—	—
Total Equity	<u>5,049,094</u>	<u>4,627,862</u>	<u>5,613,234</u>	<u>4,147,434</u>	<u>3,931,404</u>	<u>4,768,939</u>
Non-Current Liabilities						
Loans and Borrowings	1,602,166	1,078,754	1,633,823	1,402,146	753,742	1,402,555
Retirement Benefit Obligations	290,747	223,399	270,539	279,226	215,920	259,359
Deferred Taxation Liability	129,289	94,922	113,926	112,830	94,922	113,926
Security Deposits	598,746	510,003	576,648	598,746	510,003	576,648
Deposits from Customers	680,266	453,848	342,850	—	—	—
	<u>3,301,214</u>	<u>2,360,926</u>	<u>2,937,787</u>	<u>2,392,948</u>	<u>1,574,587</u>	<u>2,352,488</u>
Current Liabilities						
Trade and Other Payables	3,778,693	3,270,616	2,653,497	3,340,769	2,811,253	2,261,545
Deferred Revenue	21,389	18,943	22,330	21,389	17,654	22,330
Income Tax Payable	108,233	210,446	67,213	78,186	218,576	38,976
Dividends Payable	695,585	688,540	10,822	695,585	688,540	10,822
Amounts due to Related Parties - Trade	446,209	341,489	184,453	446,209	341,489	184,453
Amounts due to Related Parties - Non-Trade	141,887	147,084	72,675	141,887	147,084	72,675
Deposits from Customers	2,494,275	2,191,321	2,521,670	—	—	—
Loans and Borrowings	7,544,984	6,294,618	7,335,542	6,740,295	5,400,239	6,679,336
	<u>15,231,254</u>	<u>13,163,057</u>	<u>12,868,202</u>	<u>11,464,320</u>	<u>9,624,835</u>	<u>9,270,137</u>
Total Equity and Liabilities	<u>23,581,564</u>	<u>20,151,845</u>	<u>21,419,223</u>	<u>18,004,701</u>	<u>15,130,827</u>	<u>16,391,564</u>
Net Assets per Share	<u>37.39</u>	<u>34.82</u>	<u>41.98</u>	<u>33.12</u>	<u>31.40</u>	<u>38.09</u>

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

(Sgd.) Priyath Salgado

Finance Director

Above figures are provisional and subject to audit.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by,

(Sgd.) Hemaka Amarasuriya

Director

Colombo,
7th May 2013

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

Statement of Changes in Equity

For the three months ended 31st March 2013

Group	Attributable to Equity Holders of the Company									
	Stated Capital	Statutory Reserve			Revaluation Reserves	General Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
		Reserve Fund	Investment Fund	National Insurance Trust Fund						
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Restated Balance at 31st December 2011	626,048	16,350	28,058	-	655,454	2,200,000	1,221,739.52	4,747,649	255,995	5,003,644
Realisation of Revaluation Surplus	-	-	-	-	(3,156)	-	3,156	-	-	-
Deferred Tax Effect on Realisation of Revaluation Surplus	-	-	-	-	884	-	-	884	-	884
Transferred to/(from) during the Year	-	-	8,427	-	-	-	(8,427)	-	-	-
Transactions with Owners of the Company, Recognised Directly in Equity										
Distributions to Owners of the Company										
Final Dividend - 2011	-	-	-	-	-	-	(751,258)	(751,258)	-	(751,258)
Total Distributions to Owners of the Company	-	-	-	-	-	-	(751,258)	(751,258)	-	(751,258)
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	-	-	-	362,435	362,435	12,157	374,592
Total Comprehensive Income for the Period	-	-	-	-	-	-	362,435	362,435	12,157	374,592
Balance as at 31st March 2012	626,048	16,350	36,485	-	653,182	2,200,000	827,645	4,359,710	268,152	4,627,862
Realisation of Revaluation Surplus	-	-	-	-	(9,466)	-	9,466	-	-	-
Deferred Tax Effect on Realisation of Revaluation Surplus	-	-	-	-	2,650	-	-	2,650	-	2,650
Transferred to/(from) during the Year	-	11,278	14,312	-	-	300,000	(325,590)	-	-	-
Transactions with Owners of the Company, Recognised Directly in Equity										
Distributions to Owners of the Company										
Final Dividend - 2011	-	-	-	-	-	-	-	-	(21,333)	(21,333)
Total Distributions to Owners of the Company	-	-	-	-	-	-	-	-	(21,333)	(21,333)
Changes in Ownership Interests in Subsidiary										
Acquisition of Non-Controlling Interests Without Change in Control	-	-	-	-	-	-	(8,069)	(8,069)	-	(8,069)
Issue Shares of Subsidiary to Non-Controlling Interest	-	-	-	-	-	-	-	-	66,334	66,334
Total Transactions with Owners of the Company	-	-	-	-	-	-	(8,069)	(8,069)	66,334	58,265
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	-	-	-	775,305	775,305	43,539	818,844
Other Comprehensive Income										
Surplus on Revaluation for the Year	-	-	-	-	148,602	-	-	148,602	-	148,602
Deferred Tax effect on Revaluation	-	-	-	-	(21,655)	-	-	(21,655)	-	(21,655)
Total Other Comprehensive Income for the Period	-	-	-	-	126,947	-	-	126,947	-	126,947
Total Comprehensive Income for the Period	-	-	-	-	126,947	-	775,305	902,251	43,539	945,790
Balance at 31st December 2012	626,048	27,628	50,797	-	773,312	2,500,000	1,278,757	5,256,542	356,692	5,613,234
Realisation of Revaluation Surplus	-	-	-	-	(3,916)	-	3,916	-	-	-
Deferred Tax Effect on Realisation of Revaluation Surplus	-	-	-	-	1,097	-	-	1,097	-	1,097
Transferred to/(from) during the year	-	-	4,987	570	-	-	(5,557)	-	-	-

Statement of Changes in Equity

Group	Attributable to Equity Holders of the Company								
	Statutory Reserve				Revaluation Reserves	General Reserves	Retained Earnings	Total	Non-Controlling Interest
	Stated Capital	Reserve Fund	Investment Fund	National Insurance Trust Fund					
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Transactions with Owners of the Company, Recognised Directly in Equity									
Final Dividend - 2012	-	-	-	-	-	-	(751,258)	(751,258)	-
Total Distributions to owners of the Company	-	-	-	-	-	-	(751,258)	(751,258)	-
Total Comprehensive Income for the Period									
Profit for the Period	-	-	-	-	-	-	174,845	174,845	11,177
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	-	-	174,845	174,845	11,177
Balance at 31st March 2013	<u>626,048</u>	<u>27,628</u>	<u>55,784</u>	<u>570</u>	<u>770,493</u>	<u>2,500,000</u>	<u>700,702</u>	<u>4,681,225</u>	<u>367,869</u>

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Restated Balance at 31st December 2011	626,048	655,454	2,200,000	899,276	4,380,777
Realisation of Revaluation Surplus	-	(3,156)	-	3,156	-
Deferred Tax effect on Realisation of Revaluation Surplus	-	884	-	-	884
Transactions with owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend - 2011	-	-	-	(751,258)	(751,258)
Total Distributions to Owners of the Company	-	-	-	(751,258)	(751,258)
Total Comprehensive Income for the Period					
Profit for the Period	-	-	-	301,001	301,001
Total Comprehensive Income for the Period	-	-	-	301,001	301,001
Balance at 31st March 2012	<u>626,048</u>	<u>653,182</u>	<u>2,200,000</u>	<u>452,174</u>	<u>3,931,404</u>
Realisation of Revaluation Surplus	-	(9,466)	-	9,466	-
Deferred Tax Effect on Realisation of Revaluation Surplus	-	2,650	-	-	2,650
Transferred to/(from) during the year	-	-	300,000	(300,000)	-
Total Comprehensive Income for the Period					
Profit for the Period	-	-	-	707,938	707,938
Other Comprehensive Income					
Surplus on Revaluation for the Year	-	148,602	-	-	148,602
Deferred Tax effect on Revaluation	-	(21,655)	-	-	(21,655)
Total other comprehensive Income for the Period	-	126,947	-	-	126,947
Total Comprehensive Income for the Period	-	126,947	-	707,938	834,884
Balance at 31st December 2012	<u>626,048</u>	<u>773,312</u>	<u>2,500,000</u>	<u>869,579</u>	<u>4,768,939</u>
Realisation of Revaluation Surplus	-	(3,916)	-	3,916	-
Deferred Tax effect on Realisation of Revaluation Surplus	-	1,097	-	-	1,097
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend - 2012	-	-	-	(751,258)	(751,258)
Total Distributions to Owners of the Company	-	-	-	(751,258)	(751,258)
Total Comprehensive Income for the Period					
Profit for the Period	-	-	-	128,656	128,656
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	128,656	128,656
Balance at 31st March 2013	<u>626,048</u>	<u>770,493</u>	<u>2,500,000</u>	<u>250,893</u>	<u>4,147,434</u>

Statement of Cash Flow

For the three months ended March	Group		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	280,466	538,377	198,818	465,422
Adjustments for:				
Depreciation on Property, Plant & Equipment	66,577	40,797	63,148	38,566
Share of (Profit) from Equity Accounted Investees	(334)	(398)	—	—
Amortisation of Intangible Assets	5,116	4,343	4,283	3,885
(Gain) on Disposal of Property, Plant & Equipment	(101)	(3,558)	(101)	(3,558)
Interest Expense	327,201	186,525	327,201	186,525
Interest Income	(10,966)	(27,079)	(43,194)	(44,085)
Impairment of Inventory	(1,547)	3,044	(1,547)	3,044
Bad Debts Written-off	(9,859)	—	(6,977)	(504)
Impairment on Trade and Other Receivables	25,310	27,077	4,706	19,731
Dividend Income	—	(1,996)	—	(1,996)
Provision for Retiring Gratuity	21,923	18,611	21,323	18,086
Operating Profit before Working Capital Changes	703,786	785,744	567,661	685,116
(Increase)/Decrease in Inventories	(1,414,449)	(1,218,840)	(1,414,449)	(1,223,278)
(Increase)/Decrease in Debtors Falling due after one Year	(80,297)	(492,010)	(7,301)	(91,288)
(Increase)/Decrease in Debtors Falling due within one Year	(619,101)	(906,466)	(716,208)	(572,080)
(Increase)/Decrease in Trade dues from Related Parties	94,285	(85,214)	98,468	44,571
Increase/(Decrease) in Trade dues to Related Parties	330,968	243,860	330,968	243,860
Increase in Security Deposits	22,098	22,554	22,098	22,554
Increase/(Decrease) in Customer Deposit Liabilities	310,021	(17,831)	—	—
Increase/(Decrease) in Trade and Other Payables	1,052,834	801,471	876,425	658,583
Cash Generated from Operations	400,145	(866,731)	(242,429)	(231,963)
Finance Costs Paid	(254,835)	(288,841)	(124,399)	(159,963)
Retiring Gratuity Paid	(1,715)	—	(1,455)	—
Income Tax Paid	(32,030)	(139,291)	(30,000)	(116,391)
Net Cash from/(used in) Operating Activities	111,565	(1,294,863)	(398,283)	(508,317)
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment and Intangible Assets	(169,736)	(96,706)	(153,878)	(94,948)
Proceeds from Disposal of Property, Plant & Equipment	121	8,778	121	8,741
(Acquisition)/Disposal of Marketable Securities	(19,355)	26,428	—	—
Investment in Bank Deposits	716	(50,759)	—	—
Net Cash Flows from Loans Given to Related Companies	(60,000)	(10,000)	676,768	(511,783)
Interest Received	10,966	27,079	43,194	44,085
Dividend Received	—	1,996	—	1,996
Net Cash Flows from/(used in) Investing Activities	(237,289)	(93,185)	566,205	(551,908)
Proceeds from Loans & Borrowings	52,050	897,522	133,653	731,254
Dividend Paid	(66,495)	(68,542)	(66,495)	(68,542)
Net Cash Flow from Financing Activities	(14,446)	828,980	67,158	662,713
Net Increase/(Decrease) in Cash and Cash Equivalents	(140,170)	(559,068)	235,079	(397,513)
Cash and Cash Equivalents at the beginning of the Period	(48,199)	(302,562)	(207,304)	(181,976)
Cash and Cash Equivalents at the end of the Period	(188,368)	(861,630)	27,775	(579,490)

Notes to the Financial Statements

- 1.1** The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st December 2012, are in compliance with Sri Lanka Accounting Standard 34 - 'Interim Financial Reporting'.

1.2 Application of Sri Lanka Accounting Standards (SLFRS/LKAS)

The Financial Statements for the period ended 31st December 2012 are the first Financial Statements prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 1st January 2012. These SLFRS/LKASs have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

A brief explanation of how the transition to SLFRS/LKASs and impact to total comprehensive Income and Equity on the Comparative figures are given in Notes 7.1 and 7.2 to these Interim Financial Statements.

2.1 Segmental Analysis of Company Net Turnover is as follows:

	1st Quarter ending 31st March 2013 Rs. '000	1st Quarter ending 31st March 2012 Rs. '000
Sewing-Related Products	611,709	717,985
Consumer Electronics	1,380,917	1,471,660
White Goods	2,020,120	2,259,275
Kitchen-Related Products	379,565	423,574
Communications	713,556	333,721
Furniture	368,847	294,483
Transport	168,939	117,781
Agro	182,636	227,602
	5,826,289	5,846,081

2.2 Segmental Analysis of Company Profits before Tax is as follows:

	1st Quarter ending 31st March 2013 Rs. '000	1st Quarter ending 31st March 2012 Rs. '000
Sewing-Related Products	22,242	55,592
Consumer Electronics	54,184	141,021
White Goods	66,081	161,496
Kitchen-Related Products	16,200	40,605
Communications	19,558	19,400
Furniture	11,698	23,357
Transport	2,028	4,360
Agro	6,828	17,594
Dividend Income	-	1,996
	198,819	465,421

Notes to the Financial Statements

2.3 Segmental Analysis of Group Net Turnover is as follows:

	1st Quarter ending 31st March 2013 Rs. '000	1st Quarter ending 31st March 2012 Rs. '000
Sewing-Related Products	611,709	717,985
Consumer Electronics	1,380,917	1,471,660
White Goods	2,020,120	2,259,275
Kitchen-Related Products	379,565	423,574
Communications	713,556	333,721
Furniture	368,847	294,483
Transport	168,939	117,781
Agro	182,636	227,602
Singer Finance (Lanka) PLC	394,412	335,781
	6,220,701	6,181,862

2.4 Segmental Analysis of Group Profits before Tax is as follows:

	1st Quarter ending 31st March 2013 Rs. '000	1st Quarter ending 31st March 2012 Rs. '000
Sewing-Related Products	22,242	55,592
Consumer Electronics	54,184	141,021
White Goods	66,081	161,496
Kitchen-Related Products	16,200	40,605
Communications	19,558	19,400
Furniture	11,698	23,357
Transport	2,028	4,360
Agro	6,828	17,594
Singer Finance (Lanka) PLC	81,315	72,559
Dividend	-	1,996
Share of Profit on Equity Accounted Investees	334	398
	280,468	538,378

Notes to the Financial Statements

3. Related Party Transactions

3.1 Identity of Related Parties

The Company has a related party relationship with its Parent Company, its Associate Companies, Affiliate Companies and with its Directors.

3.2 Transactions with Parent Companies

(a) During the period, the Company had following transactions with its Parent Companies:

Singer Asia Ltd. - (Intermediate Parent)

	2013 Rs. Million	2012 Rs. Million
Royalty Expenses	64.8	64.9
Royalty Payable Balance as at Period End	141.9	147.1

Singer Asia Holdings BV - (Intermediate Parent)

Royalty Paid to Singer Asia Ltd. through Singer Asia Holding BV

(b) Following companies are also Parent Companies of Singer (Sri Lanka) PLC and Singer Finance (Lanka) PLC, with whom no transactions were entered into during the period:

Company	Relationship
Singer (Sri Lanka) BV	Intermediate Parent
Singer Asia Holdings NV	Intermediate Parent
Retail Holdings NV	Ultimate Parent

3.3 Transactions with Subsidiary Companies

	2013 Rs. Million	2012 Rs. Million
Singer Finance (Lanka) PLC		
Sales Financed through Singer Finance (Lanka) PLC	37.6	357.2
Payments to Singer (Sri Lanka) PLC on behalf of Customers	204.5	267.4
Short-Term Loans Granted	220.0	490.0
Short-Term Loans Recovered	440.0	—
Interest Income	45.2	26.0
Dividend Received (Gross)	—	—
Cash Collection through Singer (Sri Lanka) PLC	617.5	613.6
Expenses Paid	38.2	34.7
Administrative Fee Charged	9.9	20.4
Collecting Commission Paid through Singer (Sri Lanka) PLC	4.4	3.4
Purchase of Assets	0.7	—
Rent Reimbursed	3.3	4.1
Royalty Paid through Singer (Sri Lanka) PLC	4.6	3.7
Balance Receivable - Trade	—	432.2
Balance Receivable - Loans	661.6	867.7

Notes to the Financial Statements

3.4 Transactions with Associate Companies

- (a) During the period the Company had following transactions with its Associate Companies:

	2013 Rs. Million	2012 Rs. Million
Reality (Lanka) Ltd.		
Rent Expenses	1.3	1.3
Loans Receivable	73.6	73.6

- (b) Following company is an Associate Company of Singer (Sri Lanka) PLC, with whom Singer (Sri Lanka) PLC or Singer Finance (Lanka) PLC had no transactions taken place other than through advertising agencies during the period:

Telshan Network (Pvt) Ltd.

3.5 Transactions with Other Related Parties

Transactions with the following parties have been disclosed in Note 3.6:

Company	Relationship
Regnis (Lanka) PLC	Affiliate Company
Singer Industries (Ceylon) PLC	Affiliate Company
Singer Asia Sourcing Ltd.	Affiliate Company

3.6 Transactions with Key Management Personnel and Directors

(a) Loans to Directors

No Loans have been given to the Directors of the Company.

- (b) A number of Key Management Personnel or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. These transactions are given below:

Name of the Company and Relationship	Name of Director	Nature of Transaction	2013 Rs. Million	2012 Rs. Million
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	254.1	251.5
	Mr. H.A. Pieris	Corporate Guarantee Given	75.0	75.0
	Dr. G.C.B. Wijeyesinghe	Lease Rental Paid	0.9	1.5
	Mr. G. J. Walker	Purchase of Raw Material	—	0.5
	Deshabandu A.M. de S. Jayaratne	Trade Credit Settled	261.8	199.5
	Mr. V.G.K. Vidyaratne	Expenses Reimbursed	2.4	3.6
		Balance Payable	107.7	105.6
Regnis (Lanka) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	644.8	537.9
	Dr. G.C.B. Wijeyesinghe	Corporate Guarantees Given	455.5	455.5
	Mr. H.A. Pieris	Interest Income	1.4	1.9
	Mr. V.G.K. Vidyaratne	Trade Credit Settled	558.6	554.9
	Mr. G.J. Walker	Sales Taxes	92.1	76.8
	Dr. S. Kelegama	Expenses Reimbursed	11.7	12.8
		Loans Receivable	80.0	60.0
		Balance Payable	214.1	103.3

Notes to the Financial Statements

Name of the Company and Relationship	Name of Director	Nature of Transaction	2013 Rs. Million	2012 Rs. Million
Singer Finance (Lanka) PLC (Subsidiary Company)	Mr. H.D.S. Amarasuriya (Chairman) Mr. H.A. Pieris	Sales Financed through Singer Finance (Lanka) PLC	37.6	357.2
		Payments to Singer (Sri Lanka) PLC on behalf of Customers	204.5	267.4
	Dr. S. Kelegama Mr. M.P.A. Salgado Mr. G.J. Walker Mr. J.J. Hyun	Short -Term Loan Granted	220.0	490.0
		Short-Term Loan Recovered	440.0	—
		Interest Income	45.2	26.0
		Dividend Received - Gross	—	—
		Cash Collection through Singer (Sri Lanka) PLC	617.5	613.6
		Expenses Paid	38.2	34.7
		Administrative Fee Charged	9.9	20.4
		Collecting Commission paid through Singer (Sri Lanka) PLC	4.4	3.4
		Purchase of Assets	0.7	—
		Rent Reimbursed	3.3	4.1
		Royalty Paid through Singer (Sri Lanka) PLC	4.6	3.7
		Balance Receivable - Trade	—	432.2
		Balance Receivable - Loans	661.6	867.7
National Development Bank PLC	Mr. H.D.S. Amarasuriya	Borrowed Money	290.0	300.3
		Interest Expenses	11.7	5.7
		Issue of Debentures	—	150.0
Singer Asia Sourcing Ltd. (Affiliate Company)	Mr. G.J. Walker	Purchases	—	—
		Settlements	—	—
		Balance (Receivable)/Payables	7.4	7.7
Singer Asia Ltd. (Intermediate Parent Company)	Mr. P.J. O'Donnell Mr. G.J. Walker Mr. H.A. Pieris	Royalty Expenses	64.8	64.9
		Royalty Payable	141.9	147.1
Reality Lanka Ltd. (Associate Company)	Mr. H.D.S. Amarasuriya Mr. H.A. Pieris Mr. V.G.K. Vidyaratne Mr. G.J. Walker	Rent Expenses	1.3	1.3
		Loans Receivable	73.6	73.6
Regnis Appliances (Pvt) Ltd.	Mr. H.D.S. Amarasuriya Mr. H.A. Pieris Mr. V.G.K. Vidyaratne Mr. A.N. Majeed	Purchases	552.3	288.5
		Trade Settlements	448.6	343.6
		Expenses Paid	0.7	0.6
		Finance Charges	3.2	2.6
		Loans Granted	100.0	50.0
		Loans Recovered	120.0	—
		Loans Receivable	—	24.0
		Balance Payable - Trade	75.9	50.0
Fintravels Ltd.	Dr. G.C.B. Wijeyesinghe	Business Transactions	1.9	1.1

Notes to the Financial Statements

- (c) Key Management Personnel includes members of the Board of Directors of the Company, its subsidiary and parent. Transactions with Key Management Personnel, their close family members and parties/entities in which such Key Management Personnel or their close family members have control, joint control or significant influence can be shown as follows:

(i) *Transactions with Key Management Personnel or their close family members*

	2013 Rs. Million	2012 Rs. Million
Deposits kept by Key Management Personnel and their close family members of Singer Finance (Lanka) PLC	87.2	61.9

4. Stated Capital

4.1	31st March 2013	31st March 2012
Value - Ordinary Shares	Rs. 626,048,050/-	Rs. 626,048,050/-
No. of Shares - Ordinary Shares	125,209,610	125,209,610
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

5. Contingencies

- (a) Guarantees given to banks and other lending institutions on behalf of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC amounts to Rs. 75 Million and Rs. 455.5 Million respectively.
- (b) The Company has provided bank guarantees amounting to Rs. 184.2 Million to the Director General of Customs to clear imports during the year under review pending completion of legal proceedings in the Court of Appeal.

The bank guarantee related to alleged additional duty payable on imports, is being contested by the Company in Courts.

The Company lawyers are 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.

6. Events Occurring after the Balance Sheet Date

There have been no material events occurring after the Balance Sheet date that require disclosure in the Financial Statements.

7. Comparative Information

Comparative information has been created in line with the changes to the new Accounting Standards (SLFRS/LKAS) which are effective from 1st January 2012.

- 7.1 The reconciliation of total comprehensive income prepared in accordance with Sri Lanka Accounting Standards effective from 1st January 2012 and Sri Lanka Accounting Standards effective prior to the 1st January 2012.

Notes to the Financial Statements

	For the Quarter Ended	
	Group	Company
	31st March 2012 Rs.'000	31st March 2012 Rs.'000
Profit after Tax published in accordance with the Sri Lanka Accounting Standards effective immediately prior to the 1st January 2012	350,029	301,001
Effect of adoption of SLFRS /LKAS		
Adjustment for Income Tax	24,563	—
Total Comprehensive Income in accordance with the Sri Lanka Accounting Standards effective from 1st January 2012	374,592	301,001

- 7.2** The reconciliation of total equity in accordance with Sri Lanka Accounting Standards effective from 1st January 2012 and Sri Lanka Accounting Standards effective prior to the 1st January 2012.

	For the Quarter Ended	
	Group	Company
	31st March 2012 Rs.'000	31st March 2012 Rs.'000
Total Equity in accordance with the Sri Lanka Accounting Standards effective immediately prior to the 1st January 2012	4,596,245	3,917,655
Effect of adoption of SLFRS /LKAS		
Intangible Assets - Brand name	13,749	13,749
Deferred Revenue	14,912	—
Adjustment for Value Added Tax	(24,748)	—
Adjustment for Income Tax	24,563	—
Effect of adoption of SLFRS/LKAS - Other	3,141	—
Total Equity in accordance with the Sri Lanka Accounting Standards effective from 1st January 2012	4,627,862	3,931,404

8. Listed Debentures

Details regarding the listed debentures are as follows:

17% senior rated unsecured redeemable on 30th September 2015.

Interest rate of comparable Government Securities as at date of issue, 25th October 2012 was 11.84%.

The Listed Debentures were not traded during the period 25th October 2012 to 31st March 2013.

Therefore, Highest Traded Price, Lowest Traded Price, Last Traded Price as at 31st March 2013, Interest Yield and Yield to Maturity of trade were not available.

	31st March 2013	31st March 2012
Debt Equity Ratio	0.34	0.19
Interest Cover	1.70	4.27
Quick Assets Ratio	0.66	0.70

Notes to the Financial Statements

9. Top 20 Shareholders as at 31st March 2013

Name	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/c Ceybank Unit Trust	4,174,237	3.33
3. Miss Ranjani Eileen Weeraratne Jayasuriya	609,682	0.49
4. Mrs. Mihiri Virani Fernando	600,000	0.48
5. Bank of Ceylon A/c Ceybank Century Growth Fund	594,418	0.47
6. Mrs. Zohra Taher Jafferjee	330,890	0.26
7. Dr. Nimal Ebenezer Herat Sanderatne	185,126	0.15
8. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
9. Sri Lanka Insurance Corporation Ltd. - General Fund	177,500	0.14
10. Sampath Bank PLC/Capital Trust Holdings Private Ltd.	148,206	0.12
11. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
12. Mr. Nalin Amita De Silva	126,326	0.10
13. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
14. Miss Nai Kaluge Ruvani Hemamala De Silva	118,246	0.09
15. Mrs. Enoka Kamali Wickramasinghe	112,644	0.09
16. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
17. Merchant Bank of Sri Lanka Ltd./Union Investments Ltd.	88,894	0.07
18. Amana Bank Ltd.	85,246	0.07
19. Mr. Abey Siri Hemapala Munasinghe	83,986	0.07
20. Mrs. Malini Wijenaike	82,006	0.07
	115,855,157	92.53
Others	9,354,453	7.47
Total	125,209,610	100.00

10. Directors and CEO's Shareholding as at 31st March 2013

Name of the Director	Shareholding 31st March 2013 No. of Shares	Shareholding 31st December 2012 No. of Shares
Mr. H.D.S. Amarasuriya	89,482	89,482
Mr. H.A. Pieris - CEO	2,000	2,000
Dr. G.C.B. Wijeyesinghe	-	-
Dr. Saman Kelegama	-	-
Deshabandu Ajit Jayaratne	-	-
Mr. P.J. O'Donnell	-	-
Mr. J.J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. V.G.K. Vidyaratne	25,131	23,831
Mr. M.H. Wijewardene	-	-
Mr. N. Majeed	6,895	5,000
Mr. K. Samarasinghe	4,124	4,124
Mr. M.P.A. Salgado	4,000	4,000

11. Public Holding

Public holding as at 31st March 2013 is 13.65% (As at 31st March 2012 - 13.66%).



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