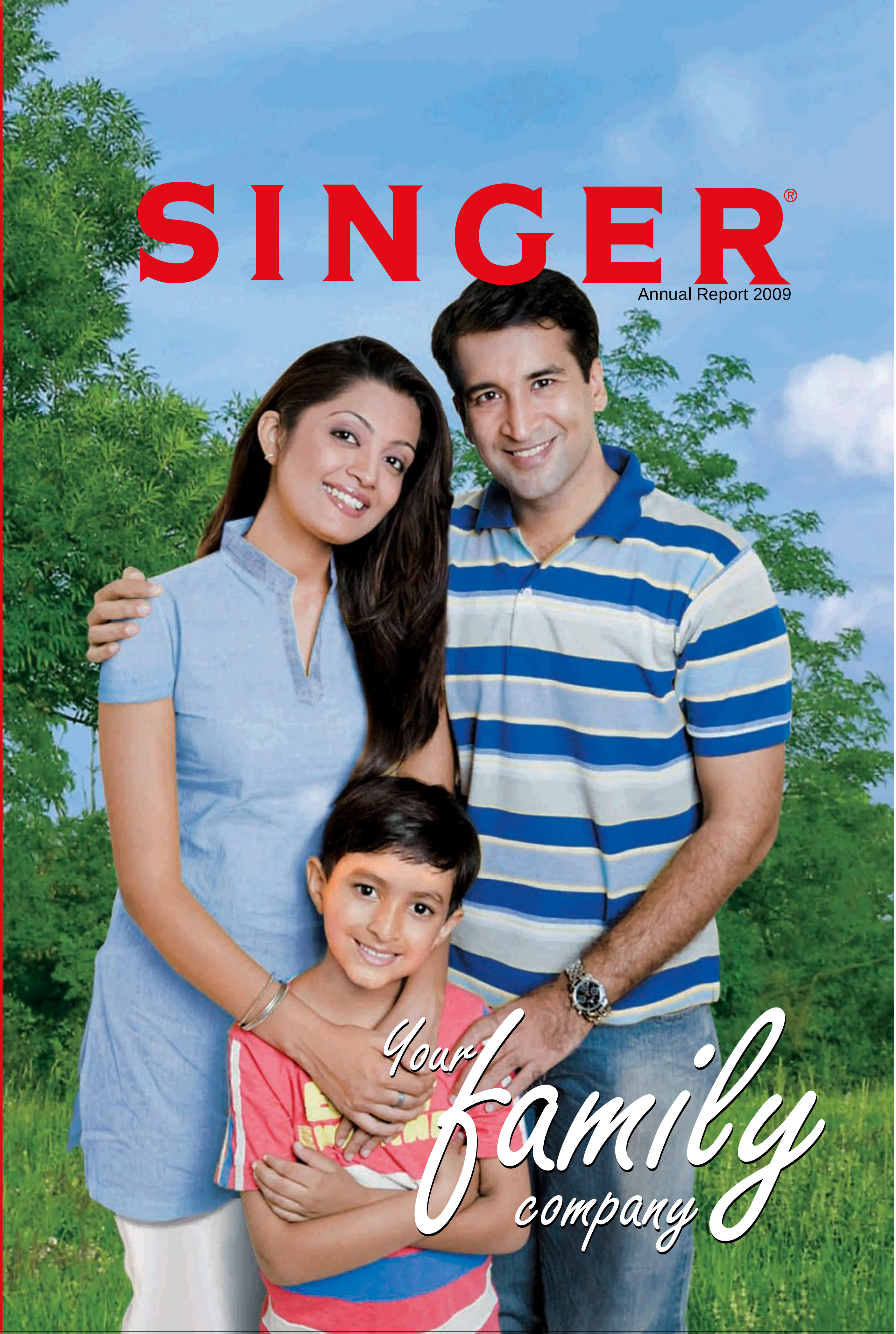


Singer Pakistan Limited Annual Report 2009

Our Vision

To be the leading retailer of home appliances in Pakistan.

Our Mission

To improve the standard of life of our customers by offering high quality products and services at affordable prices.

Our Values

Customers

We strive our best to live up to the expectations of our customers by providing quality products at affordable prices, efficient services and an enjoyable shopping experience.

Employees

We respect our employees and encourage teamwork while providing opportunities for career development.

Shareholders

We provide a reasonable return while safeguarding their investment.

Competitors

We respect our competitors and recognize their contribution to the market.

Community

We conduct our business by conforming to the highest ethical standards and share the social responsibility of the less fortunate.

Our Objectives

Provide our customers with the best services and shopping experience.
Provide our customers with products of modern technology.
Develop our employees to achieve their potentials.
Provide our shareholders with steady asset growth and return on investment in line with the industry norm.
To establish a culture of learning and leadership development and ethical business performance.
Continuously respond to market signals and endeavour to be the market leader.

Contents

Cover Concept

Our roots lie in the household appliances used by families in Pakistan.

We are best known for our sewing machines, geysers, refrigerators, colour televisions, washing machines, cooking ranges and air conditioners both in the urban as well as rural families; thus creating a "home with a soul". In another sense, Singer Pakistan itself is a family of all stakeholders, one that stays together in rough times...... as in smooth!

SINGER
Singer Pakistan Limited
608, (6th Floor), Beaumont Plaza, Beaumont Road
Near PIDC House
Karachi-75530
Pakistan

www.singer.com.pk

Board of Directors

Kamal Shah	Chairman & Chief Executive Officer
Gavin J. Walker	(alternate : Badaruddin F. Vellani)
Peter James O'Donnell	(alternate : Fareed Khan)
Rasheed Y. Chinoy	
Jahangir Siddiqui	
U. R. Usmani	Chief Operating Officer
Ahmed S. Farrukh	

Company Secretary

Nasir Hussain

Audit Committee

Badaruddin F. Vellani	Chairman
Rasheed Y. Chinoy	Member
Jahangir Siddiqui	Member
U. R. Usmani	Member
Fareed Khan	Member
A. H. Dawood	Secretary

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Bank Islami Pakistan Limited
Citibank, N. A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
The Royal Bank of Scotland
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

Gangjees Registrar Services (Pvt.) Limited
513, Clifton Centre, Khyaban-e-Roomi
Clifton, Block-5
Karachi

Registered Office

Plot No. 39, Sector 19,
Korangi Industrial Area, Korangi
Karachi.

Head Office

608, 6th Floor Beaumont Plaza
Beaumont Road, Near PIDC House
Karachi

Website

www.singer.com.pk

Notice is hereby given that the Forty-Ninth Annual General Meeting of SINGER PAKISTAN LIMITED will be held on Friday, 30 April 2010 at 10.00 a.m. at Beach Luxury Hotel, Karachi, to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31 December 2009 together with the Reports of Directors' and Auditors' thereon.

2. To appoint Auditors of the Company for the financial year ending 31 December 2010 and to fix their remuneration.

Special Business

3. To capitalize a sum of Rs. 31,012,650 out of the un-appropriated profits and revenue reserves of the Company for the issuance of 3,101,265 Bonus Shares to the Members of the Company as at the close of business on 19 April 2010 in proportion to their respective shareholding at that date (the effective rate being 10%, that is, 1 share for every 10 shares).

Statement under Section 160(1)(b) of the Companies Ordinance, 1984

A statement under Section 160(1)(b) of the Companies Ordinance, 1984 setting forth the material facts concerning the Special Business to be considered at the Meeting is being sent to the Members, along with the copy of this notice.

By order of the Board

Nasir Hussain
Company Secretary

Karachi: 9 April 2010

Notes

1) The Share Transfer Books of the Company will be closed and no transfer will be accepted for registration from 20 April 2010 to 30 April 2010 (both days inclusive).

2) A Member of the Company, entitled to attend, speak and vote at the General Meeting is entitled to appoint another person as his / her proxy to attend, speak and vote instead of him / her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the General Meeting as are available to the Member. Proxy Forms, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The proxy need not be a Member of the Company. The proxy shall produce his / her original Computerized National Identity Card (CNIC) or passport to prove his identity.

3) In case of corporate entity, the Board of Directors' / Trustees' resolution / power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.

4) Members are requested to notify any change in their addresses immediately to our Registrar.

5) The Registered Office of the Company is located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi.

6) Members who have not yet submitted photocopy of their Computerized National Identity Card (CNIC) are requested to send the same to our Registrar at the earliest.

7) CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC), or original passport at the time of attending the meeting. CDC account holders are also requested to bring their CDC participant ID numbers and account number.

ii) In case of corporate entity, the Board of Directors' / Trustees' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement (note 2 above).

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In the case of corporate entity, the Board of Directors' / Trustees' resolution / power of attorney with specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Statement Under Section 160 (1) (b) of the Companies Ordinance, 1984

This statement sets out the material facts concerning the Special Business to be transacted at the Forty-Ninth Annual General Meeting of Singer Pakistan Limited to be held on Friday, 30 April 2010 at 10:00 am.

Item No. 3 of the Agenda - Special Business

Issue of Bonus Shares

In the opinion of the Board of Directors, the financial results of the Company justifies the capitalization of a sum of Rs. 31,012,650 from the un-appropriated profits and revenue reserves of the Company for the issuance of Bonus Shares in the ratio of 1 ordinary share for every 10 ordinary shares i.e. (at the rate of 10%). Those persons whose names appear on the Register of Members of the Company as at the close of business on 19 April 2010 will be entitled to the proposed issuance of Bonus Shares in the proportion mentioned above.

Accordingly, it is proposed to consider and pass the following resolution as an ordinary resolution:

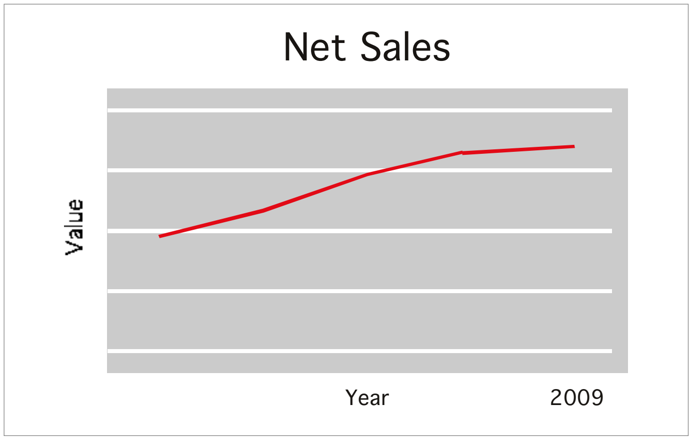
Resolved that:

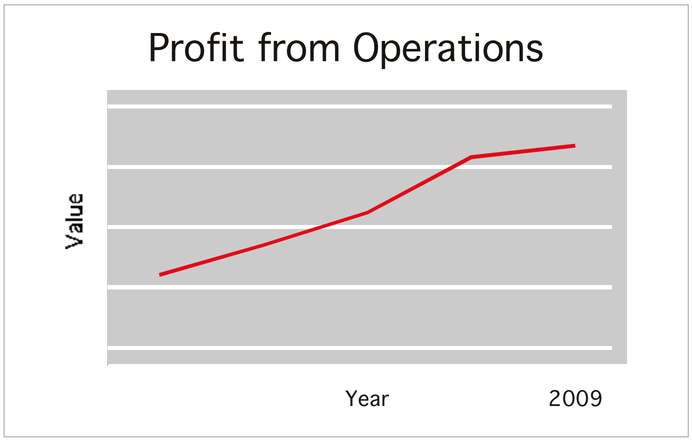
1. A sum of Rs. 31,012,650 out of the un-appropriated profit and revenue reserves of the Company be capitalized and applied for making payment in full of 3,101,265 Ordinary Shares of Rs. 10 each and that the said shares be allotted as fully paid Ordinary Shares to the Members of the Company whose names appear on the Register of Members as at the close of the business on 19 April, 2010 in the proportion of one Bonus Share for every ten Shares then held and that such Bonus Shares shall rank pari passu as regards dividends and in all other respects with the existing Ordinary Shares of the Company.

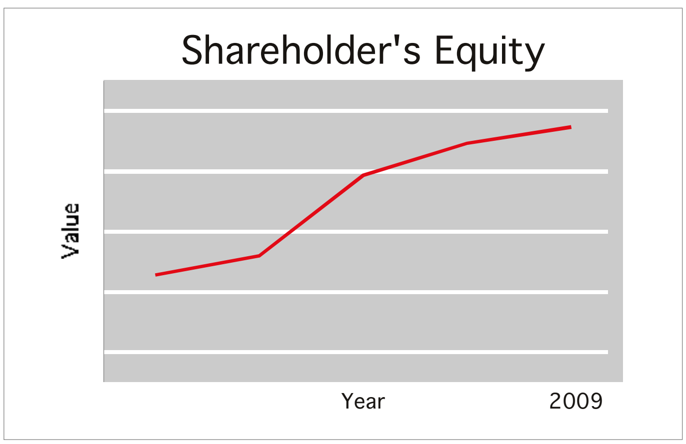
2. In the event of any Member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds thereof to the Members entitled to the fraction in proportion to their respective entitlements.

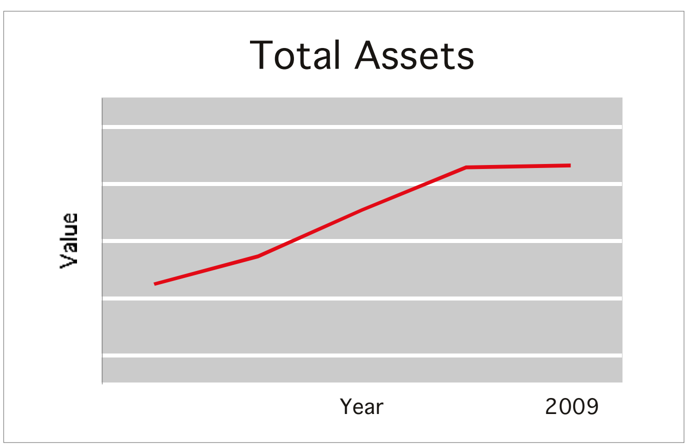
3. For the purpose of giving effect to the foregoing, the Directors be and they are hereby authorized to do and cause to be done all acts, deeds and things that may be necessary and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said Bonus Shares as they think fit.

The Directors of the Company are not directly or indirectly interested in the business except to the extent of their share holding in the Company.


Net Sales
Value
Year
2009


Profit from Operations
Value
Year
2009

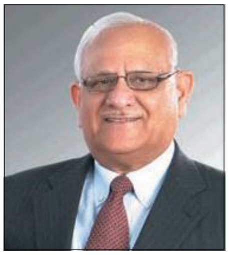

Shareholder's Equity
Value
Year
2009


Total Assets
Value
Year
2009

(Rupees in '000')

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
ASSETS EMPLOYED										
Current Assets	1,611,115	1,601,194	1,361,138	1,094,432	914,053	739,318	662,286	583,480	555,351	534,164
Current Liabilities	1,160,071	1,155,202	918,298	804,710	654,973	510,860	381,974	363,785	342,973	396,557
NET CURRENT ASSETS	451,044	445,992	442,840	289,722	259,080	228,458	280,312	219,695	212,378	137,607
Property, Plant & Equipment	210,499	212,213	156,915	110,312	99,248	77,278	69,999	66,067	52,363	74,001
Intangible Assets	5,083	7,638	4,666	822	560	986	1,369	1,177	918	-
Investment	-	-	6,894	7,026	7,148	7,292	7,412	-	-	-
Employee retirement benefits - Prepayments	11,290	6,798	5,617	3,578	3,632	-	-	-	-	-
Long Term Deposits	31,844	32,100	27,396	20,475	17,344	16,302	13,844	9,596	8,985	8,085
Deferred Cost	-	-	-	-	-	-	-	-	-	1,139
Deferred Tax	-	-	-	-	-	-	692	-	676	867
TOTAL ASSETS EMPLOYED	709,760	704,741	644,328	431,935	387,012	330,316	373,628	296,535	275,320	221,699
FINANCED BY: Share Capital	310,127	275,668	245,038	133,173	113,339	113,339	113,339	113,339	113,339	113,339
Reserves & unappropriated profit	158,985	166,229	144,298	122,323	109,866	98,980	90,514	77,502	77,582	67,933
Surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-	29,153
Deferred Income	5,103	6,031	6,959	7,887	8,815	9,743	10,671	11,141	-	-
Employee retirement benefits - Obligation	5,846	3,495	1,962	2,193	1,956	-	-	-	-	-
Long term loans, Debenture, Lease Facilities, Deposit and Deferred liabilities	229,699	253,318	246,071	166,359	153,036	108,254	159,104	94,553	84,399	11,274
TOTAL CAPITAL EMPLOYED	709,760	704,741	644,328	431,935	387,012	330,316	373,628	296,535	275,320	221,699
FINANCIAL PERFORMANCE										
Sales	2,116,878	2,131,378	1,744,173	1,427,112	1,197,188	979,541	835,781	720,415	646,668	606,257
Profit from Operations	199,901	188,854	139,006	109,372	82,498	62,105	56,167	67,109	61,766	61,039
Profit after taxation	27,215	52,561	41,951	32,291	25,053	19,799	13,012	8,420	7,232	6,814
Earnings per share	0.88	1.69	1.52	1.43	1.88	1.75	1.15	0.74	0.64	0.60
Bonus share										
Amount	* 31,013	34,459	30,630	19,976	19,834	-	-	-	-	-
%	* 10%	12.5%	12.5%	15.0%	17.5%	-	-	-	-	-
Cash dividend										
Amount	-	-	-	-	-	14,167	11,333	8,500	8,500	8,500
%	-	-	-	-	-	12.5%	10%	7.5%	7.5%	7.5%

*** Proposed**



Kamal Shah
- Chairman & CEO

Mr. Kamal Shah is the Chairman and Managing Director of Singer Pakistan Limited. He is a Fellow of the Institute of Chartered Accountants of Pakistan and an Associate of the Chartered Institute of Management Accountants - UK.

Mr. Shah serves on the boards of a number of Singer subsidiaries outside Pakistan.

Mr. Kamal Shah served as a member of the Prime Minister's Tax Reforms Commission which brought about major tax reforms in the country. Mr. Kamal Shah has also served as a member of National Engineering Manufacturers and Export Council (NEMEC) under the Chairmanship of the Commerce Minister for a number of years.

He has served as Vice President of American Business Council of Pakistan and Chairman of the Finance Committee of the Council for several years. Mr. Shah has also served as a member of the Managing Committee of Overseas Investors Chamber of Commerce and Chairman of the Finance Sub Committee of the Chamber.

Gavin J. Walker
- Director

Mr. Walker is the President and Chief Executive Officer of Singer Asia Ltd. and was appointed to this position in August 2005.

Prior to joining the Company, Mr. Walker held offices as Managing Director and Chief Executive Officer of public quoted and private companies in the United Kingdom and South Africa.

Mr. Walker, served as Chief Executive Officer of Profum Ltd., a multi-brand retailer of electrical appliances and furniture with operations in 16 African countries and Australia (including SINGER® brand electrical appliances under licence).

Mr. Walker serves on the Board of a number of Singer Asia Subsidiaries.

Peter James O'Donnell
- Director

Mr. Peter James O'Donnell is the Managing Director of UCL Asia Ltd., Director, American Standard China Plumbing Products Ltd., Singer Asia Ltd., Singer (Sri Lanka) PLC, Singer Bangladesh Ltd. and Observer, Singer Thailand Public Company Ltd.

Mr. O'Donnell is an alumnus of both Harvard College and Harvard Business School.

Rasheed Y. Chinoy
- Director

Mr. Rasheed Y. Chinoy graduated from the University of Birmingham, United Kingdom with a Degree in Business Administration and has been in the corporate sector for the last 50 years. Currently, he is the Chairman and Managing Director of Continental Furnishing Co. (Pvt) Limited.

He is a founder Director of Singer Industries Pakistan Limited which was the forerunner of Singer Pakistan Limited.

Mr. Chinoy has served on various boards of National and Multinational Companies in Pakistan; prominent amongst these companies were the Soneri Bank, Reckitt & Colman of Pakistan Group of Companies, The Johnson & Phillips Group Company, KESC and Haroon Oils Pakistan Ltd.

Presently, Mr. Rasheed Y. Chinoy is also on the Board of the following companies:

- State Life Insurance Corp. of Pakistan
- Pakistan Agencies (Pvt.) Ltd.
- Dadex Eternit Ltd.
- Pakistan National Shipping Corporation Ltd.
- First Dawood Investment Bank Ltd.
- Fibercane (Pvt.) Ltd.
- Alpha Insurance Co. Ltd.

Jahangir Siddiqui
- Director

Mr. Jahangir Siddiqui is the founder and Advisor of JS Group and Chairman of the JS Bank Limited. He founded JS Group in 1970 and led the group to become one of the largest and most profitable business houses in Pakistan with over 20,000 employees.

He retired from executive duties at JS Group in 1999 but remains an Advisor, in which capacity the Group is able to call on him to seek guidance on strategic matters. He also serves as Chairman of JS Bank Limited.

In the past he has served as a Member on the Economic Advisory Board formed by the Government of Pakistan in 1999 and the Exchange Reforms Committee of the Government of Pakistan which opened up Pakistan's capital markets to foreign investors.

Mr. Siddiqui was a member of the Karachi Stock Exchange from 1970-2001. He also served as a member of the Privatisation Commission when it was formed in 1991. He was elected President, Karachi Stock Exchange in 1990 and 1991.

Mr. Siddiqui serves on various Government of Pakistan boards and committees, in particular those related to investment, taxation and finance. He advises the Government on various matters.

He serves on the boards of a number of Pakistan's largest companies and dedicates time to two charitable foundations affiliated with JS Group.

Badaruddin F. Vellani
- Alternate Director

Mr. Badaruddin F. Vellani is an Honours graduate in Chemical Engineering from the Loughborough University of Technology and is also a Barrister-at-Law from the Middle Temple (London). Mr. Vellani commenced legal practice at Karachi in 1982. He is enrolled as an Advocate of the Supreme Court of Pakistan and is entitled to appear before all courts and tribunals in Pakistan.

Mr. Vellani is a partner in the law firm of Vellani & Vellani.

He is presently a member of the board of directors of Unilever Pakistan Foods Limited, Parke Davis & Co. Limited, Wyeth Pakistan Ltd., Novartis Pharma (Pakistan) Limited (where he is Vice Chairman of the Board), Shell Pakistan Limited (where he is also Chairman of its Audit Committee) and Esso Pakistan (Private) Limited. He is also an Alternate Director on the Board of Roche Pakistan Limited.

Mr. Vellani is the Chairman of the National Committee of the Aga Khan Foundation, Pakistan and the National Committee of the Aga Khan University Foundation Pakistan, and is a member of the Board of Directors of the Pakistan Centre for Philanthropy. Mr. Vellani is also a Council member and one of the Governors of Hisaar Foundation (a not for profit foundation for water, food and livelihood security). He is also a member of the National Committee in Pakistan of the International Chamber of Commerce (ICC) and on the ICC Task Forces on IT & E-Commerce, Enforcement of IP Rights and Arbitration.

Fareed Khan
- Alternate Director

Mr. Fareed Khan is a Chartered Accountant from England and Wales and also from Pakistan.

He joined A. F. Ferguson & Co., Chartered Accountants, in 1965. He worked as a partner till 1982 and was involved in various assignments.

Mr. Khan worked as an external financial consultant on the Board of Industrial Management an organization managing nationalized industries and was also appointed an external financial consultant to a housing finance company for a few years.

Presently, he has set-up an Engineering Manufacturing Company, manufacturing different consumer appliances. He has also served on the Board of NBFI.

U. R. Usmani
- Director & COO

Mr. Ubaid-ur-Rehman Usmani is Chief Operating Officer and Director Personnel & Administration.

He has done L.L.B. and M.A. in Economics and has attended other educational and training programs in various countries.

Mr. Usmani has been a Management Counsellor at Pakistan Institute of Management for several years and has also worked as Personnel Development Manager in Philips Electrical Company of Pakistan Ltd. and Director Human Resources in Parke Davis & Co. Ltd.

He is a senior member of the Management Committee of the Employers Federation of Pakistan and has also headed its various Sub-Committees and has undertaken special projects and also represented the Federation on various national and international forums.

Mr. Usmani is also Additional Secretary General of Workers-Employers Bilateral Council of Pakistan (WEBCOP).

He is a visiting faculty member of different universities and other educational institutions.

Ahmed S. Farrukh
- Director

Mr. Ahmed S. Farrukh is Director Marketing at Singer Pakistan Limited.

He holds an MBA (Marketing Major) degree and has done numerous management development courses, both from Pakistan and abroad, notable being "Marketing Management Program" from Boston College, USA and "General Management Program" from National University of Singapore.

Prior to joining Singer, he worked with Eli Lilly and Glaxo.

Mr. Farrukh is currently the Council Member of the Marketing Association of Pakistan (MAP) and has also made presenations for various universities in order to promote the knowledge of marketing.

The Management

From left to right: Kamal Shah (Chairman & CEO), U. R. Usmani (Director & COO), Ahmed S. Farrukh (Director Marketing), Abdul Ghaffar (Factory Manager) Nasir Hussain (CFO & Company Secretary), Mahmood Ahmed (Director Sales) and Syed Aleem Hussain (Director Credit)

Abid Pervez
National Sales Manager, North

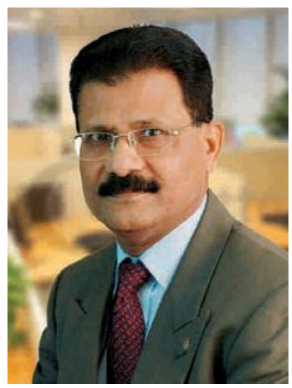
Muzzafar Mehboob
National Sales Manager, South

Hafiz Ashfaq Ahmed
National Service Manager

Farhana Fahad
Merchandising Manager

Salman Ahmed
Factory Controller

Muhammad Azam Khan
Controller



Abdul Hakeem Dawood
Chief Internal Auditor

S. M. Akhtar
Senior I. T. Manager

Khalid Jamil
Works Manager
Cooling Products

M. Lateef-ud-Din Pasha
Director Administration

Waheed-ul-Hassan
Chief Engineer

Khalid Afzal
Materials Manager

The Directors of the Company

are pleased to present the Annual Report together with the Audited Financial Statements of the Company for the year ended 31 December 2009.

BUSINESS OVERVIEW

The year ended December 31, 2009 was highly challenging for our business due to disturbed business conditions, power outages, high interest costs and credit squeeze throughout the year resulting in shrinkage of consumer durables market. Despite these adverse factors, we are pleased to report that our net sales and profit from operation before finance costs continued to grow. However, increase in finance costs adversely affected our profit after taxation.

Net sales for the year increased by 3.8% compared to corresponding period last year. The growth in sales was achieved mainly in sewing machines, refrigerators and earned carrying charges. Marketing, selling and distribution costs decreased by 8.2% or Rs. 17.2 million over same period last year, mainly due to costs control, however, administrative expenses increased by Rs. 3.8 million, due to inflation.

Profit from operations increased by 5.8% to Rs.199.9 million due to increased revenue and controlled costs in a very difficult environment.

Finance costs increased to Rs.165.2 million from Rs.125.4 million, mainly due to increase in mark-up rates which has adversely affected the profit after taxation.

Profit after taxation decreased to Rs. 27.2 million from Rs. 52.6 million last year, mainly due to increase in interest costs as explained above.

Despite introduction of new products, models and significant devaluation of the Pakistani Rupee, the management kept inventory under critical watch and overall inventory declined by 9%, which has also contributed in the generation of positive cash from operations. The capital expenditure was also controlled and the growth of receivables was kept in line with sales. The credit was granted after careful evaluation and was closely monitored.

SALES OVERVIEW

The growth in sales was achieved primarily through higher sales of sewing machines and refrigerators. The cut-throat competition in the appliances market affected our ability to increase prices despite devaluation and costs increases. The Company has continued its program to improve features and introduce new models and new products to grow sales with emphasis on improved after sales service through its own service centres throughout the country.

PROFITABILITY AND APPROPRIATIONS

The profit for the year 2009 and proposed appropriations for the year 2010 are as follows:

	2009 (Rupees in '000)
Profit after Tax	27,215
Un-appropriated profit brought forward	433
Profit available for appropriations	27,648

	2010 (Rupees in '000)
Un-appropriated profit brought forward	27,648
Transfer from Revenue Reserve	4,000
Appropriation:	
Proposed Bonus Issue	(31,013)
Un-appropriated profit	635

DIVIDEND

The Board has recommended that no cash dividend be paid for the year ended 31 December 2009. The Board has however proposed that a Bonus Issue in the proportion of one share for every ten shares of Rs. 10/- each be made to all Members whose names appear on the Register of Members on 19 April 2010, out of the un-appropriated profit and revenue reserve of the Company for the period under review.

EARNINGS PER SHARE

Earnings per share for the year ended 31 December 2009 is Re. 0.88 as against Rs. 1.69 for the previous year.

FUTURE OUTLOOK

The Company will continue to focus on introduction of new models, new products, innovative advertising and sales promotion and increase in the productivity in a highly competitive market however a lot will depend on the business environment in the country in 2010

The Company is focusing on the implementation of its ERP project which is expected to improve our productivity and assets management and will enable us to be a leading retailer of appliances in the country.

BOARD OF DIRECTORS

No casual vacancy arose during the year.

HUMAN RESOURCES

As a leader in Retailing we believe in continued development of our employees' skills and enhance their job satisfaction, efficiency and career development. Training programs were regularly offered on important subjects such as product knowledge, selling skills, merchandising and credit management. Several courses were organized in 2009.

The relationship between the management and employees continues to be satisfactory. The agreement with the Factory labour union expired and negotiations having remained inconclusive, the industrial dispute have been referred to the Labour Court for adjudication.

The Board of Directors would like to take this opportunity to express their appreciation for the hard work and dedication of the employees of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Singer Pakistan is committed to CSR and is making its best contribution.

Sewing/stitching classes are regularly organized for ladies to help them improve their skills and earn their livelihood.

A very effective program has been launched to create awareness against the evil of narcotics among the students. A film of about 20 minutes duration is shown, which gives a very powerful message against the use of narcotics. During 2009 the program has been organized with the help of trained presenters and facilitators. Over 10,000 students have so far been benefited with this program and they all, without exception are full of praise and grateful and their teachers have equally appreciated the program

AWARDS/ACHIEVEMENTS

During the year your Company has also been awarded the Consumers Choice Award from the Consumers Association of Pakistan for the best refrigerator.

AUDITORS

The present Auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, retire and offer themselves for re-appointment for the audit of the accounts of the Company for the year ending 31 December 2010.

PATTERN OF SHAREHOLDING

A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of Shareholders whose disclosure is required under the Code of Corporate Governance is shown on page 71 of this report.

HOLDING COMPANY

Singer (Pakistan) B.V. holds 70.28% of issued share capital of Singer Pakistan Limited.

GENERAL

During the period from end of the financial year of the Company to which the Balance Sheet relates and the date of this report, there have been no material commitments made and no changes have occurred which materially affect the financial position of the Company.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors has taken adequate measures for the implementation of the Regulations of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

We give below our statement on Corporate and financial reporting framework:

The financial statements prepared by the Management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;

Proper books of accounts of the Company have been maintained;

Appropriate Accounting Policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of Company's financial statements;

The system of internal control is sound in design and has been effectively implemented and monitored;

There are no doubts upon the Company's ability to continue as a going concern;

There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations;

Key operating and financial data for last ten years has been provided as an annexure in a summarized form;

Value of investments of Provident, Gratuity and Pension Funds based on their latest un-audited/ audited accounts for the year ended 31 December 2008 are as follows:

- Provident Fund	Rs. 119.8 million
- Gratuity Fund	Rs. 57.7 million
- Pension Fund	Rs. 53.2 million

During the year, six meetings of the Board of Directors were held. Attendance by the Directors was as follows:

Name of Directors	Attendance
Mr. Kamal Shah	6
Mr. Rasheed Y. Chinoy	6
Mr. Jahangir Siddiqui	6
Mr. U. R .Usmani	6
Mr. Ahmed S. Farrukh	6
Mr. Badaruddin F. Vellani (alternate of Mr. Gavin Walker)	6
Mr. Fareed Khan (alternate of Mr. James O' Donnell)	6

There have been no trades during the year in the shares of the Company, carried out by its Directors, CEO, COO, CFO & Company Secretary and their spouses and minor children.

On behalf of the Board

Kamal Shah
Chairman

Karachi : 2 April 2010

Reproduced from Dawn, Karachi

60 Years of Karachi

Photo Exhibition!

A view of Singer Showroom at Elphinstone Street, Saddar, Karachi - 1957

*The Old Singer Showroom
Saddar, 1957*

*Photograph by:
Saud Siddiqui*

*Courtesy: Masood Hamid
Director Marketing, Dawn*

Now!

The Singer Showroom

at the corner of Zaibunnisa Street, Saddar, Karachi.

The New Singer Plus showroom at Zaibunnisa Street, Saddar, Karachi - 2009


Singer proudly presents the new
WIDE BODY SERIES OF REFRIGERATORS.
These are ALD-122LH, SR-3502 and SR-3002H;
they fill-in the demand of bigger families
for a large refrigerator, combining the
benefits of
"NANO-SILVER TECHNOLOGY"
(which is an antibacterial/antifungal agent).
They help keep food fresh for
longer durations.
SINGER
NEW ARRIVAL
SINGER
NEW ARRIVAL
SINGER
NEW ARRIVAL


SINGER
SPLIT AIR-CONDITIONER
With the onset of summer, we are pleased to introduce our latest and new models of SINGER SPLIT A/C which have LED Indicator, Remote Controller, Sleep Timer and other functions ....
CONVENIENCE COMIBINED WITH COOLING – AT ITS BEST!


Reality redefined.
The new "Platinum" LCD gives sharp and "true-to-life" pictures. It makes TV viewing an enjoyable experience.
Platinum
SINGER

KITCHEN KONCEPT

In keeping with modern trends, we have introduced new products for the kitchen, such as:

- Built-in Oven (Gas/Electric)
- Microwave Oven
- Hob
- Hood or Chimney/Exhaust
- Dish Washer

These products bring convenience to customer's lifestyle.


Go Green and
Save Your Gas Bills
Get hot water with Solar Geyser
SOLAR GEYSER
SINGER
Go Green
Solar Geyser is connected to the Singer gas geyser
which ensures continuous hot water supply.


SINGER
Singer
brings together
the colours
of Pakistani fashion
The best selling Zig Zag '8280' comes with full plastic body, free arm and stainless steel shuttle and bobbin case. It is lightweight and easily portable.

Singer Autowash

The Singer Automatic Washing Machine makes washing an enjoyable experience. Sparkling wash at the touch of a button. Eight 'wash-programs' with 'Auto-Tub Cleaning' function make it user-friendly.

All functions of soak, wash, rinse & spin are performed in a single, fully automatic, multi-function tub; with automatic water injection and drain system.

A beautiful front view of Singer factory located at Korangi Industrial Area, Karachi.

Refrigerator Testing

To ensure quality and safety, each refrigerator is tested on the Performance Testing Machine to test cooling and vital electrical functions.

SINGER refrigerators are "CFC FREE" and contain "NANO-SILVER", which is anti-bacterial and ensures that food remains fresh for longer durations.

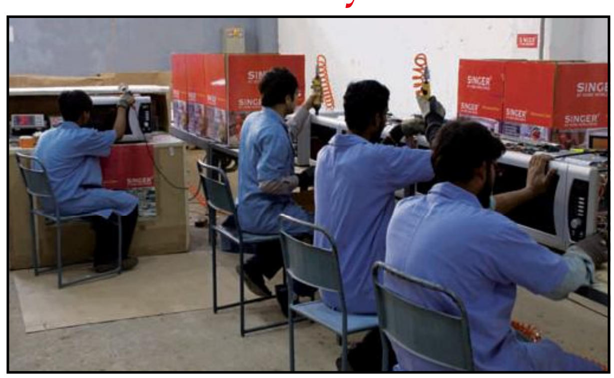
Television Assembly

A view of the TV assembly plant, where LCD TV assembly will soon be starting.

Warehouse

As main distribution center, our Karachi Warehouse plays a central role in ensuring timely delivery of stocks throughout the country. Equipped with a modern and state-of-the-art system as well as equipment, it discharges its logistic role efficiently.

Microwave Assembly



In the new product category, is the Singer Microwave; the assembly started in our factory in 2009. It is an exciting product; the 28 Litre model comes with a "Jog", having "Stainless Steel" finish and built-in-recipes. The "Stainless Steel" finish gives it a modern appearance.

Call Centre

Our in-house Call Center is facilitated by trained staff and equipped with modern software and hardware. A toll-free number (0800-23450) is a special facility for the customers.

Technical support and maintenance is extended by top ranking professional service providers.

Customer Service

A computer-based complaint logging and follow-up system called the "Complaint Management System" ensures that customer complaints are attended within 24-hours. Any serious complaint is followed up to ensure urgent resolution.

We have our own "Service Centers" in all major towns, along with "franchise service centers" in smaller towns which provide prompt after-sales-service.

Our trained technicians are just a phone-call away!

Consumers Choice Award

During the year Singer Pakistan Limited has been awarded the Consumers Choice Award by the Consumers Association of Pakistan for the best refrigerator, being received by Director Marketing Mr. Ahmed S. Farrukh.

Singer Pakistan is fully alive to CSR and is making its best contribution.

Sewing /stitching classes

Sewing /stitching classes are regularly organized for ladies to help them earn their livelihood.

Anti-Narcotics Project

A very effective program has been launched to create awareness against the evil of narcotics among the students. A film of about 20 minutes duration has been produced, which gives a very powerful message against the use of narcotics.

During 2009 the program has been organized with the help of a trained presenter and facilitator. Over 10,000 students have so far been benefited with this program and they all, without exception, are full of praise and grateful; their teachers have equally appreciated the program.

نشہ نہیں کبھی نہیں

Pictures of students while viewing antinarcotic film and a group of students after attending antinarcotic programmes may also be seen.

Singer Pakistan being a leading multinational company producing and marketing consumers durables in Pakistan, with over 150 years of history, strive its best to come up to the expectations of its customers. In order to achieve this objective, we continually invest in and nurture our single most important asset – our people.

The SRA has been established to set and apply standards in Human Resource Development. The major areas covered include standards on hiring, orientation, induction, training, performance appraisal, career planning, remuneration etc.

SRA has been launched in the later part of 2008 in Pakistan and is instrumental in achieving better results and fostering motivation and morale of employees.

Putting the Consumer First Award

Best Performer

Performance Evaluation of the field sales staff is conducted systematically against pre-determined targets and objectives every month, with a view to assessing and rewarding them.

Mr. Muhammad Jamil, Area Manager,Peshawar (above) and Mr. Raeesuddin, Mardan (below) have been declared the best performer and the second best performer respectively for the period from July to December 2009

(Left); Mr. U. R.Usmani receiving the "Putting the Consumer First" award on behalf of Singer Pakistan Limited from Mr. Saeed-uz-Zaman Siddiqui, former Chief Justice of Pakistan. The award was presented in recognition of Singer Pakistan's commendable commitment to its consumers and the community within which it operates.

ERP Project

IT is playing a vital role in setting up the business strategies world wide and facilitating the business processes. Keeping in view this fact and adhering to the needs of the business, the management of Singer Pakistan is implementing a state of the art ERP system to obtain the benefits of timely availability of information and better assets management.

The company is implementing the ERP system to bring all their shops on line

To run the system smoothly and efficiently a state of the art Data Centre has been setup in our Head Office in Karachi.

The pictures showing first receipt being generated through the system.

Training Programs

Singer Pakistan strongly believes in continued development of its employees and in order to enhance job satisfaction, efficiency and career development.

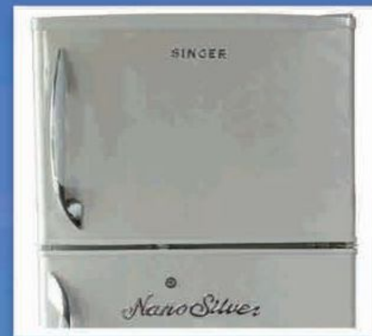
Training programs are regularly offered on important subjects such as product knowledge, selling skills, merchandising and Credit management etc. Many courses have been organized throughout 2009, to achieve the objective.

Morning Meetings

Morning meetings are a regular part of Singer Retail operations for development of the field staff.

View of on-going morning meeting at Singer showroom in Karachi.

Health & Environment



Singer was the first to manufacture environmental friendly "Green Gas" (CFC-free) Refrigerators in Pakistan. Singer Refrigerators have "Nano-Silver" technology which ensures bacteria free environment and keeps food fresh for long.

Our new Solar Water Heater is completely environmental friendly and virtually free of *energy and maintenance costs.*

Singer Pakistan takes every possible measure to comply with environmental health and safety standards.

Financial Reports

Financial Calendar

Annual Report 2008 - Published	8th April 2009
Forty Eighth Annual General Meeting	30th April 2009
Bonus Share 2008	30th April 2009

Interim Financial Statements

For the three months ended 31st March 2009 (unaudited)	28th April 2009
For the six months ended 30th June 2009 (reviewed)	27th August 2009
For the nine months ended 30th September 2009 (unaudited)	28th October 2009

Annual Report & Annual General Meeting

Annual Report 2009 Approved	2nd April 2010
Forty Ninth Annual General Meeting	30th April 2010

Statement of Compliance with Best Practices of the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Board comprises seven Directors including the CEO. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes four independent non-executive directors including two directors representing minority shareholders.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board during the year.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the executive directors, key executives and managerial staff of the Company.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment, remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and other executive directors have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with the agenda, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranges orientation courses as and when needed to apprise the Directors of their duties and responsibilities.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit including the remuneration and terms and conditions of employment, as determined by the CEO. However no new appointment of Chief Financial Officer, Company Secretary or Head of Internal Audit has been made during the year.

11. The Directors' report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises of five members, of whom four members are non-executive directors including the Chairman.

16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has set-up an effective internal audit function on a full time basis.

18. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. We confirm that all other material principles contained in the Code have been complied with.

Kamal Shah
Chairman and Chief Executive Officer

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2
Beaumont Road
Karachi 75530 Pakistan

Telephone +92 (21) 568 5847
Fax +92 (21) 568 5095
Internet www.kpmg.com.pk

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Singer Pakistan Limited ("the Company") to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange and Chapter XI of the Listing Regulations of the Lahore Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub- Regulation (xiii) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 31 December 2009.

KPMG Taseer Hadi & Co.

Date: 2 April 2010
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International, a Swiss cooperative

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2
Beaumont Road
Karachi 75530 Pakistan

Telephone +92 (21) 568 5847
Fax +92 (21) 568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed balance sheet of Singer Pakistan Limited ("the Company") as at 31 December 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as described in note 2.5 to the financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KPMG Taseer Hadi & Co.

Date: 2 April 2010
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International, a Swiss cooperative

	Note	2009	2008
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
40,000,000 (2008: 30,000,000) ordinary shares of Rs. 10 each		**400,000**	300,000
Issued, subscribed and paid-up capital	4	**310,127**	275,668
Capital reserve		**5,000**	5,000
Revenue reserve		**126,337**	108,337
Unappropriated profit		**27,648**	52,892
		469,112	441,897
Non-current liabilities			
Long term loans - secured	5	**143,126**	161,354
Liabilities against assets subject to finance lease	6	**40,541**	51,854
Long term deposits	7	**24,382**	21,450
Employee retirement benefits - obligation	8	**5,846**	3,495
Deferred tax liabilities	9	**21,650**	18,660
Deferred income	10	**5,103**	6,031
		240,648	262,844
Current liabilities			
Trade and other payables	11	**313,603**	352,501
Mark-up accrued on short term running finances and long term loans		**40,759**	39,938
Short term running finance - secured	12	**672,909**	630,624
Current portion of long term loans	5	**115,728**	115,104
Current portion of liabilities against assets subject to finance lease	6	**17,072**	17,035
		1,160,071	1,155,202
		1,869,831	1,859,943
Contingencies and commitments	13		

The annexed notes 1 to 38 form an integral part of these financial statements.

	Note	2009	2008
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	14	**210,499**	212,213
Intangible assets	15	**5,083**	7,638
Employee retirement benefits - prepayment	8	**11,290**	6,798
Long term deposits	16	**31,844**	32,100
		258,716	258,749
Current assets			
Stores, spares and loose tools		**4,986**	5,319
Stock-in-trade	17	**456,583**	501,985
Trade debts	18	**923,587**	887,628
Advances, deposits and prepayments	19	**22,968**	28,400
Other receivables	20	**10,855**	10,100
Taxation - net		**49,471**	38,668
Cash and bank balances	21	**142,665**	129,094
		1,611,115	1,601,194
		1,869,831	1,859,943

Chief Executive **Chief Financial Officer** **Chief Operating Officer** **Director**

	Note	2009	2008
		(Rupees in '000)	
Sales		**2,116,878**	2,131,378
Earned carrying charges		**265,450**	218,458
Sales tax/excise duty, commissions and discounts		**(382,852)**	(423,156)
Net sales	22	**1,999,476**	1,926,680
Cost of sales	23	**(1,553,804)**	(1,478,226)
Gross profit		**445,672**	448,454
Marketing, selling and distribution costs	24	**(193,085)**	(210,305)
Administrative expenses	25	**(39,999)**	(36,176)
Other operating expenses	26	**(12,687)**	(13,119)
		(245,771)	(259,600)
Profit from operations before finance costs		**199,901**	188,854
Finance costs	27	**(165,177)**	(125,422)
		34,724	63,432
Other income	28	**3,901**	5,358
Profit before taxation		**38,625**	68,790
Taxation	29	**(11,410)**	(16,229)
Profit after taxation		**27,215**	52,561
Other comprehensive income		**-**	-
Total comprehensive income		**27,215**	52,561
		(Rupees)	
Earnings per share - basic and diluted	30	**0.88**	1.69

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Chief Operating Officer	Director

	Note	2009	2008
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**38,625**	68,790
Adjustment for:			
- Depreciation on property, plant and equipment		**21,121**	18,048
- Amortisation of intangible assets		**2,569**	2,433
- Finance costs		**165,177**	125,422
- Amortisation on investment		**-**	94
- Gain on sale of property, plant and equipment		**(264)**	(94)
- Amortisation of deferred income		**(928)**	(928)
- (Reversal of)/provision for doubtful debts		**(1,859)**	8,735
- (Reversal of)/provision for slow moving stock		**(1,500)**	229
- (Reversal of)/provision for employee retirement and other service benefits		**(1,118)**	595
		221,823	223,324
Working capital changes			
Decrease/(increase) in current assets			
Stores, spares and loose tools		**333**	114
Stock-in-trade		**46,902**	(108,928)
Trade debts		**(34,100)**	(87,521)
Advances, deposits and prepayments		**5,432**	(4,760)
Other receivables		**(755)**	(922)
		17,812	(202,017)
(Decrease)/increase in current liabilities			
Trade and other payables		**(38,898)**	3,277
Net cash from operations		**200,737**	24,584
Income tax paid		**(19,223)**	(23,346)
Finance costs paid		**(154,945)**	(101,417)
Employee retirement and other service benefits paid		**(1,023)**	(243)
Security deposits received		**2,932**	5,417
Long term deposits - net		**256**	(4,704)
Net cash flow from / (used in) operating activities		**28,734**	(99,709)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(12,414)**	(43,487)
Proceeds from disposal of property, plant and equipment		**542**	461
Encashment of investment at maturity		**-**	6,800
Net cash used in investing activities		**(11,8792)**	(36,226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		**(27,972)**	(19,786)
Net (repayment) / additions in long term loans		**(17,604)**	1,832
Net cash used in financing activities		**(45,576)**	(17,954)
Net decrease in cash and cash equivalents		**(28,714)**	(153,889)
Cash and cash equivalents at beginning of the year		**(501,530)**	(347,641)
Cash and cash equivalents at end of the year	31	**(530,244)**	(501,530)

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Chief Operating Officer	Director

	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit	Total
	----------------------------	----------------(Rupees in '000)----------------			----------------------------
Balance as at 1 January 2008	245,038	5,000	96,337	42,961	**389,336**
Transfer to revenue reserve	-	-	12,000	(12,000)	-
Transactions with owners, recorded directly in equity					
Issue of bonus shares for the year ended 31 December 2007 @ 12.5% per share	30,630	-	-	(30,630)	-
Total comprehensive income for the year ended 31 December 2008	-	-	-	52,561	**52,561**
Balance as at 31 December 2008	275,668	5,000	108,337	52,892	**441,897**
Transfer to revenue reserve	-	-	18,000	(18,000)	-
Transactions with owners, recorded directly in equity					
Issue of bonus shares for the year ended 31 December 2008 @ 12.5% per share	34,459	-	-	(34,459)	-
Total comprehensive income for the year ended 31 December 2009	-	-	-	27,215	**27,215**
Balance as at 31 December 2009	**310,127**	**5,000**	**126,337**	**27,648**	**469,112**

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive	**Chief Financial Officer**	**Chief Operating Officer**	**Director**

1. STATUS AND NATURE OF BUSINESS

Singer Pakistan Limited ("the Company") is incorporated in Pakistan as a public company limited by shares and is quoted on Karachi and Lahore Stock Exchanges. The Company is principally engaged in manufacturing, assembling and sale of sewing machines, domestic consumer appliances and other light engineering products and trading in other electric and domestic consumer appliances. The registered office of the Company is located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi.

The Company is a subsidiary of Singer (Pakistan) B.V., Netherlands, whereas its ultimate parent company is Retail Holdings N.V., Netherlands.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of certain employee retirement benefits at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency and rounded to the nearest thousand rupee except stated otherwise.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where the judgements were exercised in application of accounting policies are discussed in respective policy notes.

2.5 Changes in accounting policies

Starting 1 January 2009, the Company has changed its accounting policies in the following areas:

2.5.1 IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009). The revised standard prohibits the presentation of items of income and expenses (i.e. non owner changes in equity) in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity. All non owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated balance sheet as at the beginning of comparative period in addition to the current requirement to present balance sheet at the end of current period and comparative period.

The Company has adopted IAS 1 (Revised) with effect from January 1, 2009 and has chosen to present all non owner changes in equity in one performance statement - statement of comprehensive income (profit and loss account). The Company does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have any significant impact on the presentation of the Company's financial statements and does not require the restatement or reclassification of comparative information. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

2.5.2 IFRS 7 - Financial Instruments: Disclosures (effective from January 1, 2009). This standard requires the Company to make some additional disclosures relating to financial instruments.

2.5.3 IFRS 8 - Operating Segments (effective from January 1, 2009). This standard requires the Company to determine and present operating segments based on the information that is provided internally to the Company's Chief Operating Decision Maker, that is, the organisation's function which allocates resources to and assesses performance of its operating segments. Management has determined that the Company has a single reportable segment and therefore the adoption of the said IFRS has only resulted in some entity wide disclosures.

Comparative information has been re-presented so that it is in conformity with the revised/new standards. Since the change in accounting policies only affect presentation / disclosures of financial statements, there is no impact on profit or loss and earnings per share.

2.6 New/revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increased disclosures in certain cases:

- Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009).

- Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).

- IAS 24 Related Party Disclosures (revised 2009) – (effective for annual periods beginning on or after 1 January 2011).

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009).

- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010).

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010).

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011).

- IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009).

- IFRIC – 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009).

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010).

- The International Accounting Standards Board made certain amendments to existing standards as part of its Second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statement. These amendments are unlikely to have an impact on the Company's financial statements.

- Improvements to IFRSs 2008 – Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 July 2009).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except as explained in note 2.5.

3.1 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of an asset.

Depreciation is charged to the profit and loss account applying the straight-line method whereby the depreciable amount of an asset is depreciated over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

The assets' residual values and useful lives are reviewed, at each financial year-end and if expectations differ from previous estimates, the change is accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Normal repairs and maintenance are charged to profit and loss account as and when incurred. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. Gains and losses on disposal of assets are taken to profit and loss account currently.

Leased

Leased assets in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are stated at amounts equal to the lower of their fair value and present value of minimum lease payments at inception of the lease. Financial charges are allocated to accounting periods in a manner so as to achieve a constant rate on the outstanding balance. Depreciation is charged to profit and loss account applying the same basis as for owned assets. Outstanding obligations under the lease less finance costs allocated to future periods are shown as liability.

Capital work in progress

Capital work-in-progress is stated at cost. It includes expenditure incurred and advances made in respect of operating fixed assets under construction. These cost are transferred to fixed assets as and when assets are available for use.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives unless such lives are indefinite.

Costs that are directly associated with identifiable software products and have probable economic benefit beyond one year are recognised as intangible assets.

Costs associated with maintaining computer software are recognised as an expense as and when incurred.

3.3 Employee retirement and other service benefits

Defined benefit plans

a) The Company operates a funded defined benefit pension scheme for executives and managers and a funded gratuity scheme for all of its permanent employees other than field staff. Provisions / contributions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. Actuarial gains or losses in excess of higher of 10% of the actuarial liability or plan assets are recognised over the expected average remaining working lives of the employees. Benefits under the pension and gratuity schemes are payable to employees on completion of prescribed qualifying period of service.

b) The Company operates an unapproved unfunded gratuity scheme for its field staff. Benefits under the scheme is payable to staff on completion of prescribed qualifying period of service. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method.

Calculation of gratuity and pension requires assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long–term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Defined contribution plan

The Company operates a recognised provident fund scheme covering all permanent employees. The Company and employees make equal monthly contributions to the fund.

Compensated absences

The Company accounts for its liability towards accumulated compensated absences for unionised staff in accordance with Collective Bargaining Agent (CBA) agreement and for other permanent employees as per the service rules of the Company.

3.4 Stores, spares and loose tools

These are valued at cost determined on first-in-first-out basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the balance sheet date.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's best estimate regarding their future usability.

3.5 Stock-in-trade

Stock-in-trade is valued at the lower of cost determined on first-in-first-out basis and net realisable value except for stock in transit which is stated at invoice value plus other charges paid thereon. Costs in relation to work in process and manufactured finished goods represents direct cost of materials, direct wages and appropriate allocation of manufacturing overheads. Cost of goods purchased for resale comprises of purchase price, import duties, taxes (other than those subsequently recoverable by the entity from the taxing authorities) and other directly attributable cost wherever applicable.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

The management continuously reviews its inventory for existence of any items which may have become obsolete. Provision is made for slow moving inventory based on management's estimation. These are based on historical experience and are continuously reviewed.

3.6 Trade debts and other receivables

These are initially recognised at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost.

Provision for doubtful debts and other receivables is based on management's assessment of anticipated uncollectible amounts based on Company's past experience, historical bad debts statistics and ageing analysis. Debts considered irrecoverable are written off.

3.7 Held to maturity investments

Financial assets with fixed and determinable payments and fixed maturity, for which the Company has ability and intention to hold till maturity are classified as held to maturity investments. These instruments are initially recognised in the balance sheet at fair value and subsequently measured at amortised cost using effective interest rate method.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, in transit and deposits held with banks. Short term running finance facilities availed by the Company are also included as part of cash and cash equivalents for the purpose of statement of cash flows.

3.9 Government grants

Government grants are included in non-current liabilities as deferred income and are recognised in profit and loss account on a systematic basis over the useful life of the asset.

3.10 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.11 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

3.12 Warranty obligations

The Company accounts for its warranty obligations based on historical trends when the underlying products or services are sold.

3.13 Revenue recognition

Revenue from sales of goods are recognised on delivery of goods to the buyers when the significant risks and rewards of ownership are transferred to the buyers.

Revenue from services rendered is recognised in profit and loss account when the related services are performed.

Carrying charges representing the difference between the cash sale price and hire purchase price are recognised in the profit and loss account using the effective interest rate method.

Income on deposits and other financial assets is recognised on accrual basis.

3.14 Expenses

All expenses are recognised in the profit and loss account on an accrual basis.

3.15 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any, and taxes paid under the Final Tax Regime. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. A deferred tax asset is recognised to the extent that it is probable that the future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalised as part of the cost of the relevant asset.

3.17 Financial instruments

Financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs when the Company becomes a party to the contractual provisions of the instrument, and subsequently measured at fair value or amortised cost as the case may be. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to profit and loss account.

3.18 Derivative financial instruments

Derivatives that do not qualify for hedge accounting are recognised in the balance sheet at their estimated fair value with corresponding effect to profit and loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the financial statements only when the Company has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.20 Impairment

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Impairment losses are recognised in profit and loss account. Reversal of impairment loss is restricted to the lower of recoverable amount or carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

3.21 Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupees at exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in profit and loss account currently.

3.22 Proposed distribution and transfer between reserves

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the balance sheet date is considered as non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2009	2008		**2009**	2008
(Number of shares)			**(Rupees in '000)**	
		Fully paid-up ordinary shares of Rs. 10 each		
11,461,568	11,461,568	Issued for cash	**114,615**	114,615
703,733	703,733	Issued for consideration other than cash	**7,037**	7,037
18,847,351	15,401,501	Issued as bonus shares	**188,475**	154,016
31,012,652	27,566,802		**310,127**	275,668

At 31 December 2009 Singer (Pakistan) B.V., Netherlands, which is wholly owned subsidiary of Retail Holdings N.V., Netherlands, held 21,794,294 (2008: 19,372,706) ordinary shares of Rs. 10 each.

5. LONG TERM LOANS - secured

This represents long term loans from financial institutions under mark-up arrangements:

	Security	Instalments payable	Repayment period	Mark-up rate	2009	2008
					(Rupees in '000)	
Term loan 1	5.1	quarterly	2005-2010	6 Months KIBOR Plus 1.50%	**14,062**	32,812
Term loan 2	5.2	quarterly	2005-2009	6 Months KIBOR Plus 1.00%	**-**	4,688
Term loan 3	5.1	quarterly	2006-2010	6 Months KIBOR Plus 1.50%	**12,500**	37,500
Term loan 4	5.1	quarterly	2007-2011	6 Months KIBOR Plus 1.50%	**15,625**	28,125
Term loan 5	5.1	half-yearly	2007-2011	6 Months KIBOR Plus 1.25%	**50,000**	83,333
Term loan 6	5.3	half-yearly	2008-2013	6 Months KIBOR Plus 1.50%	**46,667**	60,000
Term loan 7	5.4	half-yearly	2009-2011	6 Months KIBOR Plus 1.25%	**20,000**	30,000
Term loan 8	5.1	quarterly	2010-2012	6 Months KIBOR Plus 1.75%	**50,000**	-
Term loan 9	5.2	quarterly	2011-2014	3 Months KIBOR Plus 1.50%	**50,000**	-
					258,854	276,458
Current portion of long term loans						
Term loan 1	5.1	quarterly	2005-2010	6 Months KIBOR Plus 1.50%	**(14,062)**	(18,750)
Term loan 2	5.2	quarterly	2005-2009	6 Months KIBOR Plus 1.00%	**-**	(4,688)
Term loan 3	5.1	quarterly	2006-2010	6 Months KIBOR Plus 1.50%	**(12,500)**	(25,000)
Term loan 4	5.1	quarterly	2007-2011	6 Months KIBOR Plus 1.50%	**(12,500)**	(12,500)
Term loan 5	5.1	half-yearly	2007-2011	6 Months KIBOR Plus 1.25%	**(33,333)**	(33,333)
Term loan 6	5.3	half-yearly	2008-2013	6 Months KIBOR Plus 1.50%	**(13,333)**	(13,333)
Term loan 7	5.4	half-yearly	2009-2011	6 Months KIBOR Plus 1.25%	**(10,000)**	(7,500)
Term loan 8	5.1	quarterly	2010-2012	6 Months KIBOR Plus 1.75%	**(20,000)**	-
					(115,728)	(115,104)
					143,126	161,354

5.1 First pari passu charge on fixed assets of the Company, located at its factory.

5.2 Equitable charge on owned shops of the Company, including building, structure, plant, machinery and equipment related to the said shops.

5.3 Charge over present and future fixed assets of the Company located at its factory.

5.4 First pari passu charge on land, building, machinery and equipment located at its factory.

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The future minimum lease payments and their present values, to which the Company is committed under various lease arrangements are as follows:

	2009			2008		
	Minimum lease payments	**Finance charge**	**Present value of minimum lease payments**	Minimum lease payments	Finance charge	Present value of minimum lease payments
	(Rupees in '000)					
Not later than one year	**23,729**	**6,657**	**17,072**	26,029	8,994	17,035
Later than one year and not later than five years	**46,820**	**6,279**	**40,541**	64,425	12,571	51,854
	70,549	**12,936**	**57,613**	90,454	21,565	68,889

The above represents finance leases entered into with leasing companies and modarabas for plant and machinery, computers and vehicles. Monthly payments of leases bearing pre-determined mark-up rates include finance charge ranging from 7% to 16.8% (2008: 7% to 16.07%) per annum which are used as discounting factor.

Monthly payments of leases bearing variable mark-up rates include finance charge at KIBOR plus 1.5% to 3% (2008: KIBOR plus 1.5% to 3%) determined on quarterly / semi-annual basis for future rentals.

The Company has entered into Ijarah arrangements with a financial institution in respect of vehicles . Islamic Financial Accounting Standard (IFAS) No. 2 "Ijarah" was notified by SECP vide S.R.O. 431 (I) / 2007 on 22 May 2007. The said IFAS requires the Ujrah payments under\such arrangements to be recognised as an expense over the ijarah term. The Company intends to acquire such assets at the end of the lease term and has consequently recorded such arrangements under IAS-17 "Leases".

7. LONG TERM DEPOSITS

This represents security deposits from field staff repayable on retirement, resignation or termination from service and carries interest at 5% (2008: 5%) compounded annually.

8. EMPLOYEE RETIREMENT BENEFITS

The actuarial valuation of both pension and gratuity schemes was carried out as at 31 December 2009. The projected unit credit method, using the following significant assumptions, has been used for the actuarial valuation:

	2009	2008
Discount rate per annum compound	13%	15%
Expected rate of increase in salaries	6%-10%	8%-13%
Expected rate of return on plan assets	15%	15%
Expected rate of increase in pension	0%	0%

	Pension fund		Gratuity					
			Permanent employees		Field staff		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	(Rupees in '000)							
Amounts recognised in balance sheet are as follows:								
Present value of defined benefit obligation	48,812	33,758	62,193	53,918	3,148	2,360	65,341	56,278
Fair value of plan assets	(64,675)	(59,053)	(60,168)	(58,762)	-	-	(60,168)	(58,762)
	(15,863)	(25,295)	2,025	(4,844)	3,148	2,360	5,173	(2,484)
Un recognised actuarial gains	4,573	18,497	673	5,979	-	-	673	5,979
(Asset)/liability in balance sheet	(11,290)	(6,798)	2,698	1,135	3,148	2,360	5,846	3,495
Movement in net (assets)/ liability recognised in balance sheet are as follows:								
Opening balance	(6,798)	(5,617)	1,135	207	2,360	1,755	3,495	1,962
Net (surplus)/charge for the year	(4,492)	(1,181)	1,563	928	1,811	848	3,374	1,776
Contribution/payments during the year	-	-	-	-	(1,023)	(243)	(1,023)	(243)
Closing balance	(11,290)	(6,798)	2,698	1,135	3,148	2,360	5,846	3,495
Movement in present value of defined benefit obligations								
Liability for defined benefit obligation at 1 January	33,758	39,931	53,918	50,377	2,360	1,755	56,278	52,132
Benefits paid	(1,726)	(1,042)	(4,315)	(1,410)	(1,023)	(243)	(5,338)	(1,653)
Current service cost	815	1,251	2,247	2,281	1,811	848	4,058	3,129
Interest cost	4,928	3,940	5,317	4,293	-	-	5,317	4,293
Actuarial losses/(gains)	11,037	(10,322)	5,026	(1,623)	-	-	5,026	(1,623)
Liability for defined benefit obligation at 31 December	48,812	33,758	62,193	53,918	3,148	2,360	65,341	56,278
Movement in plan assets								
Fair value of plan assets - beginning of the year	59,053	51,456	58,762	53,293	-	-	58,762	53,293
Benefits paid	(1,726)	(1,042)	(4,315)	(1,410)	-	-	(4,315)	(1,410)
Expected return on plan assets	8,661	6,287	5,992	5,646	-	-	5,992	5,646
Actuarial (losses)/gains	(1,313)	2,352	(271)	1,233	-	-	(271)	1,233
Fair value of plan assets - end of the year	64,675	59,053	60,168	58,762	-	-	60,168	58,762

	Pension fund 2009	Pension fund 2008	Gratuity – Permanent employees 2009	Gratuity – Permanent employees 2008	Gratuity – Field staff 2009	Gratuity – Field staff 2008	Gratuity – Total 2009	Gratuity – Total 2008
	(Rupees in '000)							
Expense recognised in profit or loss account								
Current service cost	**815**	1,251	**2,247**	2,281	**1,811**	848	**4,058**	3,129
Interest cost	**4,928**	3,940	**5,317**	4,293	**-**	-	**5,317**	4,293
Expected return on plan assets	**(8,661)**	(6,287)	**(5,992)**	(5,646)	**-**	-	**(5,992)**	(5,646)
Actuarial losses / (gains)	**(1,574)**	(85)	**(9)**	-	**-**	-	**(9)**	-
	(4,492)	(1,181)	**1,563**	928	**1,811**	848	**3,374**	1,776
Return on plan assets is as follows:								
Expected return on plan assets	**8,661**	6,287	**5,992**	5,646	**-**	-	**5,992**	5,646
Actuarial gain on plan assets	**(1,206)**	2,352	**148**	1,233	**-**	-	**148**	1,233
Return on plan assets	**7,455**	8,639	**6,140**	6,879	**-**	-	**6,140**	6,879

The expense is recognised in the following line items in the profit and loss account :

	Pension fund 2009	Pension fund 2008	Permanent employees 2009	Permanent employees 2008	Field staff 2009	Field staff 2008
Cost of sales	**(1,498)**	(394)	**439**	261	**-**	-
Marketing, selling and distribution costs	**(1,723)**	(453)	**587**	348	**1,811**	848
Administrative expenses	**(1,271)**	(334)	**537**	319	**-**	-
	(4,492)	(1,181)	**1,563**	928	**1,811**	848
Composition of plan assets	(Percent %)					
Equity	**-**	0.2	**-**	-	**-**	-
Debt instruments	**99.3**	89.9	**96.1**	98.1	**-**	-
Others	**0.7**	9.9	**3.9**	1.9	**-**	-
Expected return on plan assets						
Expected return on equity securities	**-**	10.0	**-**	-	**-**	-
Expected return on debt instruments	**15.0**	16.0	**15.0**	16.0	**-**	-
Expected return on others	**6.0**	4.5	**6.0**	4.5	**-**	-

Historical information	**2009**	2008	2007	2006	2005
	(Rupees in '000)				
Present value of the defined benefit obligation	**(114,153)**	(90,036)	(92,063)	(75,153)	(66,448)
Fair value of plan assets	**124,843**	117,815	104,749	91,470	81,818
Surplus in the plan	**10,690**	27,779	12,686	16,317	15,370
Experience adjustments arising on plan liabilities	**(10,534)**	(12,364)	(8,813)	(3,273)	(516)
Experience adjustments arising on plan assets	**(1,584)**	3,585	3,709	8,405	2,836

9. DEFERRED TAX LIABILITIES

	Note	2009	2008
		(Rupees in '000)	
Taxable temporary differences arising on:			
Accelerated tax depreciation and leased assets		33,420	29,739
Deductible temporary differences arising on:			
Provision for slow moving stock-in-trade		(1,119)	(1,589)
Provision for doubtful debts and other receivables		(7,430)	(6,859)
Provision for warranty obligations		(2,229)	(1,889)
Provision for employee retirement and other service benefits		(992)	(742)
		21,650	18,660

10. DEFERRED INCOME

	Note	2009	2008
Grant amount		11,141	11,141
Accumulated amortisation-opening		(5,110)	(4,182)
Amortisation during the year	28	(928)	(928)
		(6,038)	(5,110)
Balance as at 31 December		5,103	6,031

This represents grant received from World Bank disbursed through Government of Pakistan under Montreal Protocol for phasing out Ozone Depleting Substance (ODS). The grant was utilised by the Company in acquiring Green Gas Plant for converting traditional gas used for refrigeration into green gas in compliance with Regulations of Environmental Protection Agency. Under these Regulations refrigerator manufacturers are required to convert their manufacturing facilities from ODS to green gas, which is ozone friendly.

11. TRADE AND OTHER PAYABLES

	Note	2009	2008
		(Rupees in '000)	
Creditors		75,858	135,802
Bills payable		152,949	102,356
Accrued liabilities		26,856	23,492
Due to associated companies	11.1		
- for royalty		31,246	32,771
- for goods		5,989	11,406
- others		517	517
		37,752	44,694
Advances from dealers		3,470	3,150
Retention from employees		7,780	7,096
Provision in respect of compensated absences	11.2	1,120	1,067
Provisions in respect of warranty obligations	11.3	7,076	6,002
Sales tax and excise duty - net		(11,708)	17,820
Workers' profits participation fund	11.4	3,391	4,055
Workers' welfare fund		773	1,479
Unclaimed dividends		808	808
Others		7,478	4,680
		313,603	352,501

11.1 The maximum aggregate amount due to associated companies at the end of any month during the year was Rs. 10.82 million (2008: Rs. 59.2 million).

11.2 The Company has recognised a provision of Rs. 1.273 million (2008: Rs. 0.643 million) for compensated absences while compensated absences amounting to Rs. 1.220 million were utilised (2008: Rs. 0.571 million) during the year against provision.

	Note	2009	2008
		(Rupees in '000)	
11.3 Warranty obligations			
Balance at beginning of the year		**6,002**	4,958
Additional provision	24	**6,468**	5,526
Provision utilised during the year		**(5,394)**	(4,482)
Balance at end of the year		**7,076**	6,002
11.4 Workers' profits participation fund			
Balance at beginning of the year		**4,055**	3,627
Allocation for the year	26	**2,074**	3,698
Other reclassification		**960**	-
Interest on funds utilised in the Company's business	27	**463**	357
		7,552	7,682
Payments made during the year		**(4,161)**	(3,627)
Balance at end of the year		**3,391**	4,055

12. SHORT TERM RUNNING FINANCE - secured

This represents short term running finance facilities from various banks aggregating to Rs. 940.7 million (2008: Rs. 833.1 million), carrying mark-up rate ranging from 13.8 percent to 16.3 percent (2008: 11.54 percent to 18.7 percent) per annum. These arrangements are secured by hypothecation of stock-in-trade, trade debts and charge on property, plant and equipment of the Company.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are certain pending lawsuits initiated by and against the Company concerning shop leases and ex-employees. However, based on the consultation with the legal advisors, management believes that no significant liability is likely to occur in these cases. Guarantees have been extended by various commercial banks on behalf of the Company amounting to Rs. 0.966 million (2008: Rs. 0.966 million).

13.2 Commitments	Note	2009	2008
		(Rupees in '000)	
Outstanding letters of credit		**246,261**	123,007
Software development		**26,091**	24,828

14. PROPERTY, PLANT AND EQUIPMENT

	Note	2009	2008
Operating assets	14.1	**184,310**	189,337
Capital work-in-progress	14.2	**26,189**	22,876
		210,499	212,213

14.1 Operating assets

	Lease-hold land	Buildings on lease-hold land	Leasehold improve-ments	Plant and machinery Owned	Plant and machinery Leased	Furniture and equipment	Vehicles Owned	Vehicles Leased	Computers Owned	Computers Leased	Total
	(Rupees in '000)										
At 1 January 2009											
Cost	350	31,166	99,831	118,303	31,924	29,359	6,065	23,005	9,430	6,260	**355,693**
Accumulated depreciation	(108)	(9,233)	(26,489)	(92,338)	(4,878)	(14,423)	(3,078)	(6,289)	(7,620)	(1,900)	**(166,356)**
Net book value	242	21,933	73,342	25,965	27,046	14,936	2,987	16,716	1,810	4,360	**189,337**
During the year 2009											
Additions/transfer from CWIP	-	-	898	4,782	7,285	3,169	-	-	238	-	**16,372**
Transfer											
Cost	-	-	-	-	-	-	4,883	(4,883)	-	-	**-**
Depreciation	-	-	-	-	-	-	(2,441)	2,441	-	-	**-**
	-	-	-	-	-	-	2,442	(2,442)	-	-	**-**
Disposals											
Cost	-	-	-	(1,368)	-	-	(573)	-	-	-	**(1,941)**
Depreciation	-	-	-	1,368	-	-	295	-	-	-	**1,663**
	-	-	-	-	-	-	(278)	-	-	-	**(278)**
Depreciation charge for the year	(4)	(866)	(9,532)	(2,041)	(2,532)	(2,279)	(65)	(1,879)	(671)	(1,252)	**(21,121)**
Closing net book value	**238**	**21,067**	**64,708**	**28,706**	**31,799**	**15,826**	**5,086**	**12,395**	**1,377**	**3,108**	**184,310**
As at 31 December 2009											
Cost	350	31,166	100,729	121,717	39,209	32,528	10,375	18,122	9,668	6,260	**370,124**
Accumulated depreciation	(112)	(10,099)	(36,021)	(93,011)	(7,410)	(16,702)	(5,289)	(5,727)	(8,291)	(3,152)	**(185,814)**
Net book value	238	21,067	64,708	28,706	31,799	15,826	5,086	12,395	1,377	3,108	184,310
Depreciation rate % per annum	1	2.5	10	8.33	8.33	10	20	20	20	20	
At 1 January 2008											
Cost	350	23,711	69,741	117,015	18,055	21,160	1,632	21,967	8,269	5,502	287,402
Accumulated depreciation	(104)	(8,493)	(18,748)	(90,416)	(3,152)	(12,721)	(1,116)	(6,797)	(6,870)	(711)	(149,128)
Net book value	246	15,218	50,993	26,599	14,903	8,439	516	15,170	1,399	4,791	138,274
During the year 2008											
Additions/transfer from CWIP	-	7,455	30,304	1,288	13,869	8,199	271	6,173	1,161	758	69,478
Transfer											
Cost	-	-	-	-	-	-	5,135	(5,135)	-	-	-
Depreciation	-	-	-	-	-	-	(2,568)	2,568	-	-	-
	-	-	-	-	-	-	2,567	(2,567)	-	-	-
Disposals											
Cost	-	-	(214)	-	-	-	(973)	-	-	-	(1,187)
Depreciation	-	-	125	-	-	-	695	-	-	-	820
	-	-	(89)	-	-	-	(278)	-	-	-	(367)
Depreciation charge for the year	(4)	(740)	(7,866)	(1,922)	(1,726)	(1,702)	(89)	(2,060)	(750)	(1,189)	(18,048)
Closing net book value	242	21,933	73,342	25,965	27,046	14,936	2,987	16,716	1,810	4,360	189,337
As at 31 December 2008											
Cost	350	31,166	99,831	118,303	31,924	29,359	6,065	23,005	9,430	6,260	355,693
Accumulated depreciation	(108)	(9,233)	(26,489)	(92,338)	(4,878)	(14,423)	(3,078)	(6,289)	(7,620)	(1,900)	(166,356)
Net book value	242	21,933	73,342	25,965	27,046	14,936	2,987	16,716	1,810	4,360	189,337
Depreciation rate % per annum	1	2.5	10	8.33	8.33	10	20	20	20	20	

14.1.1 Depreciation for the year has been allocated as follows:

	Note	2009	2008
		(Rupees in '000)	
Cost of sales	23.1	**4,918**	3,580
Marketing, selling and distribution costs	24	**14,542**	12,957
Administrative expenses	25	**1,661**	1,511
		21,121	18,048

14.1.2 Details of property, plant and equipment disposed off during the year :

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchaser
	------------------ (Rupees in '000)						
Vehicle							
- Suzuki Cultus	555	277	278	361	83	Tender	Rahil Mithani, Karachi
Written down value not exceeding Rs. 50,000 each	1,386	1,386	-	181	181	Tender	Mohsin Ali & Co./M.Z Traders
2009	**1,941**	**1,663**	**278**	**542**	**264**		
2008	1,187	820	367	461	94		

14.2 Capital work in progress

	2009	2008
	(Rupees in '000)	
Balance as at 1 January	**22,876**	18,641
Additions during the year	**4,011**	9,426
Transfers to operating assets	**(698)**	(5,191)
Balance as at 31 December	**26,189**	22,876
Breakup of capital work in progress is as follows:		
- Plant and machinery	**-**	698
- IT project/ERP system	**26,189**	22,178
	26,189	22,876

15. INTANGIBLE ASSETS

	2009	2008
Software		
At 1 January		
Cost	**13,222**	7,817
Accumulated amortisation	**(5,584)**	(3,151)
Net book value	**7,638**	4,666
During the year		
Additions	**14**	5,405
Amortisation for the year	**(2,569)**	(2,433)
Closing net book value	**5,083**	7,638
At 31 December		
Cost	**13,236**	13,222
Accumulated amortisation	**(8,153)**	(5,584)
Net book value	**5,083**	7,638

Software is being amortised @ 25% per annum (2008: 25% per annum).

	Note	2009	2008
15.1 Amortisation for the year has been allocated as follows:		**(Rupees in '000)**	
Cost of sales	23.1	**1,284**	1,216
Administrative expenses	25	**1,285**	1,217
		2,569	2,433

16. LONG TERM DEPOSITS

	Note	2009	2008
Deposits			
- shops and others		**26,324**	26,284
- leases		**5,520**	5,816
		31,844	32,100

17. STOCK-IN-TRADE

	Note	2009	2008
Raw materials			
- in stores		**10,335**	28,701
- in third party premises	17.1	**12,549**	3,320
- in bonded warehouse		**80,614**	72,857
- in transit		**18,915**	50,392
		122,413	155,270
Work in process		**72,910**	46,847
Finished goods			
- own manufactured		**190,608**	223,260
- purchased for resale		**74,203**	81,659
		264,811	304,919
Provision for slow moving items	17.2	**(3,551)**	(5,051)
		456,583	501,985

17.1 This includes raw materials lying at premises of certain vendors where these are processed to be used in the next stage of production.

17.2 The Company has reversed a provision of Rs. 1.5 million (2008: recognised a provision of Rs. 0.229 million) for slow moving items during the year.

18. TRADE DEBTS

	Note	2009	2008
		(Rupees in '000)	
Considered good			
Hire purchase	18.1		
- Retail		**648,617**	724,111
- Institutional		**248,386**	220,075
		897,003	944,186
Unearned carrying charges		**(67,085)**	(117,555)
		829,918	826,631
Dealers		**93,669**	60,997
		923,587	887,628
Considered doubtful		**15,759**	17,618
		939,346	905,246
Provision for doubtful debts	18.2	**(15,759)**	(17,618)
		923,587	887,628

18.1 The hire purchase contracts are generally for a period ranging from 6 months to 12 months carrying interest rates prevalent in the market.

18.2 The Company has reversed a provision of Rs. 1.859 million (2008: recognised a provision of Rs. 8.735 million) for doubtful debts while an amount of Rs. Nil (2008: Rs. 10.659 million) was written off during the year against provision.

19. ADVANCES, DEPOSITS AND PREPAYMENTS

	Note	2009	2008
		(Rupees in '000)	
Advances - considered good			
- Employees and executives	19.1	**699**	1,157
- Suppliers		**4,136**	3,023
- Software development		**7,886**	7,886
		12,721	12,066
Deposits			
- Trade		**640**	475
- Customs and others		**4,334**	9,154
		4,974	9,629
Prepayments		**5,273**	6,705
		22,968	28,400

19.1 The advances due from executives amount to Rs. 0.027 million (2008: Rs. 0.241 million).

19.2 The maximum aggregate amount of advances due from executives at the end of any month during the year was Rs. 0.207 million (2008: Rs. 0.439 million)

20. OTHER RECEIVABLES

	Note	2009	2008
		(Rupees in '000)	
Insurance and other claims		**13,723**	12,781
Others		**2,671**	1,497
		16,394	14,278
Provision for doubtful claims		**(5,539)**	(4,178)
		10,855	10,100

21. CASH AND BANK BALANCES

	2009	2008
Balances with banks		
- current accounts	**4,559**	4,662
- deposit accounts	**27,961**	25,533
	32,520	30,195
Cash in hand	**765**	1,080
Cash in transit	**109,380**	97,819
	142,665	129,094

22. NET SALES

	2009	2008
Sales		
- Local	**2,094,964**	2,117,332
- Export	**21,914**	14,046
	2,116,878	2,131,378
Earned carrying charges	**265,450**	218,458
	2,382,328	2,349,836
Sales tax / excise duty	**(226,997)**	(274,234)
Commissions / discounts	**(155,855)**	(148,922)
	(382,852)	(423,156)
	1,999,476	1,926,680

23. COST OF SALES

	Note	2009	2008
		(Rupees in '000)	
Opening stock - finished goods			
- own manufactured		**223,260**	166,170
- purchased for resale		**81,659**	75,160
		304,919	241,330
Purchases		**508,170**	603,073
Cost of goods manufactured	23.1	**1,005,526**	938,742
		1,818,615	1,783,145
Closing stock - finished goods			
- own manufactured		**(190,608)**	(223,260)
- purchased for resale		**(74,203)**	(81,659)
		(264,811)	(304,919)
		1,553,804	1,478,226

23.1 Cost of goods manufactured

	Note	2009	2008
Opening stock of raw materials		**155,270**	125,031
Purchases		**863,955**	851,901
		1,019,225	976,932
Closing stock of raw materials		**(122,413)**	(155,270)
Raw material consumed		**896,812**	821,662
Salaries, wages and other benefits	23.2	**68,847**	71,313
Stores and spares consumed		**12,978**	12,772
Depreciation on property, plant and equipment	14.1.1	**4,918**	3,580
Amortisation of intangible assets	15.1	**1,284**	1,216
Royalty		**24,685**	18,577
Fuel and power		**13,792**	12,738
Insurance		**4,881**	3,984
Rent, rates and taxes		**345**	1,849
Repairs and maintenance		**1,735**	2,974
Travelling and conveyance		**1,887**	1,825
Communication		**338**	434
Printing and stationery		**492**	602
Cartage and others		**95**	87
(Reversal of)/provision for slow moving stock	17.2	**(1,500)**	229
		1,031,589	953,842
Work-in-process			
Opening stock		**46,847**	31,747
Closing stock		**(72,910)**	(46,847)
		(26,063)	(15,100)
Cost of goods manufactured		**1,005,526**	938,742

23.2 Salaries, wages and other benefits include Rs. 0.988 million (2008: Rs. 1.315 million) in respect of employee retirement benefits and Rs. 1.902 million (2008: Rs. 1.920 million) in respect of bonus to workers.

	Note	2009	2008
		(Rupees in '000)	
24. MARKETING, SELLING AND DISTRIBUTION COSTS			
Publicity and sales promotion		**66,114**	89,115
Salaries and benefits	24.1	**40,807**	36,507
Rent, rates and taxes		**37,335**	32,264
(Reversal of) / provision for doubtful debts	18.2	**(1,859)**	8,735
Utilities		**10,309**	8,887
Warranty obligations	11.3	**6,468**	5,526
Depreciation on property, plant and equipment	14.1.1	**14,542**	12,957
Travelling and conveyance		**7,199**	6,082
Communication		**5,346**	4,969
Printing and stationery		**3,300**	3,010
Repairs and renovations		**120**	115
Training and sundries		**3,404**	2,138
		193,085	210,305

24.1 Salaries and benefits include Rs. 1.401 million (2008: Rs. 1.864 million) in respect of employee retirement benefits.

	Note	2009	2008
25. ADMINISTRATIVE EXPENSES		(Rupees in '000)	
Salaries and benefits	25.1	**25,220**	22,691
Rent, rates and taxes		**3,130**	2,845
Utilities		**2,760**	2,462
Communication		**3,370**	3,105
Travelling and conveyance		**1,480**	1,352
Depreciation on property, plant and equipment	14.1.1	**1,661**	1,511
Amortisation of intangible assets	15.1	**1,285**	1,217
Printing and stationery		**1,093**	993
		39,999	36,176

25.1 Salaries and benefits include Rs. 0.871 million (2008: Rs. 1.158 million) in respect of employee retirement benefits.

	Note	2009	2008
26. OTHER OPERATING EXPENSES		(Rupees in '000)	
Legal and professional charges		**4,780**	4,270
Amortisation of premium on Pakistan Investment Bonds		**-**	94
Auditors' remuneration	26.1	**650**	570
Donation	26.2	**152**	203
Exchange loss		**4,258**	2,805
Workers' profits participation fund	11.4	**2,074**	3,698
Workers' welfare fund		**773**	1,479
		12,687	13,119
26.1 Auditors' remuneration			
Audit fee		**395**	325
Certification and limited review		**195**	195
Out of pocket expenses		**60**	50
		650	570

26.2 No director or his spouse has any interest in the donee's fund.

	Note	2009	2008
		(Rupees in '000)	
27. FINANCE COSTS			
Mark-up on long term loans		**42,094**	37,703
Mark-up on short term running finances under mark-up arrangements		**111,952**	76,445
Interest on workers' profits participation fund	11.4	**463**	357
Finance lease charges		**5,596**	6,794
Interest on employee security deposits		**1,418**	820
Bank charges		**3,654**	3,303
		165,177	125,422
28. OTHER INCOME			
Income from financial assets			
Interest on deposit accounts		**2,181**	966
Interest on Pakistan Investment Bonds (PIBs)		**-**	476
Income from non-financial assets			
Gain on disposal of property, plant and equipment	14.1.2	**264**	94
Amortisation of deferred income	10	**928**	928
Service income and others		**528**	2,894
		3,901	5,358
29. TAXATION			
Current		**9,817**	11,391
Prior		**(1,397)**	(5,367)
Deferred		**2,990**	10,205
		11,410	16,229

29.1 The income tax assessments of the Company have been finalised up to and including the assessment year 2002-2003. Tax returns of subsequent tax years are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 unless selected for an audit by the taxation authorities. During the year, tax year 2008 of Singer Pakistan Limited was selected for audit under section 177 of the Income Tax Ordinance, 2001 and proceedings in this respect are in progress. In respect of certain assessment years, the Company has filed appeals with appellate authorities for various disallowances and short credits of the taxes paid. However, no adverse liability is expected to occur.

	2009	2008
	(Rupees in '000)	
29.2 Numerical reconciliation between average effective tax rate and applicable tax rate:		
Applicable tax rate	**35.0**	35.0
Prior year	**(3.6)**	(7.8)
Permanent differences, tax effect of income assessed under Final Tax Regime	**(1.9)**	(3.6)
Total tax expense	**29.5**	23.6

30. EARNINGS PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2009	2008
	(Rupees in '000)	
Profit for the year	**27,215**	52,561
	(Number of shares in '000)	
Weighted average number of ordinary shares	**31,013**	31,013
	(Rupees)	
Earnings per share - basic and diluted	**0.88**	1.69

30.1 The number of shares for the prior period has also been adjusted for the effect of bonus shares issued during the current year.

31. CASH AND CASH EQUIVALENTS

	Note	2009	2008
		(Rupees in '000)	
Cash and bank balances	21	**142,665**	129,094
Short term running finance - secured		**(672,909)**	(630,624)
		(530,244)	(501,530)

32 FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management is carried out by the Management under policies approved by the Board of Directors. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company

32.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Company's receivables from customers.

The Company's customers mainly comprise of individuals. The Company's exposure to credit risk is dependent on the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's evaluation includes consideration of financial position of customer and obtaining references. Customers that fail to meet the Company's credit evaluation criterion may transact with the Company on cash basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographic location, aging profile, and existence of previous financial difficulties. In case of hire purchase sales, the title of the goods is transferred to the customer after the payment of final installment by the customer.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk before any credit enhancements at the reporting date was:

	Carrying amount	
	2009	2008
	(Rupees in '000)	
Loans and receivables		
- Long term deposits	**31,844**	32,100
- Trade debts	**923,587**	887,628
- Deposits and other receivables	**15,829**	19,729
- Bank balances	**32,520**	30,195
	1,003,780	969,652

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company's credit risk is distributed over several individual customers buying for domestic household needs and several dealers. No single customer accounts for 10% or more of the Company's total revenue.

Trade debts of Rs. 36.913 million (2008: 24.748 million) are past due over 180 days of which Rs. 15.759 million (2008: 17.618 million) have been provided. Past due from 1 to 180 days but not provided balance amounts to Rs. 98.912 million (2008: Rs. 77.160 million).

At 31 December 2009, provision relates to several individual customers which has been determined by the management based on the ageing of the customer balances and historical bad debt statistics Based on the past experience, consideration of financial position, past track records and subsequent recoveries, management believes that the unprovided amounts are recoverable.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves forecasting future cash flow requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company maintains committed lines of credit as disclosed in note 12 to ensure flexibility in funding. In addition, the Company has unavailed facilities of running finances to meet the deficit, if required to meet the short term liquidity commitment.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2009				
	Carrying amount	**Contractual cash flows**	**One year or less**	**One to two years**	**Two to five year**
	------------	------------	**(Rupees in '000)**	------------	------------
Financial liabilities					
Long term loans - secured	**258,854**	**(340,544)**	**(147,993)**	**(96,093)**	**(96,458)**
Liabilities against assets subject to finance lease	**57,613**	**(70,549)**	**(23,729)**	**(22,586)**	**(24,234)**
Long term deposits	**24,382**	**(31,118)**	**-**	**-**	**(31,118)**
Trade and other payables	**308,673**	**(308,673)**	**(308,673)**	**-**	**-**
Mark-up accrued on short term running finances and long term loans	**40,759**	**(40,759)**	**(40,759)**	**-**	**-**
Short term running finance - secured	**672,909**	**(718,329)**	**(718,329)**	**-**	**-**
	1,363,190	**(1,509,972)**	**(1,239,483)**	**(118,679)**	**(151,810)**

	2008				
	Carrying amount	Contractual cash flows	One year or less	One to two years	Two to five year
	(Rupees in '000)				
Financial liabilities					
Long term loans - secured	276,458	(361,530)	(152,873)	(118,450)	(90,207)
Liabilities against assets subject to finance lease	68,889	(90,454)	(26,029)	(16,106)	(48,319)
Long term deposits	21,450	(27,376)	-	-	(27,376)
Trade and other payables	318,120	(318,120)	(318,120)	-	-
Mark-up accrued on short term running finances and long term loans	39,938	(39,938)	(39,938)	-	-
Short term running finance - secured	630,624	(673,193)	(673,193)	-	-
	1,355,479	(1,510,611)	(1,210,153)	(134,556)	(165,902)

32.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

32.3.1 Currency risk

The Company is mainly exposed to currency risk on import of raw materials and merchandise denominated in US dollars and Euros. The Company's exposure to foreign currency risk at the reporting date is as follows:

	2009		2008	
	Euro	**USD**	Euro	USD
	(Rupees in 000)			
Trade payables	**773**	**41,457**	726	17,624

The following significant exchange rates have been applied:

	Average rate		**Reporting date Spot rate**	
	2009	2008	**2009**	2008
Euro to PKR	**115.27**	100.75	**121.10**	111.11
USD to PKR	**81.55**	70.35	**84.25**	78.80

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar and Euro with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, as a result of net foreign exchange gain on translation of foreign currency trade payables.

	2009	2008
Effect on profit	**(Rupees in '000)**	
USD	**2,695**	1,146
Euro	**50**	47

The weakening of the PKR by 10% against above currencies would have had an equal but opposite impact on the post tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

32.3.2 Interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

	Note	Carrying amount	
		2009	2008
Financial assets		**(Rupees in '000)**	
Fixed rate instruments			
Trade debts	18	**829,918**	826,631
Deposit account with banks	21	**27,961**	25,533
Financial liabilities			
Fixed rate instruments			
Long term deposits	7	**24,382**	21,450
Variable rate instruments			
Long term loans - secured	5	**258,854**	276,458
Liabilities against assets subject to finance lease	6	**57,613**	68,889
Short term running finance - secured	12	**672,909**	630,624

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased /(decreased) profit after tax for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit and loss	
	100 bp increase	**100 bp decrease**
	(Rupees in '000)	
As at 31 December 2009		
Cash flow sensitivity-Variable rate instruments	**(1,843)**	1,843
As at 31 December 2008		
Cash flow sensitivity-Variable rate instruments	**(1,616)**	1,616

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

32.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). At reporting date the Company does not have financial instruments exposed to other price risk.

32.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

33. CAPITAL RISK MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary share holders. There were no major changes in the Company's approach to capital management during the year.

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	(Rupees in '000)							
Managerial remuneration	**8,000**	5,625	**3,400**	3,049	**8,811**	7,866	**20,211**	16,540
Retirement benefits	**666**	469	**283**	254	**734**	655	**1,683**	1,378
Reimbursable expenditure	**243**	246	**368**	344	**2,285**	2,124	**2,896**	2,714
Housing	**800**	353	**822**	768	**3,174**	2,853	**4,796**	3,974
Leave passage and others	**4,375**	3,686	**1,456**	1,189	**3,231**	2,231	**9,062**	7,106
	14,084	10,379	**6,329**	5,604	**18,235**	15,729	**38,648**	31,712
Number of persons	**1**	1	**2**	2	**9**	9	**12**	12

34.1 In addition to the above, the Chief Executive, Directors and Executives are provided with free use of the Company maintained cars and certain items of furniture and fixtures in accordance with their entitlement.

34.2 Aggregate amount charged in the financial statements for fee to four non-executive directors was Rs. 0.430 million (2008: Rs. 0.275 million).

34.3 The Chief executive, Directors and Executives as above represent key management personnel of the entity i.e. the personnel having authority and responsibility for planning, directing and controlling the activities of the Company.

35. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company Singer (Pakistan) B.V., Netherlands, ultimate parent company Retail Holdings N.V., Netherlands, related foreign group companies, local associated companies, directors of the Company, companies where directors also hold directorships, key management personnel and employee retirement benefit funds. The aggregate value of transactions and outstanding balances as at 31 December with related parties other than those which have been disclosed else where are as follows:

		Transaction value		Balance payable/ (receivable)	
	Note	**2009**	2008	**2009**	2008
		(Rupees in '000)			
Royalty	35.1	**24,685**	18,577	**31,246**	32,771
Purchase of goods, materials and services	35.2	**9,634**	169,630	**5,989**	11,406
Dividend on non-remittable shares		**-**	-	**517**	517
Markup income on term deposits	35.3	**-**	801	**-**	-
Interest expense	35.4	**6,703**	4,841	**1,675**	2,095
Short term running finance - secured		**-**	-	**45,519**	45,475
Employee retirement benefits	35.5	**3,260**	4,337	**(5,444)**	(3,303)

35.1 The Company accrues royalty to Singer Asia Limited, Cayman Islands (a subsidiary of Retail Holdings N.V., Netherlands) based on sales of the Company in accordance with the royalty agreement.

35.2 Purchases of goods, materials and services are entered into on the basis of commercial terms and at market prices.

35.3 This represents placement of Term Deposit Receipt for a tenor of 3 months at rates negotiated with an associated financial institution.

35.4 This represent interest expense accrued on running finance facility availed from an associated financial institution at negotiated rates.

35.5 Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Particulars of transactions with worker's profit participation fund and employee retirement benefit plans are disclosed in notes 11.4 and 8 to these financial statements.

36. PLANT CAPACITY AND ACTUAL PRODUCTION

	Capacity (Units)	2009 Actual production (Units)	2008 Actual production (Units)
Sewing machines	50,000	**36,983**	35,601
Gas appliances	25,000	**13,583**	17,775
Refrigerators / deep freezers	25,000	**35,268**	33,717
Washing machines	15,000	**9,750**	7,863
Colour televisions	20,000	**16,359**	14,627
Microwave oven	10,000	**2,935**	-

Capacity reflects units expected to be produced on the basis of normal production hours. The under utilisation of capacity is mainly attributed to market conditions.

37. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on 2 April 2010 has proposed a bonus issue of 10% (2008: 12.5%). This appropriation will be approved in forthcoming Annual General Meeting.

38. DATE OF AUTHORISATION

These financial statements were authorised for issue in the meeting of Board of Directors held on 2 April 2010.

Chief Executive	Chief Financial Officer	Chief Operating Officer	Director

As per requirement of Code of Corporate Governance

Description	No. of Shares
Associated Companies, Undertakings and Related Parties	
Singer (Pakistan) B.V. Holding Company	21,794,294
First Dawood Investment Bank Limited	8,550
Continental Furnishing Co. (Pvt.) Limited	219
Pakistan Agencies Limited	219
Industrial Engineers Limited	219
Chief Executive Officer	
Mr. Kamal Shah	57,042
Directors	
Mr. Gavin J. Walker { Nominee of Singer (Pakistan) B.V. }	168
Mr. Peter James O'Donnell { Nominee of Singer (Pakistan) B.V. }	20
Mr. Rasheed Y. Chinoy	974,622
Mr. Jahangir Siddiqui	22,342
Mr. U. R. Usmani	1,827
Mr. Badaruddin F. Vellani (Alternate of Mr. Gavin J. Walker)	1,593
Mr. Fareed Khan (Alternate of Mr. Peters James O'Donnell)	126
Director's Spouse	
Mrs. Kamal Shah	74,013
Executives	40
Public Sector Companies and Corporations, Banks / Financial Institutions, Insurance Companies, Mutual Funds etc.	5,493,117
Shareholder holding ten percent or more voting interest	
Singer (Pakistan) B.V. Holding Company	21,794,294
Jahangir Siddiqui & Co. Limited	5,394,346

Pattern of Holding of Shares held by the Shareholders

Number of Shareholders	Shareholding From		Shareholding To	Total Number of Shares Held
224	1	-	100	7,575
253	101	-	500	59,822
153	501	-	1000	112,503
185	1001	-	5000	360,649
12	5001	-	10000	88,959
7	10001	-	15000	82,195
3	15001	-	20000	50,932
1	20001	-	25000	22,441
3	25001	-	30000	78,733
1	35001	-	40000	36,390
1	55001	-	60000	55,449
1	70001	-	75000	74,013
1	75001	-	80000	76,644
1	200001	-	205000	204,711
1	415001	-	420000	417,351
1	490001	-	495000	492,693
1	525001	-	530000	529,969
1	1070001	-	1075000	1,072,983
1	5390001	-	5395000	5,394,346
1	21790001	-	21795000	21,794,294
852				**31,012,652**

Categories of Shareholders

S.No.	Categories of Share Holders	Number of Shareholders	Number of Shares Held	Percentage %
1	Associated Companies, Undertakings and Related Parties	5	21,803,501	70.31
2	Joint Stock Companies	18	5,484,086	17.68
3	Individuals	825	3,724,584	12.01
4	Banks, Development Finance Institutions, NBFIs, Mutual Funds & Modarabas	4	481	0.00
	TOTAL	**852**	**31,012,652**	**100.00**

The Company Secretary
Singer Pakistan Limited
Plot No. 39, Sector 19
Korangi Industrial Area, Korangi
Karachi

I/We ______________________________
of ______________________________
being a member of **Singer Pakistan Limited** hereby appoint ______________________________
____
of ______________________________
or failing him ______________________________
of ______________________________
as my proxy in my absence to attend ,speak and vote for me and on my behalf at the Forty Ninth Annual General Meeting of the company to be held on Friday, 30 April 2010 and at any adjournment thereof.

As witness my / our hand this ______________ day of ______________ 2010.

Witness No. 1

Name : ______________
Address : ______________
____
____
CNIC No. : ______________

Rs. 5/- Revenue Stamp

____
Signature of Member(s)

Witness No. 2

Name : ______________
Address : ______________
____
____
CNIC No. : ______________

____
(Name in Block Letters)

Folio No. ______________
Participant ID No. ______________
Account No. in CDC ______________

Important:

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting

2. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.

3. Members are requested:
   a) To affix Revenue stamp of Rs. 5/- at the place indicated above.
   b) To sign across the revenue stamp in the same style of signature as is registered with the company.
   c) To write down their Folio Numbers.

4. This form of proxy ,duly completed and signed across a Rs. 5/- revenue stamp, must be deposited at the company's Registered office not less than 48 hours before the time for holding the meeting.

AFFIX CORRECT POSTAGE

The Company Secretary
Singer Pakistan Limited
Plot No. 39, Sector 19
Korangi Industrial Area, Korangi
Karachi

Fold :Here

Fold :Here

Fold :Here

Fold :Here

Singer Pakistan Limited
608, (6th Floor), Beaumont Plaza,
Beaumont Road, Near PIDC House,
Karachi - 75530, Pakistan

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