Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Directors Report to the Shareholders
For the Three Months Ended 31 March 2018

The Directors of your Company take pleasure in presenting their report and un-audited condensed interim consolidated financial statements of the Company for the three months period ended 31 March 2018.

Key Financial Indicators

During the 1st Quarter 2018, your Company generated profit before tax of Rs. 195 million compared to profit before tax of Rs. 63 million for the 1st Quarter of 2017. The quarter is characterized primarily by growth in topline to Rs. 2,826 million compared to Rs. 549 million of the 1st Quarter 2017 representing an increase of 415%. The major reason for the remarkable increase in Gross Revenue is the consolidation of amounts as a result of merger of Cool Industries Pvt. Ltd, (CIPL) the owner of Waves brand name and its marketing company Linkwel Pvt. Ltd (LWL) in to Singer Pakistan Ltd. Coupled with this, the growth in operating results reflect higher level of trust posed by customers on the company's products, concerted efforts of management and increased level of employees' commitment and dedication to achieve the desired results.

Key Financial Indicators for the 1st Quarter 2018 compared to that of 2017 are summarized below:

	PKR Million		
Summary of operating results (PKR 000)	**Three Months 2018**	**Three Months 2017**	**Percentage Change (%)**
Gross Revenue	2,826	549	415%
Gross Profit	638	185	245%
Operating Profit	267	85	214%
Financial Cost (Net of Earned Carrying Charges)	(72)	(23)	213%
Profit Before Tax	195	63	210%
Profit After Tax	156	46	239%
Earnings Per Share - Rupees	1.1	1.01	9%

Financial Performance Analysis

Gross profit achieved in 1st quarter 2018 amounted to Rs. 638 million as compared to Rs. 185 million for 1st Quarter 2017 resulting in an increase of 245%.

Profit before tax for three months is Rs. 195 million compared to Rs. 63 for the corresponding period of 2017 representing an increase of 214%.

Profit after tax stands at Rs. 156 million compared to Rs. 46 million for the corresponding period of 2017.

The Company recorded an EPS of Rs. 1.10 as compared to Rs. 1.01 for the corresponding period of previous year. The earning per share reflected an improvement despite the large increase in share capital base due to merger of the CIPL and LWL.

The eye-catching growth in operating results is attributable to consolidation of merged entities, cost efficiencies and improved productivity and product designs which not only have an impact on this quarter but also shall lead to further value addition in the years to come.

Future Outlook:

The merger between Cool Industries and Singer has offered a great opportunity to synergize our Company's sourcing, manufacturing, distribution and retailing operations, thereby positioning us to consolidate our market position. The resulting efficiencies in these spheres coupled with more investment in manufacturing capacity, will bring the Company closer to the cutting edge of innovation, technology and consumer outreach. We are confident that our glass-door refrigerators and inverter air conditioners will continue to offer a robust growth during the next few years.

Due to ongoing growth in consumable income and rapid urbanization, an overall growth in the home appliances market shall also take place. As a result of this, we expect to introduce new models and improve our dealership network to raise our products penetration among the masses. The Company, with its unique brand, state of the art manufacturing facility, country-wide Sales and After Sales Services Network, shall stand to benefit from an enhanced market share.

As the future prospects of the Company are inextricably linked with the overall development of the country, Waves Singer Pakistan shall continue to focus to exploit all available opportunities in the market. The Company promises all its stakeholders that the Company is fully committed to create value to not only grow its business in Pakistan but beyond as well.

Post Balance Sheet Event or Significant Developments

As was earlier communicated via PSX a fire incident occurred in the Cool Industries (Private) Limited (CIPL / Waves) production facility. By the grace of Almighty Allah, production facility of Air Conditioners, Microwave Ovens and Washing Machine was not affected by the fire and their production continued as normal. Whereas production facility of Refrigerator and Chest Type Freezers was affected by fire. Rehabilitation work is in full swing and we are pleased to announce that the Company already started production of the Chest Typed Freezers production of the Refrigerators shall resume soon.

Dividends

Taking in to consideration the funds requirement for future business growth, the Directors of the Company have not recommended any payment towards dividend and bonus shares.

Acknowledgement

We also take this opportunity to thank all our stakeholders and look forward to their continued patronage.

On behalf of the Board

Haroon A. Khan
Chief Executive Officer
Karachi: 07 June 2018

ویوز سنگر پاکستان لیمیٹڈ [سابقہ سنگر پاکستان لیمیٹڈ]

شیئر ہولڈرز کے لئے

<u>۳۱مارچ ۲۰۱۸ کے اختتام پر ۳ ماہ کی ڈائرکٹرز رپورٹ</u>

کمپنی کے ڈائرکٹرز ۳۱ مارچ ۲۰۱۸ کو ختم ہونے والی پہلی سہ ماہی کے اختتام پر۳ ماہ کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکہ ساتھ ہی اس دورانیہ کےغیرآڈٹ شدہ ۳ ماہ کے وسط مدتی مجموعی مالیاتی گوشوارہ بھی منسلک ہیں۔

<u>کلیدی مالیاتی اشاریے</u>

۲۰۱۸ کی پہلی سہ ماہی کے دوران آپ کی کمپنی نے ۱۹۵ ملین کا قبل از ٹیکس منافع کمایا جبکہ ۲۰۱۷ کی پہلی سہ ماہی میں ٦۳ ملین کا قبل از ٹیکس منافع ہوا تھا۔ سہ ماہی کی بنیادی خصوصیت ٹاپ لائین میں ۲۸۲٦ ملین کا منافع ہے جو ۲۰۱۷ کی پہلی سہ ماہی میں ۵٤۹ ملین تھا اور اس طرح ۴۱۵فیصد کا بے مثال اضافی منافع ہوا۔ اس شاندار اضافہ کا بڑا سبب رقومات کا مجتمع ہونا ہے جو ویوز برانڈ کی مالک کمپنی کول انڈسٹریز[پرائیویٹ] لیمیٹڈ اور اس کی مارکیٹنگ کمپنی لنک ویل [پرائیویٹ] لیمیٹڈ کے سنگر میں انضمام کی بدولت ہے۔ اس کے ساتھ ہی یہ نتائج غماز ہیں اس بھروسہ کے جو ہمارے کرم فرماوں نے کمپنی کی مصنوعات پر کیا۔علاوہ ازیں انتظامیہ کی انتھک کاوشیں اور مطلوبہ نتائج حاصل کرنے کے لئے ہمارے کارکنان کی مسلسل جدوجہد اور عزم اس کی بڑی وجہ ہے۔

۲۰۱۸ کی پہلی سہ ماہی کے کلیدی مالیاتی اشاریہ ۲۰۱۷ کی پہلی سہ ماہی کے مقابل مندرجہ زیل رہے۔

	پاکستانی راپیہ ملین میں		
(پاکستانی روپیہ ہزار میں) آپریٹنگ نتائج کا خلاصہ	**پہلی سہ ماہی ۲۰۱۸**	**پہلی سہ ماہی ۲۰۱۷**	**فی صد (%)**
مجموعی ریوینیو	2,826	549	415%
مجموعی منافع	638	185	245%
اپریٹنگ منافع	267	85	214%
مالیاتی لاگت (کمائے گئے کیریئرنگ چارجز کو منہا کرنے کے بعد)	(72)	(23)	213%
منافع قبل از ٹیکس	195	63	210%
منافع بعد از ٹیکس	156	46	239%
فی حصص آمدنی –روپیہ میں	1.1	1.01	9%

<u>مالیاتی کارکردگی کا جائزہ</u>

پہلی سہ ماہی ۲۰۱۸ میں کل منافع ٦۳۸ ملین رہا جبکہ ۲۰۱۷ کی پہلی سہ ماہی میں صرف ۱۸۵ ملین کا کل منافع ہوا تھا۔

اس دورانیہ میں قبل از ٹیکس منافع ۱۹۵ ملین رہا جبکہ ۲۰۱۷ کی پہلی سہ ماہی میں صرف ٦۳ ملین قبل از ٹیکس منافع ہوا تھا۔

پہلی سہ ماہی ۲۰۱۸ میں بعد از ٹیکس منافع ۱۵٦ ملین ہوا جبکہ ۲۰۱۷ کی اسی مدت میں بعد از ٹیکس منافع ۳٦ ملین تھا۔

اس دورانیہ میں فی شیئر آمدنی ۱.۱۰ روپے ہوئی جبکہ سال گزشتہ اسی سہ ماہی میں ۱.۰۱ روپے فی شیئر امدنی ہوئی تھی۔ قابل زکر امر یہ ہے کہ اس مرتبہ سی ائی پی ایل اور ایل ڈبلیو ایل کے انضمام کی وجہ سے سرمائے کی بنیاد میں اضافہ کے باوجود منافع میں اضافہ دیکھا گیا۔

نتائج میں اس اضافے کو انضمام کی مجموعی قوت، لاگت میں کمی، بڑھتی ہوئی پیداواری صلاحیت اور مصنوعات کی دلاویزی سے منسوب کرنا درست ہوگا جس کے اثرات نہ صرف موجودہ سہ ماہی میں دیکھے گئے بلکہ انے والے برسوں میں بھی اس کے دیرپا اثرات دیکھے جائیں گے۔

مستقبل کی توقعات

کول انڈسٹریز اور سنگر کے انضمام نے ہماری کمپنی کے زرائع، پیداوار، تقسیم کاری اور فروخت کے عمل کو مہمیز کرنے کا زریں موقع فراہم کیا ہے جس سے ہمیں اپنی مارکیٹ پوزیشن کو بہتر کرنے کا موقع ملے گا ان نتائج کے ساتھ ساتھ مصنوعات کی تیاری کی صلاحیت میں گراں قدر اضافہ کے لیئیے مزید سرمایہ کاری کمپنی کو زیادہ سے زیادہ متنوع، تکنیکی اور کسٹمر کے مزاج سے نزدیک تر لائے گی ہمیں کامل بھروسہ ہے کہ ہمارے گلاس ڈور ریفریجریٹر اور انورٹر ائرکنڈیشنر اگلے کئی سالوں کے دوران کمپنی کی یقینی بڑھوتری کو جاری رکھنے میں اہم کردار انجام دے گا۔

خریداری کی صلاحیت میں مستقل اضافہ اور شہروں میں بودوباش کی طرف تیزی سے بڑھتے ہوئے رجحان سے مجموعی طور پر گھریلو مصنوعات کی مارکیٹ میں اضافہ ہوا ہے ہم بجا طور پر یقین رکھتے ہیں کہ اس کے نتیجہ میں نئے ماڈل متعارف کروا کے اور اپنے ڈیلرشپ نیٹ ورک کو مزید بہتر کرکے اپنی مصنوعات کو مقبول عام کر سکیں گے کمپنی اپنے مخصوص برانڈ، شاہکار فن صناعی کی سہولت، ملک گیر فروخت اور بعد از فروخت خدمات کے نیٹ ورک کے ساتھ بڑہتے ہوئے مارکیٹ شیئر سے افادہ حاصل کرے گی جیسا کہ کمپنی کے مستقبل کے امکانات ملک کی مجموعی ترقی کے ساتھ نتھی ہیں لہزا ویوز سنگر پاکستان لیمیٹڈ مارکیٹ مین موجود تمام دستیاب امکانات سے فائدہ اٹھانے پر توجہ مرکوز رکھے کی، کمپنی کا اپنے تمام اسٹیک ہولڈرز سے وعدہ ہے کہ کمپی نہ صرف پاکستان بلکہ بیرون ملک بھی اپنی کاروباری قدرمیں اضافہ کا عزم صمیم رکھتی ہے

بعد از بیلنس شیٹ واقعات یا اہم حالات

جیسا کہ پاکستان اسٹاک ایکسچینج کی معرفت پہلے ہی بتایا جا چکا تھا کہ کول انڈسٹریز [پرائویٹ] لیمیٹڈ [سی ائی پی ایل/ویوز] کے پروڈیکشن پلانٹ میں آگ لگنے کا حادثہ پیش آیا تھا اللہ تعالی کے فضل و کرم سے ائرکنڈیشنر، مائکروویو اون اور واشنگ مشین کے پیداواری یونٹس آگ سی قطعی طور پر متاثر نہی ہوے اور اس کی پیداوار حسب معمول جاری رہی جبکہ ریفریجریٹر اور چیسٹ ٹائپ فریزرز کا پیداواری پلانٹ آگ سے متاثر ہوا تھا جس کی درستگی کا کام مسلسل جاری ہے اور ہم مسرت کے ساتھ اعلان کرتے ہیں کہ چیسٹ ٹائپ فریزرز کی پیداوار پہلے ہی جاری ہے جبکہ ریفریجریٹر کی پیداوار عنقریب دوبارہ شروع ہو جائے گی۔

ڈیویڈنڈ

مستقبل میں کاروبار میں اضافہ کے لئے سرمائے کی ضرورت کو مدنظر رکھتے ہوئے، کمپنی کے ڈائریکٹرز نے ڈیویڈنڈ اور بونس شیئرز کی مد میں کسی قسم کی ادائیگی کی سفارش نہیں کی۔

اعتراف

اس کے ساتھ ہی ہم تمام اسٹیک ہولڈرز کے شکر گزار ہیں اور ہمیں یقین ہے کہ ان کی سرپرستی حسب معمول جاری رہے گی۔

بورڈ کی وساطت سے

ہارون احمد خان

جیف ایگزیکیوٹیو آفیسر

کراچی: 25 June, 2018

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

Condensed Interim Consolidated Balance Sheet

As at 31 March 2018

	Note	Un-audited 31 March 2018	Audited 31 December 2017
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	4,650,039	4,681,004
Intangible assets and goodwill		2,945,348	2,993,838
Long term deposits		35,896	27,165
Total non-current assets		7,631,283	7,702,007
Current Assets			
Stores, spares and loose tools		28,438	22,918
Stock-in-trade		3,011,905	2,592,330
Trade debts	8		
- Retail		674,579	582,961
- Wholesale		2,084,597	1,573,830
Advances, deposits, prepayments and other receivables		67,674	106,895
Taxation - net		509,036	345,878
Cash and bank balances		201,287	291,647
Total current assets		6,577,516	5,516,459
TOTAL ASSETS		14,208,799	13,218,466
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital 145,000,000 (2016: 70,000,000) ordinary shares of Rs. 10 each	7	1,450,000	1,450,000
Issued, subscribed and paid-up capital		454,056	454,056
Shares to be issued persuant to amalgamation		964,500	964,500
Share premium reserve		5,038,548	5,038,548
Capital reserve		5,000	5,000
Surplus on revaluation of property, plant and equipment - net of tax		117,123	118,099
Revenue reserve - unappropriated profit / (accumulated loss)		1,620,146	1,601,815
Shareholders Equity		8,199,373	8,182,018
Non-Current Liabilities			
Long term loans - secured	9	568,276	568,276
Liabilities against assets subject to finance lease		40,110	38,254
Employee retirement benefits - obligation	11	57,368	54,527
Deferred tax liability - net	13	195,628	246,152
Deferred income		12,093	12,679
Total non-current liabilities		873,475	919,888
Current Liabilities			
Trade and other payables		1,619,068	1,192,262
Mark-up accrued on short term and long term borrowings		48,433	73,767
Short term borrowings - secured and unsecured	10	3,371,083	2,748,916
Current portion of long term loans	9	81,182	81,182
Current portion of liabilities against assets subject to finance lease		13,619	17,400
Current portion of deferred income		2,566	3,033
Total current liabilities		5,135,951	4,116,560
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		14,208,799	13,218,466

The annexed notes 1 to 23 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	Haroon Ahmad Khan	Nadeem M. Butt
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the three months ended 31 March 2018

	Note	Three months ended 31 March 2018	31 March 2017
		(Rupees in '000)	
Sales - net of sales return		2,826,268	548,844
Sales tax and trade discount on invoices		(617,897)	(81,438)
Sales - net		2,208,371	467,406
Cost of sales		(1,569,958)	(282,781)
Gross profit		638,413	184,625
Marketing, selling and distribution costs		(266,567)	(106,181)
Administrative expenses		(100,288)	(19,622)
Other expenses		(7,715)	(2,263)
Other income		3,517	28,901
		(371,053)	(99,165)
		267,360	85,460
Earned carrying charges		24,506	10,945
Finance costs		(96,678)	(33,768)
		(72,172)	(22,823)
Profit before taxation		195,188	62,637
Taxation		(39,038)	(16,912)
Profit for the year		156,150	45,725
		(Rupees)	
Earnings per share - basic and diluted (based on the consolidated financial statements of Waves Singer Pakistan Limited)		1.10	1.01

The annexed notes 1 to 23 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Consolidated Statement of Comprehensive Income
For the three months ended 31 March 2018

	Three months ended	
	31 March 2018	31 March 2017
	(Rupees in '000)	
Net profit for the year	156,150	45,725
Other comprehensive income		
Item that will not be reclassified to profit and loss:		
Actuarial (loss) / gain on employee retirement benefits	-	-
Related tax effect	-	-
	-	-
Total comprehensive income for the year	156,150	45,725

The annexed notes 1 to 23 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the three months ended 31 March 2018

	Note	Three months ended 31 March 2018	31 March 2017
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**195,188**	62,637
Adjustment for:			
- Depreciation on property, plant and equipment		**55,084**	24,101
- Amortisation of intangible assets		**858**	914
- Finance cost		**96,678**	33,768
- Amortisation of deferred income		**(1,053)**	(467)
- Gain on disposal of property, plant and equipment		**-**	-
- Unrealised gain on investment property at fair value		**-**	-
- Provision for employee retirement benefits		**19,932**	397
		366,687	121,350
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(5,520)**	(161)
Stock-in-trade		**(419,575)**	(171,881)
Trade debts and other receivables		**(602,385)**	(192,741)
Advances, deposits, prepayments and other receivables		**39,221**	(4,764)
Increase in current liabilities			
Trade and other payables		**488,148**	224,570
		(500,111)	(144,977)
		(133,425)	(23,627)
Income tax paid		**#REF!**	(5,693)
Finance cost paid		**(121,076)**	(32,619)
Employee retirement benefits paid		**-**	(125)
Long term deposits - net		**(8,731)**	(12,489)
Net cash flows from operating activities		**#REF!**	(74,553)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure net		**26,526**	28,858
Decrease in balances held in employees security deposits accounts		**-**	-
Investments matured during the period - net		**-**	-
Net cash flows from investing activities		**26,526**	28,858
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		**-**	(4,687)
Borrowing / (repayment) of short term finances		**-**	-
Lease rentals paid		**(5,789)**	(4,436)
Net cash flows from financing activities		**(5,789)**	(9,123)
Net (decrease) / increase in cash and cash equivalents		**#REF!**	(54,818)
Cash and cash equivalents at beginning of the period		**(576,860)**	(1,027,299)
Cash and cash equivalents at end of the period	*17*	**#REF!**	(1,082,117)

The annexed notes 1 to 23 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed Retd.	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

Condensed Interim Statement Unconsolidated of Changes in Equity (Un-audited)

For the three months ended 31 March 2018

	Note	Issued subscribed and paid-up capital	Shares to be issued pursuant to amalgamation	Share premium reserve	Capital reserve	Surplus on Revaluation of PP&E-net of tax	Unappropriated profit / (accumulated loss)	Total
			---	---	(Rupees in '000)	---	---	
Balance as at 31 December 2016		454,056			5,000	1,095,855	(150,252)	1,404,659
Transfer from revenue reserve	*6.2*	-	-	-	-	-	-	-
Total comprehensive income for the three months period ended 31 March 2017								
Profit for the period		-	-	-	-	-	45,725	45,725
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)		-	-	-	-	-	-	-
		-	-	-	-	-	45,725	45,725
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax		-	-	-	-	(3,157)	3,157	-
Balance as at 31 March 2017		454,056	-	-	5,000	1,092,698	(101,370)	1,450,384
Total comprehensive income for the three months period ended 31 December 2017								
Profit for the period		-	-	-	-	-	142,733	142,733
Net actuarial gain recognised directly in 'Other Comprehensive Income' net of tax		-	-	-	-	-	(15,749)	(15,749)
		-	-	-	-	-	126,984	126,984
Shares to be issued persuant to amalgamation		-	964,500	5,038,548	-	-	-	6,003,048
Surplus on revaluation recognised during the year						462,807		
Transfer from surplus on revaluation of property, plant and equipment (on sale of land and building)		-	-	-	-	(1,429,398)	1,429,398	-
Transfer from surplus on revaluation of property, plant and equipment (incremental depreciation) - net of tax		-	-	-	-	(8,008)	8,008	-
Balance as at 31 December 2017		454,056	964,500	5,038,548	5,000	118,099	1,463,020	7,580,416
Total comprehensive income for the three months period ended 31 March 2018								
Profit for the period		-	-	-	-	-	156,150	**156,150**
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)		-	-	-	-	-	-	-
		-	-	-	-	-	156,150	**156,150**
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax		-	-	-	-	(976)	976	-
Balance as at 31 March 2018		**454,056**	**964,500**	**5,038,548**	**5,000**	**117,123**	**1,620,146**	**7,736,566**

The annexed notes 1 to 23 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed Retd.	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

1. STATUS AND NATURE OF BUSINESS

The "Group" comprises of the Holding Company and the Subsidiary Companies mentioned below:

1.1 Holding Company - Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

1.1.1 Waves Singer Pakistan Limited ("the Holding Company") (formerly Singer Pakistan Limited) is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in retailing and trading of domestic consumer appliances and other light engineering products, besides the manufacturing and assembling of the same. The registered office of the Company is located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi.

1.1.2 During the year, Singer Pakistan Limited ("the Holding Company") entered in an amalgamation and demerger arrangement, details of which are given in note 3 to these consolidated financial statements. In addition during the year, the company sold its factory land and building details of which are given in note 41 to these consolidated financial statements.

1.2 Subsidiary Company - Electronics Marketing Company (Private) Limited (EMC)

Electronics Marketing Company (Private) Limited ("the Subsidiary Company") was incorporated on 09 September 2016 as a private limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a wholly owned Subsidiary Company of Waves Singer Pakistan Limited (the Holding Company) (formerly Singer Pakistan Limited). The principal activity of the Subsidiary Company is to carry out distribution / wholesales / retail business of all kinds of electronic appliances, its components and accessories, etc.

1.3 Subsidiary Company - Waves Marketing (Private) Limited

Waves Marketing(Private) Limited (herein after referred to as "The Company") which is wholly owned subsidiary of Waves Singer Pakistan Limited (the Holding Company) (formerly Singer Pakistan Limited) is a private limited company which was incorporated on 10 April 2017 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Subsidiary Company is located at 15/3 A Model town, Lahore. The Subsidiary Company is principally engaged to carry on all or any of the businesses of distributors, marketers, merchants wholesalers, retailers, traders, indentures stockiest, suppliers, agent for product of manufactures of other principles, local or foreign.

2. BASIS OF PREPARATION

2.1 These consolidated 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 (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

2.2 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under the Companies Ordinance, 1984.

2.3 These condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2017.

2.4 The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended 31 December 2017, whereas comparative interim profit or loss account, interim statement of comprehensive income, interim statement of cash flow and interim statement of changes in equity have been extracted from the unaudited condensed interim financial statements for the three months ended 31 March 2017.

2.5 The condensed interim financial information are presented in Pakistan Rupees which is the functional currency of the Company and rounded off to the nearest thousand rupees except stated otherwise.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018:

Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas:

(a) measurement of cash-settled share-based payments;

(b) classification of share-based payments settled net of tax withholdings; and

(c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analysing the potential impact of changes required in revenue recognition policies on adoption of the standard. Based on the preliminary assessment carried out by the management the application of interpretation is not likely to have a material impact on Company's financial statements.

IFRS 9 ‘Financial Instruments’ and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard. Management has initiated the process of evaluating the impact on the Company's financial statements and having a model for that purpose.

Amendment to IAS 28 ‘Investments in Associates and Joint Ventures’ - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or ‘LTI’). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company’s financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company’s financial statements.

As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017 shall be applicable to the financial statements issued on or after 31 December 2017. Accordingly certain additional requirements / disclosures in Fifth Schedule to the Companies Act, 2017 are applicable to the financial statements of Company. Significant disclosures / requirements, which are relevant to the Company includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and/or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year, etc.

Furthermore under the Companies Act, 2017, Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of land and building to bring it in line with the requirements of IAS 16 - Property, plant and equipment. Accordingly, as of 31 December 2017, this would result in increase in equity by Rs. 113.29 million (31 December 2016: Rs. 1,095.86 million).

4. AMALGAMATION OF COOL INDUSTRIES (PRIVATE) LIMITED AND LINK WEL (PRIVATE) LIMITED WITH AND INTO THE COMPANY AND SEPERATION/ DEMERGER OF THE RETAIL BUSINESS FROM THE COMPANY AND AMALGAMATION WITH AND INTO ELECTRONICS MARKETING COMPANY (PRIVATE) LIMITED (EMCPL) (A WHOLLY OWNED SUBSIDIARY COMPANY)

During the current year, Singer Pakistan Limited ("the Company") completed a Scheme of Arrangement as follows:

- amalgamation of Cool Industries (Private) Limited (CIPL) and Link Wel (Private) Limited (LWPL) with and into the Company by transferring to, merging with and vesting in the Company the whole of CIPL and LWPL (including all assets, liabilities and obligations of CIPL and LWPL) as of the effective date (i.e. start of business on 01 July 2017) against the allotment and issue of the Company' shares to the shareholders of CIPL and LWPL. The later company was an associated company of CIPL with the same shareholders in both the companies. In addition CIPL was also a holding company of Waves Marketing (Private) Limited, a wholly owned subsidiary company.

- separation / demerger of the retail business from the Company and amalgamate the same with and into EMCPL (an existing wholly owned subsidiary company) by transferring to, merging with and vesting in subsidiary company the whole of the retail business (including all assets, liabilities and obligations of the retails business) as of the effective date (i.e. start of business on 01 July 2017) against the allotment and issue of subsidiary company shares to the Company.

Honourable Sindh High Court (the Court), through its Order dated 22 May 2017, has approved the Scheme of Arrangement as proposed and granted sanction order for the amalgamation of CIPL and LWPL with and into the Company and demerger of retail business from the Company and amalgamate the same into the subsidiary company. The Board of Directors of the Company, in their meeting held on 27 December 2017, approved and resolved to present the Scheme of Arrangement with and into the Company before the shareholders of the Company for their approval. Approval of the secured creditors was obtained on 27 December 2017, while the shareholders of the Company approved the Scheme of Arrangement in their Extraordinary General Meeting (EOGM) held on 29 December 2017. In consideration, the Company will issue 96,450,000 ordinary shares of the Company in aggregate in favour of the shareholders of CIPL (93,975,000 shares) and LWPL (2,375,000) on the basis of swap ratio of 1 (one) ordinary share of the CIPL for every 1.79 ordinary shares of the Company and 1 (one) ordinary share of the LWPL for every 0.33 ordinary shares of the Company.

The Company expects several benefits after this merger including the synergies of operations, (merging entities being engaged in the similar nature of business), utilization and the benefits of the "Waves" brand (held by CIPL) along with the Singer brand already held by surviving company, enhancement of the marketing and advertising opportunities, increased market penetration, a large equity and asset base of the merged entity and reduction in administration cost, etc.

For the purpose of demerger, 24,800,000 ordinary shares of Rs. 10 each of EMCPL shall be allotted and issued by EMCPL to the Company.

By virtue of the above arrangement, Singer Pakistan Limited is the surviving entity and will continue to operate (as Waves Singer Pakistan Limited) along with its wholly owned subsidiary company EMPCL, while CIPL and LWPL shall dissolved and ceases to operate without winding up.

CIPL, prior to its merger was incorporated in 1980 as a private limited company under the repealed Company Ordinance, 1984 (now Companies Act, 2017) and was principally engaged in the manufacture and sale of consumer appliances under the brand name " Waves". LWPL was engaged in the business of import and trade of air conditioners and home appliances. Waves Marketing (Private) Limited, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), is principally engaged in the business of distribution and marketing of the above products.

5. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual audited financial statements of the Company for the year ended 31 December 2017.

6. ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The significant judgments, estimates and assumptions used by the management in preparation of these condensed interim financial information are the same as those applied to the annual audited financial statements for the year ended 31 December 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2017.

7. SHARE CAPITAL

7.1 Authorised Capital

This represents 145,000,000 (2016: 70,000,000) ordinary shares of Rs. 10 each amounting to Rs. 1,450 million (2016: Rs. 700 million).

7.2 In previous year, revenue reserves was transferred to accumulated losses as per the approval of Board of Directors of the Company in their meeting held on 29 April 2016.

7. PROPERTY, PLANT AND EQUIPMENT	(Un-audited) 31 March 2018	(Audited) 31 December 2017
	(Rupees in '000)	
Operating fixed assets	**4,635,345**	4,142,980
Capital work-in-progress	**14,694**	86,363
	4,650,039	4,229,343

7.1 Following is the cost of property, plant and equipment that have been added / transferred during the three months ended 31 March 2018 (other than on account of the revaluation of land and building):

	Three months ended 31 March 2018	31 March 2017
	(Rupees in '000)	
Owned		
Building on leasehold land	**-**	**-**
Leasehold improvements	**1,986**	**156**
Furniture and equipment	**3,246**	**101**
Plant and machinery	**1,736**	**40,450**
Vehicles	**2,879**	**30**
Computers	**1,985**	**1,558**
	11,832	**42,295**
Leased		
Plant and machinery	**-**	32,891
Vehicles	**2,928**	1,678
Computers	-	2,054
	2,928	**36,623**
Capital work-in-progress	**14,694**	**777**

8. TRADE DEBTS	*Note*	(Un-audited) 31 March 2018	(Audited) 31 December 2017
8.1 Retail Network		(Rupees in '000)	
Considered good - unsecured			
Hire purchase			
- Retail		**626,162**	522,630
- Institutional (employees of the corporate entities)		**143,756**	133,647
		769,918	656,277
Unearned carrying charges		**(95,339)**	(73,316)
		674,579	582,961
Considered doubtful		**240,544**	240,544
		915,123	823,505
Provision for doubtful debts and other receivables		**(240,544)**	(240,544)
		674,579	582,961

		Note	(Un-audited) 31 March 2018	(Audited) 31 December 2017
8.2	**Wholesale**		**(Rupees in '000)**	
	Considered good - unsecured			
	Dealers		**2,084,597**	1,573,830
	Considered doubtful		**24,154**	23,433
			2,108,751	1,597,263
	Provision for doubtful debts		**(24,154)**	(23,433)
			2,084,597	1,573,830

8.3 Balance of Rs. 5.6 million (31 December2017: Rs. 10.60 million) due from the current and former employees r of the securities held by the Company earlier shown as a separate line item, have been included in the balance.

8.4 This includes provision of Rs. nil million during the period against the retail debtors and Rs. 0.721 million during the period against the wholesales debtors. No reversals or written off were made during the period.

9. LONG TERM LOANS - secured

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

	Security	Instalments payable	Repayment period	Amount of instalment (principal) (Rupees in '000)	Mark-up rate	**(Un-audited) 31 March 2018**	(Audited) 31 December 2017
						(Rupees in '000)	
Term loan 1	Note 8.1	quarterly	Between 2018-2021	Refer note 8.1	3 Months KIBOR Plus 3.00%	**649,458**	649,458
						-	-
						649,458	649,458
Current portion of long term loans						**(81,182)**	(81,182)
						568,276	568,276

9.1 Joint pari passu charge over the fixed assets of the Company amounting to Rs. 4,044.872 million.

10. SHORT TERM BORROWINGS, RUNNING FINANCE AND LIABILITES AGAINST ASSETS SUBJECT TO FINANCE LEASE

10.1 Short Term Borrowings and Running Finance

As compared to the year ended 31 December 2017, the Company has obtained no additional facility of from any Commercial Bank.

10.2 Liabilities against assets subject to finance lease

During the current six months period, the Company entered into lease arrangements of assets of Rs. 2.928 million. These obligations are payable in monthly instalments of Rs. 0.038 million and carry mark-up rates at 6 months KIBOR plus 3% to 4% per annum.

10.3 There were no changes in any of the other facilities during the period.

11 DEFERRED LIABILITY FOR EMPLOYEE RETIREMENT BENEFITS OBLIGATION

	Pension Fund		Gratuity					
			Permanent employees (funded)		Field staff (unfunded)		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees in '000)							
Present value of defined benefit obligation	**90,975**	90,115	**46,765**	45,865	**18,025**	-	**64,790**	45,865
Fair value of plan assets	**(84,349)**	(84,402)	**(14,048)**	(14,142)	**-**	-	**(14,048)**	(14,142)
Liability on the balance sheet	**6,626**	5,713	**32,717**	31,723	**18,025**	-	**50,742**	31,723

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

For details of contingencies please refer to notes 23.1 and 23.2 of the annual financial statements for the year ended 31 December 2017. However, the status of contingencies remains unchanged since that reporting.

12.2 Commitments

	(Un-audited) 31 March 2018	(Audited) 31 December 2017
	(Rupees in '000)	
Outstanding letters of credit (for inventory)	**319,581**	516,752
Commitment in respect of Ijarah rentals	**2,025**	2,378

13. INCOME TAX AND DEFERRED TAX

14.1 INCOME TAX

14.1.1 Details of the tax charge for the period is as follows:

	(Un-audited) 31 March 2018	(Un-audited) 31 March 2017
	(Rupees in '000)	
Current year	**57,124**	18,902
Prior year	**-**	-
Deferred	**(24,886)**	(1,990)
	32,238	16,912

During the year 2017, the Holding Company had incurred taxable losses. However, provision for the minimum tax amounting to Rs. 38.878 million under the Income Tax Ordinance, 2001, has not been made in these consolidated financial statements for the year ended 31 December 2017 since the Holding Company expects to adjust the same against its future tax liability under normal tax regime within the time limit as specified for adjustments of minimum tax in the Income Tax Ordinance, 2001. Similarly for the year ended 31 December 2014 and 31 December 2015, provision for minimum tax amounting to Rs. 16.86 million and Rs. 15.099 million respectively and for the year ended 31 December 2016, provision for Alternate Corporate Tax (ACT) (being higher than the minimum tax) amounting to Rs. 23.065 million has also not been made in these consolidated financial statements on the same basis.

14.1.2 The income tax assessments of the Company have been finalised up to and including the tax year 2007. The Company had applied for Income tax refund for the tax years from 2006 to 2011. Income tax refund orders were earlier determined for the tax years 2009, 2010 and 2011. Income tax refund was released for the tax year 2009. However, the ACIR amended the deemed assessed orders under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax years from 2009 to 2012 and raised additional income tax demand of Rs. 19.98 million. However, the Company had filed an application for the rectification of orders after which the net tax additional demand was reduced to Rs. 2.02 million (after the adjustment of the refund of related years) under section 221 of the Income Tax Ordinance, 2001. Appeals have been filed to CIR(A) against these orders.

Company has received appellate orders for the tax years from 2009 to 2012, dated 29 June 2015, where the CIR (appeals) has set aside certain issues for reassessment, deleted certain items and maintained certain disallowances. The financial impact of the items set aside for reassessment and continued disallowances amount to Rs. 46.25 million. Appeal has been filed with Appellate Tribunal Inland revenue against these issues. However, the Company based on the merits of matters is of the view that ultimate decisions are expected in its favour and as such no provision there against has been made.

In respect of certain other tax years, the Company has filed appeals with Appellate Tribunal Inland Revenue authorities for disallowances. However, no adverse liability is expected to occur in any of these cases.

14.1.3 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, which was amended through Finance Act, 2017 and applicable for tax year 2017 and onwards. The amendment has imposed tax at seven and a half percent of the accounting profit before tax on every public company other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least 40 percent of its after tax profit within six months of the end of the tax year through cash or bonus shares.

The Company intends to distribute sufficient dividend for the accounting year ending 31 December 2017 (if it earns profit by the year then ended) to comply with the above stated requirement. Accordingly, no provision for taxation has been recognised in these condensed interim financial information.

Above referred section 5A of the Income Tax Ordinance, 2001 was revised in the current year (through Finance Act 2017) whereby from the tax year 2017 (Company's accouting year ended 31 December 2017), tax is liable to be paid at 7.5% of the profit for the year, if no dividend at least at 40% of the after tax profit is declared. Under the earlier section, tax was not mandatorily leviable in case the Company's reserves were not in excess of the paid up capital (which was the case with the Company as it had accumulated losses). Provision for the above referred tax amounting to Rs. 9.347 million has not been paid as the Company's management is of the view that the amendment was made after the closure of Company's financial year ended 31 December 2016 and for certain other legal reasons. The Company intends to file a case against the above amendment including to obtain a stay and for this, which it expects to be received.

14.2 DEFERRED TAX LIABILITY - net

Deferred tax asset and liability comprises of taxable and deductible temporary differences in respect of the following:

	Balance as at 1 January 2017	Acquisition under the Scheme of Arrangement - net	**Recognized in profit and loss account**	**Recognised in surplus on revaluation of property, plant and equipment**	Recognised in equity / oci	**Balance as at 31 December 2017**	**Recognized in profit and loss account**	**Recognised in surplus on revaluation of property, plant and equipment**	**Balance as at 31 March 2018**
	(Rupees in '000)								
Taxable temporary differences on:									
- accelerated tax depreciation	76,390	315,887	4,959	-	-	397,236	1,240	-	398,476
- surplus on revaluation of property, plant and equipment	366,605		(4,595)	(2,980)	(356,966)	2,064	-	35,386	37,450
	442,995	**315,887**	**364**	**(2,980)**	**(356,966)**	**399,300**	**1,240**	**35,386**	**435,925**
Deductible temporary differences on:									
- provision for defined benefit plans	(3,779)	3,779	-	-	-	-	(515)	-	(515)
- provision against slow moving and obsolete stock	(7,952)		(935)		-	(8,887)	(166)	-	(9,053)
- provision for doubtful debts and other receivables	(50,289)		(8,601)		-	(58,890)	(195)	-	(59,085)
- provision for warranty obligations	(1,705)		(559)		-	(2,264)	(900)	-	(3,164)
- tax losses	(162,710)		(28,031)		-	(190,741)	22,260	-	(168,481)
	(226,435)	**3,779**	**(38,127)**	**-**	**-**	**(260,783)**	**20,485**	**-**	**(240,297)**
Deferred tax liability / (assets) - net	**216,560**	**319,666**	**(37,762)**	**(2,980)**	**(356,966)**	**138,517**	**21,725**	**35,386**	**195,628**

14.2.1 The management has recorded deferred tax asset based on financial projections indicating the absorption of deferred tax asset over a number of future years against future expected taxable profits. The financial projections involve certain key assumptions such as sales price and composition, raw materials, labour prices and distribution channels, etc. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset. Nonetheless, the management is confident of the achievement of its targeted results.

14. NET REVENUE

	Three months ended 31 March 2018	31 March 2017
	(Rupees in '000)	
Sales		
- Local	2,822,146	548,844
- Export	4,632	-
	2,826,778	548,844
Sales tax	(273,437)	(57,365)
Trade discounts	(344,460)	(24,073)
Sales return	(510)	-
	(618,407)	(81,438)
	2,208,371	467,406

15. COST OF SALES

	31 March 2018	31 March 2017
Opening stock - finished goods		
- own manufactured	1,050,986	285,313
- purchased for resale	112,949	52,324
	1,163,935	337,637
Purchases	199,402	35,410
Acquisition through business combination	-	-
Cost of goods manufactured	1,533,099	382,987
	2,896,436	756,034
Closing stock - finished goods		
- own manufactured	(1,164,440)	(421,728)
- purchased for resale	(162,038)	(51,525)
	(1,326,478)	(473,253)
Less: Export Rebate	-	-
	1,569,958	282,781

16. EARNINGS PER SHARE - basic and diluted

	31 March 2018	31 March 2017
Profit / (Loss) for the period	**156,150**	45,725
	(Number in '000)	
Weighted average number of ordinary shares	**141,856**	45,406
	(Rupees)	
Earnings per share - basic and diluted	**1.10**	1.01

16.1 There were no convertible dilutive potential ordinary shares in issue as at 31 March 2018 and 31 March 2017.

17. CASH AND CASH EQUIVALENTS

	(Un-audited) 31 March 2018	(Un-audited) 31 March 2017
	(Rupees in '000)	
Cash and bank balances	**201,287**	141,249
Short term running finance - secured	**(1,119,876)**	(1,223,366)
	(918,589)	(1,082,117)

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, companies with common directorships, major shareholders, directors, key management personnel of the company and employee retirement benefit funds. The aggregate value of transactions and outstanding balances as at 31 March 2018 with related parties other than those which have been disclosed elsewhere in this condensed interim financial information are as follows:

	Note	Nine months ended	
		(Un-audited) 31 March 2018	(Un-audited) 31 March 2017
Transactions		**(Rupees in '000)**	
Employee retirement benefits (charge for the year including in Other Comprehensive Income)			
- Gratuity Schemes		**635**	467
- Pension Scheme		**640**	672
- Provident Fund		**6,597**	569
Loan received from a director and a key management person		**-**	20,000
Remuneration of key management personnel		**30,463**	11,598

	Note	**(Un-audited) 31 March 2018**	(Audited) 31 December 2017
Balance payable / receivable		**(Rupees in '000)**	
Employee retirement benefits - Gratuity Schemes		**50,742**	48,814
- Pension Scheme		**6,626**	5,713
- Provident Fund		**14,963**	14,397

NAMES OF RELATED PARTIES

1. Poseidon Synergies private limited
4. Gratuity Fund, Pension Fund and Provident Fund
5. Directors and Key management personnel of the Company

18.1 Purchases of goods, materials, services and sales are at agreed rates.

18.2 Contributions to the employee retirement benefits schemes and accrual of liabilities and expenses are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Contributions to Provident Fund are made in accordance with the service rules.

18.3 Remuneration to the key management personnel are in accordance with their terms of employment.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

31 March 2017 (Un-audited)	**Carrying Amount**			**Fair value**
	Loans and receivables	**Other financial assets**	**Total**	**Total**
	(Rupees in '000)			
Financial instruments				
Financial assets not measured at fair value				
Long term deposits	**35,896**	**-**	**35,896**	**-**
Trade debts	**2,759,176**	-	**2,759,176**	**-**
Deposit and other receivables	**67,674**	**-**	**67,674**	**-**
Cash and Bank balance	**123,698**	**77,589**	**201,287**	**-**
	2,986,444	**77,589**	**3,064,033**	**-**

	Carrying Amount			**Fair value**
	Loans and receivables	**Financial liabilities**	**Total**	**Total**
	(Rupees in '000)			
Financial liabilities not measured at fair value				
Long term loans - secured	-	**649,458**	**649,458**	**-**
Liabilities against assets subject to finance lease	**-**	**53,729**	**53,729**	**-**
Trade and other payables	**-**	**1,514,068**	**1,514,068**	**-**
Mark-up accrued on short term finances and long term loans	**-**	**48,433**	**48,433**	**-**
Short term borrowings - secured and unsecured		**3,371,083**	**3,371,083**	
	-	**5,636,771**	**5,636,771**	**-**

<u>31 December 2017 (Audited)</u>	Carrying Amount			Fair value
	Loans and receivables	Other financial assets	Total	Total
	(Rupees in '000)			
Financial instruments				
Financial assets not measured at fair value				
Long term deposits	53,290	-	53,290	-
Trade debts	2,156,791	-	2,156,791	-
Deposit and other receivables	4,321	-	4,321	-
Investments (including mark up thereon)	-	-	-	-
Cash and Bank balance	105,327	93,160	198,487	-
	2,319,729	93,160	2,412,889	-

31 December 2017 (Audited)	Carrying Amount			Fair value
	Loans and receivables	Financial liabilities	Total	Total
	--- (Rupees in '000) ---			
Financial liabilities not measured at fair value				
Long term loans - secured	-	649,458	649,458	-
Liabilities against assets subject to finance lease	-	55,654	55,654	-
Trade and other payables	-	1,088,430	1,088,430	-
Mark-up accrued on short term finances and long term loans	-	73,767	73,767	-
Short term borrowings - secured and unsecure	-	2,748,916	2,748,916	-
	-	4,616,225	4,616,225	-

The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

Non financial assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable input and fair value measurement
Revalued Property, plant and equipment and investment property			
- Land and Building	1 Decembe 2017	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs

20. OPERATING SEGMENTS

20.1 These condensed interim financial information have been prepared on the basis of single reportable segment.

20.2 Sales to domestic customers in Pakistan are 100.0% (2017: 100.0%) and to customers outside Pakistan are Nil (2017: Nil) of the revenue during the nine months ended 31 March 2018.

20.3 All non-current assets of the Company at 31 March 2018 are located in Pakistan.

20.4 Sales to one customer, a related party (subsidiary), of the Company represented approximately Rs.nil million (2017: nil) of the Company's total sales.

21. GENERAL

Figures have been rounded off to nearest thousand unless stated otherwise.

22. DATE OF AUTHORISATION

These condensed interim financial statements was authorised for issue by the Board of Directors in their meeting held on 07 June 2018.

Brig. Mukhtar Ahmed Retd. **Director**	**Haroon Ahmad Khan** **Chief Executive**	**Nadeem M. Butt** **Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Condensed Interim Unconsolidated Balance Sheet
As at 31 March 2018

	Note	**Un-audited 31 March** 2018	Audited 31 December 2017
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	*8*	4,198,378	4,229,343
Intangible assets and goodwill		2,945,348	2,993,838
Investment property	*9*	173,501	173,501
Investment in subsidiary companies	*10*	251,000	251,000
Long term deposits		11,216	10,999
Total non-current assets		7,579,443	7,658,681
Current Assets			
Stores, spares and loose tools		28,438	22,918
Stock-in-trade		3,011,905	2,559,539
Trade debts	*11*		
- Wholesale		1,986,524	1,270,931
Advances, deposits, prepayments and other receivables		592,303	758,430
Taxation - net		508,999	395,497
Cash and bank balances		197,963	243,173
Total current assets		6,326,132	5,250,489
TOTAL ASSETS		13,905,575	12,909,169
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital 145,000,000 (2016: 70,000,000) ordinary shares of Rs. 10 each	*7*	1,450,000	1,450,000
Issued, subscribed and paid-up capital		454,056	454,056
Shares to be issued persuant to amalgamation		964,500	964,500
Share premium reserve		5,038,548	5,038,548
Capital reserve		5,000	5,000
Surplus on revaluation of property, plant and equipment - net of tax		159,499	159,499
Revenue reserve - unappropriated profit / (accumulated loss)		1,549,046	1,463,020
Shareholders Equity		8,170,649	8,084,623
Non-Current Liabilities			
Long term loans - secured	*13*	568,276	568,276
Liabilities against assets subject to finance lease		40,110	38,254
Employee retirement benefits - obligation	*15*	39,343	37,436
Deferred tax liability - net	*17*	137,982	138,696
Deferred income		12,093	12,679
Total non-current liabilities		797,804	795,341
Current Liabilities			
Trade and other payables		1,420,239	1,104,906
Mark-up accrued on short term and long term borrowings		48,433	73,767
Short term borrowings - secured and unsecured	*14*	3,371,083	2,748,916
Current portion of long term loans	*13*	81,182	81,182
Current portion of liabilities against assets subject to finance lease		13,619	17,400
Current portion of deferred income		2,566	3,033
Total current liabilities		4,937,122	4,029,204
Contingencies and commitments	*16*		
TOTAL EQUITY AND LIABILITIES		13,905,575	12,909,169

The annexed notes 1 to 26 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the three months ended 31 March 2018

		Three months ended	
		31 March	31 March
	Note	2018	2017
		(Rupees in '000)	
Sales - net of sales return		2,715,926	468,547
Sales tax and trade discount on invoices		(836,223)	(57,365)
Sales - net	*18*	1,879,703	411,182
Cost of sales	*19*	(1,569,358)	(282,781)
Gross profit		310,345	128,401
Marketing, selling and distribution costs		(71,030)	(70,678)
Administrative expenses		(31,063)	(13,062)
Other expenses		(7,715)	(1,763)
Other income		3,517	28,901
		(106,291)	(56,602)
		204,054	71,799
Earned carrying charges		-	10,945
Finance costs		(96,521)	(33,767)
		(96,521)	(22,822)
Profit before taxation		107,533	48,977
Taxation	*17*	(21,507)	(13,224)
Profit for the year		86,026	35,753
		(Rupees)	
Earnings per share - basic and diluted (based on the consolidated financial statements of Waves Singer Pakistan Limited)		1.10	1.01
Earnings per share - basic and diluted {based on the separate (unconsolidated) financial statements of Waves Singer Pakistan Limited}		0.61	0.79

The annexed notes 1 to 26 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Unconsolidated Statement of Comprehensive Income
For the three months ended 31 March 2018

	Three months ended	
	31 March 2018	31 March 2017
	(Rupees in '000)	
Net profit for the year	86,026	35,753
Other comprehensive income		
Item that will not be reclassified to profit and loss:		
Actuarial (loss) / gain on employee retirement benefits	-	-
Related tax effect	-	-
	-	-
Total comprehensive income for the year	86,026	35,753

The annexed notes 1 to 26 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)
For the three months ended 31 March 2018

	Note	Three months ended 31 March 2018	31 March 2017
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**107,533**	48,977
Adjustment for:			
- Depreciation on property, plant and equipment		**23,925**	24,101
- Amortisation of intangible assets		**858**	914
- Finance cost		**96,521**	33,767
- Amortisation of deferred income		**(1,053)**	(467)
- Gain on disposal of property, plant and equipment		-	-
- Unrealised gain on investment property at fair value		-	-
- Provision for employee retirement benefits		**1,907**	397
		229,691	107,689
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(5,520)**	(161)
Stock-in-trade		**(452,366)**	(171,881)
Trade debts and other receivables		**(715,593)**	(148,604)
Advances, deposits, prepayments and other receivables		**166,127**	(30,913)
Increase in current liabilities			
Trade and other payables		**376,675**	219,017
		(630,677)	(132,542)
		(400,986)	(24,853)
Income tax paid		**(67,109)**	(5,693)
Finance cost paid		**(120,919)**	(32,618)
Employee retirement benefits paid		-	(125)
Long term deposits - net		**(217)**	(12,489)
Net cash flows from operating activities		**(589,231)**	(75,778)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure net		**26,526**	28,858
Decrease in balances held in employees security deposits accounts		-	-
Investments matured during the period - net		-	-
Net cash flows from investing activities		**26,526**	28,858
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		**(0)**	(4,687)
Borrowing / (repayment) of short term finances		-	-
Lease rentals paid		**(5,789)**	(4,436)
Net cash flows from financing activities		**(5,789)**	(9,123)
Net (decrease) / increase in cash and cash equivalents		**(568,495)**	(56,043)
Cash and cash equivalents at beginning of the period		**(625,334)**	(1,029,304)
Cash and cash equivalents at end of the period	21	**(1,193,829)**	(1,085,347)

The annexed notes 1 to 26 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)
Condensed Interim Statement Unconsolidated of Changes in Equity (Un-audited)
For the three months ended 31 March 2018

	Note	Issued subscribed and paid-up capital	Shares to be issued pursuant to amalgamation	Share premium reserve	Capital reserve	Surplus on Revaluation of PP&E-net of tax	Unappropriated profit / (accumulated loss)	Total
		----------	----------	----------	(Rupees in '000)	----------	----------	
Balance as at 31 December 2016		454,056			5,000	1,095,855	(150,252)	1,404,659
Transfer from revenue reserve	6.2	-	-	-	-	-	-	-
Total comprehensive income for the three months period ended 31 March 2017								
Profit for the period		-	-	-	-	-	35,753	35,753
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)		-	-	-	-	-	-	-
		-	-	-	-	-	35,753	35,753
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax		-	-	-	-	(3,157)	3,157	-
Balance as at 31 March 2017		454,056	-	-	5,000	1,092,698	(111,342)	1,440,412
Total comprehensive income for the three months period ended 31 December 2017								
Profit for the period		-	-	-	-	-	152,705	152,705
Net actuarial gain recognised directly in 'Other Comprehensive Income' net of tax		-	-	-	-	-	(15,749)	(15,749)
		-	-	-	-	-	136,956	136,956
Shares to be issued persuant to amalgamation		-	964,500	5,038,548	-	-	-	6,003,048
Surplus on revaluation recognised during the year						504,207		504,207
Transfer from surplus on revaluation of property, plant and equipment (on sale of land and building)		-	-	-	-	(1,429,398)	1,429,398	-
Transfer from surplus on revaluation of property, plant and equipment (incremental depreciation) - net of tax		-	-	-	-	(8,008)	8,008	-
Balance as at 31 December 2017		454,056	964,500	5,038,548	5,000	159,499	1,463,020	8,084,623
Total comprehensive income for the three months period ended 31 March 2018								
Profit for the period		-	-	-	-	-	86,026	**86,026**
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)		-	-	-	-	-	-	-
		-	-	-	-	-	86,026	**86,026**
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax		-	-	-	-	-	-	-
Balance as at 31 March 2018		**454,056**	**964,500**	**5,038,548**	**5,000**	**159,499**	**1,549,046**	**8,170,649**

The annexed notes 1 to 26 form an integral part of these unconsolidated financial statements.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**

1. STATUS AND NATURE OF BUSINESS

1.1 Waves Singer Pakistan Limited ("the Company") (formerly Singer Pakistan Limited) is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in retailing and trading of domestic consumer appliances and other light engineering products, besides the manufacturing and assembling of the same. The registered office of the Company is located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi.

1.2 During the year, Singer Pakistan Limited ("the Company") entered in an amalgamation and demerger arrangement, details of which are given in note 3 to these unconsolidated financial statements. In addition during the year, the company sold its factory land and building details of which are given in note 42 to these unconsolidated financial statements.

2. BASIS OF PREPARATION

2.1 These unconsolidated 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 (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

2.2 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under the Companies Ordinance, 1984.

2.3 These condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2017.

2.4 The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended 31 December 2017, whereas comparative interim profit or loss account, interim statement of comprehensive income, interim statement of cash flow and interim statement of changes in equity have been extracted from the unaudited condensed interim financial statements for the three months ended 31 March 2017.

2.5 The condensed interim financial information are presented in Pakistan Rupees which is the functional currency of the Company and rounded off to the nearest thousand rupees except stated otherwise.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018:

Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas:

(a) measurement of cash-settled share-based payments;

(b) classification of share-based payments settled net of tax withholdings; and

(c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company’s financial statements.

Transfers of Investment Property (Amendments to IAS 40 ‘Investment Property’ - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company’s financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analysing the potential impact of changes required in revenue recognition policies on adoption of the standard. Based on the preliminary assessment carried out by the management the application of interpretation is not likely to have a material impact on Company's financial statements.

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard. Management has initiated the process of evaluating the impact on the Company's financial statements and having a model for that purpose.

Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017 shall be applicable to the financial statements issued on or after 31 December 2017. Accordingly certain additional requirements / disclosures in Fifth Schedule to the Companies Act, 2017 are applicable to the financial statements of Company. Significant disclosures / requirements, which are relevant to the Company includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and/or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year, etc.

Furthermore under the Companies Act, 2017, Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of land and building to bring it in line with the requirements of IAS 16 - Property, plant and equipment. Accordingly, as of 31 December 2017, this would result in increase in equity by Rs. 113.29 million (31 December 2016: Rs. 1,095.86 million).

4. AMALGAMATION OF COOL INDUSTRIES (PRIVATE) LIMITED AND LINK WEL (PRIVATE) LIMITED WITH AND INTO THE COMPANY AND SEPERATION/ DEMERGER OF THE RETAIL BUSINESS FROM THE COMPANY AND AMALGAMATION WITH AND INTO ELECTRONICS MARKETING COMPANY (PRIVATE) LIMITED (EMCPL) (A WHOLLY OWNED SUBSIDIARY COMPANY)

During the current year, Singer Pakistan Limited ("the Company") completed a Scheme of Arrangement as follows:

- amalgamation of Cool Industries (Private) Limited (CIPL) and Link Wel (Private) Limited (LWPL) with and into the Company by transferring to, merging with and vesting in the Company the whole of CIPL and LWPL (including all assets, liabilities and obligations of CIPL and LWPL) as of the effective date (i.e. start of business on 01 July 2017) against the allotment and issue of the Company' shares to the shareholders of CIPL and LWPL. The later company was an associated company of CIPL with the same shareholders in both the companies. In addition CIPL was also a holding company of Waves Marketing (Private) Limited, a wholly owned subsidiary company.

- separation / demerger of the retail business from the Company and amalgamate the same with and into

EMCPL (an existing wholly owned subsidiary company) by transferring to, merging with and vesting in subsidiary company the whole of the retail business (including all assets, liabilities and obligations of the retails business) as of the effective date (i.e. start of business on 01 July 2017) against the allotment and issue of subsidiary company shares to the Company.

Honourable Sindh High Court (the Court), through its Order dated 22 May 2017, has approved the Scheme of Arrangement as proposed and granted sanction order for the amalgamation of CIPL and LWPL with and into the Company and demerger of retail business from the Company and amalgamate the same into the subsidiary company. The Board of Directors of the Company, in their meeting held on 27 December 2017, approved and resolved to present the Scheme of Arrangement with and into the Company before the shareholders of the Company for their approval. Approval of the secured creditors was obtained on 27 December 2017, while the shareholders of the Company approved the Scheme of Arrangement in their Extraordinary General Meeting (EOGM) held on 29 December 2017. In consideration, the Company will issue 96,450,000 ordinary shares of the Company in aggregate in favour of the shareholders of CIPL (93,975,000 shares) and LWPL (2,375,000) on the basis of swap ratio of 1 (one) ordinary share of the CIPL for every 1.79 ordinary shares of the Company and 1 (one) ordinary share of the LWPL for every 0.33 ordinary shares of the Company.

The Company expects several benefits after this merger including the synergies of operations, (merging entities being engaged in the similar nature of business), utilization and the benefits of the "Waves" brand (held by CIPL) along with the Singer brand already held by surviving company, enhancement of the marketing and advertising opportunities, increased market penetration, a large equity and asset base of the merged entity and reduction in administration cost, etc.

For the purpose of demerger, 24,800,000 ordinary shares of Rs. 10 each of EMCPL shall be allotted and issued by EMCPL to the Company.

By virtue of the above arrangement, Singer Pakistan Limited is the surviving entity and will continue to operate (as Waves Singer Pakistan Limited) along with its wholly owned subsidiary company EMPCL, while CIPL and LWPL shall dissolved and ceases to operate without winding up.

CIPL, prior to its merger was incorporated in 1980 as a private limited company under the repealed Company Ordinance, 1984 (now Companies Act, 2017) and was principally engaged in the manufacture and sale of consumer appliances under the brand name " Waves". LWPL was engaged in the business of import and trade of air conditioners and home appliances. Waves Marketing (Private) Limited, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), is principally engaged in the business of distribution and marketing of the above products.

5. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual audited financial statements of the Company for the year ended 31 December 2017.

6. ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The significant judgments, estimates and assumptions used by the management in preparation of these condensed interim financial information are the same as those applied to the annual audited financial statements for the year ended 31 December 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2017.

7. SHARE CAPITAL

7.1 Authorised Capital

This represents 145,000,000 (2016: 70,000,000) ordinary shares of Rs. 10 each amounting to Rs. 1,450 million (2016: Rs. 700 million).

7.2 In previous year, revenue reserves was transferred to accumulated losses as per the approval of Board of Directors of the Company in their meeting held on 29 April 2016.

8.	PROPERTY, PLANT AND EQUIPMENT	**(Un-audited) 30 September 2017**	(Audited) 31 December 2016
		(Rupees in '000)	
	Operating fixed assets	**4,183,684**	4,142,980
	Capital work-in-progress	**14,694**	86,363
		4,198,378	4,229,343

8.1 Following is the cost of property, plant and equipment that have been added / transferred during the three months ended 31 March 2018 (other than on account of the revaluation of land and building):

	Three months ended	
	31 March 2018	31 March 2017
	(Rupees in '000)	
Owned		
Building on leasehold land	-	-
Leasehold improvements	**1,986**	**156**
Furniture and equipment	**3,246**	**101**
Plant and machinery	**1,736**	**40,450**
Vehicles	**2,879**	**30**
Computers	**1,985**	**1,558**
	11,832	**42,295**
Leased		
Plant and machinery	-	32,891
Vehicles	**2,928**	1,678
Computers	-	2,054
	2,928	**36,623**
Capital work-in-progress	**14,694**	**777**

9. INVESTMENT PROPERTY

Carrying value as at 31 December	173,501	317,200
Carrying value on transfer from property, plant and equipment	-	169,625
Fair value gain recognised in profit and loss account during the year	-	34,676
Sale during the year	-	(348,000)
Carrying value at the year end	173,501	173,501

Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property. These are not held for use in the production or supply of goods or services or for administrative purposes.

The Company has rented out the owned shops to its subsidiary company {Electronic Marketing Company (Private) Limited}, effective from 01 July 2017, the effective date of the Scheme of Arrangement. Balance as of 31 December 2017 comprised of shops of Rs 169.625 million (representing the value on the date of transfer on 01 July 2017) and revaluation gain of Rs 3.876 million based on the revaluation / fair value of the owned shops determined on 31 December 2017. This change in the fair value is recognized in the Profit and Loss account as "Other income" and is for the six months period ended 31 December 2017 subsequent to the transfer on 01 July 2017.

Rent income of Rs 2.880 million has been recognized on the above property subsequent to the effective date of arrangement up to 31 March 2018. Agreements for the rent are valid up to 10 years and are renewable.
Surplus on revaluation of the above properties amounting to Rs 153.485 million as of 30 June 2017 continues to be maintained in the "Surplus on Revaluation of assets".

The fair value of investment properties as of 31 December 2017 has been determined by an external independent property valuer M/s Asif Associates (Private) Limited based on independent inquiries from active local realtors, recent experience in the location and the records of the valuer. The fair value measurement of the investment property had been categorized as a level 3 fair value based on the input to the valuation technique used.

Besides as more fully explained in these unconsolidated financial statements, during the year, the Company sold its entire factory land and building on 21 November 2017, the date of disposal, including the portion of above land and building amounting to Rs. 348 million held as investment property for rental purposes {this includes revaluation gain of Rs 30.8 million (2016: Rs. 109.4 million) for current period}. Furthermore, rental income of Rs. 3.15 million on the above portion of property earlier rented out has been recognized in the Profit and Loss account as "Other income".

10. INVESTMENT IN A SUBSIDIARY COMPANY

	Note	**(Un-audited) 31 March 2018**	(Audited) 31 December 2017
		(Rupees in '000)	
Electronics Marketing Company (Private) Limited	*8.1*	250,000	2,000
(EMCPL) - at cost	*8.2*	1,000	-
Waves Marketing (Private) Limited		251,000	2,000

10.1 EMCPL is a wholly owned subsidiary company of the Company. Details of the above are as follows:

Investment in 200,000 (2016: 200,000) ordinary shares of Rs. 10 each	*8.1.1*	2,000	2,000
Shares to be issued by the subsidiary company to the C under the Scheme of Arrangement	*8.1.2*	248,000	-
		250,000	2,000

10.1.1 This represents investment in 200,000 (2016: 200,000) ordinary shares of Rs. 10 each. The subsidiary company was incorporated on 9 September 2016. The principal activity of the subsidiary company is to carry out distribution / wholesales and retail business of all kinds of electronic appliances, its components and accessories, etc. The Chief Executive Officer of EMCPL is Mr. Nadeem Mahmood Butt. Net assets of the subsidiary company, including the shares to be issued by them in respect of the matter discuss in note 8.1.2, as at 31 December 2017 was Rs. 287.322 million (2016: Rs. 1.745 million).

10.1.2 This represents 24.8 million ordinary shares of the subsidiary company to be issued by them under the Scheme of Arrangement mentioned in note 3 to these unconsolidated financial statements.

10.2 This represents investment in 100,000 ordinary shares (2016: Nil) of Rs. 10 each. The Company holds 100% ownership interest in Waves Marketing (Private) Limited (WM). The subsidiary company was incorporated on 10 April 2017. The principal activity of the subsidiary company is to carry out businesses of distributors, marketers, merchants, wholesalers, retailers, traders, indentures, stockiest, suppliers, agent for product of manufacturers of other principals, local or foreign. Chief Executive Officer of WM is Mr. Moazzam Ahmed Khan. Net assets of the subsidiary company as at 31 December 2017 was Rs. 79.481 million (2016: Rs. Nil).

The Company was acquired under the business combination mentioned in note 3 to to these unconsolidated financial statements and has been recorded at the approximate fair value of the net assets acquired as of the date of acquisition, i.e. the effective date.

11. TRADE DEBTS

11.1 Retail Network	Note	(Un-audited) 31 March 2018	(Audited) 31 December 2017
		(Rupees in '000)	
Considered good - unsecured			
Hire purchase			
- Retail			611,695
- Institutional (employees of the corporate entities)			160,778
			772,473
Unearned carrying charges			(62,859)
			709,614
Considered doubtful			166,993
			876,607
Provision for doubtful debts and other receivables			(166,993)
			709,614
Assets transferred to the subsidiary company under the Scheme of Arrangeme			(709,614)
		-	-

		Note	(Un-audited) 31 March 2018	(Audited) 31 December 2017
11.2	**Wholesale**			
			(Rupees in '000)	
	Considered good - unsecured			
	Dealers		**1,986,524**	1,285,791
	Considered doubtful		**24,154**	23,433
			2,010,678	1,309,224
	Balance transferred to the subsidiary company under the Scheme of Arrange		(18,268)	(14,860)
			1,992,410	1,294,364
	Provision for doubtful debts	*15.4*	**(24,154)**	(23,433)
			1,968,256	1,270,931

11.3 Balance of Rs. 5.6 million (31 December2017: Rs. 10.60 million) due from the current and former employees net of the securities held by the Company earlier shown as a separate line item, have been included in the balance.

11.4 This includes provision of Rs. nil million during the period against the retail debtors and Rs. 0.721 million during the period against the wholesales debtors. No reversals or written off were made during the period.

12. ADVANCE, DEPOSITS, PREPAYMENTS and OTHER RECEIVABLES

This includes due from Electronic Marketing Company (Private) Limited, a wholly owned Subsidiary Company, on account of demerger/expenses allocated to them/ incurred on their behalf. The balance is unsecured and interest free.

13. LONG TERM LOANS - secured

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

	Security	Instalments payable	Repayment period	Amount of instalment (principal) (Rupees in '000)	Mark-up rate	(Un-audited) 31 March 2018	(Audited) 31 December 2017
						(Rupees in '000)	
Term loan 1	Note 8.1	quarterly	Between 2018-2021	Refer note 8.1	3 Months KIBOR Plus 3.00%	**649,458**	649,458
						-	-
						649,458	649,458
Current portion of long term loans						**(81,182)**	(81,182)
						568,276	568,276

13.1 Joint pari passu charge over the fixed assets of the Company amounting to Rs. 4,044.872 million.

14. SHORT TERM BORROWINGS, RUNNING FINANCE AND LIABILITES AGAINST ASSETS SUBJECT TO FINANCE LEASE

14.1 Short Term Borrowings and Running Finance

As compared to the year ended 31 December 2017, the Company has obtained no additional facility of from any Commercial Bank.

15.2 Liabilities against assets subject to finance lease

During the current three months period, the Company entered into lease arrangements of assets of Rs. 2.928 million. These obligations are payable in monthly instalments of Rs. 0.038 million and carry mark-up rates at 6 months KIBOR plus 3% to 4% per annum.

15.3 There were no changes in any of the other facilities during the period.

15 DEFERRED LIABILITY FOR EMPLOYEE RETIREMENT BENEFITS OBLIGATION

	Pension Fund		Gratuity					
			Permanent employees (funded)		Field staff (unfunded)		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	(Rupees in '000)							
Present value of defined benefit obligation	**90,975**	90,115	**46,765**	45,865	**-**	-	**46,765**	45,865
Fair value of plan assets	**(84,349)**	(84,402)	**(14,048)**	(14,142)	**-**	-	**(14,048)**	(14,142)
Liability on the balance sheet	**6,626**	5,713	**32,717**	31,723	**-**	-	**32,717**	31,723

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

For details of contingencies please refer to notes 24.1 and 24.2 of the annual financial statements for the year ended 31 December 2017. However, the status of contingencies remains unchanged since that reporting.

16.2 Commitments

	(Un-audited) 31 March 2018	(Audited) 31 December 2017
	(Rupees in '000)	
Outstanding letters of credit (for inventory)	**319,581**	**516,752**
Commitment in respect of Ijarah rentals	**2,025**	**2,378**

17. INCOME TAX AND DEFERRED TAX	**(Un-audited)**	(Un-audited)
	31 March	31 March
17.1 INCOME TAX	**2018**	2017
	(Rupees in '000)	
17.1.1 Details of the tax charge for the period is as follows:		
Current year	**46,393**	15,214
Prior year	**-**	-
Deferred	**(24,886)**	(1,990)
	21,507	13,224

17.1.2 During the year 2017, the Company had incurred taxable losses. However, provision for the minimum tax amounting to Rs. 38.878 million under the Income Tax Ordinance, 2001, has not been made in these unconsolidated financial statements for the year ended 31 December 2017 since the Company expects to adjust the same against its future tax liability under normal tax regime within the time limit as specified for adjustments of minimum tax in the Income Tax Ordinance, 2001. Similarly for the year ended 31 December 2014 and 31 December 2015, provision for minimum tax amounting to Rs. 16.86 million and Rs. 15.099 million respectively and for the year ended 31 December 2016, provision for Alternate Corporate Tax (ACT) (being higher than the minimum tax) amounting to Rs. 23.065 million has also not been made in these unconsolidated financial statements on the same basis.

17.1.3 The income tax assessments of the Company have been finalised up to and including the tax year 2007. The Company had applied for Income tax refund for the tax years from 2006 to 2011. Income tax refund orders were earlier determined for the tax years 2009, 2010 and 2011. Income tax refund was released for the tax year 2009. However, the ACIR amended the deemed assessed orders under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax years from 2009 to 2012 and raised additional income tax demand of Rs. 19.98 million. However, the Company had filed an application for the rectification of orders after which the net tax additional demand was reduced to Rs. 2.02 million (after the adjustment of the refund of related years) under section 221 of the Income Tax Ordinance, 2001. Appeals have been filed to CIR(A) against these orders.

Company has received appellate orders for the tax years from 2009 to 2012, dated 29 June 2015, where the CIR (appeals) has set aside certain issues for reassessment, deleted certain items and maintained certain disallowances. The financial impact of the items set aside for reassessment and continued disallowances amount to Rs. 46.25 million. Appeal has been filed with Appellate Tribunal Inland revenue against these issues. However, the Company based on the merits of matters is of the view that ultimate decisions are expected in its favour and as such no provision there against has been made.

In respect of certain other tax years, the Company has filed appeals with Appellate Tribunal Inland Revenue authorities for disallowances. However, no adverse liability is expected to occur in any of these cases.

17.1.4 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, which was amended through Finance Act, 2017 and applicable for tax year 2017 and onwards. The amendment has imposed tax at seven and a half percent of the accounting profit before tax on every public company other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least 40 percent of its after tax profit within six months of the end of the tax year through cash or bonus shares.

The Company intends to distribute sufficient dividend for the accounting year ending 31 December 2017 (if it earns profit by the year then ended) to comply with the above stated requirement. Accordingly, no provision for taxation has been recognised in these condensed interim financial information.

Above referred section 5A of the Income Tax Ordinance, 2001 was revised in the current year (through Finance Act 2017) whereby from the tax year 2017 (Company's accouting year ended 31 December 2017), tax is liable to be paid at 7.5% of the profit for the year, if no dividend at least at 40% of the after tax profit is declared. Under the earlier section, tax was not mandatorily leviable in case the Company's reserves were not in excess of the paid up capital (which was the case with the Company as it had accumulated losses). Provision for the above referred tax amounting to Rs. 9.347 million has not been paid as the Company's management is of the view that the amendment was made after the closure of Company's financial year ended 31 December 2016 and for certain other legal reasons. The Company intends to file a case against the above amendment including to obtain a stay and for this, which it expects to be received.

17.2 DEFERRED TAX LIABILITY - net

Deferred tax asset and liability comprises of taxable and deductible temporary differences in respect of the following:

	Balance as at 1 January 2017	Acquisition under the Scheme of Arrangement - net	**Recognized in profit and loss account**	**Recognised in surplus on revaluation of property, plant and equipment**	Recognised in equity / oci	**Balance as at 31 December 2017**	**Recognized in profit and loss account**	**Recognised in surplus on revaluation of property, plant and equipment**	**Balance as at 31 March 2018**
	(Rupees in '000)								
Taxable temporary differences on:									
- accelerated tax depreciation	76,390	315,887	4,959	-	-	397,236	1,240	-	398,476
- surplus on revaluation of property, plant and equipment	366,605		(4,595)	(2,980)	(356,966)	2,064	-	-	2,064
	442,995	**315,887**	**364**	**(2,980)**	**(356,966)**	**399,300**	**1,240**	**-**	**400,539**
Deductible temporary differences on:									
- provision for defined benefit plans	(3,779)	3,779	-	-	-	-	(515)	-	(515)
- provision against slow moving and obsolete stock	(7,952)		(935)		-	(8,887)	(166)	-	(9,053)
- provision for doubtful debts and other receivables	(50,289)		(8,601)		-	(58,890)	(195)	-	(59,085)
- provision for warranty obligations	(1,705)		(559)		-	(2,264)	(900)	-	(3,164)
- tax losses	(162,710)		(28,031)		-	(190,741)	-	-	(190,741)
	(226,435)	**3,779**	**(38,127)**	**-**	**-**	**(260,783)**	**(1,775)**	**-**	**(262,557)**
Deferred tax liability / (assets) - net	**216,560**	**319,666**	**(37,762)**	**(2,980)**	**(356,966)**	**138,517**	**(535)**	**-**	**137,982**

17.2.1 The management has recorded deferred tax asset based on financial projections indicating the absorption of deferred tax asset over a number of future years against future expected taxable profits. The financial projections involve certain key assumptions such as sales price and composition, raw materials, labour prices and distribution channels, etc. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset. Nonetheless, the management is confident of the achievement of its targeted results.

18. NET REVENUE

	Three months ended 31 March 2018	31 March 2017
	(Rupees in '000)	
Sales		
- Local	2,711,804	468,547
- Export	4,632	-
	2,716,436	468,547
Sales tax	(273,437)	(57,365)
Trade discounts	(562,786)	-
Sales return	(510)	-
	(836,733)	(57,365)
	1,879,703	411,182

19. COST OF SALES

	2018	2017
Opening stock - finished goods		
- own manufactured	1,050,986	285,313
- purchased for resale	112,949	52,324
	1,163,935	337,637
Purchases	198,802	35,410
Acquisition through business combination	-	-
Cost of goods manufactured	1,533,099	382,987
	2,895,836	756,034
Closing stock - finished goods		
- own manufactured	(1,164,440)	(421,728)
- purchased for resale	(162,038)	(51,525)
	(1,326,478)	(473,253)
Less: Export Rebate	-	-
	1,569,358	282,781

20. EARNINGS PER SHARE
- basic and diluted

	2018	2017
Profit / (Loss) for the period	**86,026**	35,753
	(Number in '000)	
Weighted average number of ordinary shares	**141,856**	45,406
	(Rupees)	
Earnings per share - basic and diluted	**0.61**	0.79

20.1 There were no convertible dilutive potential ordinary shares in issue as at 31 March 2018 and 31 March 2017.

21. CASH AND CASH EQUIVALENTS

	(Un-audited) 31 March 2018	(Un-audited) 31 March 2017
	(Rupees in '000)	
Cash and bank balances	**197,963**	138,019
Short term running finance - secured	**(1,391,792)**	(1,223,366)
	(1,193,829)	(1,085,347)

22. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, companies with common directorships, major shareholders, directors, key management personnel of the company and employee retirement benefit funds. The aggregate value of transactions and outstanding balances as at 31 March 2018 with related parties other than those which have been disclosed elsewhere in this condensed interim financial information are as follows:

	Note	**Nine months ended**	
		(Un-audited) 31 March 2018	(Un-audited) 31 March 2017
Transactions		**(Rupees in '000)**	
Purchases of goods		**45,106**	19,039
Services obtained		**105**	126
Sales of inventory to a subsidiary		**71,478**	124,570
Employee retirement benefits (charge for the year including in Other Comprehensive Income)			
- Gratuity Schemes		**635**	467
- Pension Scheme		**640**	672
- Provident Fund		**6,597**	569
Receipts from Employee retirement benefits			
- Gratuity Fund		**-**	-
- Provident Fund		**-**	-
Loan received from a director and a key management person		**-**	20,000
Remuneration of key management personnel		**30,463**	11,598

	Note	**(Un-audited) 31 March 2018**	(Audited) 31 December 2017
Balance payable / receivable		**(Rupees in '000)**	
Trade liability		**-**	25,950
Trade receivable from the subsidiary company		**209,739**	777,821
Employee retirement benefits - Gratuity Schemes		**32,717**	31,723
- Pension Scheme		**6,626**	5,713
- Provident Fund		**14,963**	14,397
Payable to a director and an Executive		**-**	-
Other receivable from a subsidiary company		**660,104**	660,104

NAMES OF RELATED PARTIES

1. Poseidon Synergies private limited
2. Waves Marketing Company private limited
3. Electronics Marketing Company private limited
4. Gratuity Fund, Pension Fund and Provident Fund
5. Directors and Key management personnel of the Company

22.1 Purchases of goods, materials, services and sales are at agreed rates.

22.2 Contributions to the employee retirement benefits schemes and accrual of liabilities and expenses are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Contributions to Provident Fund are made in accordance with the service rules.

22.3 Remuneration to the key management personnel are in accordance with their terms of employment.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

31 March 2018 (Un-audited)

	Carrying Amount			Fair value
	Loans and receivables	**Other financial assets**	**Total**	**Total**
	---------- (Rupees in '000) ----------			
Financial instruments				
Financial assets not measured at fair value				
Long term deposits	**11,216**	-	**11,216**	-
Trade debts	**1,986,524**	-	**1,986,524**	-
Deposit and other receivables	**592,303**	-	**592,303**	-
Cash and Bank balance	**165,584**	**77,589**	**243,173**	-
	2,755,627	**77,589**	**2,833,216**	-

	Carrying Amount			Fair value
	Loans and receivables	**Financial liabilities**	**Total**	**Total**
	---------- (Rupees in '000) ----------			
Financial liabilities not measured at fair value				
Long term loans - secured	-	**649,458**	**649,458**	-
Liabilities against assets subject to finance lease	-	**53,729**	**53,729**	-
Trade and other payables	-	**1,420,239**	**1,420,239**	-
Mark-up accrued on short term finances and long term loans	-	**48,433**	**48,433**	-
Short term borrowings - secured and unsecured		**3,371,083**	**3,371,083**	
	-	**5,542,942**	**5,542,942**	-

31 December 2017 (Audited)

	Carrying Amount			Fair value
	Loans and receivables	Other financial assets	Total	Total
	---------- (Rupees in '000) ----------			
Financial instruments				
Financial assets not measured at fair value				
Long term deposits	30,985	-	30,985	-
Trade debts	1,270,931	-	1,270,931	-
Deposit and other receivables	664,425	-	664,425	-
Investments (including mark up thereon)	-	-	-	-
Cash and Bank balance	151,013	92,160	243,173	-
	2,117,354	92,160	2,209,514	-

31 December 2017 (Audited)	Carrying Amount			Fair value
	Loans and receivables	Financial liabilities	Total	Total
	(Rupees in '000)			
Financial liabilities not measured at fair value				
Long term loans - secured	-	649,458	649,458	-
Liabilities against assets subject to finance lease	-	55,654	55,654	-
Trade and other payables	-	1,037,822	1,037,822	-
Mark-up accrued on short term finances and long term loans	-	73,767	73,767	-
Short term borrowings - secured and unsecure	-	2,748,916	2,748,916	-
	-	4,565,617	4,565,617	-

The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

Non financial assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable input and fair value measurement
Revalued Property, plant and equipment and investment property			
- Land and Building	1 Decemb 2017	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs

24. OPERATING SEGMENTS

24.1 These condensed interim financial information have been prepared on the basis of single reportable segment.

24.2 Sales to domestic customers in Pakistan are 100.0% (2017: 100.0%) and to customers outside Pakistan are Nil (2017: Nil) of the revenue during the nine months ended 31 March 2018.

24.3 All non-current assets of the Company at 31 March 2018 are located in Pakistan.

24.4 Sales to one customer, a related party (subsidiary), of the Company represented approximately Rs. Nil million (2017: nil) of the Company's total sales.

25. GENERAL

Figures have been rounded off to nearest thousand unless stated otherwise.

26. DATE OF AUTHORISATION

These condensed interim financial statements was authorised for issue by the Board of Directors in their meeting held on 07 June 2018.

Brig. Mukhtar Ahmed (Retd.)	**Haroon Ahmad Khan**	**Nadeem M. Butt**
Director	**Chief Executive**	**Director Finance**