



SINGER[®]

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SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
NINE MONTHS ENDED 30TH SEPTEMBER 2015

Group Chief Executive Officer's Review

The Singer Group Revenue grew by 34% in the third quarter. YTD group revenue grew 30% over the prior year to reach Rs. 27.1 Billion at the end of the first nine months.

The growth in Revenue and profits is due both to the initiatives and expansion done by the Group and due to the improvement in the business environment.

The Company continues to take initiatives and expand by establishing new shops, dealers and channels of distribution; Improving and renovating shops; Securing new brands and distributorships; Introduction of new products, improvement of processes, etc.

While the business environment in the first nine months was better than prior year, during the month of September, we witnessed a sharp devaluation of the Rupee of around 5% and a slight increase of interest rates. We are optimistic that this will not seriously affect the business environment.

The revenue growth was driven by the Communication and the Digital Media segment which grew by 78%. This is now the second highest segment overtaking Consumer Electronics and Sewing. At the same time, all segments had a growth. Agro segment grew by 43%, Kitchen related products by 31%, White goods by 29%, Sewing products by 26%, Furniture by 24%, and Electronics by 12%.

The Group Net Profit for the first nine months is Rs. 830.8 million, which is an increase of 63% when compared with prior year. In case of the Company, Net Profit for the first nine months was Rs. 578.2 million, which is an increase of 61%.

During the third quarter, the Net Profit is below prior year. However, prior year third quarter had a reversal of provisions created in first and second quarters of prior year for possible liabilities. If the impact of this reversal is removed, the profits for the third quarter are substantially above prior year.

While we have a marked increase of profits in 2015 over that of 2014 and 2013, we need to be mindful that the profit is still 6% below that of 2012, which was the highest profits recorded at end of September.

The Company's public listed subsidiary Singer Finance (Lanka) PLC, had increase of revenue of 4% and an increase of Net Profit of 42%, for the first nine months of 2015. Despite the good volume growth of business, the low revenue growth is due to the reduction in lending rates. This was compensated by a corresponding reduction in borrowing rates and lead to growth in Net Income.

The Company's new subsidiary Singer Digital Media (Pvt) Ltd., which is specialising in the sale of mobile phones and computers to the trade channel had a Revenue to external parties of Rs. 2,304 million.

I wish to place on record my appreciation of all our staff for their contribution and commitment in bringing these results.

I also thank the Chairman and Board of Directors of the Company, 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

27th October 2015

Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 30th September	Group		Company		Variance		Variance	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	Group Rs. '000	%	Company Rs. '000	%
Revenue	9,139,616	6,832,997	7,743,537	6,230,868	2,306,619	+ 34	1,512,668	+ 24
Cost of Sales	(6,289,486)	(4,199,046)	(5,447,376)	(4,091,211)	(2,090,439)	+ 50	(1,356,165)	+ 33
Direct Interest Cost	(180,812)	(191,741)	—	—	(10,929)	- 6	—	—
Gross Profit	2,669,318	2,442,210	2,296,161	2,139,657	227,108	+ 9	156,504	+ 7
Other Income	47,871	34,798	24,428	24,107	13,073	+ 38	321	+ 1
Selling and Administration Expenses	(2,111,696)	(1,798,057)	(1,906,246)	(1,623,886)	(313,637)	+ 17	(282,360)	+ 17
Other Operating Expenses	(73,113)	(72,606)	(68,077)	(67,673)	(506)	+ 1	(403)	+ 1
Finance Cost	(273,027)	(266,755)	(274,053)	(280,600)	(6,273)	+ 2	(6,546)	- 2
Finance Income	12,201	21,346	32,769	20,981	9,144	- 43	11,788	+ 56
Net Finance Cost	(260,826)	(245,410)	(241,284)	(259,619)	(15,416)	+ 6	(18,335)	- 7
Share of Profit of Equity Accounted Investees (Net of Income Tax)	530	316	—	—	214	+ 68	—	—
Value Added Tax on Financial Services	(29,957)	(17,255)	(7,800)	(10,200)	(12,702)	+ 74	(2,400)	- 24
Profit before Tax	242,128	343,994	97,183	202,385	101,866	- 30	105,202	- 52
Income Tax Expense	(71,626)	(108,689)	(27,471)	(64,881)	(37,063)	- 34	(37,410)	- 58
Profit for the Period	170,501	235,305	69,712	137,504	64,803	- 28	67,792	- 49
Other Comprehensive Income	—	—	—	—				
Total Comprehensive Income for the Period	170,501	235,305	69,712	137,504				
Profit Attributable to –								
Owners of the Company	150,840	217,837	69,712	137,504				
Non-Controlling Interest	19,661	17,468	—	—				
Profit for the Period	170,501	235,305	69,712	137,504				
Total Comprehensive Income Attributable to –								
Owners of the Company	150,840	217,837	69,712	137,504				
Non-Controlling Interest	19,661	17,468	—	—				
Total Comprehensive Income for the Period	170,501	235,305	69,712	137,504				
Earnings per Share – Basic (Rs.)	1.36	1.74	0.56	1.10				

Above figures are provisional and subject to audit.

Share Prices	3rd Quarter 2015 Rs.	3rd Quarter 2014 Rs.
Highest	152.00	109.80
Lowest	121.50	92.00
Last Traded Price	136.40	105.10

Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 30th September	Group		Company		Variance		Variance	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	Group Rs. '000	%	Company Rs. '000	%
Revenue	27,144,044	20,860,412	23,399,648	19,337,338	6,283,632	+ 30	4,062,311	+ 21
Cost of Sales	(18,314,788)	(13,228,506)	(16,322,507)	(13,123,899)	(5,086,282)	+ 38	(3,198,608)	+ 24
Direct Interest Cost	(476,448)	(549,965)	—	—	(73,517)	- 13	—	—
Gross Profit	8,352,807	7,081,941	7,077,141	6,213,439	1,270,865	+ 18	863,703	+ 14
Other Income	96,588	104,725	202,851	144,970	8,137	- 8	57,881	+ 40
Selling and Administration Expenses	(6,150,362)	(5,368,458)	(5,553,676)	(4,814,250)	(781,904)	+ 15	(739,426)	+ 15
Other Operating Expenses	(214,282)	(203,633)	(198,293)	(189,482)	(10,649)	+ 5	(8,811)	+ 5
Finance Cost	(818,110)	(852,203)	(821,112)	(866,047)	(34,093)	- 4	(44,935)	- 5
Finance Income	55,871	58,254	84,670	31,474	2,383	- 4	53,196	+ 169
Net Finance Cost	(762,239)	(793,949)	(736,442)	(834,573)	(31,710)	- 4	(98,131)	- 12
Share of Profit of Equity Accounted Investees (Net of Income Tax)	1,512	996	—	—	517	+ 52	—	—
Value Added Tax on Financial Services	(73,799)	(59,268)	(17,200)	(30,800)	(14,531)	+ 25	(13,600)	- 44
Profit before Tax	1,250,226	762,355	774,382	489,304	487,871	+ 64	285,078	+ 58
Income Tax Expense	(419,446)	(253,275)	(196,220)	(130,334)	(166,172)	+ 66	(65,886)	+ 51
Profit for the Period	830,779	509,080	578,162	358,971	321,699	+ 63	219,191	+ 61
Other Comprehensive Income	—	—	—	—				
Total Comprehensive Income for the Period	830,779	509,080	578,162	358,971				
Profit Attributable to –								
Owners of the Company	767,749	464,559	578,162	358,971				
Non-Controlling Interest	63,029	44,521	—	—				
Profit for the Period	830,779	509,080	578,162	358,971				
Total Comprehensive Income Attributable to –								
Owners of the Company	767,749	464,559	578,162	358,971				
Non-Controlling Interest	63,029	44,521	—	—				
Total Comprehensive Income for the Period	830,779	509,080	578,162	358,971				
Earnings per Share – Basic (Rs.)	6.13	3.71	4.62	2.87				

Above figures are provisional and subject to audit.

	Nine Months Ended 2015 Rs.	Nine Months Ended 2014 Rs.
Share Prices		
Highest	152.00	108.50
Lowest	105.00	81.00
Last Traded Price	136.40	99.90

Statement of Financial Position

As at 30th	Group			Company		
	September 2015 Rs. '000	September 2014 Rs. '000	December 2014 Rs. '000	September 2015 Rs. '000	September 2014 Rs. '000	December 2014 Rs. '000
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2,672,200	2,521,958	2,667,909	2,598,603	2,454,441	2,603,691
Intangible Assets	242,721	199,370	243,646	200,174	159,872	205,413
Investments in Subsidiaries	—	—	—	992,242	987,242	987,242
Investments in Equity Accounted Investees	56,701	54,222	55,189	48,000	48,000	48,000
Other Financial Assets	17,061	166,344	17,061	616,303	166,303	166,303
Trade and Other Receivables	6,907,932	5,535,312	5,778,199	1,692,994	1,580,178	1,564,675
Deferred Tax Assets	168,310	130,687	185,024	178,695	135,362	179,385
	<u>10,064,926</u>	<u>8,607,893</u>	<u>8,947,028</u>	<u>6,327,011</u>	<u>5,531,398</u>	<u>5,754,709</u>
Current Assets						
Inventories	6,888,364	5,342,192	5,475,791	6,638,517	5,243,721	5,178,215
Loans due from Related Parties	65,135	65,135	65,135	890,094	111,466	717,069
Income Tax Receivable	—	—	—	—	—	—
Trade and Other Receivables	12,265,379	10,554,386	10,963,330	7,531,551	6,554,666	7,043,914
Amounts due from Related Parties	1,366	7,604	45,073	63,185	338,126	298,389
Deposits with Banks	91,430	114,885	110,388	—	—	—
Other Financial Assets	582,974	615,861	653,380	—	—	—
Cash and Cash Equivalents	1,351,941	761,409	1,176,934	1,108,942	618,735	914,488
	<u>21,246,589</u>	<u>17,461,472</u>	<u>18,490,030</u>	<u>16,232,290</u>	<u>12,866,713</u>	<u>14,152,075</u>
Total Assets	<u>31,311,515</u>	<u>26,069,365</u>	<u>27,437,058</u>	<u>22,559,302</u>	<u>18,398,113</u>	<u>19,906,785</u>
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	860,775	753,575	870,358	860,775	753,575	870,358
Statutory Reserve	73,318	136,128	136,128	—	—	—
Revenue Reserves	4,369,793	3,599,858	3,842,675	3,357,024	2,983,217	3,082,303
Total Equity Attributable for Equity Holders of the Company	<u>5,929,934</u>	<u>5,115,609</u>	<u>5,475,207</u>	<u>4,843,846</u>	<u>4,362,839</u>	<u>4,578,709</u>
Non-Controlling Interest	464,487	419,362	441,960	—	—	—
Total Equity	<u>6,394,421</u>	<u>5,534,971</u>	<u>5,917,169</u>	<u>4,843,846</u>	<u>4,362,839</u>	<u>4,578,709</u>
Non-Current Liabilities						
Interest-Bearing Loans and Borrowings	6,769,335	3,131,889	4,226,596	4,500,000	1,900,000	3,146,637
Retirement Benefit Obligations	448,099	367,195	383,912	423,719	350,385	362,593
Deferred Taxation Liability	116,062	106,251	119,789	116,062	106,251	119,789
Security Deposits	813,833	699,081	732,124	813,833	699,081	732,124
Other Financial Liabilities	503,406	1,054,935	798,492	—	—	—
	<u>8,650,735</u>	<u>5,359,350</u>	<u>6,260,914</u>	<u>5,853,614</u>	<u>3,055,717</u>	<u>4,361,144</u>
Current Liabilities						
Trade and Other Payables	5,003,411	3,305,544	3,818,024	4,189,524	2,723,194	3,021,470
Deferred Revenue	289,380	223,902	235,334	289,380	223,902	235,334
Income Tax Payable	131,287	90,821	212,842	11,252	31,140	109,210
Dividends Payable	266,843	15,560	15,491	266,843	15,560	15,491
Amounts due to Related Parties – Trade	416,085	227,890	346,767	416,085	227,890	767,168
Amounts due to Related Parties – Non-Trade	99,667	75,585	90,246	104,984	75,585	90,246
Other Financial Liabilities	2,951,193	3,510,565	3,696,150	—	—	—
Interest-Bearing Loans and Borrowings	7,108,493	7,725,177	6,844,121	6,583,775	7,682,286	6,728,013
	<u>16,266,358</u>	<u>15,175,044</u>	<u>15,258,976</u>	<u>11,861,842</u>	<u>10,979,557</u>	<u>10,966,933</u>
Total Equity and Liabilities	<u>31,311,515</u>	<u>26,069,365</u>	<u>27,437,058</u>	<u>22,559,302</u>	<u>18,398,113</u>	<u>19,906,785</u>
Net Assets per Share	47.36	40.86	43.73	38.69	34.84	36.57

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

(Sgd.) Lalith Yatiwella

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.) Dr. Saman Kelegama

Director

Colombo,

26th October 2015

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

Statement of Changes in Equity

For the nine months ended 30th September 2015

Group	Attributable to Equity Holders of the Company						Total	Non-Controlling Interest	Total Equity
	Stated Capital	Statutory Reserve		Revaluation Reserves	General Reserves	Retained Earnings			
		Reserve Fund	Investment Fund						
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at 1st January 2014	626,048	40,455	87,992	762,034	2,500,000	947,543	4,964,072	395,903	5,359,975
Realisation of Revaluation Surplus	—	—	—	(8,459)	—	8,459	—	—	—
Transferred to/(from) during the Year	—	13,430	(5,749)	—	—	(7,681)	—	—	—
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend - 2013	—	—	—	—	—	(313,024)	(313,024)	—	(313,024)
Dividend Paid by Subsidiary Company to Non-Controlling Interest - 2013	—	—	—	—	—	—	—	(21,061)	(21,061)
Total Distributions to Owners of the Company	—	—	—	—	—	(313,024)	(313,024)	(21,061)	(334,086)
Total Comprehensive Income for the Period									
Profit for the Nine Months Period	—	—	—	—	—	464,561	464,561	44,521	509,082
Other Comprehensive Income	—	—	—	—	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	464,561	464,561	44,521	509,082
Balance at 30th September 2014	626,048	53,885	82,243	753,575	2,500,000	1,099,858	5,115,609	419,362	5,534,971
Realisation of Revaluation Surplus	—	—	—	(2,819)	—	2,819	—	—	—
Transferred to/(from) during the Year	—	—	—	—	100,000	(100,000)	—	—	—
Total Comprehensive Income for the Period									
Profit for the Three Months Period	—	—	—	—	—	249,648	249,648	22,905	272,554
Other Comprehensive Income									
Surplus on Revaluation for the year	—	—	—	134,237	—	—	134,237	—	134,237
Actuarial Loss on Retirement Benefit Obligation	—	—	—	—	—	(13,405)	(13,405)	(426)	(13,830)
Tax on Other Comprehensive Income	—	—	—	(14,635)	—	3,753	(10,881)	119	(10,762)
Total Other Comprehensive Income for the Period	—	—	—	119,603	—	(9,651)	109,951	(306)	109,645
Total Comprehensive Income for the Period	—	—	—	119,603	—	239,997	359,600	22,599	382,199
Balance at 31st December 2014	626,048	53,885	82,243	870,358	2,600,000	1,242,675	5,475,208	441,960	5,917,169
Realisation of Revaluation Surplus	—	—	—	(9,584)	—	9,584	—	—	—
Transferred to/(from) during the Year	—	19,433	(82,243)	—	—	62,810	—	—	—
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend – 2014	—	—	—	—	—	(313,024)	(313,024)	—	(313,024)
Dividend Paid by Subsidiary Company to Non-Controlling Interest – 2014	—	—	—	—	—	—	—	(40,503)	(40,503)
Total Distributions to Owners of the Company	—	—	—	—	—	(313,024)	(313,024)	(40,503)	(353,527)
Total Comprehensive Income for the Period									
Profit for the Nine Months Period	—	—	—	—	—	767,749	767,749	63,029	830,779
Other Comprehensive Income	—	—	—	—	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	767,749	767,749	63,029	830,779
Balance at 30th September 2015	626,048	73,318	(0)	860,775	2,600,000	1,769,793	5,929,934	464,487	6,394,421

Statement of Changes in Equity

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance at 1st January 2014	626,048	762,034	2,500,000	428,810	4,316,892
Realisation of Revaluation Surplus	—	(8,459)	—	8,459	—
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend – 2013	—	—	—	(313,024)	(313,024)
Total Distributions to Owners of the Company	—	—	—	(313,024)	(313,024)
Total Comprehensive Income for the Period					
Profit for the Nine Months Period	—	—	—	358,971	358,971
Other Comprehensive Income	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	358,971	358,971
Balance at 30th September 2014	626,048	753,575	2,500,000	483,217	4,362,839
Realisation of Revaluation Surplus	—	(2,819)	—	2,819	—
Transferred to/(from) during the Year	—	—	100,000	(100,000)	—
Total Comprehensive Income for the Period					
Profit for the Three Months Period	—	—	—	104,661	104,661
Other Comprehensive Income					
Realisation on Revaluation Surplus	—	134,237	—	—	134,237
Actuarial Loss on Retirement Benefit Obligation	—	—	—	(11,659)	(11,659)
Tax on Other Comprehensive Income	—	(14,635)	—	3,264	(11,370)
Total Other Comprehensive Income for the Period	—	119,603	—	(8,394)	111,208
Total Comprehensive Income for the Period	—	119,603	—	96,267	215,870
Balance at 31st December 2014	626,048	870,358	2,600,000	482,303	4,578,709
Realisation of Revaluation Surplus	—	(9,584)	—	9,584	—
Transferred to/(from) during the Year	—	—	—	—	—
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend – 2014	—	—	—	(313,024)	(313,024)
Total Distributions to Owners of the Company	—	—	—	(313,024)	(313,024)
Total Comprehensive Income for the Period					
Profit for the Nine Months Period	—	—	—	578,161	578,161
Other Comprehensive Income	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	578,161	578,161
Balance at 30th September 2015	626,048	860,775	2,600,000	757,024	4,843,846

Statement of Cash Flows

<i>For the nine months ended 30th September</i>	Group		Company	
	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	1,250,226	762,355	774,382	489,304
Adjustments for -				
Depreciation on Property, Plant and Equipment	237,649	189,048	233,903	200,183
Share of Profit from Equity Accounted Investees	(1,512)	(996)	-	-
Amortisation of Intangible Assets	15,969	14,585	12,243	11,190
Gain on Disposal of Property, Plant and Equipment	(2,818)	579	(2,818)	579
Interest Expense	815,061	845,025	818,064	858,870
Interest Income	(55,871)	(58,231)	(84,670)	(31,474)
Impairment of Inventories	137,026	81,126	136,316	81,126
Impairment on Trade and Other Receivables	215,892	194,121	135,221	124,567
Dividend Income	(2,345)	(36)	(151,892)	(77,765)
Provision for Retiring Gratuity	72,100	56,732	68,950	54,171
Operating Profit before Working Capital Changes	2,681,377	2,084,308	1,939,699	1,710,751
(Increase)/Decrease in Inventories	(1,549,599)	(267,652)	(1,596,618)	(169,181)
(Increase)/Decrease in Debtors Falling Due after One Year	(1,129,733)	133,917	(128,319)	(66,047)
(Increase)/Decrease in Debtors Falling Due within One Year	(1,463,896)	(1,027,447)	(568,812)	(76,619)
(Increase)/Decrease in Dues from Related Parties	43,707	16	235,204	(330,506)
Increase/(Decrease) in Dues to Related Parties	78,739	(106,836)	(336,345)	(106,836)
Increase/(Decrease) in Security Deposits	81,709	47,316	81,709	47,316
Increase/(Decrease) in Customer Deposit Liabilities	(1,040,043)	797,270	-	-
Increase/(Decrease) in Trade and Other Payables	1,185,387	(63,731)	1,168,054	(296,151)
Cash Generated from Operations	(1,112,353)	1,597,160	794,570	712,728
Finance Costs Paid	(832,520)	(862,388)	(835,522)	(804,016)
Retiring Gratuity Paid	(7,913)	(9,569)	(7,825)	(9,569)
Income Tax Paid	(465,970)	(142,083)	(297,215)	(51,520)
Net Cash from/(used in) Operating Activities	(2,418,756)	583,121	(345,992)	(152,378)
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(271,203)	(229,615)	(240,850)	(232,797)
Proceeds from Disposal of Property, Plant and Equipment	7,850	7,511	7,850	7,511
Investment in Shares/Debentures in Subsidiary Company	-	(149,283)	(455,000)	(5,000)
(Acquisition)/Disposal of Marketable Securities	70,407	(187,976)	-	-
Investment in Bank Deposits	19,663	(926)	-	-
Net Cash Flows from Loans Given to Related Companies	-	4,500	(173,026)	(20,585)
Interest Income Received	55,871	58,231	84,670	31,474
Dividends Received	2,345	36	151,892	77,765
Net Cash Flows from Investing Activities	(115,067)	(497,520)	(624,463)	(141,632)
Cash Flows from Financing Activities				
Net Proceeds from Interest-Bearing Loans and Borrowings	2,752,008	801,892	1,357,178	1,146,316
Net Payment to Minority Shareholders	(40,503)	(21,061)	-	-
Dividends Paid	(61,672)	(312,421)	(61,672)	(312,421)
Net Cash Flow from Financing Activities	2,649,833	468,409	1,295,506	833,896
Net Increase/(Decrease) in Cash and Cash Equivalents	116,010	554,010	325,050	539,886
Cash and Cash Equivalents at the beginning of the Year	827,988	(148,644)	607,657	(234,304)
Cash and Cash Equivalents at the end of the Period	943,998	405,366	932,706	305,582

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 2014, are in compliance with Sri Lanka Accounting Standard 34 - 'Interim Financial Reporting'.

2.1 Segmental Analysis of Company Net Turnover is as Follows:

	Quarter Ending 30th September 2015 Rs. '000	Quarter Ending 30th September 2014 Rs. '000	Nine Months Ending 30th September 2015 Rs. '000	Nine Months Ending 30th September 2014 Rs. '000
Sewing Related Products	754,759	683,490	2,474,663	1,965,508
Consumer Electronics	1,604,564	1,365,116	4,765,659	4,242,967
White Goods	2,869,340	2,111,057	8,576,179	6,671,921
Kitchen Related Products	530,767	412,429	1,668,995	1,269,947
Communications	982,424	861,129	2,756,715	2,697,612
Furniture	472,158	354,631	1,538,204	1,239,663
Transport	146,286	143,457	447,953	428,331
Agro	383,237	299,559	1,171,280	821,390
	7,743,537	6,230,868	23,399,648	19,337,338

2.2 Segmental Analysis of Company Profits Before Tax is as Follows:

	Quarter Ending 30th September 2015 Rs. '000	Quarter Ending 30th September 2014 Rs. '000	Nine Months Ending 30th September 2015 Rs. '000	Nine Months Ending 30th September 2014 Rs. '000
Sewing Related Products	10,619	24,082	74,489	46,984
Consumer Electronics	18,998	52,374	145,368	106,881
White Goods	39,437	68,388	234,121	141,030
Kitchen Related Products	8,983	17,980	60,456	35,974
Communications	5,444	16,095	26,092	33,232
Furniture	6,294	11,825	44,663	25,372
Transport	1,037	895	5,563	2,061
Agro	5,573	10,747	31,739	20,005
Dividend Income	797	-	151,892	77,765
	97,183	202,385	774,382	489,304

2.3 Segmental Analysis of Group Net Turnover is as Follows:

	Quarter Ending 30th September 2015 Rs. '000	Quarter Ending 30th September 2014 Rs. '000	Nine Months Ending 30th September 2015 Rs. '000	Nine Months Ending 30th September 2014 Rs. '000
Sewing Related Products	754,759	683,490	2,474,663	1,965,508
Consumer Electronics	1,604,564	1,365,116	4,765,659	4,242,967
White Goods	2,869,340	2,111,855	8,576,179	6,672,717
Kitchen Related Products	530,767	412,429	1,668,995	1,269,947
Communications	982,424	861,129	2,756,715	2,697,612
Furniture	472,158	354,631	1,538,204	1,239,663
Transport	146,286	143,457	447,953	428,331
Agro	383,237	299,559	1,171,280	821,390
Singer Finance (Lanka) PLC	492,995	458,253	1,439,186	1,379,198
Singer Digital Media (Pvt) Ltd.	902,902	143,080	2,304,963	143,080
Singer Business School (Pvt) Ltd.	183	-	247	-
	9,139,616	6,832,997	27,144,044	20,860,412

Notes to the Financial Statements

2.4 Segmental Analysis of Group Profits Before Tax is as Follows:

	Quarter Ending 30th September 2015 Rs. '000	Quarter Ending 30th September 2014 Rs. '000	Nine Months Ending 30th September 2015 Rs. '000	Nine Months Ending 30th September 2014 Rs. '000
Sewing-Related Products	10,619	24,082	74,489	46,984
Consumer Electronics	17,354	52,374	145,368	106,881
White Goods	39,437	68,390	234,121	141,030
Kitchen Related Products	8,983	17,980	60,456	35,974
Communications	5,444	16,095	26,092	33,232
Furniture	6,294	11,825	44,663	25,372
Transport	1,037	895	5,563	2,061
Agro	5,573	10,747	31,739	20,005
Singer Finance (Lanka) PLC	144,462	129,691	487,539	338,183
Dividend	–	–	2,345	36
Share of Profit on Equity Accounted Investees	530	316	1,512	996
Singer Digital Media (Pvt) Ltd.	2,401	11,600	136,346	11,600
Singer Business School (Pvt) Ltd.	(8)	–	(5)	–
	242,128	343,994	1,250,226	762,355

3. Related Parties

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 year, the Company had following transactions with its Parent Companies:

Singer Asia Ltd. – (Intermediate Parent)

	2015 Rs. million	2014 Rs. million
Royalty Expenses	230.8	214.8
Royalty Payable Balance as at Period End	107.7	77.1

Singer Asia Holdings BV – (Intermediate Parent)

Royalty Paid to Singer Asia Ltd., through Singer Asia Holdings BV

Notes to the Financial Statements

3.3 Transactions with Subsidiary Companies

			2015 Rs. million	2014 Rs. million
Singer Finance (Lanka) PLC (Subsidiary Company)	Dr. S. Kelegama (Chairman)	Sales Financed through Singer		
	Mr. J.A. Setukavalar	Finance (Lanka) PLC	268.1	213.3
	Ms. M. Tharmaratnam	Withdrawal of Rental Collections		
	Mr. G.J. Walker	from Singer (Sri Lanka) PLC	1,211.6	1,106.7
	Mr. J.J. Hyun	Interest Income/(Expense)	3.6	11.7
	Mr. J. Khan	Dividend Received – Gross	166.2	86.4
	Mr. K.K.L.P. Yatiwella	Cash Collection through		
	Mr. R.S. Wijeweera	Singer (Sri Lanka) PLC	1,681.2	1,480.6
	Mr. S. Ramanathan	Expenses Paid	188.7	158.8
	Mr. P.J.P. De Silva (Resigned w.e.f. 30th June 2015)	Administrative Fee Charged/(Paid)		0.1
	Mr. J. Mendis	Collecting Commission Paid		
		through Singer (Sri Lanka) PLC	15.6	14.2
		Purchase of Assets	1.2	0.9
		Rent Reimbursed	10.3	9.0
Singer Digital Media (Pvt) Ltd.	Mr. H.A. Pieris	Royalty Paid through Singer		
	Mr. M.H. Wijewardena	(Sri Lanka) PLC	10.9	14.5
	Mr. K.K.L.P. Yatiwella	Balance Receivable	63.1	46.3
		Purchases	1,223.0	149.0
		Expenses Reimbursed	58.8	2.6
		Interest Charged	42.4	2.0
		Royalty Paid through	25.6	8.1
		Balance Receivable – Loans	747.5	–
Singer Business School (Pvt) Ltd.	Mr. H.A. Pieris	Balance Payable – Trade	239.0	331.0
	Mr. M.H. Wijewardena	Balance Receivable – Non-Trade	77.3	327.0
	Mr. K.K.L.P. Yatiwella	Corporate Guarantee Given	5.0	–
		Services Provided	3.7	–
		Expenses Reimbursed	0.4	–
		Capital Invested	5.0	–
		Balance Payable	5.5	–

3.4 Transactions with Associate Companies

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

Reality (Lanka) Ltd.

		2015 Rs. million	2014 Rs. million
Rent Expense	Dr. S. Kelegama	5.5	3.7
Loan Receivable	Mr. G.J. Walker	65.1	65.1
	Mr. H.A. Pieris		

(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 year:

Telshan Network (Pvt) Ltd.

Notes to the Financial Statements

3.5 Transactions with Other Related Parties:

Transaction with following parties have been disclosed in Note 3.6

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

3.6 Transactions with Affiliate Companies

Name of the Company and Relationship	Name of Director	Nature of Transaction	2015 Rs. million	2014 Rs. million
Singer Industries (Ceylon) PLC (Affiliate Company)	Dr. S. Kelegama (Appointed w.e.f. 01.04.2015)	Purchases	605.7	544.9
		Corporate Guarantee Given	75.0	2.2
	Mr. H.A. Pieris	Lease Rental Paid	3.2	2.8
	Mr. G.J. Walker	Net Finance Charges	0.3	—
	Mr. V.G.K. Vidyaratne	Trade Creditor Settled	663.2	592.5
	Mr. Ranil De Silva	Expenses Reimbursed	3.1	2.6
	Mr. K.D. Kospelawatta	Balance Payable	51.6	59.9
Regnis (Lanka) PLC (Affiliate Company)	Dr. S. Kelegama (Appointed w.e.f. 01.04.2015)	Purchases	2,379.1	1,930.7
		Sales Taxes	315.6	275.8
	Mr. H.A. Pieris	Corporate Guarantees Given	455.5	455.5
	Mr. V.G.K. Vidyaratne	Interest Expense	0.6	0.8
	Mr. K.D. Kospelawatta (Appointed w.e.f. 01.04.2015)	Non-Trade Settlement	25.0	35.0
	Mr. H.D.S. Amarasuriya (Resigned w.e.f. 31.03.2015)	Trade Credit Settled	2,576.6	2,255.5
		Expenses Reimbursed	37.2	38.7
	Mr. Ranil De Silva	Fixed Assets Purchases	0	0.1
	Mr. G.J. Walker	Balance Payable	253.9	115.2
Regnis Appliances (Pvt) Ltd. (Affiliate Company)	Dr. S. Kelegama (Appointed w.e.f. 01.04.2015)	Purchases	639.3	472.7
		Trade Settlements	653.0	481.6
	Mr. H.A. Pieris	Sales Taxes	84.8	62.7
	Mr. V.G.K. Vidyaratne	Expenses Paid	7.4	3.0
	Mr. K.D. Kospelawatta (Appointed w.e.f. 01.04.2015)	Finance Charged	1.5	—
	Mr. H.D.S. Amarasuriya	Balance Payable	110.3	53.0
	(Resigned w.e.f. 31.03.2015)	Non-Trade Settlement	—	2

Notes to the Financial Statements

- 3.7** Key Management Personnel includes members of the Board of Directors of the Company, its Subsidiary and Parent. Transaction 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

	2015 Rs. million	2014 Rs. million
Deposits kept by Key Management Personnel or their close family members of Singer (Finance) PLC	16.8	71.2

4. Stated Capital

4.1	30th September 2015	30th September 2014
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, Regnis (Lanka) PLC and Singer Digital Media (Pvt) Ltd. amounts to Rs. 75 million, Rs. 455.5 million and 50 million respectively.
- (b) The Company has provided bank guarantees amounting to Rs. 197.2 million to the Director General of Customs to clear imports during the years 2008 to September 2015. The bank guarantees related to alleged additions duty payable on imports, claimed by the Customs and is being contested by the Company in Courts.

The Court of Appeal made order that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision of the Court of Appeal has filed an appeal which is pending before the Supreme Court.

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.

- (c) Singer Finance (Lanka) PLC has provided guarantees to its Fixed Deposit Holders amounting to Rs. 1,250,000/- holding deposit holders fixed deposits amounting to Rs. 1,452,603.81/- as security.
- (d) Board of Directors of Singer (Sri Lanka) PLC made an announcement subject to the regulatory approval to purchase shares held by its parent Singer (Sri Lanka) B.V., in Regnis Lanka PLC and Singer Industries (Ceylon) PLC, which would result in Singer (Sri Lanka) PLC, being the holding company of such companies. Based on the proposed purchased prices the total commitment to buy above two mentioned companies will be Rs. 1,385 million.

Notes to 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. Listed Debentures

Details regarding the listed debentures are as follows:

Interest rate of Comparable
Government Securities
as at Issue Date (%)

1. 15.5% senior rated unsecured redeemable on 24th July 2015	14.62
2. 17% senior rated listed unsecured redeemable on 30th September 2015	13.74
3. 17% senior rated listed unsecured redeemable on 24th December 2015	13.53
4. 14.5 % senior rated listed unsecured redeemable on 30th May 2016	12.04
5. 8.25 % senior rated listed unsecured redeemable on 22nd December 2017	6.66
6. 8.60 % senior rated listed unsecured redeemable on 7th June 2018	6.97
7. 7.54 % senior rated listed unsecured redeemable on 7th June 2018	6.97

Interest rate of comparable Government Securities as at 30th September 2015 was 7.97%

Highest traded price, lowest traded price, last traded price as at 30th September 2015, interest yield and yield to maturity of trade are as follows:

	Highest Traded Price Rs.	Lowest Traded Price Rs.	Last Traded Price Rs.	Interest Yield Rs.	Yield to Maturity Rs.
1. 17% senior rated unsecured redeemable debentures	101.94	101.94	101.94	16.676	7.52
2. 14.5% senior rated listed unsecured redeemable debentures	105.44	105.44	105.44	13.752	7.94

	30th September 2015	30th September 2014
Debt Equity Ratio	0.93	0.71
Interest Cover	1.40	1.52
Quick Assets Ratio	0.81	0.84

Notes to the Financial Statements

8. Top 20 Shareholders as at 30th September 2015

Name	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/c Ceybank Unit Trust	4,323,716	3.45
3. Deutsche Bank Ag as Trustee for Jb Vantage Value Equity Fund Deut	830,710	0.66
4. Bank of Ceylon A/c Ceybank Century Growth Fund	653,023	0.52
5. Mrs. Mihiri Virani Fernando	618,000	0.49
6. Mrs. Zohra Taher Jafferjee	330,890	0.26
7. People's Bank	200,000	0.16
8. Dr. Nimal Ebenezzer Herat Sanderatne	184,403	0.15
9. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
10. Mrs. Maria Tasneem Moosajee	154,257	0.12
11. Piere Lanka Exports Private Ltd.	137,000	0.11
12. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
13. Mr. Nalin Amita De Silva	126,326	0.10
14. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
15. Mr. Abeyesiri Hemapala Munasinghe	109,548	0.09
16. Mrs. Enoka Kamali Wickramasinghe	106,619	0.09
17. Mrs. Jasbinderjit Kaur Piara Singh	89,606	0.07
18. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
19. Merchant Bank of Sri Lanka Ltd. - Union	88,894	0.07
20. Sri Lanka Insurance Corporation Ltd. - General Fund	87,500	0.07
	116,378,242	92.95
Others	8,831,368	7.05
Total	125,209,610	100.00

9. Directors' and CEO's Shareholding as at 30th September 2015

Name of the Director	Shareholding 30th September 2015 No. of Shares	Shareholding 31st December 2014 No. of Shares
Dr. Saman Kelegama	-	-
Mr. H.A. Pieris	2,000	2,000
Mr. L.N.S. Kumara Samarasinghe	4,124	4,124
Mr. M.H. Wijewardene	-	-
Mr. P.J.O'Donnell	-	-
Mr. G.J. Walker	-	-
Mr. J.J. Hyun	-	-
Mr. A.S. Paranavitane	-	-
Prof. Uditha Pilane Liyanage	-	-
Mr. D.T.R. De Silva	-	-
Mr. K.K.L.P. Yatiwella	-	-

10. Public Holding

Public holding as at 30th September 2015 is 13.89% (As at 30th September 2014 - 13.65%).
Number of Public shareholders as at 30th September 2015 - 2,470

11. Secretary Information

A.C.M Irzan, FCMA (UK)
Contact No. 2300129



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