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SINGER INDUSTRIES (CEYLON) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 30TH SEPTEMBER 2016

STATEMENT OF FINANCIAL POSITION

As at 30th September,	Note	2016 Rs'000	2015 Rs'000	December 2015 Rs'000
A S S E T S				
Non-Current Assets				
Property, Plant & Equipment		958,645	616,177	613,340
Investment Property		150,000	126,000	126,000
Investment in Equity Accounted Investee		63,370	63,789	61,686
Other Receivables		1,124	3,026	609
		1,173,139	808,992	801,634
Current Assets				
Inventories		141,718	137,882	152,334
Trade and Other Receivables		3,053	1,363	3,994
Amounts Due from Related Parties		71,355	51,984	97,299
Prepayments		870	16,228	13,501
Income Tax Recoverable		2,445	5,745	4,205
Investment in Fixed Deposits		107,509	99,223	100,839
Cash and Cash Equivalents		9,858	17,429	521
		336,808	329,855	372,692
Total Assets		1,509,947	1,138,847	1,174,327
E Q U I T Y A N D L I A B I L I T I E S				
Equity				
Stated Capital	2	38,463	38,463	38,463
Capital Reserves		890,490	543,151	542,454
Revenue Reserves		450,855	412,444	408,276
Total Equity		1,379,808	994,058	989,192
Non-Current Liabilities				
Deferred Tax Liabilities		8,088	8,507	3,877
Employee Benefits		48,193	48,552	48,869
		56,280	57,059	52,747
Current Liabilities				
Trade and Other Payables		61,396	68,641	99,698
Provisions		8,334	8,132	9,188
Dividend Payable		845	845	845
Loans and Borrowings		3,283	10,113	22,657
		73,858	87,731	132,388
Total Liabilities		130,139	144,790	185,135
Total Equity and Liabilities		1,509,947	1,138,848	1,174,327
Net Assets per Share		358.74	258.45	257.18

I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No 7 of 2007.

(sgd.)

Chamil Ranaweera
Chief Financial Officer

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. S.Kelegama
Director

Colombo
15th November 2016

(sgd.)

H.A. Pieris
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Period Ended 30/09/2016 Rs'000	PLAN		Variance vs. Plan RS'000	Variance %	Variance Rs'000	Variance %
		Nine Months Ended 30/09/2016 RS'000	Period Ended 30/09/2015 Rs'000				
Revenue	535,687	412,522	535,202	123,165	30%	485	0.1%
Cost of Sales	(518,941)	(399,713)	(523,968)	(119,228)	-30%	5,027	1.0%
Gross Profit	16,746	12,809	11,234	3,937	31%	5,512	49%
Other Income	5,917	3,360	5,452	2,557	76%	465	9%
Change in Fair Value of Investment Property	24,000	-	-	24,000	100%	24,000	100%
Administrative Expenses	(5,999)	(6,139)	(7,621)	140	2%	1,622	21%
Distribution Cost	(1,568)	(1,480)	(2,190)	(88)	-6%	622	28%
Voluntary Retirement Scheme	(2,800)	(15,000)	(8,468)	12,200	81%	5,668	67%
Finance Income	9,400	3,125	4,970	6,275	201%	4,430	89%
Finance Cost	(1,019)	(837)	(890)	(183)	-22%	(130)	-15%
Net Finance Income	8,381	2,289	4,080	6,092	266%	4,300	105%
Share of Profit of Equity Accounted Investee (Net of Income Tax)	1,684	-	1,105	1,684	-	579	52%
Profit Before Taxation	46,360	(4,162)	3,591	50,522	-1214%	42,769	1191%
Income Tax Expense	(5,789)	366	(696)	(6,155)	1682%	(5,093)	0%
Profit for the Period	40,571	(3,796)	2,895	44,367	-1169%	37,676	1301%
Other Comprehensive Income							
Revaluation of Property, Plant and Equipment	352,324	-	-	-	-	-	0%
Remeasurements of Defined Benefit Liability/ (Asset)	-	-	-	-	-	-	0%
Related Tax	(2,280)	-	-	-	-	-	0%
Other Comprehensive Income - (Net of Tax)	350,044	(3,796)	-	353,839	-9322%	350,044	0%
Total Comprehensive Income	390,615		2,895			387,719	13391%
Basic Earnings per Share	10.55	(0.99)	0.75				

Accounting Policies of Interim Accounts are the same as in 2015 Annual Financial Statements.
Figures in brackets indicate deductions.

Share Prices	Period Ended 30/09/2016	Period Ended 30/09/2015
Highest	Rs.204.00	Rs.225.00
Lowest	Rs.131.00	Rs.162.00
Last Traded Price	Rs.192.90	Rs.178.00

Interim Financial Statements For the Period Ended 30th September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Note	Period Ended 30/09/2016 Rs'000	Period Ended 30/09/2015 Rs'000	Variance vs 2015 Rs'000	Variance %
Revenue	535,687	535,202	485	0%
Cost of Sales	(518,941)	(523,968)	5,027	1%
Gross Profit	16,746	11,234	5,512	49%
Other Income	5,917	5,452	465	9%
Change in Fair Value of Investment Property	24,000	-	24,000	100%
Administrative Expenses	(5,999)	(7,621)	1,622	21%
Distribution Cost	(1,568)	(2,190)	622	28%
Voluntary Retirement Scheme	(2,800)	(8,468)	5,668	67%
Finance Income	9,400	4,970	4,430	89%
Finance Cost	(1,019)	(890)	(130)	-15%
Net Finance Income	8,381	4,080	4,300	105%
Share of Profit of Equity Accounted Investee (Net of Income Tax)	1,684	1,701	(17)	-1%
Profit Before Taxation	46,360	4,187	42,173	1007%
Income Tax Expense	(5,789)	(696)	(5,093)	-732%
Profit for the Period	40,571	3,491	37,080	1062%
<u>Other Comprehensive Income</u>				
Revaluation of Property, Plant and Equipment	352,324	-		
Remeasurements of Defined Benefit Liability/ (Asset)	-	-		
Related Tax	(2,280)	-		
Other Comprehensive Income - (Net of Tax)	350,044	-	350,044	0%
Total Comprehensive Income	390,615	3,491	387,124	11089%
Basic Earnings per Share	10.55	0.91		

Accounting Policies of Interim Accounts are the same as in 2015 Annual Financial Statements.
Figures in brackets indicate deductions.

<u>Share Prices</u>	Period Ended 30/09/2016	Period Ended 30/09/2015
Highest	Rs.204.00	Rs.225.00
Lowest	Rs.131.00	Rs.162.00
Last Traded Price	Rs.192.90	Rs.178.00

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Quarter Ended 30/09/2016 Rs'000	Quarter Ended 30/09/2015 Rs'000	Variance Rs'000	Variance %
Revenue		134,737	139,367	(4,631)	-3%
Cost of Sales		(132,717)	(141,593)	8,877	6%
Gross Profit		2,020	(2,226)	4,246	-191%
Other Income		2,185	1,885	301	16%
Change in Fair Value of Investment Property		-	-	-	0%
Administrative Expenses		(1,623)	(1,471)	(152)	-10%
Distribution Cost		(361)	(747)	386	52%
Voluntary Retirement Scheme		-	(7,218)	7,218	100%
Finance Income		4,296	1,719	2,577	150%
Finance Cost		(129)	(94)	(35)	-37%
Net Finance Income		4,167	1,625	2,543	157%
Share of Profit of Equity Accounted Investee (Net of Income Tax)		497	596	(99)	-17%
Profit Before Taxation		6,885	(7,556)	14,442	-191%
Income Tax Expense		(3,289)	2,283	(5,571)	244%
Profit for the Quarter		3,596	(5,274)	8,870	-168%
Other Comprehensive Income					
Revaluation of Property, Plant and Equipment		-	-	-	0%
Remeasurements of Defined Benefit Liability/ (Asset)		-	-	-	0%
Related Tax	6	(855)	-	(855)	0%
Other Comprehensive Income - (Net of Tax)		(855)	-	(855)	0%
Total Comprehensive Income for the Quarter		2,741	(5,274)	8,870	-168%
Basic Earnings per Share		0.94	(1.37)		

Accounting Policies of Interim Accounts are the same as in 2015 Annual Financial Statements. Figures in brackets indicate deductions.

Share Prices

	3rd Quarter of 2016	3rd Quarter of 2015
Highest	Rs.200.00	Rs.208.00
Lowest	Rs.171.00	Rs.173.00
Last Traded Price	Rs.192.9	Rs.178.00

Interim Financial Statements For the Period Ended 30th September 2016

STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				Total Equity Rs'000
	Capital Reserves		Revenue Reserves		
	Stated Capital Rs'000	Revaluation Reserve Rs'000	General Reserve Rs'000	Retained Earnings Rs'000	
Balance as at 1st January 2015	38,463	545,131	61,484	345,489	990,567
Total Comprehensive Income for the Nine Months ended 30th September 2015					
Profit for the Nine months	-	-	-	3,491	3,491
Other Comprehensive Income	-	-	-	-	-
Other Comprehensive Income for the Nine months	-	-	-	-	-
	-	-	-	3,491	3,491
Realisation of Revaluation Surplus	-	(1,980)	-	1,980	-
Balance as at 30th September 2015	38,463	543,151	61,485	350,960	994,058
Total Comprehensive Income for the three Months ended 31st December 2015					
Profit for the Three Months	-	-	-	(5,102)	(5,102)
Other Comprehensive Income	-	-	-	-	-
Remeasurements of Defined Benefit Liability	-	-	-	328	328
Related tax	-	-	-	(92)	(92)
Other Comprehensive Income for the Three Months	-	-	-	236	236
	-	-	-	(4,866)	(4,866)
Realisation of Revaluation Surplus	-	(697)	-	697	-
Balance as at 31st December 2015	38,463	542,454	61,485	346,791	989,192
Total Comprehensive Income for the Nine Months ended 30th September 2016					
Profit for the Nine months	-	-	-	40,571	40,571
Other Comprehensive Income	-	-	-	-	-
Revaluation Land & Building	-	352,324	-	-	352,324
Related tax	-	(2,280)	-	-	(2,280)
Other Comprehensive Income for the nine months	-	350,044	-	-	350,044
Realisation of Revaluation Surplus	-	(2,008)	-	2,008	-
Balance as at 30th September 2016	38,463	890,490	61,485	389,370	1,379,807

STATEMENT OF CASH FLOW

For the period ended 30th September	2016 Rs. '000	2015 Rs. '000
Cash Flows From Operating Activities		
Profit Before Income Tax Expense	46,360	4,187
<i>Adjustments for;</i>		
Share of (Profit)/Loss of Equity Accounted Investee	(1,684)	(1,701)
Depreciation on Property , Plant & Equipment	7,344	8,533
Change in Fair Value of Investment Property	(24,000)	-
Impairment of machineries	-	2,224
Interest Income	(9,400)	(4,970)
Interest Expense	1,019	890
Provision/(reversal) for Obsolete Inventories	-	1,598
Provision for Employee Benefits	173	3,614
Operating Profit before Working Capital Changes	19,813	14,375
(Increase)/Decrease in Inventories	10,615	12,518
(Increase)/ Decrease in Trade and Other Receivables	427	1,424
(Increase)/Decrease in Trade Dues from Related Companies	25,945	57,273
(Increase)/Decrease in Pre - Payments	12,631	(15,089)
Increase /(Decrease) in Trade and Other Payables	(39,156)	(31,567)
Cash Generated from Operations	30,275	38,934
Interest Paid	(1,019)	(890)
Retiring Gratuity Paid	(850)	(3,199)
Income Tax Paid	(1,356)	(491)
Net Cash Flows from/(used in) Operating Activities	27,049	34,354
Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	(326)	(67)
(Investment)/Withdrawal of Fixed Deposits	(6,670)	(4,427)
Interest Income received	8,659	4,970
Net Cash Flows from/(used in) Investing Activities	1,662	476
Net Increase/(Decrease) in Cash and Cash Equivalents	28,711	34,830
Cash and Cash Equivalents at the beginning of the year	(22,136)	(27,513)
Cash and Cash Equivalents at the end of the period	6,575	7,316

Notes to the Financial Statements

1 Interim Financial Statements

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st December 2015, are in compliance with Sri Lanka Accounting Standards -LKAS 34 - "Interim Financial Reporting".

*** The Interim Financial Statements are provisional and subject to audit.**

2 <u>General</u>	30th September 2016	31st December 2015
Stated Capital	38,463,000	38,463,000
Number of Shares - Ordinary Shares	3,846,300	3,846,300
Voting Rights	One vote per ordinary share	One vote per ordinary share

3 Commitments and Contingencies

3.1 Capital Expenditure Commitments

The company does not have significant capital commitments as at the reporting date.

3.2 Contingencies :

Financial Commitments

Document credit are effected for foreign purchases of the Company amounting to Rs.13,124,489/-

4 Events Occurring after the Reporting Date

There have been no materials events occurring after the date of statement of financial position that require adjustment to or disclose in the financial statements.

5 Related Party Disclosure

The Company carries out transaction in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) -"Related Party Disclosure", the details of which are reported below.

5.1 Parent and Ultimate Controlling Party

Singer (Sri Lanka) PLC acquired 87.7%, the entire equity stake held by Retail Holdings (Sri Lanka) BV(formally know as Singer (Sri Lanka) B.V) on 23rd February 2016 after getting necessary regulatory approval.

5.2 Transactions with Key Management Personnel ("KMP")

According to Sri Lanka Accounting Standard (LKAS) 24 Related Party Disclosure, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity . Accordingly, the Directors (including Executives and Non Executive Directors) of the Company and their immediate family members have been classified as Key Personnel of the Company .

Loans to Directors

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

5.3 Other Related Party Transactions

(a) Transactions with Associate Company

Name of the Company and Relationship	Name of Directors	Nature of Transaction	September 2016 Rs. Million	December 2015 Rs. Million
Reality Lanka Ltd (Associate Company)	Dr. S Kelegama (Chairman) Mr. H A Pieris (Group CEO) Mr. G J Walker		-	-

Interim Financial Statements For the Period Ended 30th September 2016

Notes to the Financial Statements

7 <u>Twenty Largest Shareholders</u>		September 2016	
Name		No of Shares	%
1	Singer (Sri Lanka) PLC	3,373,967	87.72
2	Union Investments Private Ltd	31,800	0.83
3	Mr. Gajath Chrysantha Goonetilleke	10,611	0.28
4	Mr. Abdul Latiff Mohammed Hussain	10,000	0.26
5	Mrs. Zohra Taher Jafferjee	10,000	0.26
6	Mr. Udayathilaka Indrapala Suriyabandara	9,352	0.24
7	Mr. Duleep Rajkumar Herath	8,402	0.22
8	Mrs. Colombage Dona Danushika Kumari	6,750	0.18
9	Mr.Sivarajah Nishyanthan	6,000	0.16
10	Mr. Withanage Don Duleep Rohan Mahatantila	6,000	0.16
11	Mr. Sivarajah Aravinthan	5,100	0.13
12	The Incorporated Trustees Of The Church Of Ceylon	5,000	0.13
13	Mrs. Marina Jayanthi Thambinayagam	5,000	0.13
14	Mr. Shyamsunder Ramanathan	4,742	0.12
15	Mr. Adasooriya Mudiyansele Ranjith Adasooriya	4,600	0.12
16	Mrs.Udeni Perera Hewagama	4,400	0.11
17	Mr. Abdul Nasser Majeed	4,127	0.11
18	Mr. Loku Narangodage Sarath Kumara Samarasinghe	4,104	0.11
19	Mr. Anushka Randika Jayasinghe	3,979	0.10
20	Bansei Securities Capital (Pvt) Ltd	3,926	0.10
Total		3,517,860	91.46

8 <u>Director's and CEO's Shareholdings as at ;</u>		30th September 2016	31st Dec. 2015
Name of the Director		No of Shares	No of Shares
Dr. S Kelegama (Chairman)		-	-
Mr. H A Pieris		-	-
Mr. V G K Vidyaratne		100	100
Mr. G J Walker		-	-
Mr. Ranil De Silva		-	-
Mr. K D Kospelwatta		200	200
Mr. A C M Irzan (Alternate Director)		-	-

9	No. of Shareholders	No. of Shares	%
Shares held by public	1019	472,033	12.27

10 Company Secretary
Mr. Eraj Fernando
Contact No: 0112622641

Interim Financial Statements For the Period Ended 30th September 2016

Notes to the Financial Statements

<u>Twenty Largest Shareholders</u>		September 2015	
Name		No of Shares	%
1	Singer (Sri Lanka) BV	3,213,600	83.55%
2	Union Investments Private Ltd	31,800	0.83%
3	Mrs. Somasundaram Tamin Selvi	29,634	0.77%
4	Mr. Khalifa Mattar Abdul Rahaman Khalfan Almuhaire	22,500	0.58%
5	Mr. Kosala Jayakody	15,701	0.41%
6	Mr. Abdul Latiff Mohammed Hussain	10,000	0.26%
7	Mrs. Zohra Taher Jafferjee	10,000	0.26%
8	Mr. Ravindra Erle Rambukwelle	8,500	0.22%
9	Mr. Duleep Rajkumar Heart	8,400	0.22%
10	Mr. Gajath Chrysantha Goonetilleke	7,000	0.18%
11	Mr. Udayathilaka Indrapala Suriyabandara	6,816	0.18%
12	Mrs. Colombage Dona Danushika Kumari	6,750	0.18%
13	Rev. Marie Bernard Perera	6,589	0.17%
14	Miss. Iresha Udeshini Paranagama	6,400	0.17%
15	Mr. Sivarajah Nishyanthan	6,000	0.16%
16	Mr. Withanage Don Duleep Rohan Mahatantila	6,000	0.16%
17	Mr. Sivarajah Aravinthan	5,100	0.13%
18	Mr. Mohamed Mafas Mansoor	5,020	0.13%
19	The Incorporated Trustees Of The Church Of Ceylon	5,000	0.13%
20	Mrs. Marina Jayanthi Thambinayagam	5,000	0.13%
	Total	3,415,810	88.81%



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Interim Financial Statements For the Period Ended 30th
September 2016