

SINGER®



SINGER PAKISTAN LIMITED

**Condensed Interim Consolidated / Un Consolidated
Financial Statements (Un- Audited)**

FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2017

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SINGER PAKISTAN LIMITED

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Note: These Accounts are also available on Company's
Website: www.singer.com.pk

SINGER PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors

Umair Khan
Chairman

Haroon Ahmad Khan
Chief Executive Officer

Moazzam Ahmad Khan
Nighat Haroon Khan
Brig (Retd.) Mukhtar Ahmed
Mohammad Saqib Jillani
Yousuf Muhammad Farooq

Chief Financial Officer

Nadeem M. Butt

Chief Internal Auditor

Khurram Ali

Company Secretary

Tauseef Ahmed Zakai

Audit Committee

Moazzam Ahmad Khan	Chairman
Umair Khan	Member
Nighat Haroon Khan	Member

HR and Remuneration Committee

Brig (Retd.) Mukhtar Ahmed	Chairman
Moazzam Ahmad Khan	Member
Nighat Haroon Khan	Member
Yousuf Muhammad Farooq	Member

Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Dubai Islamic Bank Pakistan Limited
aysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited
Sindh Bank Limited

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Share Registrar

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal,
Karachi-74400, Pakistan.

Registered and Head Office

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

Website:

www.singer.com.pk

سنگر پاکستان لمیٹڈ

مجموعی مالیاتی گوشواروں پر ڈائریکٹرز کی رپورٹ
۳۰ ستمبر ۲۰۱۷ء کے اختتام پر کراچی: 20 اکتوبر 2017

کمپنی کے ڈائریکٹرز ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی تیسری سہ ماہی کے اختتام پر نومبر کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکے ساتھ ہی اس دورانیہ کے غیر آڈٹ شدہ نومبر کے وسط مدتی مجموعی مالیاتی گوشوارے بھی منسلک ہیں۔

حتمی مالیاتی گوشواروں پر نتائج کا جائزہ:

زیر نظر مدت کے اختتام (30 ستمبر 2017) پر مالیاتی کارکردگی درج ذیل ہے جبکہ سال گذشتہ کے دوران اسی دورانیہ کا تقابلی جائزہ بھی پیش کیا جا رہا ہے۔

پاکستانی روپیہ ملین میں		پاکستانی روپیہ ملین میں		
نومبر سال ۲۰۱۶	نومبر سال ۲۰۱۷	نومبر سال ۲۰۱۶	نومبر سال ۲۰۱۷	
323	445	1,222	1,710	مجموعی فروخت
112	154	324	551	کل منافع
35%	35%	26%	32%	مجموعی منافع % مجموعی فروخت
12	29	(5)	138	ٹیکس سے پہلے خالص منافع / (نقصان)
(3)	(9)	(2)	(52)	ٹیکس
9	21	(7)	87	ٹیکس کے بعد خالص منافع / (نقصان)
0.21	0.46	(0.16)	1.91	آمدنی / (نقصان) فی حصص ٹیکس کے بعد

کل فروخت:

کل فروخت سے آمدنی 1,710 ملین روپے رہی اور 488 ملین (+40%) کی بہتری ریکارڈ کی گئی سال گزشتہ میں اسی دورانیہ میں کل آمدنی 1,222 ملین روپے تھی۔

کل منافع:

زیر نظر دورانیہ میں کل منافع 551 ملین روپے رہا جبکہ سال گذشتہ کے اسی دورانیہ میں کل منافع 324 ملین روپے تھا۔

ٹیکس سے قبل منافع / (نقصان):

کمپنی نے 30 ستمبر 2017 کو ختم ہونے والی پہلی تین سہ ماہی کے دوران 138 ملین روپے کا خالص منافع حاصل کیا جبکہ 2016 کی پہلی تین سہ ماہی میں 5 ملین روپے کا نقصان ہوا تھا۔

ٹیکس کے بعد خالص منافع / (نقصان):

زیر نظر مدت میں ٹیکس کے بعد خالص منافع 87 ملین روپے رہا جبکہ 2016 کی اسی مدت کے دوران 7 ملین روپے کا نقصان ہوا تھا۔

منافع / (نقصان) فی شیئر:

2017 کی پہلی تین سہ ماہی کے دوران 1.91 روپے فی شیئر منافع ہوا جبکہ 2016 میں اسی دورانیہ میں 0.16 روپے فی شیئر نقصان ہوا تھا۔

یہ مثبت نتائج ریفریکریٹرز کی نئی ریٹج اور دیگر مصنوعات کے نئے ماڈلز پر بھرپور اور مسلسل انتظامی توجہ کے عکاس ہیں جو فروخت میں اضافے کے ساتھ ساتھ بہتر منافع کا سبب بنے ان اقدامات میں لاگت میں کمی، قسطوں کی سیزل میں مارک اپ کی مسابقت، دستیاب ذرائع کا بہتر استعمال، بہتر کارکردگی اور درست سرمایہ کاری شامل ہیں۔ کمپنی کی اپنی ریٹیل شاپس کی کارکردگی گزشتہ سال کے مقابلے میں بہت بہتر رہی۔ بہر کیف! ڈیلرز نیٹ ورک سے فروخت تیسری سہ ماہی کے دوران کم رہی۔ انتظامیہ کی پوری توجہ ڈیلرز نیٹ ورک کو مستحکم کرنے پر بھی ہے جو اس طریقہ کار و بار سے مطلوبہ مثبت اضافہ حاصل کرنے کیلئے بہت حد تک اپنے مقام پر ہے۔ کمپنی کی توجہ بڑے ریٹیل نیٹ ورک کو زیادہ سے زیادہ بڑھانے پر بھی ہے جو فی الوقت 140 شاپس پر مشتمل ہے مزید برآں سیزل بڑھانے اور نتائج کو بہتر کرنے کیلئے مزید دیگر برانڈ متعارف کروانے کا پروگرام ہے۔

مستقبل کیلئے پیش بندی:

کنزیومرفائننسنگ کی سہولت کے ساتھ مارکیٹ میں آنے والے نئے مسابقت کنندگان کی وجہ سے کنزیومر اپلائنسز سیکٹر میں کاروباری حالات نہایت سخت اور مسابقتانہ رہے ہیں بہر حال! آپ کی کمپنی کی انتظامیہ مستقل سرمایہ کاری، طریقہ کار میں بہتری اور جدیدیت کے ذریعے کاروبار اپنے قابل قدر حصص یافتگان کی تعداد میں اضافے کا عزم مصمم رکھتی ہے۔

فیکٹری کی زمین اور تعمیر کی فروخت اور کمپنی کی ملکیتی جگہ کی سہولت کے بجائے کرائے پر جگہ کا حصول:

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 18 اگست 2017 میں اصولی طور پر کمپنی کی فیکٹری کی زمین اور بلڈنگ ایک مجوزہ خریدار کو فروخت کرنے کی منظوری دی انتظامیہ نے مجوزہ خریدار سے بات چیت کی جو آخر کار =/55,000 روپے مربع گز (کل قیمت مبلغ =/2,077,777,900 روپے) پر رضامند ہوئے۔ اس مجوزہ فروخت کی منظوری بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 30 اگست 2017 میں دی جسکو کمپنی کے ممبران نے غیر معمولی جنرل میٹنگ منعقدہ 14 اکتوبر 2017 میں منظور کیا۔ خریدار کے ساتھ سیلز کے معاہدے پر دستخط ہو چکے ہیں اور فائنل سیلز ڈیڈ مکمل ہونے کی آخری تاریخ 15 نومبر 2017 مقرر کی گئی ہے۔ مذکورہ فروخت سے حاصل ہونے والے سرمایہ سے کمپنی کے قرضہ جات کی ادائیگی اور سرمایہ کی مد میں ہونے والی لاگت میں خاطر خواہ کمی ہوگی جس سے یقینی طور پر نتائج میں بہتری آئیگی۔

بورڈ نے کمپنی کی مصنوعات کی تیاری اور کاروبار بلا تعطل جاری رکھنے کیلئے مذکورہ گاہک کے ساتھ ایک کرایہ داری معاہدے کی منظوری بھی دی جس پر فائنل سیلز ڈیڈ پر دستخط ہونے کے ساتھ ساتھ دستخط ہوئے۔

ڈیویڈنڈز:

ماضی میں کمپنی کو ہونے والے بھاری نقصانات کے پیش نظر کمپنی کے ڈائریکٹرز نے شیئر ہولڈرز کی منظوری کے لئے ڈیویڈنڈ یا بونس کی مد میں کسی قسم کی ادائیگی کی سفارش نہیں کی

اعتراف:

ہم اپنے تمام کرم فرماؤں کے شکر گزار ہیں اور ان کی جانب سے آئندہ بھی مسلسل معاونت کے طلبگار ہیں۔

بورڈ کی وساطت سے

——————

ہارون اے۔ خان

چیف ایگزیکٹو آفیسر

کراچی: ۲۰ اکتوبر ۲۰۱۷

SINGER PAKISTAN LIMITED

Report of the Directors on Consolidated Financial Statements

For the Nine Months Ended 30th September 2017

The Directors of the Company are pleased to present their report and the un-audited condensed interim consolidated financial statements of the Company for the nine months period ended 30 September 2017.

Overview of Results on Consolidated Financial Statements

The consolidated financial performance for the nine months period ended 30th September 2017 and the comparative period of the previous year is summarized as follows:

	PKR Million		PKR Million	
	Nine Months 2017	Nine Months 2016	3rd Qtr. 2017	3rd Qtr. 2016
Gross Sales	1,710	1,222	445	323
Gross Profit	551	324	154	112
G. Profit % to G. Sales	32%	26%	35%	35%
Net Profit / (Loss) before Tax	138	(5)	29	12
Taxation	(52)	(2)	(9)	(3)
Net Profit / (Loss) after tax	87	(7)	21	9
Earnings / (Loss) Per Share after tax	1.91	(0.16)	0.46	0.21

Gross Sales:

During the period gross sales revenue stood at Rs. 1,710 million and witnessed a growth of 488 million (+40%) compared to Rs. 1,222 million of the corresponding period of the last year.

Gross Profit:

Gross Profit for the period stood at Rs. 551 million compared to Rs. 324 million of the corresponding period of the last year.

Net Profit / (Loss) before tax

The company made a net profit before tax of Rs 138 million for the nine months ended 30 September 2017 compared to a loss of (Rs. 5 million) for the corresponding period of 2016.

Net Profit / (Loss) after tax

Net profit after tax stands at Rs. 87 million for the period against a loss of (Rs. 7 million) for the corresponding period of 2016

Earnings / (Loss) per Share

Earnings per Share achieved is Rs. 1.91 as compared to Loss per Share of (Rs. 0.16) of corresponding period of last year.

The improvement reflected in the results has been achieved through persistent management efforts in promoting new range of refrigerators and other product models resulting in growth in sales volume coupled with better gross margins through cost savings, offering competitive markup on installment sales, better resource planning and improved capacity utilization. Sales through the Company's own retail shops have significantly improved compared to the last year. However, dealer network sales remained low during the 3rd quarter. The management remained focused to strengthen sales team to handle the dealers' network and the results in form of higher sales through Company's newly developed/strengthened dealers' network have started coming in. The management is also focusing to maximize the potential of company's large retail network of 140 shops and is introducing more multi brand products to improve sales revenue and operating results.

Future Outlook:

While the market for Consumer Durables and Appliances have grown substantially and are expected to continue to grow, the environment remains challenging to bring newer models in line with changing trends, bringing competitive costs efficiencies and to continuously reinforce the human resource engaged in the business. Your Company has made substantial progress in these areas and the results have started yielding. Management has also continuously strengthened Company's owned retail network which is a major competitive edge this Company has over all other manufacturers of the Consumer Durables in the country.

Sale of Factory Land and Building and Shifting From owned manufacturing facility to a lease/rental model.

The Board of Directors in their meeting dated 18th August 2017 approved in principal the sale of Company's factory land and building to a potential buyer. The management negotiated the proposal with the buyer who finally offered Rs. 55,000 per Sq. Yard and a total price of Rs. 2,077,777,900. The sale proposal is approved by the Board in their meeting dated 30th August 2017 and by the members in the Extra Ordinary General meeting on 4th October 2017. The Sale agreement has been signed with the buyer and the final sale deed execution is fixed maximum by 15th November 2017. The sale proceeds of the transaction shall be used to substantially reduce company's borrowings and debt servicing cost thereby improving the net operating results in the immediate future and subsequently to fuel the growth in Company's operations.

The Board has also approved to enter in to a Lease / Rental Agreement with the buyer to continue business / manufacturing activities of the Company without any interruption. The Lease / Rental agreement for the required area shall be signed simultaneously with the signing of the sale execution deed.


Dividends

Taking in to consideration accumulated losses sustained by the Company in the Past, the Directors of the Company has not recommended any payment towards dividend and bonus shares, for approval by the shareholders.

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: 20 October 2017

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The Condensed Interim Consolidated
Financial Statements

SINGER PAKISTAN LIMITED

Condensed Interim Consolidated Balance Sheet

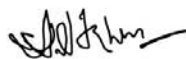
As at 30 September 2017

	Note	Un-audited 30 September 2017	Audited 31 December 2016		Note	Un-audited 30 September 2017	Audited 31 December 2016
------(Rupees in '000)-----				------(Rupees in '000)-----			
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Non-current assets			
Authorised capital 70,000,000 (2016: 70,000,000) ordinary shares of Rs. 10 each	6.1	700,000	700,000	Property, plant and equipment	12	643,241	1,657,732
Issued, subscribed and paid-up capital		454,056	454,056	Intangible assets		19,445	22,345
Capital reserve		5,000	5,000	Investment property	13	-	317,200
Revenue reserve		-	-	Non Current Assets held for sale	14	1,586,802	
Accumulated loss		(55,057)	(150,507)	Long term deposits		22,206	18,514
		403,999	308,549			2,271,694	2,015,791
Surplus on revaluation of property, plant and equipment - net of tax	12	1,179,333	1,095,855	Current assets			
Non-current liabilities				Stores, spares and loose tools		4,920	5,112
Long term loans-secured	7	518,750	528,125	Stock-in-trade		827,052	509,039
Liabilities against assets subject to finance lease	8	40,140	10,944	Trade debts	15		
Deferred liability for employee retirement benefits obligation	9	64,696	51,612	- Retail		784,992	714,943
Deferred tax - net	16	288,146	216,560	- Wholesale		553,368	348,374
Deferred income		937	2,340	Advances, deposits, prepayments and other receivables		33,083	32,876
		912,669	809,581	Taxation - net	16	161,855	157,100
				Cash and bank balances		119,516	150,097
						2,484,786	1,917,541
Current liabilities							
Trade and other payables	10	915,762	474,796				
Mark-up accrued on short term loans, running finance and long term loans		45,813	40,005				
Short term running finance - secured	8	896,970	897,396				
Short term borrowings - secured	8	370,773	280,000				
Current portion of long term loans	7	18,750	18,750				
Current portion of liabilities against assets subject to finance lease	8	10,540	6,529				
Current portion of deferred income		1,871	1,871				
		2,260,479	1,719,347				
Contingencies and commitments							
		4,756,480	3,933,332			4,756,480	3,933,332

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



Director



Chief Executive

SINGER PAKISTAN LIMITED

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

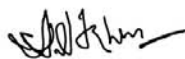
For the nine months ended 30 September 2017

	Nine months ended		Three months ended	
	Note 30 September 2017	30 September 2016	30 September 2017	30 September 2016
----- (Rupees in '000) -----				
Sales	1,709,963	1,221,737	445,484	322,875
Sales tax and discount	(266,677)	(144,392)	(57,335)	(37,039)
	<u>1,443,286</u>	<u>1,077,345</u>	<u>388,149</u>	<u>285,836</u>
Cost of sales	17 (892,738)	(753,300)	(233,865)	(174,027)
Gross margin	550,548	324,045	154,284	111,809
Marketing, selling and distribution cost	(345,594)	(326,869)	(108,450)	(112,628)
Administrative expenses	(42,492)	(53,811)	(19,746)	(15,582)
Other expenses	(18,192)	27,764	(2,034)	29,982
Other income	54,812	23,621	18,009	4,374
	<u>(351,466)</u>	<u>(329,295)</u>	<u>(112,221)</u>	<u>(93,854)</u>
	<u>199,082</u>	<u>(5,250)</u>	<u>42,063</u>	<u>17,955</u>
Earned carrying charges	63,323	103,807	28,611	30,100
Finance cost	(124,037)	(104,089)	(41,228)	(36,122)
	<u>(60,714)</u>	<u>(282)</u>	<u>(12,617)</u>	<u>(6,022)</u>
Profit / (loss) before taxation	138,368	(5,532)	29,446	11,933
Taxation	16 (51,823)	(1,836)	(8,505)	(2,506)
Profit / (loss) for the year	86,545	(7,368)	20,941	9,427
----- (Rupee) -----				
Earnings per share - basic and diluted	19 <u>1.91</u>	<u>(0.16)</u>	<u>0.46</u>	<u>0.21</u>

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



Director



Chief Executive

SINGER PAKISTAN LIMITED

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 30 September 2017

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>------(Rupees in '000)-----</u>			
Net profit / (loss) for the period	86,545	(7,368)	20,941	9,427
Other comprehensive income	-	-	-	-
<i>Item that will not be reclassified to profit and loss:</i>				
Actuarial loss on employee retirement benefit	(2,947)	-	(2,947)	
Total comprehensive income for the period	<u>83,598</u>	<u>(7,368)</u>	<u>17,994</u>	<u>9,427</u>

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



Director



Chief Executive

SINGER PAKISTAN LIMITED

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

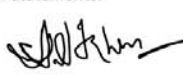
For the nine months ended 30 September 2017

Note	Nine months ended 30 September 2017	Nine months ended 30 September 2016
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	138,368	(5,532)
Adjustment for:		
- Depreciation on property, plant and equipment	63,941	36,846
- Amortisation of intangible assets	2,900	2,849
- Finance cost	124,037	104,089
- Amortisation of deferred income	(1,403)	(1,405)
- Gain on disposal of property, plant and equipment	-	(309)
- Unrealised gain on investment property at fair value	(30,800)	-
- Provision for employee retirement benefits	14,250	5,157
	311,293	141,695
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	192	881
Stock-in-trade	(318,013)	(88,682)
Trade debts and other receivables	(275,043)	(128,767)
Advances, deposits, prepayments and other receivables	(207)	(18,904)
Increase in current liabilities		
Trade and other payables	502,307	24,361
	(90,764)	(211,111)
	220,529	(69,416)
Income tax paid	(29,558)	(15,567)
Finance cost paid	(116,418)	(102,817)
Employee retirement benefits paid	(1,166)	(998)
Long term deposits - net	(3,692)	3,793
Net cash flows from operating activities	69,695	(185,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure net	(96,833)	(51,469)
Investments matured during the period - net	-	36,000
Net cash flows from investing activities	(96,833)	(15,469)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - net	(9,375)	445,041
Borrowing / (repayment) of short term finances	90,773	(14,900)
Lease rentals paid	(23,071)	(7,082)
Net cash flows from financing activities	58,327	423,059
Net (decrease) / increase in cash and cash equivalents	31,189	222,585
Cash and cash equivalents at beginning of the period	(808,643)	(950,528)
Cash and cash equivalents at end of the period	20 (777,454)	(727,943)

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



Director



Chief Executive

SINGER PAKISTAN LIMITED

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

For the nine months ended 30 September 2017

Note	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Accumulated loss	Total
	------(Rupees in '000)-----				
Balance as at 31 December 2015	454,056	5,000	117,837	(379,436)	197,457
Transfer from revenue reserve	6.2	-	(117,837)	117,837	-
Total comprehensive income for the nine months period ended 30 September 2016					
Loss for the period	-	-	-	(7,368)	(7,368)
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)	-	-	-	-	-
	-	-	-	(7,368)	(7,368)
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	9,092	9,092
Balance as at 30 September 2016	454,056	5,000	-	(259,875)	199,181
Total comprehensive income for the three months period ended 31 December 2016					
Profit for the period	-	-	-	102,490	102,490
Net actuarial gain recognised directly in 'Other Comprehensive Income' net of tax	-	-	-	1,921	1,921
	-	-	-	104,411	104,411
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	4,957	4,957
Balance as at 31 December 2016	454,056	5,000	-	(150,507)	308,549
Total comprehensive income for the nine months ended 30 September 2017					
Profit for the period	-	-	-	86,545	86,545
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)	-	-	-	(2,947)	(2,947)
	-	-	-	83,598	83,598
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	11,851	11,851
Balance as at 30 September 2017	454,056	5,000	-	(55,057)	403,999

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



Director



Chief Executive

SINGER PAKISTAN LIMITED

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 30 September 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1 The "Group" comprises of the Holding Company and the Subsidiary Company mentioned below.

Holding Company - Singer Pakistan Limited (SPL)

Singer Pakistan Limited ("the Company") is incorporated in Pakistan as a public company limited by shares and is quoted on 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.

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

Electronics Marketing Company (Private) Limited ("the Company") was incorporated on 09 September 2016 as a private limited company under the Companies Ordinance, 1984. The Company is a wholly owned subsidiary company of Singer Pakistan Limited (the Holding Company). The Company has yet to commence its operations. The principal activity of the Company will be to carry out distribution/ whole sales business of all kinds of electronic appliances, its components and accessories, etc. The registered office of the Company is located at Plot 39, Sector 19, Korangi Industrial Area, Singer Roundabout, Karachi.

2. BASIS OF PREPARATION

- 2.1 These consolidated condensed interim financial statements of the Group for the nine months ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34- Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under repealed Companies Ordinance, 1984 have been followed.
- 2.2 These consolidated condensed interim financial statements are unaudited and unreviewed and are being submitted to the shareholders as required under the Companies Ordinance, 1984.
- 2.3 These consolidated condensed interim financial statements are unaudited and unreviewed and are being submitted to the shareholders as required under the Companies Ordinance, 1984. These consolidated condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended 31 December 2016.

- 2.4** The comparative balance sheet presented in these consolidated condensed interim financial statements has been extracted from the audited financial statements of the Group for the year ended 31 December 2016, 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 consolidated condensed interim financial statements for the nine months ended 30 September 2016.
- 2.5** The consolidated condensed interim financial information are presented in Pakistan Rupees which is the functional currency of the Group 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**

New Standards, Interpretations and Amendments

Following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes';
- Amendments to IAS 7 'Statement of Cash Flows';
- Amendments to IFRS 2 'Share-based Payment';
- Amendments to IAS 40 'Investment Property' - Transfers of Investment Property ;
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration';
- IFRIC 23 'Uncertainty over Income Tax Treatments'.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards: standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities'; and
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'

Above amendments are not likely to have an impact on Group's financial statements.

Companies Act, 2017 was enacted on 30 May 2017 and is applicable with immediate effect. SECP through its press release and vide its circular 17 of 2017 has clarified that the companies whose financial year including the quarterly and other interim period, closes on or before 30 June 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirement of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after 30 June 2017.

Companies Act, 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to the 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 property, plant and equipment to bring it in line with the requirements of IAS 16- Property, plant and equipment. This would result in increase in equity by Rs. 1,179.333 million as of 30 September 2017 (31 December 2016: Rs. 1,095.855 million).

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated 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 Group for the year ended 31 December 2016.

5. ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The significant judgments, estimates and assumptions used by the management in preparation of these consolidated condensed interim financial information are the same as those applied to the annual audited financial statements for the year ended 31 December 2016.

The Group'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 2016.

6. SHARE CAPITAL

6.1 Authorised Capital

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

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

7. LONG TERM LOANS - secured

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

	Security Note	Instalments payable	Repayment period	Amount of instalment (principal) (Rupees in '000)	Mark-up rate	Un-audited 30 September 2017 ------(Rupees in '000)-----	Audited 31 December 2016
Term loan 1	7.1	quarterly	Between 2018-2021	Refer note 7.4	3 Months KIBOR Plus 3.00%	500,000	500,000
Term loan 2	7.2	quarterly	Between 2014-2019	4,688	3 Months KIBOR Plus 1.75%	37,500	46,875
						537,500	546,875
Current portion of long term loans						(18,750)	(18,750)
						518,750	528,125

7.1 Equitable mortgage charge on owned shops of the Group and first pari passu charge on land, building, machinery and equipments located at the factory.

- 7.2** First pari passu charge on land, building, machinery and equipment located at the factory.
- 7.3** At the period end, the applicable mark-up rate was between 7.27% to 8.68% per annum (31 December 2016: 7.87% to 9.12%).
- 7.4** Term loan 1 from a Bank is repayable in different quarterly principal amounts between Rs. 40.3 million to Rs. 50.9 million from 30 September 2018 to 31 March 2021.

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

8.1 Running Finance

As compared to the year ended 31 December 2016, the Group has obtained an additional facility of Rs. 25 million from a Commercial Bank, of which Rs. 23.614 million was utilized as of 30 September 2017. This facility carries mark-up at 3 months KIBOR + 2.5% and is secured against hypothecation over the present and future current assets. The facility is valid up to 31 January 2018 and is generally renewable.

8.2 Short term borrowings

8.2.1 During the current nine months period ended 30 September 2017, the Group received Rs. 68 million from a private group. The principal amount is repayable in the quarterly instalments of Rs. 34 million each in August 2017 and November 2017. The borrowings carries fixed profit at 26.15% per annum payable on quarterly basis for each principal repayment mentioned above. This is an unsecured borrowing.

8.2.2 During the period, the Group borrowed Rs. 16 million (net of repayment of Rs. 45 million) from the Executive Officer and Rs. 15 million from the Deputy Chief Executive Officer (key management personnel and related parties). The borrowings are unsecured, interest free and are repayable on demand.

8.3 Liabilities against assets subject to finance lease

During the current nine months period, the Group entered into lease arrangements of assets of Rs. 39.91 million. These obligations are payable in monthly instalments of Rs. 0.038 million to Rs. 0.763 million and carry mark-up rates at 6 months KIBOR plus 3% to 4% per annum.

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

9. DEFERRED LIABILITY FOR EMPLOYEE RETIREMENT BENEFITS OBLIGATION

These are on the basis of actuarial valuation carried out as of 30 June, 2017. Brief details are as follows:

	Pension Fund		Gratuity				Total	
	2017	2016	Permanent employees (funded)		Field staff (unfunded)		2017	2016
			2017	2016	2017	2016		
Present value of defined benefit obligation	83,569	80,268	35,332	34,166	17,278	13,346	52,610	47,512
Fair value of plan assets	(58,333)	(61,782)	(13,150)	(14,386)	-	-	(13,150)	(14,386)
Liability on the balance sheet	25,236	18,486	22,182	19,780	17,278	13,346	39,460	33,126

10. TRADE AND OTHER PAYABLES

10.1 This includes advance of Rs. 250.0 million received during the period against the sale of the Company's factory land and buildings from the prospective purchaser of the said property.

10.2 This also includes advance of Rs. 68.503 million (net of repayment of Rs. 71.5 million) received during the period from a customer, a related party, against the sale of goods.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

For details of contingencies please refer to notes 13.1 and 13.2 of the annual financial statements for the year ended 31 December 2016. However, the status of contingencies remains unchanged since that reporting.

11.2 Commitments

	(Un-audited) 30 September 2017	(Audited) 31 December 2016
	(Rupees in '000)	
Capital expenditure (software development)	-	14,028
Outstanding letters of credit (for inventory)	21,186	171,820
Commitment in respect of Ijarah rentals	2,635	3,649

12. PROPERTY, PLANT AND EQUIPMENT

(Un-audited) (Audited)
30 September 31 December
2017 2016
(Rupees in '000)

Operating fixed assets	643,241	1,585,584
Capital work-in-progress	-	72,148
	<u>643,241</u>	<u>1,657,732</u>

12.1 Following is the cost of property, plant and equipment that have been added / transferred during the nine months ended 30 September 2017 (other than on account of the revaluation of land and building):

	Transfers to Leased Assets (sale and lease back)		
	Additions	Cost	Accumulated Depreciation
	----- (Rupees in '000) -----		
Owned			
Building on leasehold land	1,376	-	-
Leasehold improvements	108,258	-	-
Furniture and equipment	816	-	-
Plant and machinery	95,961	42,386	159
Vehicles	4,275	1,678	7
Computers	4,414	2,054	177
	<u>215,099</u>	<u>46,118</u>	<u>343</u>
Leased			
Plant and machinery	42,795	-	-
Vehicles	9,618	-	-
Computers	2,054	-	-
	<u>54,467</u>	<u>-</u>	<u>-</u>

12.2 Leasehold land and buildings on leasehold land of the Group were revalued on 30 June 2017 by Asif Associates (Private) Limited on market value basis after making independent market inquiries from local property dealers and estate agents to ascertain the market price for properties of the same nature in the immediate neighborhood and adjoining areas.

Revaluations of the above assets were last carried out in 2016 (land and buildings), 2015 (land and buildings), 2014 (land and buildings), 2013 (land only) and 2010 (land only). The resulting surplus has been credited to the revaluation surplus account. The impact of revaluation for the year amounting to Rs.136.18 million has been incorporated in the financial statement. Total surplus on account of the revaluation as of 30 September 2017 amount to Rs. 1,179.333 million.

Details of the revaluations are as follows:

	Carrying value as of 30 September 2017 (before revaluation for the current period)	Revaluation surplus during the period	Revalued amount as of 30 September 2017
	----- (Rupees in '000) -----		
Land	1,083,146	133,854	1,217,000
Buildings	192,170	2,330	194,500
	<u>1,275,316</u>	<u>136,184</u>	<u>1,411,500</u>

13. INVESTMENT PROPERTY

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 Group's business model i.e. the Group's intentions regarding the use of a property is the primary criterion for classification as an investment property.

The Group has sublet certain portion of land and building thereon in the factory to a third party. Changes in fair values are recognised as gain in Profit and Loss and included in 'Other Income'. The investment property comprises of land and building, comprising 68,000 square feet out of total 339,993 square feet (20% of the Group's total factory area).

The fair value of investment property as of 30 June 2017 have 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 has been categorized as a level 3 fair value based on the input to the valuation technique used. Difference of Rs. 30.8 million between the fair value and carrying amount has been recognized in the profit and loss account of the period. Earlier the valuations were carried out on 5 July 2016 and 27 July 2017.

There has been no additions / deletions in this assets during the year. However, as the management's decision to sale the factory land and buildings the said rental agreement is terminated.

During the year, the Group received an amount of Rs. 2.1 million as advance rental payment, which has been amortized during the year and included in Profit and Loss as "Other Income".

14. NON CURRENT ASSETS HELD FOR SALE

The Board of Directors in their meeting held on 30 August 2017 have approved and authorised a Committee of the Chief Executive Officer and a Director to finalise the sale of the Company's factory land and buildings thereon. The Board has also authorised the

said Committee to simultaneously enter into lease / rental agreement with the prospective purchaser of the said property for the continuation of uninterrupted use 'of the required area of factory land and buildings for business / manufacturing activities of the Company.

Above rent agreement is expected to be signed simultaneously with sale of the land and buildings. Proceeds thereof is expected to be substantially used for the settlement and the reduction of the Company's borrowings enabling the Company to reduce its borrowing cost.

15. TRADE DEBTS	Note	(Un-audited) 30 September 2017	(Audited) 31 December 2016
15.1 Retail Network			
Considered good - unsecured			
Hire purchase			
- Retail	14.3	690,525	600,965
- Institutional (employees of the corporate entities)		160,972	143,438
		851,497	744,403
Unearned carrying charges		(66,505)	(29,460)
		784,992	714,943
Considered doubtful		166,980	159,376
		951,972	874,319
Provision for doubtful debts and other receivables	14.4	(166,980)	(159,376)
		784,992	714,943
15.2 Wholesale			
Considered good - unsecured			
Dealers		553,368	348,374
Considered doubtful		19,372	18,204
		572,740	366,578
Provision for doubtful debts	14.4	(19,372)	(18,204)
		553,368	348,374
15.3 Balance of Rs. 7.872 million (2016: Rs. 92.382 million) due from the current and former employees net of the securities held by the Group earlier shown as a separate line item, have been included in the balance.			
15.4 This includes provision of Rs. 7.617 million during the period against the retail debtors and Rs. 1.062 million during the period against the wholesales debtors. No reversals or written off were made during the period.			

16. INCOME TAX AND DEFERRED TAX

16.1 INCOME TAX

	(Un-audited) 30 September 2017	(Un-audited) 30 September 2016
--	--------------------------------------	--------------------------------------

(Rupees in '000)

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

Current year	2,782	1,320
Prior year	5,347	-
Deferred	43,694	(1,990)
	51,823	(670)

16.1.2 During the year ended 31 December 2016, the Group had incurred taxable losses. However, provision for tax liability under normal tax regime within the time limit as specified for adjustments of minimum tax in the Income Tax Ordinance, 2001. For the current period ended 30 September 2017 provision for Alternate Corporate Tax (being higher than the minimum tax) amounting to Rs. 14.6 million has also not been made in these financial statements on the same basis. minimum turnover tax charge of Rs. 13.182 million under the Income Tax Ordinance, 2001, was not made in the financial statements for the year ended 31 December 2016 since the Group expects to adjust the same against its future.

16.1.3 "The income tax assessments of the Group have been finalised up to and including the tax year 2007. The Group had applied for Income tax refund for the tax years from 2006 to 2011. Income 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 Group 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.

Group 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 Group 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 Group has filed appeals with Appellate Tribunal Inland Revenue authorities for disallowances. However, no adverse liability is expected to occur in any of these cases.

16.1.4 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public Group 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 half percent of the

accounting profit before tax on every public Group 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 Group 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 recognized in these consolidated 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 (Group's accounting 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 Group's reserves were not in excess of the paid-up capital (which was the case with the Group as it had accumulated losses). Provision for the above referred tax amounting to Rs. 9.347 million has not been paid as the Group's management is of the view that the amendment was made after the closure of Group's financial year ended 31 December 2016 and for certain other legal reasons. The Group intends to file a case against the above amendment including to obtain a stay and for this, which it expects to be received.

16.2 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 2016	Recognized in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	"Balance as at 31 December 2016"	Recognized in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	"Balance as at 30 September 2017"
----- (Rupees in '000) -----							
Taxable temporary differences on:	30,346	46,044	-	76,390	39,018	-	115,408
- accelerated tax depreciation							
- surplus on revaluation of property, plant and equipment	337,216	(5,196)	34,585	366,605	(11,851)	40,855	395,609
	<u>367,562</u>	<u>40,848</u>	<u>34,585</u>	<u>442,995</u>	<u>27,167</u>	<u>40,855</u>	<u>511,017</u>
Deductible temporary differences on:	(4,277)	498	-	(3,779)	(431)	-	(4,210)
- provision for defined benefit plans							
- provision against slow moving and obsolete stock	(11,275)	3,323	-	(7,952)	1,635	-	(6,317)
- provision for doubtful debts and other receivables	(74,595)	24,306	-	(50,289)	(2,737)	-	(53,026)
- provision for warranty obligations	(1,755)	50	-	(1,705)	(7)	-	(1,712)
- tax losses (note 15.2.1)	(102,513)	(60,197)	-	(162,710)	(8,342)	-	(157,607)
	<u>(194,415)</u>	<u>(32,020)</u>	-	<u>(226,435)</u>	<u>(9,882)</u>	-	<u>(222,872)</u>
Deferred tax liability / (assets) - net	<u>173,147</u>	<u>8,828</u>	<u>34,585</u>	<u>216,560</u>	<u>17,286</u>	<u>40,855</u>	<u>288,146</u>

16.2.1 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.

17. NET REVENUE

	Nine months ended		Three months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	----- (Rupees in '000) -----			
Sales				
- Local	1,709,963	1,221,737	445,484	322,875
Sales tax	(181,552)	(144,392)	(45,630)	(37,039)
Trade discounts	(85,125)	-	(11,705)	-
	(266,677)	(144,392)	(57,335)	(37,039)
	1,443,286	1,077,345	388,149	285,836

18. COST OF SALES

Opening stock - finished goods				
- own manufactured	285,313	176,014	450,004	174,697
- purchased for resale	52,324	60,723	39,797	29,792
Purchases - finished goods	288,162	220,205	161,925	61,973
Cost of goods manufactured	865,684	598,421	180,884	209,628
	1,491,483	1,055,363	832,610	476,090
Closing stock - finished goods				-
- own manufactured	(553,244)	(277,266)	(553,244)	(277,266)
- purchased for resale	(45,501)	(24,797)	(45,501)	(24,797)
	892,738	753,300	233,865	174,027

19. EARNINGS PER SHARE - basic and diluted

Profit / (Loss) for the period	86,545	(7,368)	20,941	9,427
	----- (Number in '000) -----			
Weighted average number of ordinary shares	45,406	45,406	45,406	45,406
	----- (Rupees) -----			
Earnings per share - basic and diluted	1.91	(0.16)	0.46	0.21

19.1 There were no convertible dilutive potential ordinary shares in issue as at 30 September 2017 and 30 September 2016.

(Un-audited)
30 September
2017

(Un-audited)
30 September
2016

20. CASH AND CASH EQUIVALENTS

------(Rupees in '000)-----

Cash and bank balances	119,516	83,592
Short term running finance - secured	(896,970)	(811,535)
	<u>(777,454)</u>	<u>(727,943)</u>

21. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, companies with common directorships, major shareholders, directors, key management personnel of the Group and employee retirement benefit funds. The aggregate value of transactions and outstanding balances as at 30 September 2017 with related parties other than those which have been disclosed elsewhere in this condensed interim financial information are as follows:

Note

Nine months ended
30 September 2017 30 September 2016

Transactions

---(Rupees in '000)---

Purchases of goods	21.1	<u>50,414</u>	13,986
Services obtained	21.1	-	1,974
Employee retirement benefits (charge for the year including in Other Comprehensive Income)			
- Gratuity Schemes	21.2	<u>5,867</u>	<u>1,380</u>
- Pension Scheme	21.2	<u>6,689</u>	<u>1,428</u>
- Provident Fund	21.2	<u>18,868</u>	<u>3,324</u>
Receipts from Employee retirement benefits			
- Gratuity Fund	8.2.1	<u>1,000</u>	-
- Provident Fund	8.2.1	<u>14,000</u>	-
Loan received from a director and a key management person	8.2.3	<u>102,000</u>	<u>28,000</u>
Advance received from an associated Group against sale of goods		<u>140,000</u>	-
Sale of goods to an associated Group against advance		<u>71,496</u>	-
Repayment of loan to a director		<u>(71,000)</u>	-
Remuneration of key management personnel	21.3	<u>45,695</u>	<u>40,232</u>

	Note	(Un-audited) 30 September 2017	(Audited) 31 December 2016
Balance payable / receivable			
----(Rupees in '000)----			
Trade liability	21.1	50,414	-
Employee retirement benefits - Gratuity Schemes	8.2.1 & 21.2	40,460	19,780
Employee retirement benefits - Pension Scheme	21.2	25,236	18,486
Employee retirement benefits - Provident Fund	21.2	15,413	965
Payable to a director and an Executive	8.2.3	31,000	-
Advance from an associated Group against the sale of goods	10.2	68,504	-

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

21.2 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.

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

22. 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 order 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 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:

30 September 2017 (Un-audited)	Carrying Amount			Fair value
	Loans and receivables	Other financial assets	Total	Total
Financial instruments	------(Rupees in '000)-----			
Financial assets not measured at fair value				
Long term deposits	22,206	-	22,206	-
Trade debts	1,338,360	-	1,338,360	-
Deposit and other receivables	18,836	-	18,836	-
Cash and Bank balance	41,927	77,589	119,516	-
	1,421,329	77,589	1,498,918	-
	Carrying Amount			Fair value
	Loans and receivables	Other financial liabilities	Total	Total
	------(Rupees in '000)-----			
Financial liabilities not measured at fair value				
Long term loans - secured	-	537,500	537,500	-
Liabilities against assets subject to finance lease	-	50,680	50,680	-
Trade and other payables	-	585,046	585,046	-
Mark-up accrued on short term finances and long term loans	-	45,813	45,813	-
Short term finance - secured	-	896,970	896,970	-
Short term borrowings	-	370,773	370,773	-
	-	2,486,782	2,486,782	-

31 December, 2016 (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	18,514	-	18,514	-
Trade debts	1,063,317	-	1,063,317	-
Deposit and other receivables	16,585	-	16,585	-
Investments (including mark up thereon)	-	-	-	-
Cash and Bank balance	65,624	82,468	148,092	-
	<u>1,164,040</u>	<u>82,468</u>	<u>1,246,508</u>	<u>-</u>

31 December, 2016 (Audited)

	Carrying Amount			Fair value
	Loans and receivables	Other financial liabilities	Total	Total

------(Rupees in '000)-----

Financial liabilities not measured at fair value

Long term loans - secured	-	546,875	546,875	-
Liabilities against assets subject to finance lease	-	17,473	17,473	-
Trade and other payables	-	401,765	401,765	-
Mark-up accrued on short term finances and long term loans	-	40,005	40,005	-
Short term finance - secured	-	1,177,396	1,177,396	-
	-	<u>2,183,514</u>	<u>2,183,514</u>	<u>-</u>

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	30 June, 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 values 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
---------------------	---------------	--	--

23. OPERATING SEGMENTS

- 23.1** These consolidated condensed interim financial information have been prepared on the basis of single reportable segment.
- 23.2** Sales to domestic customers in Pakistan are 100.0% (2016: 100.0%) and to customers outside Pakistan are Nil (2016: Nil) of the revenue during the nine months ended 30 September 2017.
- 23.3** All non-current assets of the Company at 30 September 2017 are located in Pakistan.
- 23.4** Sales to one customer, a related party (subsidiary), of the Company represented approximately Rs. 264 million (2016: nil) of the Company's total sales.

24. POST BALANCE SHEET NON ADJUSTING EVENT AND GOING CONCERN ASSUMPTION

The Company is of the view that the Company will continue as a going concern despite the sale of the factory land and buildings due to the expectation of the lease / rental agreement mentioned above and in case of the need be, in future, the Company may also relocate its manufacturing and business facilities to an alternate location.

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 20 October 2017.



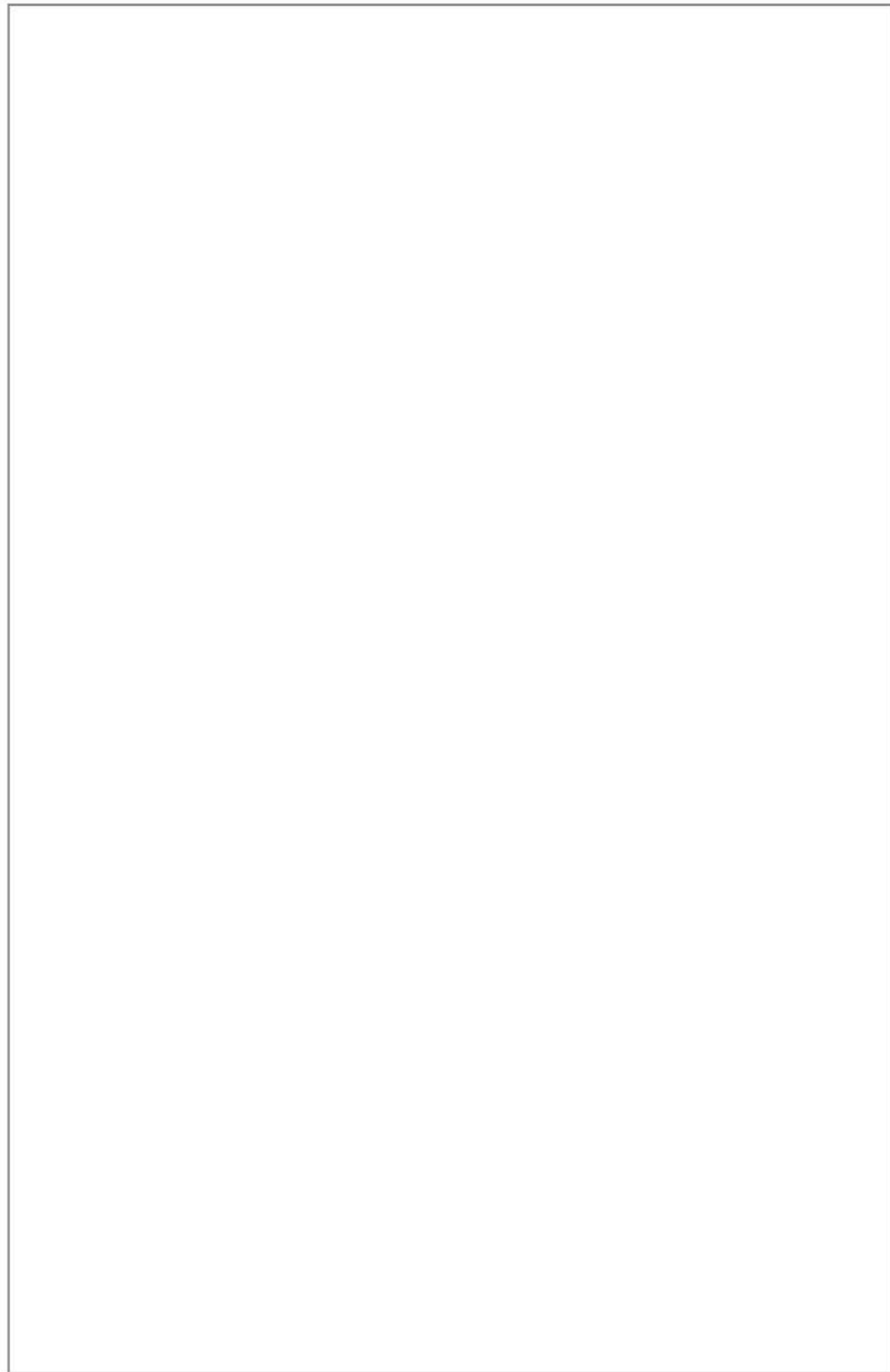
Director



Chief Executive

SINGER[®]

The Condensed Un-Consolidated Interim
Financial Statements (Un-audited)



سنگر پاکستان لمیٹڈ

غیر مجموعی مالیاتی گوشواروں پر ڈائریکٹرز کی رپورٹ
۳۰ ستمبر ۲۰۱۷ء کے اختتام پر

کمپنی کے ڈائریکٹرز ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی تیسری سہ ماہی کے اختتام پر نومبر کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکے ساتھ ہی اس دورانیہ کے غیر آڈٹ شدہ نومبر کے وسط مدتی غیر مجموعی مالیاتی گوشوارے بھی منسلک ہیں۔

غیر حتمی مالیاتی گوشواروں پر نتائج کا جائزہ:

زیر نظر مدت کے اختتام (30 ستمبر 2017) پر مالیاتی کارکردگی درج ذیل ہے جبکہ سال گذشتہ کے دوران اسی دورانیہ کا تقابلی جائزہ بھی پیش کیا جا رہا ہے

پاکستانی روپیہ ملیین میں		پاکستانی روپیہ ملیین میں		
نومبر سال ۲۰۱۶	نومبر سال ۲۰۱۷	نومبر سال ۲۰۱۶	نومبر سال ۲۰۱۷	
1,710	1,222	445	323	مجموعی فروخت
551	324	154	112	کل منافع
32%	26%	35%	35%	مجموعی منافع % مجموعی فروخت
138	(5)	29	12	ٹیکس سے پہلے خالص منافع / (نقصان)
(52)	(2)	(9)	(3)	ٹیکس
87	(7)	21	9	ٹیکس کے بعد خالص منافع / (نقصان)
1.91	(0.16)	0.46	0.21	آمدنی / (نقصان) فی حصص ٹیکس کے بعد

کل فروخت:

کل فروخت سے آمدنی 1528 ملین روپے رہی اور 306 ملین (+25%) کی بہتری ریکارڈ کی گئی سال گزشتہ میں اسی دورانیہ میں کل آمدنی 1,222 ملین روپے تھی۔

کل منافع:

زیر نظر دورانیہ میں کل منافع 431 ملین روپے رہا جبکہ سال گزشتہ کے اسی دورانیہ میں کل منافع 324 ملین روپے تھا۔

ٹیکس سے قبل منافع / (نقصان):

کمپنی نے 30 ستمبر 2017 کو ختم ہونے والی پہلی تین سہ ماہی کے دوران 117 ملین روپے کا خالص منافع حاصل کیا جبکہ 2016 کی پہلی تین سہ ماہی میں 5 ملین روپے کا نقصان ہوا تھا۔

ٹیکس کے بعد خالص منافع / (نقصان):

زیر نظر مدت میں ٹیکس کے بعد خالص منافع 72 ملین روپے رہا جبکہ 2016 کی اسی مدت کے دوران 7 ملین روپے کا نقصان ہوا تھا۔

منافع / (نقصان) فی شیئر:

2017 کی پہلی تین سہ ماہی کے دوران 1.58 روپے فی شیئر منافع ہوا جبکہ 2016 میں اسی دورانیہ میں 0.16 روپے فی شیئر نقصان ہوا تھا۔

یہ مثبت نتائج ریفریجریٹرز کی نئی رینج اور دیگر مصنوعات کے نئے ماڈلز پر بھرپور اور مسلسل انتظامی توجہ کے عکاس ہیں جو فروخت میں اضافے کے ساتھ ساتھ بہتر منافع کا سبب بنے ان اقدامات میں لاگت میں کمی، قسطوں کی سہولتوں میں مارک اپ کی مسابقت، دستیاب ذرائع کا بہتر استعمال، بہتر کارکردگی اور درست سرمایہ کاری شامل ہیں۔ کمپنی کی اپنی ریٹیل شاپس کی کارکردگی گزشتہ سال کے مقابلے میں بہت بہتر رہی۔ بہر کیف! ڈیلر نیٹ ورک سے فروخت تیسری سہ ماہی کے دوران کم رہی۔ انتظامیہ کی پوری توجہ ڈیلر نیٹ ورک کو مستحکم کرنے پر بھی ہے جو اس طریقہ کار کو بار سے مطلوبہ مثبت اضافہ حاصل کرنے کے لیے بہت حد تک اپنے مقام پر ہے۔ کمپنی کی توجہ بڑے ریٹیل نیٹ ورک کو زیادہ سے زیادہ بڑھانے پر بھی ہے جو فی الوقت 140 شاپس پر مشتمل ہے مزید برآں سب سے بڑھانے اور نتائج کو بہتر کرنے کیلئے مزید دیگر برانڈ متعارف کروانے کا پروگرام ہے۔

مستقبل کیلئے پیش بندی:

کنزیومر فائینانسنگ کی سہولت کے ساتھ مارکیٹ میں آنے والے نے مسابقت کنندگان کی وجہ سے کنزیومر اپلائنسز سیکٹر میں کاروباری حالات نہایت سخت اور مسابقتانہ رہے ہیں بہر حال! آپکی کمپنی کی انتظامیہ مستقل سرمایہ کاری، طریقہ کار میں بہتری اور جدیدیت کے ذریعے کاروبار اور اپنے قابل قدر حصص یافتگان کی تعداد میں اضافے کا عزم مصمم رکھتی ہے۔

فیکٹری کی زمین اور تعمیر کی فروخت اور کمپنی کی ملکیتی جگہ کی سہولت کے بجائے کرائے پر جگہ کا حصول:

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 18 اگست 2017 میں اصولی طور پر کمپنی کی فیکٹری کی زمین اور بلڈنگ ایک مجوزہ خریدار کو فروخت کرنے کی منظوری دی۔ انتظامیہ نے مجوزہ خریدار سے بات چیت کی جو آخر کار =/55,000 روپے مربع گز (کل قیمت مبلغ =/2,077,777,900 روپے) پر رضامند ہوئے۔ اس مجوزہ فروخت کی منظوری بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 30 اگست 2017 میں دی جسکو کمپنی کے ممبران نے غیر معمولی جنرل میٹنگ منعقدہ 4 اکتوبر 2017 میں منظور کیا۔ خریدار کے ساتھ سیلز کے معاہدے پر دستخط ہو چکے ہیں اور فائنل سیلز ڈیڈ کمپل ہونے کی آخری تاریخ 15 نومبر 2017 مقرر کی گئی ہے۔ مذکورہ فروخت سے حاصل ہونے والے سرمایہ سے کمپنی کے قرضہ جات کی ادائیگی اور سرمایہ کی مد میں ہونے والی لاگت میں خاطر خواہ کمی ہوگی جس سے یقینی طور پر نتائج میں بہتری آئیگی۔

بورڈ نے کمپنی کی مصنوعات کی تیاری اور کاروبار بلا تعطل جاری رکھنے کیلئے مذکورہ گاہک کے ساتھ ایک کرایہ داری معاہدے کی منظوری بھی دی جس پر فائنل سیلز ڈیڈ پر دستخط ہونے کے ساتھ ساتھ دستخط ہونگے۔

ڈیویڈنڈز:

ماضی میں کمپنی کو ہونے والے بھاری نقصانات کے پیش نظر کمپنی کے ڈائریکٹرز نے شیئرز ہولڈرز کی منظوری کیلئے ڈیویڈنڈ یا بونس کی مد میں کسی قسم کی ادائیگی کی سفارش نہیں کی

اعتراف:

ہم اپنے تمام کرم فرماؤں کے شکر گزار ہیں اور ان کی جانب سے آئندہ بھی مسلسل معاونت کے طلبگار ہیں۔

بورڈ کی وساطت سے



ہارون اے۔ خان

چیف ایگزیکٹو آفیسر

کراچی: ۲۰ اکتوبر ۲۰۱۷

SINGER PAKISTAN LIMITED

Report of the Directors on Consolidated Financial Statements

For the Nine Months Ended 30th September 2017

The Directors of the Company are pleased to present their report and the un-audited condensed interim consolidated financial statements of the Company for the nine months period ended 30 September 2017.

Overview of Results on Consolidated Financial Statements

The consolidated financial performance for the nine months period ended 30th September 2017 and the comparative period of the previous year is summarized as follows:

	PKR Million		PKR Million	
	Nine Months 2017	Nine Months 2016	3rd Qtr. 2017	3rd Qtr. 2016
Gross Sales	1,710	1,222	445	323
Gross Profit	551	324	154	112
G. Profit % to G. Sales	32%	26%	35%	35%
Net Profit / (Loss) before Tax	138	(5)	29	12
Taxation	(52)	(2)	(9)	(3)
Net Profit / (Loss) after tax	87	(7)	21	9
Earnings / (Loss) Per Share after tax	1.91	(0.16)	0.46	0.21

Gross Sales:

During the period gross sales revenue stood at Rs. 1,710 million and witnessed a growth of 488 million (+40%) compared to Rs. 1,222 million of the corresponding period of the last year.

Gross Profit:

Gross Profit for the period stood at Rs. 551 million compared to Rs. 324 million of the corresponding period of the last year.

Net Profit / (Loss) before tax

The company made a net profit before tax of Rs 138 million for the nine months ended 30 September 2017 compared to a loss of (Rs. 5 million) for the corresponding period of 2016.

Net Profit / (Loss) after tax

Net profit after tax stands at Rs. 87 million for the period against a loss of (Rs. 7 million) for the corresponding period of 2016.

Earnings / (Loss) per Share

Earnings per Share achieved is Rs. 1.91 as compared to Loss per Share of (Rs. 0.16) of corresponding period of last year.

The improvement reflected in the results has been achieved through persistent management efforts in promoting new range of refrigerators and other product models resulting in growth in sales volume coupled with better gross margins through cost savings, offering competitive markup on installment sales, better resource planning and improved capacity utilization. Sales through the Company's own retail shops have significantly improved compared to the last year. However, dealer network sales remained low during the 3rd quarter. The management remained focused to strengthen sales team to handle the dealers' network and the results in form of higher sales through Company's newly developed/strengthened dealers' network have started coming in. The management is also focusing to maximize the potential of company's large retail network of 140 shops and is introducing more multi brand products to improve sales revenue and operating results.

Future Outlook:

While the market for Consumer Durables and Appliances have grown substantially and are expected to continue to grow, the environment remains challenging to bring newer models in line with changing trends, bringing competitive costs efficiencies and to continuously reinforce the human resource engaged in the business. Your Company has made substantial progress in these areas and the results have started yielding. Management has also continuously strengthened Company's owned retail network which is a major competitive edge this Company has over all other manufacturers of the Consumer Durables in the country.

Sale of Factory Land and Building and Shifting From owned manufacturing facility to a lease/rental model.

The Board of Directors in their meeting dated 18 August 2017 approved in principal the sale of Company's factory land and building to a potential buyer. The management negotiated the proposal with the buyer who finally offered Rs. 55,000 per Sq. Yard and a total price of Rs. 2,077,777,900. The sale proposal is approved by the Board in their meeting dated 30th August 2017 and by the members in the Extra Ordinary General meeting on 4th October 2017. The Sale agreement has been signed with the buyer and the final sale deed execution is fixed maximum by 15 November 2017. The sale proceeds of the transaction shall be used to substantially reduce company's borrowings and debt servicing cost thereby improving the net operating results in the immediate future and subsequently to fuel the growth in Company's operations.

The Board has also approved to enter in to a Lease / Rental Agreement with the buyer to continue business / manufacturing activities of the Company without any interruption. The Lease / Rental agreement for the required area shall be signed simultaneously with the signing of the sale execution deed.

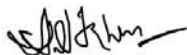
Dividends

Taking in to consideration accumulated losses sustained by the Company in the Past, the Directors of the Company has not recommended any payment towards dividend and bonus shares, for approval by the shareholders.

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: 20 October 2017

SINGER PAKISTAN LIMITED

Condensed Interim Balance Sheet

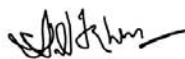
As at 30 September 2017

	Note	Un-audited 30 September 2017	Audited 31 December 2016	Note	Un-audited 30 September 2017	Audited 31 December 2016	
				----- (Rupees in '000) -----			
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Non-current assets			
Authorised capital 70,000,000 (2016: 70,000,000) ordinary shares of Rs. 10 each	6.1	<u>700,000</u>	<u>700,000</u>	Property, plant and equipment	12	643,241	1,657,732
Issued, subscribed and paid-up capital		454,056	454,056	Intangible assets		19,445	22,345
Capital reserve		5,000	5,000	Investment property	13	-	317,200
Revenue reserve		-	-	Non Current Assets held for sale	14	1,586,802	
Accumulated loss		<u>(69,507)</u>	<u>(69,507)</u>	Investment in a subsidiary company	15	2,000	2,000
		<u>389,549</u>	<u>389,549</u>	Long term deposits		22,206	18,514
						<u>2,273,694</u>	<u>2,017,791</u>
				Current assets			
Surplus on revaluation of property, plant and equipment - net of tax	12	1,179,333	1,179,333	Stores, spares and loose tools		4,920	5,112
				Stock-in-trade		827,052	509,039
Non-current liabilities				Trade debts	16	784,992	714,943
Long term loans-secured	7	518,750	518,750	- Retail		438,504	348,374
Liabilities against assets subject to finance lease	8	40,140	40,140	- Wholesale			
Deferred liability for employee retirement benefits obligation	9	64,696	64,696	Advances, deposits, prepayments and other receivables	17	124,171	33,036
Deferred tax - net	15	288,146	288,146	Taxation - net	18	168,247	157,100
Deferred income		937	937	Cash and bank balances		118,566	148,092
		<u>912,669</u>	<u>912,669</u>			<u>2,466,453</u>	<u>1,915,696</u>
Current liabilities							
Trade and other payables	10	913,879	913,879				
Mark-up accrued on short term loans, running finance and long term loans		45,813	45,813				
Short term running finance - secured	8	896,970	896,970				
Short term borrowings - secured	8	370,773	370,773				
Current portion of long term loans	7	18,750	18,750				
Current portion of liabilities against assets subject to finance lease	8	10,540	10,540				
Current portion of deferred income		1,871	1,871				
		<u>2,258,596</u>	<u>2,258,596</u>				
Contingencies and commitments	11	<u>4,740,147</u>	<u>4,740,147</u>			<u>4,740,147</u>	<u>3,933,487</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Director



Chief Executive

SINGER PAKISTAN LIMITED

Condensed Interim Profit and Loss Account (Un-audited)

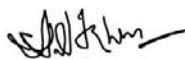
For the nine months ended 30 September 2017

Note	Nine months ended		Three months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
------(Rupees in '000)-----				
Sales	1,528,274	1,221,737	434,434	322,875
Sales tax and discount	(204,501)	(144,392)	(53,759)	(37,039)
	<u>1,323,773</u>	<u>1,077,345</u>	<u>380,675</u>	<u>285,836</u>
Cost of sales	19 (892,738)	(753,300)	(233,865)	(174,027)
Gross margin	431,035	324,045	146,810	111,809
Marketing, selling and distribution cost	(251,141)	(326,869)	(95,027)	(112,628)
Administrative expenses	(38,538)	(53,811)	(16,591)	(15,582)
Other expenses	(18,192)	27,764	(2,034)	29,982
Other income	54,812	23,621	18,009	4,374
	<u>(253,059)</u>	<u>(329,295)</u>	<u>(95,643)</u>	<u>(93,854)</u>
	<u>177,976</u>	<u>(5,250)</u>	<u>51,167</u>	<u>17,955</u>
Earned carrying charges	63,323	103,807	28,611	30,100
Finance cost	(124,028)	(104,089)	(41,220)	(36,122)
	<u>(60,705)</u>	<u>(282)</u>	<u>(12,609)</u>	<u>(6,022)</u>
Profit / (loss) before taxation	117,271	(5,532)	38,558	11,933
Taxation	18 (45,431)	(1,836)	(11,177)	(2,506)
Profit / (loss) for the year	71,840	(7,368)	27,381	9,427
------(Rupee)-----				
Earnings per share - basic and diluted	21 1.58	(0.16)	0.60	0.21

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Director



Chief Executive

SINGER PAKISTAN LIMITED

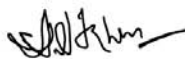
Condensed Interim Statement of Comprehensive Income (Un-audited) For the nine months ended 30 September 2017

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	------(Rupees in '000)-----			
Net profit / (loss) for the period	71,840	(7,368)	27,381	9,427
Other comprehensive income	-	-	-	-
Item that will not be reclassified to profit and loss:				
Actuarial loss on employee retirement benefit	(2,947)	-	(2,947)	-
Total comprehensive income for the period	<u>68,893</u>	<u>(7,368)</u>	<u>24,434</u>	<u>9,427</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Director



Chief Executive

SINGER PAKISTAN LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended 30 September 2017

Note Nine months Nine months
 ended 30 ended 30
 September 2017 September 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before taxation **117,271** (5,532)

Adjustment for:

- Depreciation on property, plant and equipment	63,941	36,846
- Amortisation of intangible assets	2,900	2,849
- Finance cost	124,028	104,089
- Amortisation of deferred income	(1,403)	(1,405)
- Gain on disposal of property, plant and equipment	-	(309)
- Unrealised gain on investment property at fair value	(30,800)	-
- Provision for employee retirement benefits	14,250	5,157
	290,187	141,695

Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	192	881
Stock-in-trade	(318,013)	(88,682)
Trade debts and other receivables	(160,179)	(128,767)
Advances, deposits, prepayments and other receivables	(91,135)	(18,904)

Increase in current liabilities

Trade and other payables	500,525	24,361
	(68,610)	(211,111)
	221,577	(69,416)

Income tax paid	(29,558)	(15,567)
Finance cost paid	(116,409)	(102,817)
Employee retirement benefits paid	(1,166)	(998)
Long term deposits - net	(3,692)	3,793
Net cash flows from operating activities	70,751	(185,005)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure net	(96,834)	(51,469)
Decrease in balances held in employees security deposits accounts	-	-
Investments matured during the period - net	-	36,000
Net cash flows from investing activities	(96,834)	(15,469)

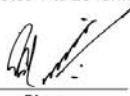
CASH FLOWS FROM FINANCING ACTIVITIES

Long term loans - net	(9,375)	445,041
Borrowing / (repayment) of short term finances	90,773	(14,900)
Lease rentals paid	(23,071)	(7,082)
Net cash flows from financing activities	58,327	423,059
Net (decrease) / increase in cash and cash equivalents	32,244	222,585

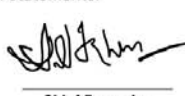
Cash and cash equivalents at beginning of the period	(810,648)	(950,528)
Cash and cash equivalents at end of the period	(778,404)	(727,943)

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The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Director



Chief Executive

SINGER PAKISTAN LIMITED

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

For the nine months ended 30 September 2017

Note	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Accumulated loss	Total
------(Rupees in '000)-----					
Balance as at 31 December 2015	454,056	5,000	117,837	(379,436)	197,457
Transfer from revenue reserve	6.2	-	(117,837)	117,837	-
Total comprehensive income for the nine months period ended 30 September 2016					
Loss for the period	-	-	-	(7,368)	(7,368)
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)	-	-	-	-	-
	-	-	-	(7,368)	(7,368)
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	9,092	9,092
Balance as at 30 September 2016	454,056	5,000	-	(259,875)	199,181
Total comprehensive income for the three months period ended 31 December 2016					
Profit for the period	-	-	-	102,745	102,745
Net actuarial gain recognised directly in 'Other Comprehensive Income' net of tax	-	-	-	1,921	1,921
	-	-	-	104,666	104,666
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	4,957	4,957
Balance as at 31 December 2016	454,056	5,000	-	(150,252)	308,804
Total comprehensive income for the nine months ended 30 September 2017					
Profit for the period	-	-	-	71,840	71,840
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax (on defined benefit plans)	-	-	-	(2,947)	(2,947)
	-	-	-	68,893	68,893
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	11,851	11,851
Balance as at 30 September 2017	454,056	5,000	-	(69,507)	389,549

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Director



Chief Executive

SINGER PAKISTAN LIMITED

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months ended 30 September 2017

1. STATUS AND NATURE OF BUSINESS

Singer Pakistan Limited ("the Company") is incorporated in Pakistan as a public company limited by shares and is quoted on 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.

2. BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the nine months ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under repealed Companies Ordinance, 1984 have been followed.
- 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 2016
- 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 2016, 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 nine months ended 30 September 2016.
- 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 EFFECTIV

New Standards, Interpretations and Amendments

Following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes';
- Amendments to IAS 7 'Statement of Cash Flows';
- Amendments to IFRS 2 'Share-based Payment';
- Amendments to IAS 40 'Investment Property' - Transfers of Investment Property ;
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration';
- IFRIC 23 'Uncertainty over Income Tax Treatments'.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities'; and
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'.

Above amendments are not likely to have an impact on Company's financial statements.

Companies Act, 2017 was enacted on 30 May 2017 and is applicable with immediate effect. SECP through its press release and vide its circular 17 of 2017 has clarified that the companies whose financial year including the quarterly and other interim period, closes on or before 30 June 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirement of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after 30 June 2017.

Companies Act, 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to the 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 property, plant and equipment to bring it in line with the requirements of IAS 16 – Property, plant and equipment. This would result in increase in equity by Rs. 1,179.33 million as of 30 September 2017 (31 December 2016: Rs. 1,095.855 million).

4. 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 2016.

5. 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 2016.

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 2016.

6. SHARE CAPITAL

6.1 Authorised Capital

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

6.2 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. LONG TERM LOANS - secured

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

	Security Note	Instalments payable	Repayment period	Amount of instalment (principal) (Rupees in '000)	Mark-up rate	Un-audited 30 September 2017 ----- (Rupees in '000)-----	Audited 31 December 2016
Term loan 1	7.1	quarterly	Between 2018-2021	Refer note 7.4	3 Months KIBOR Plus 3.00%	500,000	500,000
Term loan 2	7.2	quarterly	Between 2014-2019	4,688	3 Months KIBOR Plus 1.75%	37,500	46,875
						537,500	546,875
Current portion of long term loans						(18,750)	(18,750)
						518,750	528,125

7.1 Equitable mortgage charge on owned shops of the Company and first pari passu charge on land, building, machinery and equipments located at the factory.

7.2 First pari passu charge on land, building, machinery and equipment located at the factory.

7.3 At the period end, the applicable mark-up rate was between 7.27% to 8.68% per annum (31 December 2016: 7.87% to 9.12%).

7.4 Term loan 1 from a Bank is repayable in different quarterly principal amounts between Rs. 40.3 million to Rs. 50.9 million from 30 September 2018 to 31 March 2021.

8. SHORT TERM BORROWINGS, RUNNING FINANCE AND LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

8.1 Running Finance

As compared to the year ended 31 December 2016, the Company has obtained an additional facility of Rs. 25 million from a Commercial Bank, of which Rs. 23.614 million was utilized as of 30 September 2017. This facility carries mark-up at 3 months KIBOR + 2.5% and is secured against hypothecation over the present and future current assets. The facility is valid up to 31 January 2018 and is generally renewable.

8.2 Short term borrowings

8.2.1 During the current nine months period ended 30 September 2017, the Group received Rs. 68 million from a private group. The principal amount is repayable in the quarterly instalments of Rs. 34 million each in August 2017 and November 2017. The borrowings carries fixed profit at 26.15% per annum payable on quarterly basis for each principal repayment mentioned above. This is an unsecured borrowing.

8.2.2 During the period, the Group borrowed Rs. 16 million (net of repayment of Rs. 45 million) from the Executive Officer and Rs. 15 million from the Deputy Chief Executive Officer (key management personnel and related parties). The borrowings are unsecured, interest free and are repayable on demand.

8.3 Liabilities against assets subject to finance lease

During the current six months period, the Company entered into lease arrangements of assets of Rs. 39.91 million. These obligations are payable in monthly instalments of Rs. 0.038 million to Rs. 0.763 million and carry mark-up rates at 6 months KIBOR plus 3% to 4% per annum.

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

9. DEFERRED LIABILITY FOR EMPLOYEE RETIREMENT BENEFITS OBLIGATION

These are on the basis of actuarial valuation carried out as of 30 June, 2017. Brief details are as follows:

	Pension Fund		Gratuity				Total	
	2017	2016	Permanent employees (funded)		Field staff (unfunded)		2017	2016
			2017	2016	2017	2016		
	------(Rupees in '000)-----							
Present value of defined benefit obligation	83,337	80,268	35,332	34,166	17,278	13,346	52,610	47,512
Fair value of plan assets	(58,333)	(61,782)	(13,150)	(14,386)	-	-	(13,150)	(14,386)
Liability on the balance Sheet	25,004	18,486	22,182	19,780	17,278	13,346	39,460	33,126

10. TRADE AND OTHER PAYABLES

- 10.1** This includes advance of Rs. 250.0 million received during the period against the sale of the Company's factory land and buildings from the prospective purchaser of the said property.

This also includes advance of Rs. 68.503 million (net of repayment of Rs. 71.5 million) received during the period from a customer, a related party, against the sale of goods.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

For details of contingencies please refer to notes 13.1 and 13.2 of the annual financial statements for the year ended 31 December 2016. However, the status of contingencies remains unchanged since that reporting.

11.2 Commitments

Capital expenditure (software development)
Outstanding letters of credit (for inventory)
Commitment in respect of Ijarah rentals

(Un-audited) 30 September 2017	(Audited) 31 December 2016
(Rupees in '000)	

-	14,028
<u>21,186</u>	<u>171,820</u>
<u>2,635</u>	<u>3,649</u>

12. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

(Un-audited) 30 September 2017	(Audited) 31 December 2016
(Rupees in '000)	

<u>643,241</u>	1,585,584
-	72,148
<u>643,241</u>	<u>1,657,732</u>

- 12.1** "Following is the cost of property, plant and equipment that have been added / transferred during the nine months ended 30 September 2017 (other than on account of the revaluation of land and building):

	Transfers to Leased Assets (sale and lease back)		
	Additions	Cost	Accumulated Depreciation
	----- (Rupees in '000) -----		
Owned			
Building on leasehold land	1,376	-	-
Leasehold improvements	108,258	-	-
Furniture and equipment	816	-	-
Plant and machinery	95,961	42,386	159
Vehicles	4,275	1,678	7
Computers	4,414	2,054	177
	<u>215,100</u>	<u>46,118</u>	<u>343</u>

	Transfers to Leased Assets (sale and lease back)		
	Additions	Cost	Accumulated Depreciation
Leased	----- (Rupees in '000) -----		
Plant and machinery	42,795	-	-
Vehicles	9,618	-	-
Computers	2,054	-	-
	54,467	-	-

12.2 Leasehold land and buildings on leasehold land of the Company were revalued on 30 June 2017 by Asif Associates (Private) Limited on market value basis after making independent market inquiries from local property dealers and estate agents to ascertain the market price for properties of the same nature in the immediate neighborhood and adjoining areas.

Revaluations of the above assets were last carried out in 2016 (land and buildings), 2015 (land and buildings), 2014 (land and buildings), 2013 (land only) and 2010 (land only). The resulting surplus has been credited to the revaluation surplus account. The impact of revaluation for the year amounting to Rs.136.18 million has been incorporated in the financial statement. Total surplus on account of the revaluation as of 30 September 2017 amount to Rs. 1,179.333 million.

Details of the revaluations are as follows:	Carrying value as of 30 September 2017 (before revaluation for the current period)	Revaluation surplus during the period	Revalued amount as of 30 September 2017
	----- (Rupees in '000) -----		
Land	1,083,146	133,854	1,217,000
Buildings	192,170	2,330	194,500
	1,275,316	136,184	1,411,500

13. INVESTMENT PROPERTY

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's business model i.e. the Company's intentions regarding the use of a property is the primary criterion for classification as an investment property.

The Company has sublet certain portion of land and building thereon in the factory to a third party. Changes in fair values are recognized as gain in Profit and Loss and included in 'Other Income'. The investment property comprises of land and building, comprising 68,000 square feet out of total 339,993 square feet (20% of the Company's total factory area).

The fair value of investment property as of 30 June 2017 have 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 has been categorized as a level 3 fair value based on the input to the valuation technique used. Difference of Rs. 30.8 million between the fair value and carrying amount has been recognized in the profit and loss account of the period. Earlier the valuations were carried out on 5 July 2016 and 27 July 2016.

There has been no additions / deletions in this assets during the year. However, as the managements decision to sale the factory land and buildings the said rental agreement is terminated.

During the year, the Company received an amount of Rs.2.1 million as advance rental payment, which has been amortized during the year and included in Profit and Loss as "Other Income".

14. NON CURRENT ASSETS HELD FOR SALE

During the year, the Company received an amount of Rs.2.1 million as advance rental payment, which has been amortized during the year and included in Profit and Loss as "Other Income". The Board of Directors in their meeting held on 30 August 2017 have approved and authorized a Committee of the Chief Executive Officer and a Director to finalize the sale of the Company's factory land and buildings thereon. The Board has also authorized the said Committee to simultaneously enter into lease / rental agreement with the prospective purchaser of the said property for the continuation of uninterrupted use 'of the required area of factory land and buildings for business / manufacturing activities of the Company.

Above rent agreement is expected to be signed simultaneously with sale of the land and buildings. Proceeds thereof is expected to be substantially used for the settlement and the reduction of the Company's borrowings enabling the Company to reduce its borrowing cost.

15. INVESTMENT IN A SUBSIDIARY COMPANY

30 September 2017	31 December 2016	(Un-audited) 30 September 2017	(Audited) 31 December 2016
(Number of shares)		(Rupees in '000)	
200,000	200,000	2,000	2,000
<u>200,000</u>	<u>200,000</u>	<u>2,000</u>	<u>2,000</u>

15.1 The Company holds 100% ownership interest in Electronics Marketing company (Private) Limited. (EMC). The subsidiary company was incorporated on 9 September 2016. The principal activity of the Company is to carry out distribution/ wholesale business of all kinds of electronic appliances, its components and accessories, etc. The Chief Executive Officer of EMC is Mr. Nadeem Mahmood Butt.

16. TRADE DEBTS

16.1 Retail Network

Considered good - unsecured

Hire purchase

- Retail

- Institutional (employees of the corporate entities)

Note (Un-audited) (Audited)
30 September **31 December**
2017 **2016**
(Rupees in '000)

^{15.3} **690,525** 600,965
160,972 143,438
851,497 744,403

Unearned carrying charges

(66,505) (29,460)
784,992 714,943

Considered doubtful

166,980 159,376
951,972 874,319

Provision for doubtful debts and other receivables

^{15.4} **(166,980)** (159,376)
784,992 714,943

16.2 Wholesale

Considered good - unsecured

Dealers

Considered doubtful

(Un-audited) (Audited)
30 September **31 December**
2017 **2016**
(Rupees in '000)

438,504 348,374
19,372 18,204
457,876 366,578

Provision for doubtful debts

^{15.4} **(19,372)** (18,204)
438,504 348,374

16.3 Balance of Rs. 10.6 million (2016: Rs. 92.382 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.

16.4 This includes provision of Rs.7.604 million during the period against the retail debtors and Rs. 1.168 million during the period against the wholesales debtors. No reversals or written off were made during the period.

17. ADVANCE, DEPOSITS, PREPAYMENTS and OTHER RECEIVABLES

This includes Rs. 92.158 million due from Electronic Marketing Company (Private) Limited, a wholly owned Subsidiary Company, on account of expenses allocated to them/ incurred on their behalf. The balance is unsecured and interest free.

18. INCOME TAX AND DEFERRED TAX

	(Un-audited) 30 September 2017	(Un-audited) 30 September 2016
18.1 INCOME TAX		
	(Rupees in '000)	

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

Current year	2,782	1,320
Prior year	5,347	-
Deferred	37,302	(1,990)
	<u>45,431</u>	<u>(670)</u>

18.1.2 During the year ended 31 December 2016, the Company had incurred taxable losses. However, provision for minimum turnover tax charge of Rs. 13.182 million under the Income Tax Ordinance, 2001, was not made in the financial statements for the year ended 31 December 2016 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. For the current period ended 30 September 2017 provision for minimum tax (being higher than the Alternate Corporate Tax) amounting to Rs. 14.6 million has also not been made in these financial statements on the same basis.

18.1.3 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.

These condensed interim financial statements was authorised issue by the Board of Directors in their meeting held on 20 October 2017. 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.

- 18.1.4** 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 accounting 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.

18.2 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 2016	Recognized in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	"Balance as at 31 December 2016"	Recognized in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	"Balance as at 30 September 2017"
----- (Rupees in '000) -----							
Taxable temporary differences on:							
- accelerated tax depreciation	30,346	46,044	-	76,390	39,018	-	115,408
- surplus on revaluation of property, plant and equipment	337,216	(5,196)	34,585	366,605	(11,851)	40,855	395,609
	367,562	40,848	34,585	442,995	27,167	40,855	511,017
Deductible temporary differences on:							
- provision for defined benefit plans	(4,277)	498	-	(3,779)	(431)	-	(4,210)
- provision against slow moving and obsolete stock	(11,275)	3,323	-	(7,952)	1,635	-	(6,317)
- provision for doubtful debts and other receivables	(74,595)	24,306	-	(50,289)	(2,737)	-	(53,026)
- provision for warranty obligations	(1,755)	50	-	(1,705)	(7)	-	(1,712)
- tax losses	(102,513)	(60,197)	-	(162,710)	(8,342)	-	(157,607)
	(194,415)	(32,020)	-	(226,435)	(9,882)	-	(222,872)
Deferred tax liability / (assets) - net	173,147	8,828	34,585	216,560	17,286	40,855	288,146

18.2.1 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.

19. NET REVENUE	Nine months ended		Three months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	----- (Rupees in '000) -----			
Sales				
- Local	1,528,274	1,221,737	434,434	322,875
Sales tax	(181,552)	(144,392)	(45,630)	(37,039)
Trade discounts	(22,949)	-	(8,129)	-
	(204,501)	(144,392)	(53,759)	(37,039)
	1,323,773	1,077,345	380,675	285,836

20. COST OF SALES

Opening stock - finished goods				
- own manufactured	285,313	176,014	450,004	174,697
- purchased for resale	52,324	60,723	39,797	29,792
Purchases - finished goods	288,162	220,205	161,925	61,973
Cost of goods manufactured	865,684	598,421	180,884	209,628
	1,491,483	1,055,363	832,610	476,090
Closing stock - finished goods				-
- own manufactured	(553,244)	(277,266)	(553,244)	(277,266)
- purchased for resale	(45,501)	(24,797)	(45,501)	(24,797)
	892,738	753,300	233,865	174,027

21. EARNINGS PER SHARE - basic and diluted

Profit / (Loss) for the period	71,840	(7,368)	27,381	9,427
	----- (Number in '000) -----			
Weighted average number of ordinary shares	45,406	45,406	45,406	45,406
	----- (Rupees) -----			
Earnings per share - basic and diluted	1.58	(0.16)	0.60	0.21

21.1 There were no convertible dilutive potential ordinary shares in issue as at 30 September 2017 and 30 September, 2016.

22. CASH AND CASH EQUIVALENTS

	(Un-audited) 30 September 2017	(Un-audited) 30 September 2016
	----- (Rupees in '000) -----	
Cash and bank balances	118,566	83,592
Short term running finance - secured	(896,970)	(811,535)
	(778,404)	(727,943)

23. 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 30 September 2017 with related parties other than those which have been disclosed elsewhere in this condensed interim financial information are as follows:

Transactions	Note	Nine months ended	
		(Un-audited) 30 September 2017	(Un-audited) 30 September 2016
----(Rupees in '000)----			
Purchases of goods	23.1	<u>50,414</u>	<u>13,986</u>
Services obtained	23.1	<u>-</u>	<u>1,974</u>
Sales of inventory to a subsidiary		<u>264,453</u>	<u>-</u>
Employee retirement benefits (charge for the year including in Other Comprehensive Income)			
- Gratuity Schemes	23.2	<u>5,867</u>	<u>1,380</u>
- Pension Scheme	23.2	<u>6,689</u>	<u>1,428</u>
- Provident Fund	23.2	<u>18,868</u>	<u>3,324</u>
Receipts from Employee retirement benefits			
- Gratuity Fund	8.2.1	<u>1,000</u>	<u>-</u>
- Provident Fund	8.2.1	<u>14,000</u>	<u>-</u>
Loan received from a director and a key management person	8.2.3	<u>102,000</u>	<u>28,000</u>
Advance received from an associated company against sale of goods		<u>140,000</u>	<u>-</u>
Sale of goods to an associated Company against advance		<u>71,496</u>	<u>-</u>
Repayment of loan to a director		<u>(71,000)</u>	<u>-</u>
Remuneration of key management personnel	23.3	<u>45,695</u>	<u>40,232</u>
Expenses incurred / paid on behalf of the subsidiary company - interest free, unsecured and considered good		<u>92,158</u>	<u>-</u>

		(Un-audited) Note 30 September 2017	(Audited) 31 December 2016
---(Rupees in '000)---			
Balance payable / receivable			
Trade liability	23.1	<u>50,414</u>	<u>-</u>
Trade receivable from the subsidiary company		<u>168,360</u>	<u>-</u>
Employee retirement benefits - Gratuity Schemes	8.2.1 & 22.2	<u>40,460</u>	<u>19,780</u>
- Pension Scheme	22.2	<u>25,236</u>	<u>18,486</u>
- Provident Fund	22.2	<u>15,413</u>	<u>965</u>
Payable to a director and an Executive	8.2.3	<u>31,000</u>	<u>-</u>
Advance from an associated company against the sale of goods	10.2	<u>68,504</u>	<u>-</u>
Receivable from the subsidiary company	16	<u>92,158</u>	<u>(160)</u>

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

23.2 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.

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

24. 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:

30 September 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	22,206	-	22,206	-
Trade debts	1,223,496	-	1,223,496	-
Deposit and other receivables	18,836	-	18,836	-
Cash and Bank balance	40,977	77,589	118,566	-
	1,305,515	77,589	1,383,104	-

	Carrying Amount		Fair value	
	Loans and receivables	Other financial liabilities	Total	Total

------(Rupees in '000)-----

Financial liabilities not measured at fair value

Long term loans - secured	-	537,500	537,500	-
Liabilities against assets subject to finance lease	-	50,680	50,680	-
Trade and other payables	-	585,046	585,046	-
Mark-up accrued on short term finances and long term loans	-	45,813	45,813	-
Short term finance - secured	-	896,970	896,970	-
Short term borrowings	-	370,773	370,773	-
	-	2,486,782	2,486,782	-

31 December 2016 (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	18,514	-	18,514	-
Trade debts	1,063,317	-	1,063,317	-
Deposit and other receivables	16,585	-	16,585	-
Investments (including mark up thereon)	65,624	82,468	148,092	-
Cash and Bank balance	<u>1,164,040</u>	<u>82,468</u>	<u>1,246,508</u>	<u>-</u>

	Carrying Amount			Fair value
	Loans and receivables	Other financial liabilities	Total	Total
	------(Rupees in '000)-----			
31 December, 2016 (Audited)				
Financial liabilities not measured at fair value				
Long term loans - secured	-	546,875	546,875	-
Liabilities against assets subject to finance lease	-	17,473	17,473	-
Trade and other payables	-	401,765	401,765	-
Mark-up accrued on short term finances and long term loans	-	40,005	40,005	-
Short term finance - secured	-	1,177,396	1,177,396	-
	<u>-</u>	<u>2,183,514</u>	<u>2,183,514</u>	<u>-</u>

The Company has not disclosed the fair values for these financial assets and financial liabilities, at 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
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Revalued Property, plant and equipment and investment property

- Land and Building	30 June 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 values 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
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25. OPERATING SEGMENTS

- 25.1** These condensed interim financial information have been prepared on the basis of single reportable segment.
- 25.2** Sales to domestic customers in Pakistan are 100.0% (2016: 100.0%) and to customers outside Pakistan are Nil (2016: Nil) of the revenue during the nine months ended 30 September 2017.
- 25.3** All non-current assets of the Company at 30 September 2017 are located in Pakistan.
- 25.4** Sales to one customer, a related party (subsidiary), of the Company represented approximately Rs. 264 million (2016: nil) of the Company's total sales.

26. POST BALANCE SHEET NON ADJUSTING EVENT AND GOING CONCERN ASSUMPTION

The Company is of the view that the Company will continue as a going concern despite the sale of the factory land and buildings due to the expectation of the lease / rental agreement mentioned above and in case of the need be, in future, the Company may also relocate its manufacturing and business facilities to an alternate location.

27. GENERAL

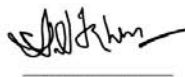
Figures have been rounded off to nearest thousand unless stated otherwise.

28. DATE OF AUTHORISATION

These condensed interim financial statements was authorised for issue by the Board of Directors in their meeting held on 20 October 2017.



Director



Chief Executive

BOOK POST

UNDER POSTAL CERTIFICATE

IF UNDELIVERED, PLEASE RETURN TO

SINGER PAKISTAN LIMITED

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