



SINGER[®]

Trusted Excellence



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED 31ST MARCH 2012

Chief Executive Officer's Review

Shareholders will be happy to note that Singer Group on top of its growth achieved in the last two years, grew further in the 1st quarter of 2012. The Group Revenue was close to Rs. 6.2 Billion mark, while the Company Revenue was Rs. 5.8 Billion. Revenue grew by Rs. 1.1 Billion and in percentage terms by 22%.

The growth was despite the fact that the economy and consumer sentiments were affected by the sharp devaluation and sharp increase in electricity and fuel costs. Further, in the 1st quarter of prior year, we had a boost for televisions due to the Cricket World Cup. On the positive side, the harvest was good whereas the harvest was affected by floods in the prior year.

In major product categories, Refrigerators had a growth of 40% above the prior year 1st quarter, while Domestic and Artisan Sewing Machines had a growth of 25%. Television volumes reduced by 23% since Television volumes in the prior year were driven by the Cricket World Cup. Television volumes still remain 48% above 2010 levels.

While volumes of Audios and DVDs reduced, there were compensated by increases in Home Theatres and Blu-ray Players. Volumes of Motor Bikes reduced by 46%.

Other significant product lines which had a high growth over prior year 1st quarter were Fans (74%), Microwaves (501%), Air Conditioners (52%), Kitchen Appliances (55%), Irons (229%), Water Pumps (45%) and Bicycles (61%).

The Group Profit before Tax grew by 11% mainly due to increased revenue offset by lower margins and high interest costs. The reduction in tax rates and add backs resulted in the Profit after Tax to increase by 36% for the Group and increase by 32% for the Company.

During the year, upto date of writing, the Company opened six new showrooms.

The Company's subsidiary Singer Finance (Lanka) PLC., increased revenue and profits, the details of which are published separately.

I wish to place on record my appreciation of all our staff for their contribution and commitment without which it would have not been possible to achieve these results.

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, 2nd May 2011

Income Statement

For the quarter ended 31st March	Group		Company		Variance		Variance	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	Group Rs. '000	%	Company Rs. '000	%
Revenue	6,181,862	5,084,555	5,846,081	4,845,271	1,097,307	+22	1,000,810	+21
Cost of Sales	(3,942,001)	(3,155,550)	(3,942,001)	(3,155,550)	(786,451)	+25	(786,451)	+25
Gross Profit	2,239,861	1,929,005	1,904,080	1,689,722	310,856	+16	214,358	+13
Other Operating Income	42,144	17,441	40,615	35,748	24,703	+142	4,867	+14
Selling & Administration Expenses	(1,417,084)	(1,213,725)	(1,289,133)	(1,128,020)	(203,359)	+17	(161,113)	+14
Other Operating Expenses	(45,140)	(48,993)	(42,451)	(46,827)	(3,853)	-8	(4,376)	-9
Finance Cost	(296,304)	(196,766)	(186,525)	(142,718)	(99,538)	+51	(43,807)	+31
Finance Income	24,498	17,021	44,085	22,688	7,477	+44	21,397	+94
Net Finance Cost	(271,806)	(179,744)	(142,440)	(120,030)	(92,062)	+51	(22,410)	+19
Share of Profit/(Loss) of Equity Accounted Investees (Net of Income Tax)	398	(321)	-	-	719	+224	-	-
Value Added Tax on Financial Services	(9,995)	(18,650)	(5,250)	(9,000)	(8,655)	-46	(3,750)	-42
Profit before Tax	538,378	485,012	465,421	421,593	53,366	+11	43,828	+10
Income Tax Expense	(188,349)	(228,087)	(164,420)	(193,711)	(39,738)	-17	(29,291)	-15
Profit for the Quarter	350,029	256,925	301,001	227,881	93,104	+36	73,120	+32
Attributable to:								
Equity Holders of the Company	337,872	249,584	301,001	227,881				
Non-controlling interest	12,157	7,341	-	-				
Profit for the Period	350,029	256,925	301,001	227,881				
Earnings per Share - Basic	2.70	1.99	2.40	1.82				

Above figures are provisional and subject to audit.

	1st Quarter 2012 Rs.	1st Quarter 2011 Rs.
Share Prices		
Highest	138.50	235.00
Lowest	97.50	165.00
Last Traded Price	101.00	224.20

Balance Sheet

As at 31st	Group			Company		
	March	December	March	March	December	December
	2012	2011	2011	2012	2011	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS						
Non-Current Assets						
Property, Plant & Equipment	1,740,355	1,553,370	1,691,107	1,710,801	1,525,377	1,659,601
Intangible Assets	151,031	164,807	153,933	137,381	152,461	141,266
Investment in Subsidiaries	—	—	—	400,000	400,000	400,000
Investments in Equity Accounted Investees	47,284	23,203	46,886	48,000	24,000	48,000
Other Investments	17,061	17,061	17,061	17,020	17,020	17,020
Trade and Other Receivables	4,729,623	2,833,289	4,261,101	1,333,576	1,081,360	1,258,913
Deferred Tax Assets	125,502	113,664	147,577	125,502	113,664	125,502
	6,810,856	4,705,394	6,317,664	3,772,280	3,313,882	3,650,303
Current Assets						
Inventories	4,618,712	3,064,053	3,430,827	4,606,279	3,064,053	3,413,956
Loans Due From Related Parties	183,635	224,061	173,635	1,051,288	540,253	539,506
Income Tax Recoverable	—	—	—	—	—	—
Trade and Other Receivables	7,915,599	6,138,475	6,960,125	4,947,683	3,723,678	4,326,897
Amounts due from Related Parties - Trade	12,017	6,960	7,986	444,219	887,340	569,973
Amounts due from Related Parties - Non-Trade	104,723	16,080	23,540	104,723	16,080	23,540
Deposits with Banks	50,759	—	—	—	—	—
Marketable Securities	263,884	181,057	290,313	—	—	—
Cash & Cash Equivalents	325,906	277,866	372,303	314,707	244,221	364,736
	13,475,235	9,908,551	11,258,728	11,468,899	8,475,625	9,238,607
Total Assets	20,286,091	14,613,944	17,576,392	15,241,179	11,789,507	12,888,910
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	653,182	664,542	655,454	653,182	664,542	655,454
Statutory Reserves	52,835	10,748	44,408	—	—	—
Revenue Reserves	2,994,354	2,608,792	3,413,011	2,638,425	2,325,610	3,085,527
Total Equity attributable for Equity Holders of the Company	4,326,419	3,910,130	4,738,921	3,917,655	3,616,200	4,367,029
Non-Controlling Interest	269,826	231,576	257,669	—	—	—
Total Equity	4,596,245	4,141,706	4,996,590	3,917,655	3,616,200	4,367,029
Non-Current Liabilities						
Interest Bearing Loans & Borrowings	1,078,754	1,286,290	1,110,385	753,742	1,265,356	754,125
Retirement Benefit Obligations	223,399	203,154	204,787	215,920	197,582	197,833
Deferred Taxation Liability	100,903	137,843	99,932	94,922	99,339	95,805
Security Deposits	510,003	420,159	487,449	510,003	420,159	487,449
Deposits from Customers	453,848	294,802	503,142	—	—	—
	2,366,907	2,342,248	2,405,695	1,574,587	1,982,436	1,535,212
Current Liabilities						
Trade and Other Payables	3,273,371	2,182,735	2,574,219	2,811,253	1,862,009	2,126,108
Deferred Revenue	164,066	107,882	139,379	141,756	93,317	118,359
Income Tax Payable	222,450	290,515	197,322	218,576	267,801	170,547
Dividends Payable	688,540	201,129	5,825	688,540	201,129	5,825
Amounts due to Related Parties - Trade	341,489	294,262	171,272	341,489	294,262	171,272
Amounts due to Related Parties - Non-Trade	147,084	110,029	73,441	147,084	110,029	73,441
Deposits from Customers	2,191,321	1,520,315	2,159,857	—	—	—
Interest-Bearing Loans and Borrowings	6,294,618	3,423,125	4,852,792	5,400,239	3,362,325	4,321,117
	13,322,939	8,129,991	10,174,107	9,748,937	6,190,871	6,986,669
Total Equity and Liabilities	20,286,091	14,613,944	17,576,392	15,241,179	11,789,507	12,888,910
Net Assets per Share	34.55	31.23	37.85	31.29	28.88	34.88

I certify that the above Financial Statements have been prepared in accordance 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

(Sgd.) **Asoka Pieris**
Director/Group Chief Executive Officer

Statement of Changes in Equity

For the three months ended 31st March 2012

Group	Attributable to Equity Holders of the Company							Total	Non-Controlling Interest	Total Equity Rs. '000
	Statutory Reserve				Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000			
	Stated Capital	Reserve Fund	Investment Fund							
	Rs. '000	Rs. '000	Rs. '000	Rs. '000						
Balance as at 1st January 2011	626,048	10,748	–	664,542	2,000,000	578,325	3,879,663	224,234	4,103,897	
Net Profit for the Period	–	–	–	–	–	249,584	249,584	7,341	256,925	
Final Dividend - 2010	–	–	–	–	–	(219,117)	(219,117)	–	(219,117)	
Balance as at 31st March 2011	626,048	10,748	–	664,542	2,000,000	608,792	3,910,130	231,575	4,141,705	
Realization on Revaluation Surplus	–	–	–	(12,622)	–	12,622	–	–	–	
Deferred Tax Effect on Transfer of Revaluation Surplus	–	–	–	3,534	–	–	3,534	–	3,534	
Transfer to/(from) during the Year	–	5,602	28,058	–	200,000	(233,660)	–	–	–	
Net Profit for the Balance Nine Months	–	–	–	–	–	1,013,071	1,013,071	36,760	1,049,831	
Interim Dividend - 2011	–	–	–	–	–	(187,814)	(187,814)	(10,667)	(198,481)	
Balance as at 31st December 2011	626,048	16,350	28,058	655,454	2,200,000	1,213,011	4,738,921	257,669	4,996,590	
Realization on Revaluation Surplus	–	–	–	(3,156)	–	3,156	–	–	–	
Deferred Tax Effect on Transfer of Revaluation Surplus	–	–	–	884	–	–	884	–	884	
Transfer to/(from) during the Year	–	–	8,427	–	–	(8,427)	–	–	–	
Final Dividend - 2011	–	–	–	–	–	(751,258)	(751,258)	–	(751,258)	
Net Profit for the Period	–	–	–	–	–	337,872	337,872	12,157	350,029	
Balance as at 31st March 2012	626,048	16,350	36,485	653,182	2,200,000	794,354	4,326,419	269,826	4,596,245	

For the three months ended 31st March 2012

Company	Stated Capital	Revaluation Reserves	General Reserves	Retained Earnings	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1st January 2011	626,048	664,542	2,000,000	316,845	3,607,435
Net Profit for the Period	–	–	–	140,088	140,088
Final Dividend - 2010	–	–	–	(219,117)	(219,117)
Balance as at 31st March 2011	626,048	664,542	2,000,000	237,816	3,528,406
Realization on Revaluation Surplus	–	(12,622)	–	12,622	–
Deferred Tax Effect on Transfer of Revaluation Surplus	–	3,534	–	–	3,534
Transfer to/(from) during the Year	–	–	200,000	(200,000)	–
Net Profit for the Balance Nine Months	–	–	–	1,022,903	1,022,903
Interim Dividend - 2011	–	–	–	(187,814)	(187,814)
Balance as at 31st December 2011	626,048	655,454	2,200,000	885,526	4,367,028
Realization on Revaluation Surplus	–	(3,156)	–	3,156	–
Deferred Tax Effect on Transfer of Revaluation Surplus	–	884	–	–	884
Transfer to/(from) during the Year	–	–	–	–	–
Net Profit for the Period	–	–	–	301,001	301,001
Final Dividend - 2011	–	–	–	(751,258)	(751,258)
Balance as at 31st March 2012	626,048	653,182	2,200,000	438,425	3,917,655

Cash Flow Statement

<i>For the three months ended 31st March</i>	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	538,377	485,012	465,422	421,593
Adjustments for:				
Depreciation on Property, Plant & Equipment	40,797	45,232	38,566	43,409
Share of (Profit)/Loss from Equity Accounted Investees	(398)	321	—	—
Amortization of Intangible Assets	4,343	3,761	3,885	3,418
(Gain) on Disposal of Property, Plant & Equipment	(3,558)	—	(3,558)	—
Interest Expense	296,304	196,766	186,525	142,718
Interest Income	(24,498)	(17,021)	(44,085)	(22,688)
Deferred Profit on Hire Debtors	46,607	128,912	46,607	128,912
Provision for Obsolete Inventory	3,044	12,262	3,044	12,262
Provision for Bad and Doubtful Receivables	27,077	26,646	19,227	26,705
Deferred Revenue	24,687	28,573	23,397	27,033
Dividend Income	(1,996)	—	(1,996)	—
Provision for Retiring Gratuity	18,611	21,498	18,086	21,138
Operating Profit before Working Capital Changes	969,397	931,961	755,120	804,499
(Increase)/Decrease in Inventories	(1,190,929)	(927,273)	(1,195,367)	(927,273)
(Increase)/Decrease in Debtors falling Due after one Year	(468,522)	(287,547)	(74,663)	(46,060)
(Increase)/Decrease in Debtors falling Due within one Year	(1,029,158)	(818,288)	(686,620)	(659,455)
(Increase)/Decrease in Trade Dues from Related Parties	(85,214)	13,241	44,571	79,987
Increase/(Decrease) in Trade Dues to Related Parties	243,860	82,370	243,860	82,370
Increase in Employee Security Deposits	22,554	16,266	22,554	16,266
Increase/(Decrease) in Customer Deposit Liabilities	(17,831)	167,132	—	—
Increase/(Decrease) in Trade and Other Payables	699,155	682,419	685,144	643,803
Cash Generated from Operations	(856,688)	(139,720)	(205,401)	(5,864)
Finance Costs Paid	(296,304)	(196,766)	(186,525)	(142,718)
Retiring Gratuity Paid	—	(220)	—	(220)
Income Tax Paid	(139,291)	(58,384)	(116,391)	(48,249)
Net Cash Flows from Operating Activities	(1,292,283)	(395,090)	(508,317)	(197,051)
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment and Intangible Assets	(96,706)	(37,741)	(94,948)	(32,993)
Proceeds from Disposal of Property, Plant & Equipment	8,778	—	8,741	—
Investment in Bank Deposits	(50,759)	—	—	—
Acquisition of Marketable Securities	26,428	229,495	—	—
Net Cash Flows from Loans Given to Related Companies	(10,000)	(21,843)	(511,783)	71,157
Interest Received	24,498	17,021	44,085	22,688
Dividend Received	1,996	—	1,996	—
Net Cash Flow from Investing Activities	(95,765)	186,933	(551,909)	60,852
Cash Flows from Financing Activities				
Proceeds from Interest Bearing Loans & Borrowings	897,522	81,604	731,254	83,562
Dividend Paid	(68,542)	(21,192)	(68,542)	(21,192)
Net Cash Flow from Financing Activities	828,980	60,412	662,712	62,370
Net Increase/(Decrease) in Cash and Cash Equivalents	(559,068)	(147,745)	(397,514)	(73,828)
Cash and Cash Equivalents at the beginning of the Period	(302,562)	(207,198)	(181,976)	(257,369)
Cash and Cash Equivalents at the end of the Period	(861,630)	(354,942)	(579,490)	(331,197)

Notes to the Financial Statements

- 1.1** The Institute of Chartered Accountants of Sri Lanka had issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 1st January 2012. These Sri Lanka Accounting Standards comprise of Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS).

The Company is required to prepare interim Financial Statements in accordance with LKAS 34 - Interim Financial Reporting. However, The Institute of Chartered Accountants of Sri Lanka has decided to allow companies to prepare interim Financial Statements during the first financial year commencing on or after 1st January 2012 in accordance with Sri Lanka Accounting Standards that existed immediately prior to the date (SLAS) with disclosures on impact to the Statement of Comprehensive Income for the period and Net Assets based on SLFRS/LKAS. If determination of that impact is impracticable, the Company should disclose that fact.

The Company is currently in the process of quantifying the impact to the Statement of Comprehensive Income for the period and Net Assets based on the new volume of Sri Lanka Accounting Standards.

2.1 Segmental Analysis of Company Net Turnover is as follows:

	1st Quarter ending 31st March 2012 Rs. '000	1st Quarter ending 31st March 2011 Rs. '000
Sewing-Related Products	717,985	533,132
Consumer Electronics	1,471,660	1,586,392
White Goods	2,259,275	1,552,833
Kitchen-Related Products	423,574	350,369
Communications	333,721	303,907
Furniture	294,483	236,369
Transport	117,781	138,489
Agro	227,602	143,780
	5,846,081	4,845,271

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

	1st Quarter ending 31st March 2012 Rs. '000	1st Quarter ending 31st March 2011 Rs. '000
Sewing-Related Products	56,222	42,416
Consumer Electronics	142,619	171,098
White Goods	163,326	119,532
Kitchen-Related Products	41,065	43,976
Communications	19,620	20,687
Furniture	23,622	17,744
Transport	4,409	4,348
Agro	17,793	10,792
Profit on Sale of Investment	-	-
Dividend Income	1,996	-
Value Added Tax on Financial Services	(5,250)	(9,000)
	465,422	421,593

Notes to the Financial Statements

2.3 Segmental Analysis of Group Net Turnover is as follows:

	1st Quarter ending 31st March 2012 Rs. '000	1st Quarter ending 31st March 2011 Rs. '000
Sewing-Related Products	717,985	533,132
Consumer Electronics	1,471,660	1,586,392
White Goods	2,259,275	1,552,833
Kitchen-Related Products	423,574	350,369
Communications	333,721	303,907
Furniture	294,483	236,369
Transport	117,781	138,489
Agro	227,602	143,780
Singer Finance (Lanka) PLC	335,781	239,284
	6,181,862	5,084,555

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

	1st Quarter ending 31st March 2012 Rs. '000	1st Quarter ending 31st March 2011 Rs. '000
Sewing-Related Products	56,222	42,416
Consumer Electronics	142,619	171,098
White Goods	163,325	119,531
Kitchen-Related Products	41,065	43,976
Communications	19,620	20,687
Furniture	23,622	17,744
Transport	4,409	4,348
Agro	17,793	10,792
Singer Finance (Lanka) PLC	77,303	73,391
Dividend	1,996	—
Share of Profit on Equity Accounted Investees	398	(321)
Value Added Tax on Financial Services	(9,995)	(18,650)
	538,377	485,012

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.

Notes to the Financial Statements

3.2 Transactions with Parent Companies

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

Singer Asia Ltd. - (Intermediate Parent)

	2012 Rs. Million	2011 Rs. Million
Royalty Expenses	64.9	54.1
Royalty Payable Balance as at Period end	147.1	110.0

Singer Asia Holdings B.V - (Intermediate Parent)

Royalty Paid to Singer Asia Ltd. through Singer Asia Holdings B.V

(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

	2012 Rs. Million	2011 Rs. Million
Singer Finance (Lanka) PLC		
Sales Financed through SFL PLC	357.2	530.9
Payments to Singer (Sri Lanka) PLC on behalf of Customers	267.4	586.8
Short-Term Loan Given	490.0	—
Interest Income	26.0	19.4
Dividend Received (Gross)	—	—
Rental Collection through Singer (Sri Lanka) PLC	613.6	167.1
Expenses Paid	34.7	14.7
Administrative Fee Charged	20.4	23.4
Collecting Commission Paid through Singer (Sri Lanka) PLC	3.4	1.9
Rent Reimbursed	4.1	1.1
Royalty Paid through Singer (Sri Lanka) PLC	3.7	2.7
Balance Receivable - Trade	432.2	880.4
Balance Receivable - Loans	867.7	316.2

3.4 Transactions with Associate Companies

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

	2012 Rs. Million	2011 Rs. Million
Reality (Lanka) Ltd.		
Rent Charged by Reality (Lanka) Ltd.	1.3	0.9
Interest Income Charged by Singer (Sri Lanka) PLC	—	1.6
Interest Receivable	—	19.4
Loan Receivable	73.6	102.9

Notes to the Financial Statements

- (b) The 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.

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, holds 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 & Relationship	Name of Director	Nature of Transaction	2012 Rs. Million	2011 Rs. Million
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	251.5	317.6
	Mr. H.A. Pieris	Net finance (charges)/income	—	0.4
	Dr. G.C.B. Wijeyesinghe			
	Mr. G.J. Walker	Corporate guarantees given	75.0	75.0
	Deshabandu A.M. de S.			
	Jayaratne	Lease rental paid	1.5	0.6
	Mr. V.G.K. Vidyaratne	Dividend paid	—	2.9
		Purchase of raw material	0.5	0.07
		Trade credit settled	199.5	328.4
		Loans receivable	—	30.0
		Balance payable	105.6	126.9
Regnis (Lanka) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	537.9	535.7
	Dr. G.C.B. Wijeyesinghe	Corporate guarantees given	455.5	455.5
	Mr. H.A. Pieris	Interest income	1.9	1.5
	Mr. V.G.K. Vidyaratne	Non-trade settlement	—	10.0
	Mr. G.J. Walker	Trade credit settled	554.9	455.7
	Dr. S. Kelegama	Sales Taxes	76.8	92.5
		Expenses paid	12.8	7.9
		Loan settled	—	100.0
		Loan receivable	60.0	60.00
		Balance payable	103.3	126.5

Notes to the Financial Statements

Name of the Company & Relationship	Name of Director	Nature of Transaction	2012 Rs. Million	2011 Rs. Million
Singer Finance (Lanka) PLC (Subsidiary Company)	Mr. H.D.S. Amarasuriya (Chairman)	Sales financed through Singer Finance (Lanka) Ltd.	357.2	530.9
		Payments to Singer (Sri Lanka) PLC (Resigned w.e.f. 30.12.2011)	267.4	586.8
	Mr. H.A. Pieris	Short-term loan given	490.0	–
		Interest income	26.0	19.4
	Mr. M.P.A. Salgado	Dividend received (Gross)	–	–
		Rental Collection through Singer (Sri Lanka) PLC	613.6	167.1
	Mr. J.J. Hyun (Appointed w.e.f. 28.02.2011)	Expenses paid	34.7	14.7
		Administrative fee charged	20.4	23.4
		Collecting commission paid through Singer (Sri Lanka) PLC	3.4	1.90
		Purchase of assets	–	–
		Rent reimbursed	4.1	1.1
		Royalty paid through Singer (Sri Lanka) PLC	3.7	2.7
		Balance receivable - Trade	432.2	880.4
		Balance receivable - Loans	867.7	316.2
National Development Bank PLC	Mr. H.D.S. Amarasuriya	Borrowed money	300.3	250.3
		Interest paid	5.7	6.4
		Issue of debentures	150.0	270.0
		Debenture interest	–	–
Singer Asia Sourcing Ltd. (Affiliate Company)	Mr. G.J. Walker	Purchases	–	12.7
		Settlements	–	14.4
		Balance (receivable)/payables	(7.7)	(6.7)
Singer Asia Ltd. (Intermediate Parent Company)	Mr. P.J. O'Donnell Mr. T. Brown (Resigned w.e.f. 10.06.2011)	Royalty expenses	64.9	54.1
		Royalty payable	147.1	110.0
	Mr. G.J. Walker Mr. H.A. Pieris			
Sampath Bank PLC	Dr. S. Kelegama (Resigned w.e.f. 30.12.2011)	Borrowed money	482.6	217.4
		Interest paid	7.0	3.0
Reality Lanka Ltd. (Associate Company)	Mr. H.D.S. Amarasuriya	Rent charge	1.3	0.9
		Interest income	–	1.6
	Mr. V.G.K. Vidyaratne Mr. G.J. Walker	Interest receivable	–	19.4
		Loan receivable	73.6	102.9
Regnis Appliances (Pvt) Ltd.	Mr. H.D.S. Amarasuriya	Purchases	288.5	130.4
		Settlements	343.6	174.2
	Mr. V.G.K. Vidyaratne	Expenses paid	0.6	–
		Finance charges	2.6	–
	Mr. A.N. Majeed	Loan receivable	50.0	–
		Balance Payable - Trade	24.0	10.4
		Balance Payable - Loan	50.0	–
Fintravels Ltd.	Dr. G.C.B. Wijeyesinghe	Business transactions	1.1	0.7

Notes to the Financial Statements

4. Stated Capital

	31st March 2012	31st March 2011
4.1 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. 134.2 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. Listed Debentures

Details regarding the listed debentures are as follows:

- 19.75% debentures unsecured redeemable on 29th February 2013.
- 6 months TB +1.65 debentures unsecured redeemable on 29th September 2012.

Interest rate of comparable Government Securities as at date of issue, 30th September 2008 was 19.75%.

Interest rate of comparable Government Securities as at 31st March 2011 was 11.06%.

The listed debentures were not traded during the period 30th September 2008 to 31st March 2012.

Therefore, Highest Traded Price, Lowest Traded Price, Last Traded Price as at 31st March 2012, Interest Yield and Yield to Maturity of Trade were not available.

	31st March 2012	31st March 2011
Debt Equity Ratio	0.19	0.35
Interest Cover	4.27	4.51
Quick Assets Ratio	0.71	0.87

Notes to the Financial Statements

8. Top 20 Shareholders as at 31st March 2012

Name	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/C Ceybank Unit Trust	3,667,981	2.93
3. Miss Ranjani Eileen Weeraratne Jayasuriya	592,516	0.47
4. Bank of Ceylon A/C Ceybank Century Growth Fund	516,100	0.41
5. Mrs. Mihiri Virani Fernando	460,000	0.37
6. Mrs. Zohra Taher Jafferjee	330,890	0.26
7. Seylan Bank PLC/Arc Capital (Pvt) Ltd.	216,210	0.17
8. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
9. Sri Lanka Insurance Corporation Ltd. - General Fund	177,500	0.14
10. Dr. Nimal Ebenezer Herat Sanderatne	159,475	0.13
11. Sampath Bank PLC/Capital Trust Holdings Private Ltd.	139,200	0.11
12. Mas Capital (Private) Ltd.	135,400	0.11
13. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
14. Mr. Nalin Amita De Silva	126,326	0.10
15. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
16. Miss Nai Kaluge Ruvani Hemamala De Silva	118,246	0.09
17. Mr. Dikowita Kankanamge Athula Kithsiri Weeratunga	113,600	0.09
18. Mrs. Enoka Kamali Wickramasinghe	112,644	0.09
19. Mr. Harsha Nilantha De Silva	90,000	0.07
20. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
	<u>115,293,838</u>	<u>92.08</u>
Others	<u>9,915,772</u>	<u>7.92</u>
	<u>125,209,610</u>	<u>100.00</u>

9. Directors' and CEO's Shareholding as at 31st March 2012

Name of the Director	Shareholding 31st March 2012 No. of Shares	Shareholding 31st December 2011 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. John J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. V.G.K. Vidyaratne	21,236	21,236
Mr. M.H. Wijewardene	-	-
Mr. N. Majeed	3,000	3,000
Mr. K. Samarasinghe	3,124	3,124
Mr. M.P.A. Salgado	-	-

10. Public Holding

Public holding as at 31st March 2012 is 13.66% (as at 31st March 2011 - 12.22%).



SINGER[®]
Trusted Excellence

[®] A registered trademark of The Singer Company Limited