

# **Waves Singer Pakistan Limited**

*(formerly Singer Pakistan Limited)*

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Un-Audited Condensed Interim Consolidated  
and Un-Consolidated Financial Statements

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For the Nine Months Ended 30<sup>th</sup> September 2018

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**Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)**  
**Directors Report to the Shareholders**  
**For the Nine Months Ended 30<sup>th</sup> September 2018**

The Directors of your Company take pleasure in presenting their report and un-audited condensed interim consolidated financial statements of the Company for the Nine Months' Period ended 30<sup>th</sup> September 2018.

**Key Financial Indicators**

During the 9M 2018, your Company generated profit before tax of Rs. 387 million compared to profit before tax of Rs. 172 million for 9M 2017. The 9M 2018 is characterized primarily by growth in the topline to Rs. 7,184 million compared to Rs. 3,259 million of the 9M 2017 representing an increase of 120%. The major reason for the increase in Gross Revenue and operating results is the consolidation of CIPL and LWL operations for the complete 9 months of 2018 into Singer Pakistan Ltd. whereas the comparative amounts include only 3 months (July-Sep 2017) of CIPL and LWL operations i.e. effective from the Merger approval date.

Furthermore, in 3Q18 a reduction in business volumes vs comparative period last year has been witnessed due to temporary unavailability of production capacity for Refrigerators and Deep Freezers resulting from the fire incident already reported to the shareholders.

Key Financial Indicators for the 9M 2018 compared to that of 9M 2017 are summarized below:

Summary of operating results (PKR 000)	PKR Million		
	<u>9M 2018</u>	<u>9M 2017</u>	<u>Percentage Change (%)</u>
Gross Revenue-Net of Sales Return	7,184	3,259	120%
Gross Profit	1,736	833	108%
Operating Profit	573	305	88%
Financial Cost ( Net of Earned Carrying Charges)	(186)	(133)	40%
Profit Before Tax	387	172	125%
Profit After Tax	305	114	168%
Earnings Per Share - Rupees	1.87	1.28	46%

**Financial Performance Analysis**

Growth in operating results reflects higher level of trust posed by customers on the company's products, concerted efforts of management and increased level of employees' commitment and dedication to achieve the desired results.

Gross profit for 9M 2018 amounted to Rs. 1,736 million as compared to Rs. 833 million for 9M 2017 resulting in an increase of 108%.

Profit before tax for 9M 2018 is Rs. 387 million compared to Rs.172 for the corresponding period of 2017 representing an increase of 125 %.

Profit after tax stands at Rs. 305 million compared to Rs. 114 million for the corresponding period of 2017 representing an increase of 168%.

The Company recorded an EPS of Rs. 1.87 as compared to Rs. 1.28 for the corresponding period of previous year.

### **Future Outlook:**

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

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

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

### **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: 30 October 2018

ویوز سنگر پاکستان لیمیٹڈ [سابقہ سنگر پاکستان لیمیٹڈ]  
۳۰ ستمبر ۲۰۱۸ کے اختتام پر حصص کنندگان کے لیے ڈائریکٹرز کی نو ماہ کی رپورٹ

ایکی کمپنی کے ڈائریکٹرز ۳۰ ستمبر ۲۰۱۸ کو ختم ہونے والی تیسری سہ ماہی کے اختتام پر نو ماہ کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکے ساتھ ہی اس دورانیہ کے غیر آڈٹ شدہ نو ماہ کے وسط مدتی مجموعی مالیاتی گوشوارہ بھی منسلک ہیں۔

کلیدی مالیاتی اشاریے

۲۰۱۸ کے پہلے نو ماہ کے دوران آپ کی کمپنی نے ۳۸۷ ملین کا قبل از ٹیکس منافع کمایا جبکہ ۲۰۱۷ کے پہلے نو ماہ کے دوران ۱۷۲ ملین کا قبل از ٹیکس منافع ہوا تھا۔ ان نو ماہ کی بنیادی خصوصیت ٹاپ لائین میں شاندار اضافہ ہے جو اب ۷۱۸۳ ملین ہے جبکہ ۲۰۱۷ کے پہلے نو ماہ کے دوران ۳۲۵۹ ملین تھا اور اس طرح ۱۲۰ فیصد کا بے مثال اضافہ ہوا۔ اس شاندار اضافہ کا بڑا سبب سی آئی پی ایل اور ایل ڈبلیو ایل کے سنگر میں انضمام کے نو ماہ کا تسلسل ہے۔ جبکہ مسابقتی رقم میں سی آئی پی ایل اور ایل ڈبلیو ایل کے صرف ۳ ماہ کے کاروبار کو انضمام کی منظور شدہ تاریخ سے اطلاق کرتے ہوئے جو لائی تا ستمبر ۲۰۱۸ کو شامل کیا گیا ہے۔

۲۰۱۸ کے پہلے نو ماہ کے کلیدی مالیاتی اشاریہ ۲۰۱۷ کے پہلے نو ماہ کے کلیدی مالیاتی اشاریہ کے مقابل مندرجہ ذیل رہے۔

	پاکستانی روپیہ ملین میں		
	پہلے نو ماہ ۲۰۱۸	پہلے نو ماہ ۲۰۱۷	فی صد (%)
(پاکستانی روپیہ ہزار میں) آپریٹنگ نتائج کا خلاصہ			
مجموعی ریونیو	7,184	3,259	120
مجموعی منافع	1,736	833	108
اپریٹنگ منافع	573	305	88
مالیاتی لاگت (کمائے گئے کیری انج چارجز کو منہا کرنے کے بعد)	(186)	(133)	40
منافع قبل از ٹیکس	387	172	125
منافع بعد از ٹیکس	305	114	168
فی حصص آمدنی - روپیہ میں	1.87	1.28	46

مالیاتی کارکردگی کا جائزہ

اپریٹنگ نتائج میں اضافہ ظاہر کرتا ہے کمپی کی مصنوعات میں ہمارے قابل قدر کسٹمر حضرات کا بھرپور اعتماد، انتظامیہ کی انتھک کوششیں اور مطلوبہ نتائج حاصل کرنے کیلئے کمپنی کے ملازمین کی بھرپور توجہ اور وابستگی۔ پہلے نو ماہ ۲۰۱۸ میں کل منافع ۱،۷۳۶ ملین رہا جبکہ ۲۰۱۷ کے پہلے نو ماہ میں صرف ۸۳۳ ملین کا کل منافع ہوا تھا یہ منافع ۱۰۸٪ کے اضافہ کو ظاہر کرتا ہے۔

پہلے نو ماہ ۲۰۱۸ میں قبل از ٹیکس منافع ۳۸۷ ملین رہا جبکہ ۲۰۱۷ کے پہلے نو ماہ میں صرف ۱۷۲ ملین کا قبل از ٹیکس منافع ہوا تھا یہ منافع ۱۲۵٪ کے اضافہ کو ظاہر کرتا ہے۔

پہلے نو ماہ ۲۰۱۸ میں بعد از ٹیکس منافع ۳۰۵ ملین ہوا جبکہ ۲۰۱۷ کے پہلے نو ماہ میں بعد از ٹیکس منافع ۱۱۳ ملین تھا یہ منافع ۱۶۸٪ کے اضافہ کو ظاہر کرتا ہے۔

اس دورانیہ میں فی شیئر آمدنی ۱.۸۷ روپے ہوئی جبکہ گزشتہ سال پہلے نو ماہ میں ۱.۳۵ روپے فی شیئر آمدنی ہوئی تھی۔

## مستقبل کی توقعات

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

خریداری کی صلاحیت میں مسلسل اضافے اور شہروں میں بودوباش کی طرف تیزی سے بڑھتے ہوئے رجحان سے مجموعی طور پر گھریلو مصنوعات کی مارکیٹ میں بھی اضافہ ہوگا ہم بجا طور پر یقین رکھتے ہیں کہ ہم نئے ماڈل متعارف کروانے کے ساتھ ساتھ اپنے ڈیلرشپ نیٹ ورک کو مزید بہتر کر کے اپنی مصنوعات کو مقبول عام کر سکیں گے کمپنی اپنے مخصوص برانڈ، شاہکار فن صناعی کی سہولت، ملک گیر فروخت اور بعد از فروخت خدمات کے نیٹ ورک کے ساتھ بڑھتے ہوئے مارکیٹ شیئر سے افادہ حاصل کرے گی۔

جیسا کہ کمپنی کے مستقبل کے امکانات ملک کی مجموعی ترقی کے ساتھ نتھی ہیں لہذا ویوز سنگر پاکستان لیمیٹڈ مارکیٹ میں موجود تمام دستیاب امکانات سے فائدہ اٹھانے پر توجہ مرکوز رکھے گی، کمپنی کا اپنے تمام اسٹیک ہولڈرز سے وعدہ ہے کہ کمپنی نہ صرف پاکستان بلکہ بیرون ملک بھی اپنی کاروباری قدر میں اضافہ کا عزم صمیم رکھتی ہے

## اعتراف

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

بورڈ کی وساطت سے

ہارون احمد خان  
چیف ایگزیکوٹو آفیسر  
کراچی: ۳۰ اکتوبر ۲۰۱۸

# **Waves Singer Pakistan Limited**

*(formerly Singer Pakistan Limited)*

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Un-Audited Condensed Interim

## **Consolidated Financial Statements**

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For the Nine Months Ended 30<sup>th</sup> September 2018

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)  
 Consolidated Condensed Interim Statement of Financial Position  
 As at 30 September 2018

		(Unaudited) 30 September 2018	(Audited) 31 December 2017		(Unaudited) 30 September 2018	(Audited) 31 December 2017
	Note	(Rupees in '000)			(Rupees in '000)	
			(Restated)			(Restated)
<b>EQUITY AND LIABILITIES</b>						
<u>Share capital and reserves</u>						
Authorized capital 175,000,000 (31 December 2017: 145,000,000) ordinary shares of Rs 10 each		<b>1,750,000</b>	<b>1,750,000</b>			
Issued, subscribed and paid up capital	8	<b>1,631,340</b>	454,056			
Shares to be issued pursuant to amalgamation		-	964,500			
Share premium		<b>4,825,764</b>	5,038,548			
Capital reserve		<b>5,000</b>	5,000			
Revenue reserve - unappropriated profit		<b>1,717,668</b>	1,586,447			
Surplus on revaluation of land and building		<b>114,988</b>	118,100			
		<b>8,294,760</b>	8,166,651			
<u>Non-current liabilities</u>						
Long term loans - secured		<b>761,958</b>	568,276			
Liabilities against assets subject to finance lease		<b>50,265</b>	38,254			
Employee retirement benefits		<b>62,253</b>	54,527			
Deferred tax liability - net		<b>209,681</b>	246,152			
Deferred income		<b>23,273</b>	12,679			
		<b>1,107,430</b>	919,888			
<u>Current liabilities</u>						
Short term borrowings	9	<b>2,436,133</b>	2,748,916			
Mark-up accrued on short term and long term borrowings		<b>93,348</b>	73,767			
Trade and other payables		<b>1,642,992</b>	1,192,262			
Current portion of long term loans		<b>281,250</b>	81,182			
Current portion of liabilities against assets subject to finance lease		<b>27,064</b>	17,400			
Current portion of deferred income		<b>5,015</b>	3,033			
		<b>4,485,802</b>	4,116,560			
<u>Contingencies and commitments</u>						
	10	<b>13,887,992</b>	13,203,099		<b>13,887,992</b>	13,203,099

**ASSETS**

Non-current assets

Property, plant and equipment	5	<b>4,739,127</b>	4,681,004
Intangible assets and goodwill	6	<b>2,953,599</b>	2,978,471
Long term deposits		<b>29,233</b>	27,165
		<b>7,721,959</b>	7,686,640

Current assets

Stores, spares and loose tools		<b>30,501</b>	22,918
Stock-in-trade		<b>2,699,261</b>	2,592,330
Trade debts	7	<b>2,622,922</b>	2,156,791
Advances, deposits, prepayments and other receivables		<b>102,252</b>	106,895
Taxation - net		<b>497,565</b>	345,878
Cash and bank balances		<b>213,532</b>	291,647
		<b>6,166,033</b>	5,516,459

The annexed notes 1 to 21 form an integral part of this condensed interim financial statements.

Haroon Ahmad Khan

Lahore

Chief Executive

Moazzam Ahmad Khan

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Nadeem Mehmood Butt

Chief Financial Officer



Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the three and nine month period ended 30 September 2018

	Note	For the three month period ended		For the nine month period ended	
		30 September 2018	30 September 2017	30 September 2018	30 September 2017
		<i>Restated</i>		<i>Restated</i>	
----- (Rupees in '000) -----					
Gross Sales-net of sales return		1,707,218	1,994,745	7,184,172	3,259,224
Sales tax and trade discount on invoices		(286,084)	(448,115)	(1,260,841)	(657,457)
Sales - net	11	1,421,134	1,546,630	5,923,331	2,601,767
Cost of sales	12	(996,998)	(1,109,815)	(4,187,455)	(1,768,688)
<b>Gross (loss) / profit</b>		<b>424,136</b>	436,815	<b>1,735,876</b>	833,079
Marketing, Selling and Distribution Cost		(232,672)	(236,814)	(881,032)	(473,958)
Administrative Expenses		(43,328)	(68,099)	(243,397)	(90,845)
Other Expenses	13	(6,489)	(2,865)	(54,762)	(19,023)
Other Income		6,631	19,049	16,147	55,852
<b>Profit from operations</b>		<b>148,278</b>	148,086	<b>572,832</b>	305,104
Earned carrying charges		45,336	28,611	122,017	63,323
Finance cost		(107,064)	(113,295)	(307,641)	(196,104)
<b>Profit before taxation</b>		<b>86,550</b>	63,402	<b>387,208</b>	172,324
Taxation	14	(18,304)	(14,995)	(81,779)	(58,313)
<b>Profit for the period</b>		<b>68,246</b>	48,407	<b>305,429</b>	114,011
<b>Earnings per share - basic and diluted</b>	15	<b>0.42</b>	0.30	<b>1.87</b>	1.28

The annexed notes 1 to 21 form an integral part of this condensed interim financial statements.

Lahore	Haroon Ahmad Khan _____ Chief Executive	Moazzam Ahmad Khan _____ Director	Nadeem Mehmood Butt _____ Chief Financial Officer
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Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)  
 Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)  
 For the three and nine month period ended 30 September 2018

	For the three month period ended		For the nine month period ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	----- (Rupees in '000) -----			
	(Restated)		(Restated)	
<b>Net profit for the period</b>	<b>68,246</b>	48,407	<b>305,429</b>	114,011
<b><u>Other comprehensive income for the period</u></b>				
<i>Items that will not be reclassified to profit and loss account:</i>				
- Surplus on revaluation of property, plant and equipment arisen during the period - net of tax	-	95,329	-	95,329
- Actuarial loss on employee retirement benefit - net of tax	-	(2,947)	-	(2,947)
	-	92,382	-	92,382
<b>Total comprehensive income for the period</b>	<b>68,246</b>	140,789	<b>305,429</b>	206,393

The annexed notes 1 to 21 form an integral part of this condensed interim financial statements.

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine month period ended 30 September 2018

	(Un-audited) 30 September 2018	(Un-audited) 30 September 2017
	-----Rupees in '000-----	
		Restated
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	387,208	172,324
<b><u>Adjustments for non-cash and other items:</u></b>		
Depreciation on property, plant and equipment	198,470	94,209
Amortisation of intangible assets	24,872	2,900
Finance cost	307,641	196,104
Gain on sale of leased assets	-	-
Amortisation of deferred income	(4,367)	(1,403)
Unrealised gain on investment property at fair value	-	(30,800)
Net loss on insurance claim of assets written off due to fire	6,785	-
Provision for doubtful debts	1,762	-
Provision for employee retirement benefits	5,654	14,250
	<b>928,025</b>	<b>447,584</b>
<b><u>Effect on cash flow due to working capital changes</u></b>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(7,583)	6,830
Stock-in-trade	(106,931)	(82,554)
Trade debts and other receivables	(467,893)	(254,076)
Advances, deposits, prepayments and other receivables	4,643	31,608
<i>Increase in current liabilities:</i>		
Trade and other payables	449,676	97,932
	<b>(128,088)</b>	<b>(200,260)</b>
<b>Cash used in operations</b>	<b>799,937</b>	<b>247,324</b>
Income tax paid	(269,937)	(43,304)
Finance cost paid	(288,060)	(189,168)
Employee retirement benefits paid	2,072	(1,166)
Long term deposits - net	(2,068)	(3,692)
<b>Net cash used in operating activities</b>	<b>241,944</b>	<b>9,994</b>
<b><u>Cash flow from investing activities</u></b>		
Capital expenditure -net	(556,535)	(135,992)
Proceeds against insurance claim against assets written off due to fire	175,341	-
<b>Net cash used in investing activities</b>	<b>(381,194)</b>	<b>(135,992)</b>
<b><u>Cash flow from financing activities</u></b>		
Long term loans - net	393,750	(9,375)
Borrowing of short term finances	(544,726)	136,979
Lease rentals paid	(19,832)	(23,071)
<b>Net cash generated from financing activities</b>	<b>(170,808)</b>	<b>104,533</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(310,058)</b>	<b>(21,465)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>(576,860)</b>	<b>(810,643)</b>
<b>Cash and cash equivalents acquired in a business combination</b>		<b>(466,552)</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>(886,918)</b>	<b>(1,298,660)</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial statements.

**Haroon Ahmad Khan**  
Lahore  
Chief Executive

**Moazzam Ahmad Khan**  
Director  
Page 8 of 40

**Nadeem Mehmood Butt**  
Chief Financial Officer

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)  
Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)  
For the nine month period ended 30 September 2018

	Capital reserves				Revenue reserve	Total
	Shares to be issued pursuant to amalgamation	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	(Accumulated losses)/ Unappropriated profits	
----- Rupees in '000 -----						
Balance at 01 January 2017, as previously reported	454,056	-	5,000	-	(150,507)	308,549
Impact of change in policy as explained in note 4.1	-	-	-	1,095,855	-	1,095,855
<b>Restated balance as at 01 January 2017</b>	<b>454,056</b>	<b>-</b>	<b>5,000</b>	<b>1,095,855</b>	<b>(150,507)</b>	<b>1,404,404</b>
<b><u>Total comprehensive income for the period (Restated)</u></b>						
Profit for the period	-	-	-	-	114,011	114,011
Amortisation of intangibles for the year charge in equity	-	-	-	-	(2,947)	-
Other comprehensive income for the period	-	-	-	95,329	-	92,382
	-	-	-	95,329	111,064	206,393
<b><u>Surplus transferred to accumulated losses</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(11,851)	11,851	-
<b>Restated balance as at 30 September 2017</b>	<b>454,056</b>	<b>-</b>	<b>5,000</b>	<b>1,179,333</b>	<b>(27,592)</b>	<b>1,610,797</b>
<b><u>Total comprehensive income for the period (Restated)</u></b>						
Profit for the period	-	-	-	-	213,497	213,497
Amortisation of intangibles for the year charge in equity	-	-	-	-	(15,368)	(15,368)
Other comprehensive income for the period	-	-	-	13,460	341,217	354,677
	-	-	-	13,460	539,346	552,806
<b><u>Surplus transferred to accumulated profits</u></b>						
Transfer against sale of land and building	-	-	-	(1,072,432)	1,072,432	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(2,261)	2,261	-
	-	-	-	(1,074,693)	1,074,693	-
<b><u>Transactions with owners of the Company</u></b>						
Shares to be issued pursuant to amalgamation	-	964,500	5,038,548	-	-	6,003,048
<b>Restated balance as at 31 December 2017</b>	<b>454,056</b>	<b>964,500</b>	<b>5,038,548</b>	<b>5,000</b>	<b>1,586,447</b>	<b>8,166,651</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	305,429	305,429
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	305,429	305,429
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(3,113)	3,113	-
<b><u>Transactions with owners during the period</u></b>						
Shares issued under scheme of amalgamation	964,500	(964,500)	-	-	-	-
Final dividend for the year ended 31 December 2017 @ Rs. 1.25 per share	-	-	-	-	(177,320)	(177,320)
Issue of bonus shares for the half year ended 30 June 2018 @ 15 % per share	212,784	-	(212,784)	-	-	-
<b>Balance as at 30 September 2018 (un-audited)</b>	<b>1,631,340</b>	<b>-</b>	<b>4,825,764</b>	<b>5,000</b>	<b>1,717,668</b>	<b>8,294,760</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial statements.

Haroon Ahmad Khan  
Lahore  
Chief Executive

Moazzam Ahmad Khan  
Director

Nadeem Mehmood Butt  
Chief Financial Officer

# Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

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

For the nine month period ended 30 September 2018

### 1 STATUS AND NATURE OF BUSINESS

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

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

**1.1.1** Waves Singer Pakistan Limited ("the Holding Company") (formerly Singer Pakistan Limited) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in retailing and trading of domestic consumer appliances and other light engineering products, besides the manufacturing and assembling of the same. The manufacturing facilities of the company are located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi and 9-K.M, Hanjarwal, Multan Road, Lahore.

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

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

#### 1.3 Subsidiary Company - Waves Marketing (Private) Limited

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

### 2 Basis of preparation

#### Statement of compliance

**2.1** These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These consolidated condensed interim financial statements comprise the consolidated condensed interim statement of financial position of the Company as at 30 September 2018 and the related consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim cash flow statement and notes to the financial statements for the nine month period then ended.
- 2.3** These consolidated condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.
- 2.4** These consolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2017. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

## **2.5 Basis of measurement**

These consolidated condensed interim financial statements for the nine months ended 30 September 2018 have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in these consolidated condensed interim financial statements are on accrual basis except for those reflected in cash flow statements.

## **3 Use of estimates and judgments**

The preparation of consolidated condensed interim financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied in preceding audited annual financial statements of the Company for the year ended 31 December 2017.

## **4 Statement of consistency in accounting policies**

### **4.1 Change in accounting policy**

Effective 01 January 2018, the provisions of the Companies Act, 2017 relating to the preparation of the financial statements have become applicable. Accordingly, the treatment of surplus on revaluation of property, plant and equipment is now in line with the requirements of IAS 16 – Property, plant and equipment since the provisions of Section 235 of the repealed Companies Ordinance, 1984 have not been carried forward by the Companies Act, 2017. This change in accounting policy has resulted in reclassification of surplus on revaluation of land and

building to equity by restating the corresponding figures which resulted in increase in equity by Rs. 159.499 million and Rs. 1,095.855 million as at 31 December 2017 and 31 December 2016 respectively.

- 4.2 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements for nine month ended on 30 September 2018 are same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2017.

There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018 and are not likely to have any significant impact on Company's consolidated condensed interim financial statements, except stated otherwise:

- Amendment to IFRS 4 - 'Insurance Contracts'- and applying IFRS 9 'Financial Instruments' with IFRS 4
- IFRS 9 - 'Financial Instruments' and amendment to IFRS 9 - 'Prepayment Features with Negative Compensation'. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- IFRS 15 - Revenue from Contract with Customer
- IFRS 16 - 'Leases'
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures
- IFRIC 23 - 'Uncertainty over Income Tax Treatments'
- Annual Improvements to IFRS Standards 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

For IFRS 9 - 'Financial Instruments, IFRS 15 - 'Revenue from Contracts with Customers' and IFRS 16 - 'Leases', the Company is in process of analysing the impact upon adoption as at 30 September 2018.

		(Un-audited)	(Audited)
		30 September 2018	31 December 2017
		(Rupees in '000)	
<b>5</b>	<b>Property, plant and equipment</b>		
		<i>Note</i>	
	Operating fixed assets	5.1	4,725,619
	Capital work-in-progress	5.2	4,594,641
			86,363
			<u>4,739,127</u>
			<u>4,681,004</u>
<b>5.1</b>	<b>Operating fixed assets</b>		
	Opening balance - net book value		4,594,641
	Additions during the period / year		1,585,584
	Acquisition through business combination		589,853
	Revaluation surplus on land and building during the period / year		310,024
			-
			3,928,500
			-
			150,688
			<u>5,184,494</u>
			5,974,796
	Book value of property, plant and equipment disposed off during the period / year		(10,627)
	Book value of property, plant and equipment disposed off due to fire during the period / year	13	(249,777)
	Depreciation charged during the period / year		(198,470)
			(136,814)
	<b>Closing balance - net book value</b>		<u>4,725,619</u>
			4,594,641
<b>5.2</b>	<b>Capital work-in-progress</b>		
	Building		2,789
	Plant and machinery		10,219
	Advance for the purchase of a vehicle		500
			-
			85,364
			999
			<u>13,508</u>
			86,363
<b>6</b>	<b>Intangible assets and goodwill</b>		(Revised)
	Software		16,899
	Goodwill		18,716
	Brand value		1,070,206
	Customer relationships (Subsidiary company)		1,070,206
			1,582,147
			1,582,147
			284,347
		6.1	2,953,599
			2,978,471

**6.1 Reconciliation of carrying amounts**

Description	Software	Goodwill	Brand value	Customer relationships (Subsidiary company)	Total
		(Revised)	(Revised)	(Revised)	
	----- (Rupees in '000) -----				
<b>Cost:</b>					
Balance at 01 January 2017	49,761	-	-	-	49,761
Acquisition through business combination - provisional - Note 6.2	-	2,975,122	-	-	2,975,122
Balance at 31 December 2017	49,761	2,975,122	-	-	3,024,883
Allocation of intangible assets - Note 6.2	-	(1,904,916)	1,582,147	322,769	-
Balance at 31 December 2017	49,761	1,070,206	1,582,147	322,769	3,024,883
Balance at 30 September 2018	<u>49,761</u>	<u>1,070,206</u>	<u>1,582,147</u>	<u>322,769</u>	<u>3,024,883</u>
					-
<b>Accumulated amortisation:</b>					
Balance at 01 January 2017	(27,416)	-	-	-	(27,416)
Amortisation charge for the year in equity	(3,629)	-	-	(15,367)	(18,996)
Balance at 31 December 2017	(31,045)	-	-	(15,367)	(46,412)
Amortisation charge for the period	(1,817)	-	-	(23,055)	(24,872)
Balance at 30 September 2018	<u>(32,862)</u>	-	-	<u>(38,422)</u>	<u>(71,284)</u>
<b>Carrying amounts:</b>					
Balance at 31 December 2017	18,716	1,070,206	1,582,147	307,402	2,978,470
Balance at 30 September 2018	<u>16,899</u>	<u>1,070,206</u>	<u>1,582,147</u>	<u>284,347</u>	<u>2,953,599</u>
					-
<b>Rates of amortization</b>	<u>10-20%</u>				



## 6.2 Goodwill and other intangible assets acquired in business combination

Effective 01 July 2017, Singer Pakistan Limited ("the Company") completed a 'Scheme of Arrangement' as approved by the Honourable Sindh High Court through its Order dated 22 May 2018 for the amalgamation of Cool Industries (Private) Limited [CIPL] and Link Wel (Private) Limited [LWPL] with and into the Company and demerger of retail business from the Company and amalgamate the same into the subsidiary. This represents excess of the amount paid over the fair value of the net assets of CIPL and LWPL on its acquisition as of the start of business on 01 July 2017. International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the determination of the fair values of the assets and liabilities and to determine the value of any intangible assets separately identified. The fair valuation exercise of the recorded tangible assets and liabilities was completed at the time of acquisition resulting in recognition of provisional goodwill amounting to Rs. 2,975.12 million as the determination of separately identifiable intangible assets was in progress as at 31 December 2017.

During the period, the Company engaged an independent valuer for determination of separately identifiable intangible assets. Based on the valuation report, dated 30 June 2018, provisional goodwill has been allocated to 'Goodwill' amounting to Rs.1,070.21 million, 'Brand value' amounting to Rs. 1,582.15 million and 'Customers relations' (Subsidiary company) amounting to Rs. 322.77 million inline with the requirements of International Accounting Standard 38, (IAS-38) 'Intangible Assets'. As at 30 June 2017, the Company, inline with the requirements of IFRS 3 relating to change in recognition of assets and liabilities within measurement period, has retrospectively adjusted the change in provisional amount recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Accordingly, comparative information has been revised due to recognition of additional intangible assets as tabulated in note 6.1 above.

Following key assumption has been used for valuation of 'Brand value' and 'Customer relations', whereas 'Goodwill has been taken as differential amounts:

### **Brand value:**

For 'Brand value, 'Royalty rate method' has been used with royalty rate of 2.5%, compound annual growth rate for revenue of 22% from financial year 2017 to 2022, terminal growth rate for revenue of 3% from financial year 2023 to 2037, discount rate of 17.66% with an infinite useful life.

### **Customer relationships (Subsidiary company):**

For 'Customer relationships, 'Multi period excess earning method' has been used with attrition rate of 10%, compound annual growth rate for revenue of 22% from financial year 2017 to 2022, terminal growth rate for revenue of 3% from financial year 2023 to 2027, discount rate of 17.66% with useful life of 10.5 years.

		(Un-audited) 30 September 2018	(Audited) 31 December 2017
		(Rupees in '000)	
<b>7 Trade debts</b>	<i>Note</i>		
<b>7.1 Retail Network</b>			
<b>Considered good - unsecured</b>			
Hire purchase			
- Retail	7.3	635,032	522,630
- Institutional (employees of the corporate entities)		178,842	133,647
		<u>813,874</u>	<u>656,277</u>
Unearned carrying charges		(57,337)	(73,316)
		<u>756,537</u>	<u>582,961</u>
<b>Considered doubtful</b>	7.4	240,586	240,544
		<u>997,123</u>	<u>823,505</u>
Provision for doubtful debts and other receivables		(240,586)	(240,544)
		<u>756,537</u>	<u>582,961</u>
<b>7.2 Wholesale</b>			
<b>Considered good - unsecured</b>			
Dealers		1,866,385	1,573,830
Considered doubtful		25,153	23,433
		<u>1,891,538</u>	<u>1,597,263</u>
Balance transferred to the subsidiary company under the Scheme of Arrangement		-	-
		<u>1,891,538</u>	<u>1,597,263</u>
Provision for doubtful debts	7	(25,153)	(23,433)
		<u>1,866,385</u>	<u>1,573,830</u>

7.3 Balance of Rs. 7.3 million (31 December 2017: Rs. 10.60 million) due from the current and former employees net of the securities held by the Company earlier shown as a separate line item, have been included in the balance.

7.4 This includes provision of Rs. 0.042 million during the period against the retail debtors and Rs. 1.720 million during the period against the wholesales debtors. No reversals or written off were made during the period.

#### 8 Issued, subscribed and paid up capital

(Un-audited)	(Audited)		(Un-audited)	(Audited)
30 September 2018	31 December 2017		30 September 2018	31 December 2017
--- Number of shares ---			--- Rupees in '000 ---	
11,461,568	11,461,568	Ordinary shares of Rs. 10 each fully paid in cash	114,616	114,616
703,733	703,733	Ordinary shares of Rs. 10 each fully paid issued against consideration other than cash	7,037	7,037
33,240,321	33,240,321	Ordinary shares of Rs. 10 each fully paid issued as paid bonus shares	332,403	332,403
96,450,000	-	Ordinary shares of Rs. 10 each fully paid issued under the scheme of arrangement of amalgamation	964,500	-
21,278,365	-	Ordinary shares of Rs. 10 each fully paid issued as paid bonus shares	212,784	-
<b>163,133,987</b>	<b>45,405,622</b>		<b>1,631,340</b>	<b>454,056</b>

8.1 The single largest investor group comprises of (a) Poseidon Synergies (Private) Limited owned by the Chief Executive and his wife (9,785,377 shares at 6% of the total share capital), (b) Mr. Haroon Ahmad Khan (61,916,109 shares at 37.95% of the total share capital) and (c) Mrs. Nighat Haroon Khan (25,518,500 shares at 15.64% of the total share capital) and dependent children of Mr. Haroon Ahmad Khan (2,702,500 @ 1.66% of the total share capital) cumulatively at 61.25%.

		(Un-audited)	(Audited)
		30 September 2018	31 December 2017
		(Rupees in '000)	
<b>9 Short term borrowings</b>	<i>Note</i>		
<b>From banking companies - secured</b>			
Running finance under mark-up arrangements		1,100,450	868,507
Finance against trust receipt	9.1	1,130,633	837,277
Short term finances under 'Murahaba' arrangement	9.2	205,050	306,101
		<b>2,436,133</b>	<b>2,011,885</b>
<b>From non banking companies</b>			
Short term finances from a financial institution - secured	9.2	-	725,000
Loan from a Private Group - unsecured		-	12,031
		-	737,031
		<b>2,436,133</b>	<b>2,748,916</b>

9.1 The Company has obtained an additional facility of finance against trust receipt for imports of raw material from Sindh Bank Limited at the rate of three month KIBOR plus 3% per annum. This facility was obtained against the charge created on present and future current assets amounting to Rs. 300 million and the liability outstanding against this facility as at 30 September 2018 is amounting to Rs. 187.8 million.

9.2 This represents short term finance obtained from Pak Brunie Ltd. During the period company repaid principal amounting to Rs. 250 million and remaining principal amounting to Rs. 475 million has been converted in to a long term loan.

## **10 Contingencies and commitments**

### **10.1 Contingencies**

There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2017, except for the followings:

**10.1.1** For tax year 2012, the Company [formerly Cool Industries (Private) Limited] was selected for audit by the Commissioner Inland Revenue, Zone-I, 'Large Taxpayer Unit' vide notice, dated 26 February 2014, against which the Company filed writ petition before the Honourable Lahore High Court. The Writ petition was decided against the appellant and the tax department initiated audit proceedings. In pursuant to the proceeding, the Deputy Commissioner Inland Revenue ('DCIR') issued an amended assessment order under section 122(1)/ 122(5) whereby certain additions were made and demand amounting to Rs. 48.102 million was raised. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue - Appeals ('CIR-A') against the order which is still pending for adjudication.

**10.1.2** For tax year 2015, the DCIR issued an order under section 161/ 205 and created a tax demand amounting to Rs. 122.538 million. Being aggrieved with the aforementioned order, the Company [Formerly Link Wel (Private) Limited] filed an appeal before CIR-A against which CIR-A passed an order, dated 30 January 2017, whereby demand against purchases and discounts was deleted and confirmed rest of the demand amounting to Rs 33.851 million whereas calculation of default surcharge was remanded back to the DCIR. The Company again preferred second appeal before Appellate Tribunal Inland Revenue against the order of CIR-A, which is pending for adjudication.

**10.1.3** For Tax Year 2016 and 2017, DCIR issued order under section 161(205) and created tax demand of Rs. 1.40 million and Rs. 6.03 million respectively. CIT appeal remanded the case for reconsideration to DCIR. Company filed an appeal before ATIR against the order of CIT appeal which is still pending for adjudication.

### **10.2 Commitments**

Commitments under letters of credit as at 30 September 2018 for the import of stock in trade amounted to Rs. 200.448 million (31 December 2017: Rs. 516.75 million).

Commitments in respect of Ijarah rentals payable in future period as at 30 September 2018 amounted to Rs. 1.65 million (31 December 2017: Rs. 2.38 million) for vehicles and plant and machinery.

<b>11 Sales - net</b>	<b>(Un-audited) 30 September 2018</b>	<b>(Un-audited) 30 September 2017 <i>Restated</i></b>
	<b>(Rupees in '000)</b>	
Gross sales		
- Local	<b>7,193,838</b>	3,262,800
- Export	<b>14,186</b>	2,419
	<b>7,208,024</b>	3,265,219
Sales tax	<b>(740,857)</b>	(336,595)
Trade discounts	<b>(519,984)</b>	(320,863)
Sales return	<b>(23,852)</b>	(5,995)
	<b>(1,284,693)</b>	(663,452)
	<b>5,923,331</b>	2,601,767
<b>12 Cost of sales</b>		
Opening stock - finished goods		
- own manufactured	<b>1,050,985</b>	825,692
- purchased for resale	<b>192,055</b>	52,324
	<b>1,243,040</b>	878,016
Purchases	<b>840,321</b>	288,162
Cost of goods manufactured	<b>3,411,947</b>	1,856,787
	<b>5,495,308</b>	3,022,965
Closing stock - finished goods		
- own manufactured	<b>(1,180,139)</b>	(1,208,776)
- purchased for resale	<b>(127,660)</b>	(45,501)
	<b>(1,307,799)</b>	(1,254,277)
Less: Export Rebate	<b>54</b>	
	<b>4,187,455</b>	1,768,688

### **13 Other expenses**

This includes net loss of insurance claim of assets written off due to fire. The details of which are as follow:

On 11 May 2018, a fire broke out at production facility located in Lahore [former 'Cool Industries (Private) Limited']. The fire started at the dispatch area and caused damage to the finished goods under dispatch, production facility (i.e. Plant and machinery) along with its related building area and work-in-process which were adequately insured. Although, the production of refrigerators and deep freezers was halted for a month, however, sufficient finished goods inventory of these products was available at off-site warehouses for uninterrupted supplies to the market. The production facilities of air-conditioners, microwave ovens and washing machines remained un-affected and continued un-interruptedly.

The Company filed insurance claim in respect of damaged assets and a surveyor was appointed by the insurance company, who completed his survey and assessed the insurance claim at Rs. 432.06 million including salvage value of Rs. 12.06 million scrap retained by the Company. As at 30 September 2018, the Company has received Rs. 432.06 million against insurance claim including salvage recovery of Rs. 12.06 million. Details of insurance claim are as follow:

		(Un-audited) 30 September 2018 (Rupees in '000)
<b>Carrying value of assets written off due to fire</b>	<i>Note</i>	
<b><u>Property, plant and equipment</u></b>		
Building		60,016
Plant and machinery		177,597
Furniture and equipment		12,164
	5.1	249,777
<b>Stock in trade</b>		
Finished goods		12,804
Raw material		94,535
Work in process		78,759
		186,098
<b>Repair and maintenance adjustment</b>		3,029
Carrying value of assets written off due to fire		438,904
Insurance claim verified to date		420,000
Scrap value		12,066
Net loss on insurance claim of assets written off due to fire		(6,838)

		(Un-audited) 30 September 2018 (Rupees in '000)	(Un-audited) 30 September 2017 <i>Restated</i>
<b>14 Taxation</b>	<i>Note</i>		
<i>Current:</i>			
- For the period	14.1	115,982	26,415
- Prior years		-	5,347
		115,982	31,762
Deferred tax for the period		(34,203)	26,551
		81,779	58,313

**14.1** 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 moradaba, that derives profits for the year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, with effect from tax year 2017 this tax on undistributed reserves is not applicable to public company which distributes at least 20% of its after tax profits within six months of the end of the tax year through cash.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 31 December 2018 to comply with the above stated requirements. Accordingly, no provision for tax on undistributed profits has been recognised in these consolidated condensed interim financial statements for the period ended 30 September 2018.

**15 Earnings per share - basic and diluted**

	<b>2018</b>	2017	<b>2018</b>	2017
		<i>Restated</i>		<i>Restated</i>
Profit for the period	<b>68,246</b>	48,407	<b>305,429</b>	114,011
	<b>(Number in '000)</b>		<b>(Number in '000)</b>	
Weighted average number of ordinary shares	<b>163,134</b>	163,134	<b>163,134</b>	89,189
	<b>(Rupees)</b>		<b>(Rupees)</b>	
Earnings per share - basic and diluted	<b>0.42</b>	0.30	<b>1.87</b>	1.28

**15.1** There were no convertible dilutive potential ordinary shares in issue as at 30 September 2018 and 30 September 2017.

**16 Cash and cash equivalents**

	<b>(Un-audited) 30 September 2018</b>	<b>(Audited) 31 December 2017</b>
	<b>(Rupees in '000)</b>	
Cash and bank balances	<b>213,532</b>	291,647
Short term running finance - secured	<b>(1,100,450)</b>	(868,507)
	<b>(886,918)</b>	(576,860)

**17 Related party transactions and balances**

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Balances are disclosed elsewhere in this consolidated condensed interim financial information. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			30 September 2018	30 September 2017
<b>Associated Undertakings</b>				
Employee's Provident Fund	Post employee benefit plan	Contribution for the period	21,435	23,936
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	4,763	6,027
Employee's Pension Fund	Post employee benefit plan	Contribution for the period	3,017	6,689
Key Management Personnel	Employees	Remuneration	165,500	64,787
Directors	Employees	Fee for meetings	693	-

**18 Operating Segments**

As per IFRS 8, "Operating Segments", Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Group has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Group has determined the operating segments based on the reports reviewed by the Chief Executive Officer, which are used to make strategic decisions.

The Chief Executive Officer is responsible for the Group's entire product portfolio and considers the business to have two operating segments. The Group's asset allocation decisions are based on an integrated investment strategy. The Group's performance is evaluated on the basis of two operating segments.

The internal reporting provided to the Chief Executive Officer for the Group's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

The Group's operating segments consists of business related to Singer Brand and Waves Brand.

	Singer	Waves	Total
	(Rupees in '000)		
Revenue	1,646,215	5,537,957	7,184,172
Segment profit / loss before tax	20,020	367,188	387,208
Interest expense	75,924	231,717	307,641
Depreciation and amortization	67,633	155,709	223,342
Segment assets	3,234,361	10,653,631	13,887,992
Segment liabilities	1,363,207	4,230,026	5,593,232

The consolidated financial statements for the nine months ended 30 September 2017 were prepared on the basis of single reportable segment as it was not reported to the Chief Decision Makers in disaggregated form.

**18.1** Revenue from refrigerators and deep freezers represent 44% and 36% respectively of the total revenue of the Group.

**18.2** Sales represents local sales of Rs. 5,909.145 million (30 September 2017: Rs. 2,599.348 million) and export sales of Rs. 14.186 million (30 September 2017: 2.419 million).

**18.3** All non-current assets of the Group at 30 September 2018 are located in Pakistan.

**18.4** The Group does not have any customer having sales of 10% or more during the half year ended 30 September 2018 and 30 September 2017.

## 19 Fair value measurement of financial instruments

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 2018 (Un-audited)						
		Carrying amount			Fair value			
	Note	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3
		------(Rupees in '000)-----						
<b>Financial instruments</b>								
<b><u>30 September 18 - (Un-audited)</u></b>								
<b><u>Financial assets - not measured at fair value</u></b>								
Security deposits		46,940	-	-	46,940	-	-	-
Trade debts		2,622,922	-	-	2,622,922	-	-	-
Deposit and other receivables		102,252	-	-	102,252	-	-	-
Bank balances		-	213,532	-	213,532	-	-	-
	19.2	<u>2,772,114</u>	<u>213,532</u>	<u>-</u>	<u>2,985,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>								
Liabilities against assets subject to finance lease		-	-	77,329	77,329	-	-	-
Long term loans - secured		-	-	1,043,208	1,043,208	-	-	-
Trade and other payables		-	-	1,642,992	1,642,992	-	-	-
Short term borrowings - secured and unsecured		-	-	2,436,133	2,436,133	-	-	-
Mark-up accrued on short term finances and long term loans		-	-	93,348	93,348	-	-	-
	19.2	<u>-</u>	<u>-</u>	<u>5,293,010</u>	<u>5,293,010</u>	<u>-</u>	<u>-</u>	<u>-</u>



19.1 Fair value measurement of financial instruments

		31 December 2017 (Audited)						
		Carrying amount			Fair value			
	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	
------(Rupees in '000)-----								
<b>Financial instruments</b>								
<b><u>31 December 2017</u></b>								
<b><u>Financial assets - not measured at fair value</u></b>								
	Security deposits	53,290	-	-	53,290	-	-	
	Trade debts	2,156,791	-	-	2,156,791	-	-	
	Deposit and other receivables	4,321	-	-	4,321	-	-	
	Bank balances	198,487	93,160	-	291,647	-	-	
19.2		2,412,889	93,160	-	2,506,049	-	-	
<b><u>Financial liabilities - not measured at fair value</u></b>								
	Liabilities against assets subject to finance lease	-	-	55,654	55,654	-	-	
	Long term loans - secured	-	-	649,458	649,458	-	-	
	Trade and other payables	-	-	1,088,430	1,088,430	-	-	
	Short term borrowings - secured and unsecured	-	-	2,748,916	2,748,916	-	-	
	Mark-up accrued on short term finances and long term loans	-	-	73,766	73,766	-	-	
19.2		-	-	4,616,224	4,616,224	-	-	

19.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprise over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

<u>Non financial assets measured at fair value</u>	<u>Date of valuation</u>	<u>Valuation approach and inputs used</u>	<u>Inter-relationship between significant unobservable input and fair value measurement</u>
Revalued Property, plant and equipment and investment property			
- Land and Building	31 December 2017	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents /realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

## **20 Date of authorization**

These condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 30 October, 2018.

## **21 General**

Corresponding figures have been re-stated, re-arranged and re-classified, where necessary, for the purpose of comparison and better presentation as per reporting framework.

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

**Haroon Ahmad Khan**

**Lahore**

\_\_\_\_\_  
**Chief Executive**

**Moazzam Ahmad Khan**

\_\_\_\_\_  
**Director**

**Nadeem Mehmood Butt**

\_\_\_\_\_  
**Chief Financial Officer**

# **Waves Singer Pakistan Limited**

*(formerly Singer Pakistan Limited)*

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Un-Audited Condensed Interim

## **Un- Consolidated Financial Statements**

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For the Nine Months Ended 30<sup>th</sup> September 2018

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)  
Unconsolidated Condensed Interim Statement of Financial Position  
As at 30 September 2018

		(Unaudited) 30 September 2018	(Audited) 31 December 2017 <i>(Restated)</i>		(Unaudited) 30 September 2018	(Audited) 31 December 2017 <i>(Restated)</i>	
<b>EQUITY AND LIABILITIES</b>	<i>Note</i>	<b>(Rupees in '000)</b>		<b>ASSETS</b>	<i>Note</i>	<b>(Rupees in '000)</b>	
<u><i>Share capital and reserves</i></u>				<u><i>Non-current assets</i></u>			
Authorized capital 175,000,000 (31 December 2017: 145,000,000) ordinary shares of Rs 10 each		<b>1,750,000</b>	1,450,000	Property, plant and equipment	5	<b>4,319,608</b>	4,229,342
				Intangible assets and goodwill	6	<b>2,669,252</b>	2,671,069
				Investment property		<b>173,501</b>	173,501
				Investment in subsidiary companies	7	<b>573,769</b>	573,769
				Long term deposits		<b>11,575</b>	10,999
						<b>7,747,706</b>	7,658,681
Issued, subscribed and paid up capital	10	<b>1,631,340</b>	454,056	<u><i>Current assets</i></u>			
Shares to be issued pursuant to amalgamation		-	964,500	Stores, spares and loose tools		<b>30,501</b>	22,918
Share premium		<b>4,825,764</b>	5,038,548	Stock-in-trade		<b>2,699,261</b>	2,559,539
Capital reserve		<b>5,000</b>	5,000	Trade debts	8	<b>2,365,467</b>	1,270,931
Revenue reserve - unappropriated profit / (accumulated loss)		<b>1,385,973</b>	1,464,379	Advances, deposits, prepayments and other receivables	9	<b>167,475</b>	758,430
Surplus on revaluation of land and building		<b>158,129</b>	158,141	Taxation - net		<b>511,780</b>	395,497
		<b>8,006,206</b>	8,084,624	Cash and bank balances		<b>195,101</b>	243,173
<u><i>Non-current liabilities</i></u>						<b>5,969,584</b>	5,250,488
Long term loans - secured		<b>761,958</b>	568,276				
Liabilities against assets subject to finance lease		<b>50,265</b>	38,254				
Employee retirement benefits		<b>42,258</b>	37,436				
Deferred tax liability - net		<b>99,047</b>	138,696				
Deferred income		<b>23,273</b>	12,679				
		<b>976,801</b>	795,341				
<u><i>Current liabilities</i></u>							
Short term borrowings	11	<b>2,436,133</b>	2,748,916				
Mark-up accrued on short term and long term borrowings		<b>93,348</b>	73,767				
Trade and other payables		<b>1,891,473</b>	1,104,906				
Current portion of long term loans		<b>281,250</b>	81,182				
Current portion of liabilities against assets subject to finance lease		<b>27,064</b>	17,400				
Current portion of deferred income		<b>5,015</b>	3,033				
		<b>4,734,283</b>	4,029,204				
<b>Contingencies and commitments</b>	12						
		<b>13,717,290</b>	12,909,169			<b>13,717,290</b>	12,909,169

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Haroon Ahmad Khan

Lahore

Chief Executive

Moazzam Ahmad Khan

Director

Nadeem Mehmood Butt

Chief Financial Officer

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the three and nine month period ended 30 September 2018

	Note	For the three month period ended		For the nine month period ended	
		30 September 2018	30 September 2017	30 September 2018	30 September 2017
		<i>Restated</i>		<i>Restated</i>	
		----- (Rupees in '000) -----			
Gross sales-net of sales return		<b>1,629,160</b>	1,372,818	<b>6,878,829</b>	2,466,658
Sales tax and trade discount on invoices		<b>(598,545)</b>	(491,549)	<b>(2,570,090)</b>	(642,201)
Sales - net	13	<b>1,030,615</b>	881,270	<b>4,308,739</b>	1,824,458
Cost of sales	14	<b>(1,002,731)</b>	(743,273)	<b>(4,192,590)</b>	(1,402,146)
<b>Gross (loss) / profit</b>		<b>27,884</b>	137,997	<b>116,149</b>	422,312
Marketing, selling and distribution cost		<b>(21,016)</b>	(19,666)	<b>(106,157)</b>	(175,780)
Administrative expenses		<b>(21,130)</b>	(14,917)	<b>(94,806)</b>	(36,864)
Other expenses	15	<b>(9,730)</b>	(9,739)	<b>(47,284)</b>	(25,897)
Other income		<b>144,644</b>	19,049	<b>554,575</b>	55,852
<b>Profit from operations</b>		<b>120,652</b>	112,724	<b>422,478</b>	239,623
Earned carrying charges		-	14,927	-	49,639
Finance cost		<b>(106,239)</b>	(113,277)	<b>(305,488)</b>	(196,085)
<b>Profit before taxation</b>		<b>14,412</b>	14,374	<b>116,990</b>	93,177
Taxation	16	<b>(2,844)</b>	(8,473)	<b>(18,088)</b>	(42,727)
<b>Profit for the period</b>		<b>11,568</b>	5,900	<b>98,902</b>	50,449
<b>Earnings per share - basic and diluted</b>	17	<b>0.07</b>	0.04	<b>0.61</b>	0.57

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Haroon Ahmad Khan

Moazzam Ahmad Khan

Nadeem Mehmood Butt

Lahore

Chief Executive

Director

Chief Financial Officer

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)  
 Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)  
 For the three and nine month period ended 30 September 2018

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	<u>30 September 2018</u>	<u>30 September 2017</u>	<u>30 September 2018</u>	<u>30 September 2017</u>
	----- (Rupees in '000) -----			
		(Restated)		(Restated)
<b>Net profit for the period</b>	<b>11,568</b>	5,900	<b>98,902</b>	50,449
<b><u>Other comprehensive income for the period</u></b>				
<i>Items that will not be reclassified to profit and loss account:</i>				
- Surplus on revaluation of property, plant and equipment arisen during the period - net of tax	-	95,329	-	95,329
- Actuarial loss on employee retirement benefit - net of tax	-	(2,947)	-	(2,947)
	-	92,382	-	92,382
<b>Total comprehensive income for the period</b>	<b>11,568</b>	98,282	<b>98,902</b>	142,831

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Lahore  
 Haroon Ahmad Khan  
 Chief Executive

Moazzam Ahmad Khan  
 Director

Nadeem Mehmood Butt  
 Chief Financial Officer

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine month period ended 30 September 2018

	(Un-audited) 30 September 2018	(Un-audited) 30 September 2017
	-----Rupees in '000-----	
Note		Restated
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	116,990	93,177
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	5.1 166,923	94,209
Amortisation of intangible assets	6.1 1,817	2,900
Finance cost	305,488	196,085
Amortisation of deferred income	(4,367)	(1,403)
Unrealised gain on investment property at fair value	-	(30,800)
Net loss on insurance claim of assets written off due to fire	6,785	-
Provision for doubtful debts	1,762	-
Provision for employee retirement benefits	5,654	14,250
Dividend income	(540,000)	-
	<b>61,052</b>	<b>368,418</b>
<b><u>Effect on cash flow due to working capital changes</u></b>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(7,584)	6,830
Stock-in-trade	(139,722)	(82,554)
Trade debts and other receivables	(1,092,774)	(29,234)
Advances, deposits, prepayments and other receivables	590,955	(116,324)
<i>Increase in current liabilities:</i>		
Trade and other payables	785,513	96,150
	<b>136,389</b>	<b>(125,132)</b>
<b>Cash used in operations</b>	<b>197,441</b>	<b>243,286</b>
Income tax paid	(174,020)	(43,056)
Finance cost paid	(285,906)	(189,149)
Employee retirement benefits paid	(832)	(1,166)
Long term deposits - net	(576)	(3,692)
<b>Net cash used in operating activities</b>	<b>(263,893)</b>	<b>6,223</b>
<b><u>Cash flow from investing activities</u></b>		
Capital expenditure -net	(420,655)	(135,993)
Proceeds against insurance claim against assets written off due to fire	175,341	-
Dividend received	400,000	-
<b>Net cash used in investing activities</b>	<b>154,686</b>	<b>(135,993)</b>
<b><u>Cash flow from financing activities</u></b>		
Long term loans - net	393,750	(9,375)
Borrowing of short term finances	(544,726)	136,979
Lease rentals paid	(19,832)	(23,071)
<b>Net cash generated from financing activities</b>	<b>(170,808)</b>	<b>104,533</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(280,015)</b>	<b>(25,237)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>(625,334)</b>	<b>(810,648)</b>
<b>Cash and cash equivalents acquired in a business combination</b>	<b>-</b>	<b>(466,552)</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>(905,349)</b>	<b>(1,302,437)</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Haroon Ahmad Khan

Moazzam Ahmad Khan

Nadeem Mehmood Butt

Lahore

Chief Executive

Page 27 of 40 Director

Chief Financial Officer

Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)  
Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited)  
For the nine month period ended 30 September 2018

	Capital reserves				Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Shares to be issued pursuant to amalgamation	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building		(Accumulated losses)/ Unappropriated profits
----- Rupees in '000 -----							
Balance at 01 January 2017, as previously reported	454,056	-	-	5,000	-	(150,252)	308,804
Impact of change in policy as explained in note 4.1	-	-	-	-	1,095,855	-	1,095,855
<b>Restated balance as at 01 January 2017</b>	<b>454,056</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>1,095,855</b>	<b>(150,252)</b>	<b>1,404,659</b>
<b><u>Total comprehensive income for the period (Restated)</u></b>							
Profit for the period	-	-	-	-	-	50,449	50,449
Other comprehensive income for the period	-	-	-	-	95,329	(2,947)	92,382
	-	-	-	-	95,329	47,502	142,831
<b><u>Surplus transferred to accumulated losses</u></b>							
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(11,851)	11,851	-
<b>Restated balance as at 30 September 2017</b>	<b>454,056</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>1,179,333</b>	<b>(90,899)</b>	<b>1,547,490</b>
<b><u>Total comprehensive income for the period (Restated)</u></b>							
Profit for the period	-	-	-	-	-	138,009	138,009
Other comprehensive income for the period	-	-	-	-	54,860	341,217	396,077
	-	-	-	-	54,860	479,226	534,086
<b><u>Surplus transferred to accumulated profits</u></b>							
Transfer against sale of land and building	-	-	-	-	(1,072,432)	1,072,432	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(3,620)	3,620	-
	-	-	-	-	(1,076,052)	1,076,052	-
<b><u>Transactions with owners of the Company</u></b>							
Shares to be issued pursuant to amalgamation	-	964,500	5,038,548	-	-	-	6,003,048
<b>Restated balance as at 31 December 2017</b>	<b>454,056</b>	<b>964,500</b>	<b>5,038,548</b>	<b>5,000</b>	<b>158,141</b>	<b>1,464,379</b>	<b>8,084,624</b>
<b><u>Total comprehensive income for the period</u></b>							
Profit for the period	-	-	-	-	-	98,902	98,902
Other comprehensive income for the period	-	-	-	-	-	-	-
<b><u>Surplus transferred to accumulated profits</u></b>							
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(12)	12	-
<b><u>Transactions with owners during the period</u></b>							
Shares issued under scheme of amalgamation	964,500	(964,500)	-	-	-	-	-
Final dividend for the year ended 31 December 2017 @ Rs. 1.25 per share	-	-	-	-	-	(177,320)	(177,320)
Issue of bonus shares for the half year ended 30 June 2018 @ 15 % per share	212,784	-	(212,784)	-	-	-	-
<b>Balance as at 30 September 2018 (un-audited)</b>	<b>1,631,340</b>	<b>-</b>	<b>4,825,764</b>	<b>5,000</b>	<b>158,129</b>	<b>1,385,973</b>	<b>8,006,206</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Lahore  
Haroon Ahmad Khan  
Chief Executive

Moazzam Ahmad Khan  
Director

Nadeem Mehmood Butt  
Chief Financial Officer



**Waves Singer Pakistan Limited (formerly Singer Pakistan Limited)**  
**Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)**  
*For the nine month period ended 30 September 2018*

**1 Status and nature of business**

Waves Singer Pakistan Limited ("the Company") (formerly Singer Pakistan Limited) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in retailing and trading of domestic consumer appliances and other light engineering products, besides the manufacturing and assembling of the same. The manufacturing facilities of the company are located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi and 9-K.M, Hanjarwal, Multan Road, Lahore.

**2 Basis of preparation**

**Statement of compliance**

**2.1** These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** These unconsolidated condensed interim financial statements comprise the unconsolidated condensed interim statement of financial position of the Company as at 30 September 2018 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement and notes to the financial statements for the nine month period then ended.

**2.3** These unconsolidated condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

**2.4** These unconsolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2017. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

## **2.5 Basis of measurement**

These unconsolidated condensed interim financial statements for the nine months ended 30 September 2018 have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in these unconsolidated condensed interim financial statements are on accrual basis except for those reflected in cash flow statements.

## **3 Use of estimates and judgments**

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied in preceding audited annual financial statements of the Company for the year ended 31 December 2017.

## **4 Statement of consistency in accounting policies**

### **4.1 Change in accounting policy**

Effective 01 January 2018, the provisions of the Companies Act, 2017 relating to the preparation of the financial statements have become applicable. Accordingly, the treatment of surplus on revaluation of property, plant and equipment is now in line with the requirements of IAS 16 – Property, plant and equipment since the provisions of Section 235 of the repealed Companies Ordinance, 1984 have not been carried forward by the Companies Act, 2017. This change in accounting policy has resulted in reclassification of surplus on revaluation of land and building to equity by restating the corresponding figures which resulted in increase in equity by Rs. 159.499 million and Rs. 1,095.855 million as at 31 December 2017 and 31 December 2016 respectively.

**4.2** The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements for nine month ended on 30 September 2018 are same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2017.

There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018 and are not likely to have any significant impact on Company's unconsolidated condensed interim financial statements, except stated otherwise:

- Amendment to IFRS 4 - 'Insurance Contracts'- and applying IFRS 9 'Financial Instruments' with IFRS 4
- IFRS 9 - 'Financial Instruments' and amendment to IFRS 9 - 'Prepayment Features with Negative Compensation'. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 15 - Revenue from Contract with Customer
- IFRS 16 - 'Leases'
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures
- IFRIC 23 - 'Uncertainty over Income Tax Treatments'
- Annual Improvements to IFRS Standards 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

For IFRS 9 - 'Financial Instruments, IFRS 15 - 'Revenue from Contracts with Customers' and IFRS 16 - 'Leases', the Company is in process of analysing the impact upon adoption as at 30 September 2018.

		(Un-audited) 30 September 2018	(Audited) 31 December 2017
<b>5 Property, plant and equipment</b>	<i>Note</i>	<b>(Rupees in '000)</b>	
Operating fixed assets	5.1	<b>4,306,100</b>	4,142,979
Capital work-in-progress	5.2	<b>13,508</b>	86,363
		<b>4,319,608</b>	4,229,342
<b>5.1 Operating fixed assets</b>			
Opening balance - net book value		<b>4,142,980</b>	1,585,584
Additions during the period / year		<b>590,448</b>	307,709
Acquisition through business combination		-	3,928,500
Revaluation surplus on land and building during the period / year		-	144,262
		<b>4,733,428</b>	5,966,055
Book value of property, plant and equipment disposed off during the period / year		<b>(10,627)</b>	(1,537,591)
Book value of property, plant and equipment disposed off due to fire during the period / year	15	<b>(249,777)</b>	-
Depreciation charged during the period / year		<b>(166,923)</b>	(115,859)
Transfer to investment property during the period / year		-	(169,625)
<b>Closing balance - net book value</b>		<b>4,306,100</b>	4,142,980
<b>5.2 Capital work-in-progress</b>			
Building		<b>2,789</b>	-
Plant and machinery		<b>10,219</b>	85,364
Advance for the purchase of a vehicle		<b>500</b>	999
		<b>13,508</b>	86,363

	Note	(Un-audited) 30 September 2018 (Rupees in '000)	(Audited) 31 December 2017 (Revised)
<b>6 Intangible assets and goodwill</b>			
Software		16,899	18,716
Goodwill		1,070,206	1,070,206
Brand value		1,582,147	1,582,147
Customer relationships (Subsidiary company)		-	-
	6.1	2,669,252	2,671,069

#### 6.1 Reconciliation of carrying amounts

Description	Software	Goodwill	Brand value	Customer relationships (Subsidiary company)	Total
		(Revised)	(Revised)	(Revised)	
	----- (Rupees in '000) -----				
<b>Cost:</b>					
Balance at 01 January 2017	49,761	-	-	-	49,761
Acquisition through business combination - provisional - Note 6.2	-	2,975,122	-	-	2,975,122
Balance at 31 December 2017	49,761	2,975,122	-	-	3,024,883
Allocation of intangible assets - Note 6.2	-	(1,904,915)	1,582,147	322,769	1
Transfer to investment in subsidiary - Note 7.2	-	-	-	(322,769)	(322,769)
Balance at 31 December 2017	49,761	1,070,206	1,582,147	-	2,702,114
Balance at 30 September 2018	<b>49,761</b>	<b>1,070,206</b>	<b>1,582,147</b>	-	<b>2,702,114</b>
<b>Accumulated amortisation:</b>					
Balance at 01 January 2017	(27,416)	-	-	-	(27,416)
Amortisation charge for the year	(3,629)	-	-	-	(3,629)
Balance at 31 December 2017	(31,045)	-	-	-	(31,045)
Amortisation charge for the period	(1,817)	-	-	-	(1,817)
Balance at 30 September 2018	<b>(32,862)</b>	-	-	-	<b>(32,862)</b>
<b>Carrying amounts:</b>					
Balance at 31 December 2017	18,716	1,070,206	1,582,147	-	2,671,069
Balance at 30 September 2018	<b>16,899</b>	<b>1,070,206</b>	<b>1,582,147</b>	-	<b>2,669,252</b>
<b>Rates of amortization</b>	<b>10-20%</b>				

#### 6.2 Goodwill and other intangible assets acquired in business combination

Effective 01 July 2017, Singer Pakistan Limited ("the Company") completed a 'Scheme of Arrangement' as approved by the Honourable Sindh High Court through its Order dated 22 May 2018 for the amalgamation of Cool Industries (Private) Limited [CIPL] and Link Wel (Private) Limited [LWPL] with and into the Company and demerger of retail business from the Company and amalgamate the same into the subsidiary. This represents excess of the amount paid over the fair value of the net assets of CIPL and LWPL on its acquisition as of the start of business on 01 July 2017. International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the determination of the fair values of the assets and liabilities and to determine the value of any intangible assets separately identified. The fair valuation exercise of the recorded tangible assets and liabilities was completed at the time of acquisition resulting in recognition of provisional goodwill amounting to Rs. 2,975.12 million as the determination of separately identifiable intangible assets was in progress at as 31 December 2017.

During the period, the Company engaged an independent valuer for determination of separately identifiable intangible assets. Based on the valuation report, dated 30 June 2018, provisional goodwill has been allocated to 'Goodwill' amounting to Rs.1,070.21 million, 'Brand value' amounting to Rs. 1,582.15 million and 'Customers relations' (Subsidiary company) amounting to Rs. 322.77 million inline with the requirements of International Accounting Standard 38, (IAS-38) 'Intangible Assets'. As at 30 June 2017, the Company, inline with the requirements of IFRS 3 relating to change in recognition of assets and liabilities within measurement period, has retrospectively adjusted the change in provisional amount recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Accordingly, comparative information has been revised due to recognition of additional intangible assets as tabulated in note 6.1 above.

Following key assumption has been used for valuation of 'Brand value' and 'Customer relations', whereas 'Goodwill has been taken as differential amounts:

##### **Brand value:**

For 'Brand value, 'Royalty rate method' has been used with royalty rate of 2.5%, compound annual growth rate for revenue of 22% from financial year 2017 to 2022, terminal growth rate for revenue of 3% from financial year 2023 to 2037, discount rate of 17.66% with an infinite useful life.

##### **Customer relationships (Subsidiary company):**

For 'Customer relationships, 'Multi period excess earning method' has been used with attrition rate of 10%, compound annual growth rate for revenue of 22% from financial year 2017 to 2022, terminal growth rate for revenue of 3% from financial year 2023 to 2027, discount rate of 17.66% with useful life of 10.5 years.

		(Un-audited) 30 September 2018	(Audited) 31 December 2017
		(Rupees in '000)	
<b>7</b>	<b>Investment in a subsidiary companies</b>		
	Electronics Marketing Company (Private) Limited (EMCPL) - at cost	7.1 <b>250,000</b>	250,000
	Waves Marketing (Private) Limited (WMPL)	7.2 <b>323,769</b>	323,769
		<b>573,769</b>	<b>573,769</b>
<b>7.1</b>	EMCPL is a wholly owned subsidiary company of the Company. Details of the above are as follows:		
	Investment in 2,500,000 (2017: 200,000) ordinary shares of Rs. 10 each	7.1.1 <b>250,000</b>	250,000
<b>7.1.1</b>	The subsidiary company was incorporated on 9 September 2016. The principal activity of the subsidiary company is to carry out distribution /wholesales and retail business of all kinds of electronic appliances, its components and accessories, etc. The Chief Executive Officer of EMCPL is Mr. Nadeem Mahmood Butt. Net assets of the subsidiary company as at 31 December 2017 was Rs. 287.322 million.		
<b>7.2</b>	WMPL is a wholly owned subsidiary company of the Company. Details of the above are as follows:		
	Investment in 100,000 (2017: 100,000) ordinary shares of Rs. 10 each	6.2 <b>1,000</b>	1,000
	Transfer of value of customer relationships as investment from intangibles	7.2.1 <b>322,769</b>	322,769
		<b>323,769</b>	<b>323,769</b>
<b>7.2.1</b>	The Company holds 100% ownership interest in Waves Marketing (Private) Limited (WM). The subsidiary company was incorporated on 10 April 2017. The principal activity of the subsidiary company is to carry out businesses of distributors, marketers, merchants, wholesalers, retailers, traders, indentures, stockiest, suppliers, agent for product of manufacturers of other principals, local or foreign. Chief Executive Officer of WM is Mr. Moazzam Ahmed Khan. Net assets of the subsidiary company as at 31 December 2017 was Rs. 79.48 million.		
<b>8</b>	<b>Trade debts</b>		
	<u>Considered good - unsecured</u>		
	Dealers	<b>2,365,467</b>	1,285,791
	Considered doubtful	<b>25,195</b>	23,433
		<b>2,390,662</b>	1,309,224
	Balance transferred to the subsidiary company under the Scheme of Arrangement	-	(14,860)
		<b>2,390,662</b>	1,294,364
	Provision for doubtful debts	<b>(25,195)</b>	(23,433)
		<b>2,365,467</b>	1,270,931
<b>9</b>	There is no balance, include in advances due from Electronic Marketing Company (Private) Limited, a wholly owned subsidiary company as at 30 September 2018, (31 December 2017: 660.10 million) on account of demerger/ expenses allocated to them/ incurred on their behalf. The balance is unsecured, interest free and repayable on demand. Furthermore, other receivables include Rs. 140.0 million (31 December 2017: Nil) in respect of interim dividend receivable from Waves Marketing (Private) Limited, a wholly owned subsidiary company.		
<b>10</b>	<b>Issued, subscribed and paid up capital</b>		
	Ordinary shares of Rs. 10 each fully paid in cash	<b>11,461,568</b>	11,461,568
	Ordinary shares of Rs. 10 each fully paid issued against consideration other than cash	<b>703,733</b>	7,037
	Ordinary shares of Rs. 10 each fully paid issued as paid bonus shares	<b>33,240,321</b>	332,403
	Ordinary shares of Rs. 10 each fully paid issued under the scheme of arrangement of amalgamation	<b>96,450,000</b>	-
	Ordinary shares of Rs. 10 each fully paid issued as paid bonus shares	<b>21,278,365</b>	-
		<b>163,133,987</b>	45,405,622
		<b>114,616</b>	114,616
		<b>7,037</b>	7,037
		<b>332,403</b>	332,403
		<b>964,500</b>	-
		<b>212,784</b>	-
		<b>1,631,340</b>	454,056

- 10.1** The single largest investor group comprises of (a) Poseidon Synergies (Private) Limited owned by the Chief Executive and his wife (9,785,377 shares at 6% of the total share capital), (b) Mr. Haroon Ahmad Khan (61,916,109 shares at 37.95% of the total share capital) and (c) Mrs. Nighat Haroon Khan (25,518,500 shares at 15.64% of the total share capital) and dependent children of Mr. Haroon Ahmed Khan (2,702,500 @ 1.66% of the total share capital) cumulatively at 61.25%.

		(Un-audited) 30 September 2018	(Audited) 31 December 2017
	Note	(Rupees in '000)	
<b>11 Short term borrowings</b>			
<i>From banking companies - secured:</i>			
Running finance under mark-up arrangements		1,100,450	868,507
Finance against trust receipt	11.1	1,130,633	837,277
Short term finances under 'Murahaba' arrangement	11.2	205,050	306,101
		<b>2,436,133</b>	2,011,885
<i>From non banking companies:</i>			
Short term finances from a financial institution - secured	11.2	-	725,000
Loan from a Private Group - unsecured		-	12,031
		-	737,031
		<b>2,436,133</b>	<b>2,748,916</b>

- 11.1** The Company has obtained an additional facility of finance against trust receipt for imports of raw material from Sindh Bank Limited at the rate of three month KIBOR plus 3% per annum. This facility was obtained against the charge created on present and future current assets amounting to Rs. 300 million and the liability outstanding against this facility as at 30 September 2018 is amounting to Rs. 187.8 million.

- 11.2** This represents short term finance obtained from Pak Brunie Ltd. During the period company repaid principal amounting to Rs. 250 million and remaining principal amounting to Rs. 475 million has been converted in to a long term loan.

## 12 Contingencies and commitments

### 12.1 Contingencies

There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2017, except for the followings:

- 12.1.1** For tax year 2012, the Company [formerly Cool Industries (Private) Limited] was selected for audit by the Commissioner Inland Revenue, Zone-I, 'Large Taxpayer Unit' vide notice, dated 26 February 2014, against which the Company filed writ petition before the Honourable Lahore High Court. The Writ petition was decided against the appellant and the tax department initiated audit proceedings. In pursuant to the proceeding, the Deputy Commissioner Inland Revenue ('DCIR') issued an amended assessment order under section 122(1)/ 122(5) whereby certain additions were made and demand amounting to Rs. 48.102 million was raised. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue - Appeals ('CIR-A') against the order which is still pending for adjudication.
- 12.1.2** For tax year 2015, the DCIR issued an order under section 161/ 205 and created a tax demand amounting to Rs. 122.538 million. Being aggrieved with the aforementioned order, the Company [Formerly Link Wel (Private) Limited] filed an appeal before CIR-A against which CIR-A passed an order, dated 30 January 2017, whereby demand against purchases and discounts was deleted and confirmed rest of the demand amounting to Rs 33.851 million whereas calculation of default surcharge was remanded back to the DCIR. The Company again preferred second appeal before Appellate Tribunal Inland Revenue against the order of CIR-A, which is pending for adjudication.
- 12.1.3** For Tax Year 2016 and 2017, DCIR issued order under section 161(205) and create tax demand of Rs. 1.40 million and Rs. 6.03 million respectively. CIT appeal remanded the case for reconsideration to DCIR. Company filed an appeal before ATIR against the order of CIT appeal which is still pending for adjudication.

### 12.2 Commitments

Commitments under letters of credit as at 30 September 2018 for the import of stock in trade amounted to Rs. 200.448 million (31 December 2017: Rs. 516.75 million).

Commitments in respect of Ijarah rentals payable in future period as at 30 September 2018 amounted to Rs. 1.65 million (31 December 2017: Rs. 2.38 million) for vehicles and plant and machinery.

	(Un-audited) 30 September 2018	(Un-audited) 30 September 2017
	(Restated)	
	(Rupees in '000)	
<b>13 Sales - net</b>		
<i>Gross sales:</i>		
- Local	6,879,052	2,470,235
- Export	14,186	2,419
	<b>6,893,238</b>	2,472,653
Sales tax	(740,858)	(336,595)
Trade discounts	(1,829,232)	(305,606)
Sales return	(14,409)	(5,995)
	<b>(2,584,499)</b>	(648,196)
	<b>4,308,739</b>	1,824,458

	(Un-audited) 30 September 2018	(Un-audited) 30 September 2017 (Restated)
<b>14 Cost of sales</b>	<b>(Rupees in '000)</b>	
<i>Opening stock - finished goods:</i>		
- own manufactured	1,050,985	825,692
- purchased for resale	192,055	52,324
	<u>1,243,040</u>	<u>878,016</u>
Purchases	662,929	288,162
Cost of goods manufactured	3,594,420	1,490,245
	<u>5,500,389</u>	<u>2,656,423</u>
<i>Closing stock - finished goods:</i>		
- own manufactured	(1,180,139)	(1,208,776)
- purchased for resale	(127,660)	(45,501)
	<u>(1,307,799)</u>	<u>(1,254,277)</u>
	<u>4,192,590</u>	<u>1,402,146</u>

#### 15 Other expenses

This includes net loss of insurance claim of assets written off due to fire. The details of which are as follow:

On 11 May 2018, a fire broke out at production facility located in Lahore [former 'Cool Industries (Private) Limited']. The fire started at the dispatch area and caused damage to the finished goods under dispatch, production facility (i.e. Plant and machinery) along with its related building area and work-in-process which were adequately insured. Although, the production of refrigerators and deep freezers was halted for a month, however, sufficient finished goods inventory of these products was available at off-site warehouses for uninterrupted supplies to the market. The production facilities of air-conditioners, microwave ovens and washing machines remained un-affected and continued un-interruptedly.

The Company filed insurance claim in respect of damaged assets and a surveyor was appointed by the insurance company, who completed his survey and assessed the insurance claim at Rs. 432.06 million including salvage value of Rs. 12.06 million scrap retained by the Company. As at 30 September 2018, the Company has received Rs. 432.06 million against insurance claim including salvage recovery of Rs. 12.06 million. Details of insurance claim are as follow:

	Note	(Un-audited) 30 September 2018 (Rupees in '000)
<b>Carrying value of assets written off due to fire</b>		
<b><u>Property, plant and equipment</u></b>		
Building		60,016
Plant and machinery		177,597
Furniture and equipment		12,164
	5.1	<u>249,777</u>
<b><u>Stock in trade</u></b>		
Finished goods		12,804
Raw material		94,535
Work in process		78,759
		<u>186,098</u>
<b>Repair and maintenance adjustment</b>		<u>3,029</u>
Carrying value of assets written off due to fire		<u>438,904</u>
Insurance claim verified to date		420,000
Scrap value		12,066
<b>Net loss on insurance claim of assets written off due to fire</b>		<u>(6,838)</u>

<b>16 Taxation</b>	<i>Note</i>	<b>(Un-audited) 30 September 2018</b>	<b>(Un-audited) 30 September 2017</b>
		<b>(Rupees in '000)</b>	
<i>Current:</i>			
- For the period	<i>16.1</i>	<b>56,737</b>	2,357
- Prior years		<u>-</u>	<u>5,347</u>
		<b>56,737</b>	<b>7,704</b>
Deferred tax for the period		<u><b>(38,649)</b></u>	<u>26,551</u>
		<b>18,088</b>	<b>34,255</b>

**16.1** 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 moradaba, that derives profits for the year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, with effect from tax year 2017 this tax on undistributed reserves is not applicable to public company which distributes at least 20% of its after tax profits within six months of the end of the tax year through cash.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 31 December 2018 to comply with the above stated requirements. Accordingly, no provision for tax on undistributed profits has been recognised in these unconsolidated condensed interim financial statements for the period ended 30 September 2018.

## **17 Earnings per share - basic and diluted**

	<b>2018</b>	2017	<b>2018</b>	2017
	<i>Restated</i>		<i>Restated</i>	
Profit for the period	<b>11,568</b>	5,900	<b>98,902</b>	50,449
	<b>(Number in '000)</b>		<b>(Number in '000)</b>	
Weighted average number of ordinary shares	<b>163,134</b>	163,134	<b>163,134</b>	89,189
	<b>(Rupees)</b>		<b>(Rupees)</b>	
Earnings per share - basic and diluted	<b>0.07</b>	0.04	<b>0.61</b>	0.57

**17.1** There were no convertible dilutive potential ordinary shares in issue as at 30 September 2018 and 30 September 2017.

<b>18 Cash and cash equivalents</b>	<b>(Un-audited) 30 September 2018</b>	<b>(Audited) 31 December 2017</b>
	<b>(Rupees in '000)</b>	
Cash and bank balances	<b>195,101</b>	243,173
Short term running finance - secured	<b>(1,100,450)</b>	(868,507)
	<b>(905,349)</b>	<b>(625,334)</b>



**19 Related party transactions and balances**

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Balances are disclosed elsewhere in this unconsolidated condensed interim financial information. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			30 September 2018	30 September 2017 <i>(Restated)</i>
<b>i. Subsidiary Company</b>				
Waves Marketing (Private) Limited	Wholly owned subsidiary	Purchase of inventory	<b>104,509</b>	6,992
		Sale of inventory	<b>3,334,797</b>	225,544
		Expenses incurred / paid on behalf of subsidiary	<b>627,139</b>	45,732
		Dividend income	<b>540,000</b>	-
		Dividend receivable	<b>140,000</b>	-
		Trade receivable	<b>846,861</b>	209,921
Electronics Marketing (Private) Limited	Wholly owned subsidiary	Purchase of inventory	<b>525</b>	50,414
		Trade receivable	<b>266,854</b>	168,360
		Other receivable	-	92,158
		Trade payable	<b>525</b>	50,414
		Sale of inventory	<b>1,448,849</b>	264,453
		Expenses incurred / paid on behalf of subsidiary	<b>401,361</b>	92,158
<b>i. Associated Undertakings</b>				
Employee's Provident Fund	Post employee benefit plan	Contribution for the period	<b>21,435</b>	23,936
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	<b>4,763</b>	6,027
Employee's Pension Fund	Post employee benefit plan	Contribution for the period	<b>3,017</b>	6,689
Key Management Personnel	Employees	Remuneration	<b>165,500</b>	64,787
Directors	Employees	Fee for meetings	<b>693</b>	-

## 20 Fair value measurement of financial instruments

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 2018 (Un-audited)						
		Carrying amount			Fair value			
		Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		------(Rupees in '000)-----						
<b>Financial instruments</b>								
<b><u>30 September 18 - (Un-audited)</u></b>								
<b><u>Financial assets - not measured at fair value</u></b>								
		29,282	-	-	29,282	-	-	-
		2,365,467	-	-	2,365,467	-	-	-
		167,475	-	-	167,475	-	-	-
		-	195,101	-	195,101	-	-	-
20.2		<u>2,562,224</u>	<u>195,101</u>	<u>-</u>	<u>2,757,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>								
		-	-	77,329	77,329	-	-	-
		-	-	1,043,208	1,043,208	-	-	-
		-	-	1,891,473	1,891,473	-	-	-
		-	-	2,436,133	2,436,133	-	-	-
		-	-	93,348	93,348	-	-	-
20.2		<u>-</u>	<u>-</u>	<u>5,541,491</u>	<u>5,541,491</u>	<u>-</u>	<u>-</u>	<u>-</u>

20.1 Fair value measurement of financial instruments

		31 December 2017 (Audited)						
		Carrying amount			Fair value			
	Note	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in '000)						
<b>Financial instruments</b>								
<b><u>31 December 2017</u></b>								
<b><u>Financial assets - not measured at fair value</u></b>								
Security deposits		30,985	-	-	30,985	-	-	-
Trade debts		1,270,931	-	-	1,270,931	-	-	-
Deposit and other receivables		664,425	-	-	664,425	-	-	-
Bank balances		-	243,173	-	243,173	-	-	-
	20.2	<u>1,966,341</u>	<u>243,173</u>	<u>-</u>	<u>2,209,514</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>								
Liabilities against assets subject to finance lease		-	-	55,654	55,654	-	-	-
Long term loans - secured		-	-	649,458	649,458	-	-	-
Trade and other payables		-	-	1,037,822	1,037,822	-	-	-
Short term borrowings - secured and unsecured		-	-	2,748,916	2,748,916	-	-	-
Mark-up accrued on short term finances and long term loans		-	-	73,766	73,766	-	-	-
	20.2	<u>-</u>	<u>-</u>	<u>4,565,616</u>	<u>4,565,616</u>	<u>-</u>	<u>-</u>	<u>-</u>

20.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprise over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

<u>Non financial assets measured at fair value</u>	<u>Date of valuation</u>	<u>Valuation approach and inputs used</u>	<u>Inter-relationship between significant unobservable input and fair value measurement</u>
Revalued Property, plant and equipment and investment property			
- Land and Building	31 December 2017	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents /realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

## **21 Date of authorization**

These condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 30 October, 2018.

## **22 General**

Corresponding figures have been re-stated, re-arranged and re-classified, where necessary, for the purpose of comparison and better presentation as per reporting framework.

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

**Haroon Ahmad Khan**

**Lahore**

\_\_\_\_\_  
**Chief Executive**

**Moazzam Ahmad Khan**

\_\_\_\_\_  
**Director**

**Nadeem Mehmood Butt**

\_\_\_\_\_  
**Chief Financial Officer**