



WAVES HOME APPLIANCES LIMITED

FORMERLY SAMIN TEXTILES LIMITED



Special Financial Report

As at and For Six Months Period Ended 31 December 2021

Table of Contents

1.	CORPORATE INFORMATION	2
2.	GOVERNANCE & MANAGEMENT	3
2.1	Message from Chairman.....	3
2.2	Message from Chief Executive Officer	6
3.	CORPORATE VALUE STATEMENTS.....	8
3.1	Vision & Mission	8
3.2	Core Values	8
3.3	Code of Conduct.....	9
3.4	Corporate Objectives & Strategies	12
4.	HISTORY OF WAVES HOME APPLIANCES LIMITED	13
4.1	Brief History and Holding Company	13
5.	PRODUCT, QUALITY MANAGEMENT AND DISTRIBUTION	16
5.1	Products.....	16
5.2	Quality Management	17
5.3	Geographical Presence & Distribution	17
6.	FINANCIAL ANALYSIS	18
6.1	Overall Overview.....	18
7.	DIRECTORS' REPORT	19
7.1	Operating Results.....	19
7.2	Business Overview	20
7.3	Company's Future Outlook / Forward Looking Statements.....	21
7.4	Risks, Uncertainties and Mitigations.....	23
7.5	Environment, Health & Safety (EHS)	26
7.6	Corporate Social Responsibilities	27
7.7	Investment in Human Capital	27
7.8	Adequacy of Internal Control	27
7.9	Best Practices of Corporate Governance	28
7.10	External Auditors.....	30
7.11	Acknowledgements.....	30
8.	OTHER INFORMATION.....	31
8.1	Pattern of Shareholding	31
9.	NOTICE OF ANNUAL GENERAL MEETING.....	34
10.	INDEPENDENT AUDITORS' REVIEW REPORT	40

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

1. CORPORATE INFORMATION

BOARD OF DIRECTORS*

1.	Mr. Muhammad Adnan Afaq	Chairman/Independent Director
2.	Mr. Shoaib Dastgir	Independent Director
3.	Mr. Khalid Azim	Non-Executive Director
4.	Mr. Hamza Ahmad Khan	Non-Executive Director
5.	Mr. Haroon Ahmad Khan	Chief Executive Officer
6.	Mrs. Nighat Haroon Khan	Non-Executive Director
7.	Mr. Moazzam Ahmad Khan	Non-Executive Director

AUDIT COMMITTEE*

1.	Mr. Shoaib Dastgir	Chairman/Independent Director
2.	Mr. Moazzam Ahmad Khan	Non-Executive Director
3.	Mrs. Hamza Ahmad Khan	Non-Executive Director
4.	Mr. Tariq Majeed	Secretary

HR & REMUNERATION COMMITTEE*

1.	Mr. Shoaib Dastgir	Chairman/Independent Director
2.	Mr. Khalid Azim	Non-Executive Director
3.	Mr. Moazzam Ahmad Khan	Non-Executive Director
4.	Mr. Haroon Ahmad Khan	Executive Director
5.	Mr. Tariq Majeed	Secretary

CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman

COMPANY SECRETARY*

Mr. Tariq Majeed

HEAD OF INTERNAL AUDITOR

Mr. Waleed Afzal

LEGAL ADVISOR

Imtiaz Siddiqui & Associates

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE

9-KM Multan Road, Lahore
PH. No. 042-35415421-5, 35421502-4
UAN: 042-111-31-32-33

REGISTRATION NUMBER

CUIN 20624

BANKERS

National Bank of Pakistan
Bank Al Falah Limited
JS Bank Limited

Habib Bank Limited
MCB Bank Limited

CONTACT INFORMATION

UAN: 042-111-31-32-33, 042-35415421-5, 042-35421502-4
Email: cs@waves.net.pk
Website: www.samintextile.com, www.waves.net.pk

* New Board appointed on 02 August 2022

2. GOVERNANCE & MANAGEMENT

2.1 Message from Chairman

We are pleased to present Special Audited Financial Statements as at and for the six months period ended 31 December 2021 on behalf of the Board of Directors of Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE or the Company). These Special Audited Financial Statements are presented on account of change of year end from 30th June to 31st December as approved by the honorable Lahore High Court, Lahore (the Court) pursuant to the sanction of Scheme of Arrangement (the Scheme) by and between the Company and Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES). The Scheme was sanctioned by the honorable Court on 27 May 2022 and order was received on 22 June 2022. Through the Scheme the home appliances business of WAVES was acquired by the Company and resultantly became a subsidiary of WAVES. Subsequent to the Court Order, the previous Board of Directors of the Company resigned and new Board effectively took charge on 02 August 2022. Similarly, the previous members of the Committees resigned and new members took up the charge on 02 August 2022.

We extend our gratitude to our partners, bankers, strategic alliances, human capital and stakeholders in our business who have shown continued trust in the Company. A new Board is appointed on 02 August 2022 that has well-diversified and experienced members with core competencies, knowledge and skills relevant to the Company's business. WHALE follows the best practices relating to corporate governance and other related regulatory requirements. The Board held meetings during the period to review and approve periodic financial statements, annual business plan, acquisition of home appliances business from WAVES and other matters requiring Board attention. The Committees also were held on regular sessions to perform their duties assigned under their respective terms of references by the Board. The performance of the outgoing and incoming Board/Committee members has been commendable and together we steered the Company towards its goal and good governance, despite the challenging pandemic and economic environment.

Over the years, WAVES brand leadership has strived to adapt a transparent and conducive business environment, by demonstrating respect and fairness in all our efforts and the adaptability of WAVES brand to face the macro-economic challenges during the period 2021. We expect this drift to continue in the coming years.

We would like to conclude by extending our gratitude and thanks to the Directors for their energy, knowledge, advice, and earnest contributions towards the advancement of the Company to achieve new heights in a socially responsible and ethical manner.

Muhammad Adnan Afaq
Chairman

2.2 Message from Chief Executive Officer

The Special Audited Financial Statements of the Company as at and for six months ended 31 December 2021 are presented to the shareholders of the Company pursuant to the Sanction of the Scheme of Arrangement (the Scheme) by and between Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE or the Company) and Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES), wherein inter alia the Home Appliances Business has been acquired by the Company with effect from 31 August 2021 and the year end of the Company is changed from 30th June to 31st December. Pursuant to the Scheme the Company has become a subsidiary of WAVES.

Alhamdulillah, the demand for WAVES branded products continues to be strong as our vision is to make a difference by producing high quality, market oriented and innovative products. During the period financial results of home appliances business for four months with effect from 01 September 2021 are given, whereas the consolidated accounts of WAVES show a consolidated turnover of PKR 12,321 million whereas net profit of PKR 327 million. This was achieved in a challenging business environment with continued improvement in knowledge management, operational management, cost rationalization, process re-engineering and strategical measures taken during the whole year. During the period the multiple waves of COVID-19 pandemic, inflationary pressures, rising interest rates, supply chain disruption and strengthening of USD against Pakistan Rupee created some challenges for the Company. With the appropriate timely strategy and team work, WAVES successfully raised PKR 1.4 billion through rights issue that will facilitate the Company to shift its manufacturing facility to a state-of-the-art purpose-built owned factory. This will provide several benefits including unique identities of individual companies, more focused business, customer base, supervision and controlling the business/direction of the

Company, while the management can operate and manage the business on a regular day-to-day basis.

While the countries came out of COVID-19 during FY21, the economic pitfalls in beginning of FY22 owing especially due to Russia-Ukraine war has raised macro-economic uncertainty in many countries, particularly those dependent upon imported commodities. Economic activity across the world has slowed as a result of supply-chain disruptions. Furthermore, inflationary pressure has surged in many economies as commodity prices escalated, resulting in tightened monetary policies by many central banks.

The global macro-economic instability has impacted on the Country's economy resulting in high inflation and also increase in the current account deficit of the Country. With the increase in inflation, the Government has opted tight fiscal and monetary policies, in order to secure IMF deal, which will help the Country in over the next few quarters in the form of stabilized reserves, controlled fiscal balance and sustainable economic growth. However, while the current political temperature is increasing, the fast-paced implementation of energy pass-through and tight fiscal/monetary policy will have its impact in the short term.

However, important developments have happened recently that will address the challenging economy. On July 13, the critical milestone of a staff-level agreement on completing the next IMF review was reached. As of today, all prior actions for completing the review have been met and the formal Board meeting to disburse the next tranche of \$1.2 billion is expected soon. At the same time, macroeconomic policies both fiscal policy and monetary policy have been appropriately tightened to reduce demand-led pressures and rein in the current account deficit. Finally, the government has clearly announced that it intends to serve out the rest of its term until October 2023 and is ready to implement all

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

the conditions agreed with the Fund over the remaining 12 months of the IMF program.

Going forward, as the current account deficit is curtailed and sentiment improves, we fully expect the Rupee to appreciate. Indeed, this was the experience during the beginning of the IMF program in 2019, when the Rupee strengthened considerably after a period of weakness in the lead-up to the program. Clearly, the Rupee can overshoot temporarily as it has done recently. However, it moves both ways over time. We expect this pattern to re-assert itself in the coming period. As a result, the Rupee should strengthen in line with improved fundamentals in the form of a smaller current account deficit as well as stronger sentiment.

The unforeseen devaluation of Pak Rupee, coupled with the restrictions imposed by the State Bank of Pakistan on opening of import LCs for material/components etc., has created a challenging economic and business environment for the appliances industry. However, the Company has satisfactory inventory level maintained for an uninterrupted production foreseen during the whole of ongoing third quarter of the year.

The construction of the new factory and planning shifting of manufacturing operations before end of this calendar year are in smooth progress. This fits well with the ongoing situation of materials availability and any expected break in production during these months. As State Bank of Pakistan is expected to allow opening of fresh LCs for import of materials/components required for appliances industry from end August 2022,

arrival of fresh materials/components is expected in another couple of months. Commissioning of new factory in the last quarter Insha Allah, will ensure continuity of operations during ongoing challenging times. The Company is actively monitoring its production and operations and is closely working with the industry players, Government and SBP to alleviate present challenges.

The Board remains positive and confident in respect of the future of the Company. We have a rational and lucid team of management, staff & workforce, brand name, excellent product line, and a nationwide distribution and after sales service network which allows us to reach customers and provide them service both in urban & rural areas at the best possible terms.

We would like to show our gratitude to our Shareholders and the Board of Directors for their immense continuing support. The Company's accomplishments and present standing could not have been possible without the commitment and efforts of our human capital that deserve full salutation. We are poised that the team will continue to grow and constantly deliver on the expectations of all stakeholders. All our bankers, suppliers, holding company, vendors, dealers & distributors deserve the best of compliments for whatever the WHALE has achieved.

Haroon Ahmad Khan
Chief Executive Officer

3. CORPORATE VALUE STATEMENTS

3.1 Vision & Mission

Vision Statement

- To be an innovative company that is driven by modern ideas, committed to constantly strive for surpassing customer expectations in Quality and Value for Money and to be a leading company engaged in home appliances and light engineering business in Pakistan.

Mission Statement

- To inspire the Customers and Consumer with our innovative products & designs through R&D, improve the standard of life by offering high-quality products and services at affordable prices and create and reshape the Future.

3.2 Core Values



3.3 Code of Conduct

Waves Home Appliances Limited (WHALE) has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of Company's affairs with the outside world.

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to. Waves Group endeavors for implementation of similar code in other companies that it controls.

RESPECT, HONESTY AND INTEGRITY

Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The Company is committed to comply and take all reasonable actions for compliance with all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

FULL AND FAIR DISCLOSURE

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with,

furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

PREVENT CONFLICT OF INTEREST

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board and will be disclosed to the shareholders.

TRADING IN COMPANY SHARES

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws. This also includes shares of the companies that are directly/indirectly controlled by the Company.

INSIDE INFORMATION

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or "inside" Directors and employees becoming aware of information which might be price sensitive with respect to the Company's shares have to make sure that such information is treated strictly confidential and not disclosed to any colleagues or to third parties other than on a strict need-to know basis. Potentially price sensitive information

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

pertaining to shares must be brought promptly to the attention of the Management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the Company Secretary and/or the Chief Financial Officer.

MEDIA RELATIONS AND DISCLOSURES

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in Quarterly and Annual Reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of “insider trading” on the stock market.

COMPETITION AND FAIR DEALING

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee are expected to deal fairly with Company’s customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code. Bribes, kickbacks and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission

payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the Company’s books of accounts.

EQUAL EMPLOYMENT OPPORTUNITY

The Company believes in providing equal opportunity to everyone around. The Company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor.

WORK ENVIRONMENT

All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

PROTECT HEALTH, SAFETY AND SECURITY

The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws. Employees and directors should avoid violence and

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

threatening behavior and report to work in fair condition to perform their duties.

RECORD KEEPING

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books. No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason. Records must always be retained or destroyed according to the Company's record retention policies.

PROTECTION OF PRIVACY AND CONFIDENTIALITY

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure. All the Company's assets (processes, data, designs, etc.) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the Company to recover the damages and losses sustained.

PROTECTION & PROPER USE OF COMPANY ASSETS / DATA

Each director and employee are expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only.

The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited. Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

GIFT RECEIVING

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company. However, this does not preclude giving or receiving gifts or entertainment, which are customary and proper in the circumstances, provided that no obligation could be or be perceived to be, expected in connection with the gifts or entertainment.

COMMUNICATION

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns. The Company strongly believes in a clean desk policy and expects its employees to adhere to it not only for neatness but also security purposes.

EMPLOYEE RETENTION

High quality employee's attraction and retention is very important. The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee training programs are arranged regularly.

INTERNET USE / INFORMATION TECHNOLOGY

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time and remain the property of the Company.

Disclosure or dissemination of confidential or proprietary information regarding the Company, its products or its customers outside the official communication structures is strictly prohibited.

COMPLIANCE WITH BUSINESS TRAVEL POLICIES

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's

business purposes. It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from Management.

COMPLIANCE

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code. Any person meeting with difficulties in the application of this code should refer to the Management.

3.4 Corporate Objectives & Strategies

Objectives	Strategies
Enhance shareholders' Returns	To manage business in an efficient manner with a constant focus on the topline and bottom-line performance of the Company
Become Price-Competitive	Improve production efficiency through both technological upgrades and optimal resource utilization
Broaden the Product Portfolio	Enter into strategic trading relationships with global brands to improve standing in segments where product standing is weak
Exceed Customer Expectations	Invest in customer-centric initiatives to improve geographical touch-points and after-sales services
Create a Pro-Growth, Learning Organization	Promote employee training & development and ethical business
Knowledge Management	Promote tacit and explicit knowledge within the Group to effectively create, gather, store and re-use knowledge as an asset for ultimate Group benefits

4. HISTORY OF WAVES HOME APPLIANCES LIMITED

4.1 Brief History and Holding Company

Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE or the Company) is listed on Pakistan Stock Exchange Limited (PSX). The principal line of business was trading, import and export of textile products. Consequent to the approval of the Scheme of Arrangement (the Scheme) by and between the Company and Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES) home appliances business of WAVES was acquired with effect from 31 August 2021 by the Company, under the sanction order of the honorable Lahore High Court, Lahore on 27 May 2022). As per the Scheme the Company shall be a subsidiary company of WAVES.

Waves Corporation
(WAVES or Holding
company) history has




its legacy from the Singer's brand where Singer's history dates back to 1850, when Isaac Merritt Singer manufactured the first ever sewing machine in Boston, USA. I. M Singer & Company was duly incorporated during the same year. The name changed to Singer Manufacturing Company during 1853 when the factory of the Company was also relocated to New York, USA. Singer established its presence in the Indian sub-continent during 1877. Over the years, and after the independence of Pakistan, Singer continued its business of sewing machines in the country, but also started dealing in domestic consumer appliances, besides manufacturing and assembling light engineering products. In 1985, Singer became a public listed company. Later with global restructuring of Singer, the local Singer company was sold out to professional team having expertise in home appliances and light engineering businesses. Under Singer brand the Holding company manufactured variety of consumer appliances including refrigerators, air conditioners, LED TVs, washing machines, microwave ovens, in addition to its

more traditional offerings of sewing machines, water heaters and gas ovens etc. In addition, it had an extensive retail network in Pakistan that covered mostly small towns and metropolitan cities of the country.

Later the Holding company acquired WAVES brand through a merger sanctioned by the honorable high court, wherein Cool Industries (Private) Limited (owner of Waves brand) and Link Well (Private) Limited were merged with and into the Company and the name of the Company was changed from Singer Pakistan Limited to Waves Singer Pakistan Limited. With the growth in business, the management of Holding Company felt prudent to demerge home appliances business into a separate entity Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE), while retaining the real estate development business and retail shop network for consumer appliances and other consumer goods.

The Holding company was in discussion with Singer International since year 2021 in respect of relinquishment of Singer brand. During the first quarter of year 2022, the deal with the Singer International was not conclusive. Efforts are still in pipeline for re-negotiation of royalty to Singer International. However, in order to avoid legal complication, the Holding company halted the use of Singer brand and its related production. Accordingly, the name of the Holding company was also changed to exclude the word "Singer" from the name of the Company.

WAVES brand of  WAVES
consumer appliances

was established by Cool Industries (Private) Limited in 1971 by a family of entrepreneurs from Lahore. Within a span of four decades, the Company became a household brand in the country. The history of the company is filled with many milestones.

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

Back in 1976, it started the production of refrigerators. By 2002, the company had become the sole producer of Split Air Conditioners in Pakistan. The company started producing Microwaves in 2003, under an agreement with GALANZ, a Chinese company. The product take-off was impressive, thanks to product durability. The production of Washing Machines started in 2004, when Waves pioneered single-tub and double-tub washing machines in this market. The company continued its growth path until 2015, when a tough competitive landscape and succession issues within the sponsors family created many bottlenecks in the smooth operations of the company. Subsequently, WAVES was acquired by the sponsors of Waves Corporation Limited (formerly Waves Singer Pakistan Limited).

The Holding company has two other subsidiary companies i.e., Electronic Marketing Company Limited which is a pioneer retail of retail sales offering cash and installment sales to our treasured customers to shop with convenience at our 141 nationwide spread outlets in rural and urban areas of Pakistan; and Waves Builders and Developers (Private) Limited, which is formed to undertake real estate projects.

Restructuring of the Company

During the period, effective from 01 September 2021 Waves Home Appliances Limited (WHALE or the Company) and Waves Corporation Pakistan Limited, formerly Waves Singer Pakistan Limited (WAVES) completed a Scheme of Arrangement as follows:

1. Carving out / separation of home appliances business from WAVES by transferring certain assets, liabilities, obligations, contracts and undertakings and amalgamating the same with and into WHALE as of the effective date 01 September 2021 against allotment and issue of WHALE shares to WAVES and its shareholders.

2. The Honourable Lahore High Court (the Court) through its Order dated 27 May 2022 which was issued on 22 June 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from the WAVES and amalgamation of the same into the subsidiary WHALE.

As consideration for the transfer of the home appliances business, WHALE shall issue a total of 256,006,196 shares as follows:

1. 199,724,956 shares shall be issued and allotted to WAVES.
2. Remaining 56,281,240 shares of WHALE shall to be issued and allotted to shareholders of the WAVES in the ratio of 20 shares for every 100 shares of the WAVES.
3. Rs. 2 billion in cash is payable to the WAVES by WHALE; no additional compensation shall be applicable against this amount if the said amount is settled by the WHALE within 2 years of sanction of this scheme. However, if the said amount is still wholly or partially outstanding at the end of 2 years of the sanction of scheme, then a profit/mark-up shall be payable on outstanding amount on a quarterly basis in arrears at such profit/mark-up rate as determined by the Board(s) of Directors of each of the Company at the relevant time, provided such profit/mark-up rate shall not be less than the rate prescribed under applicable laws

As part of the arrangement hereunder, subsequent to the Scheme completion date, but prior to the issuance/allotment of WHALE Shares to WAVES and its shareholders, share capital of WHALE is consolidated from every 225 shares to 100 shares i.e., total paid up capital from 26,728,000 to 11,879,111 shares. The WAVES Group expects several

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

benefits after this scheme of arrangement including the synergies of operations, allowing them to become leading suppliers / service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities and a more focused business and customer base. At the same time, as a consequence of the arrangement, WHALE has become a subsidiary of the Company and this will allow the management of each Company to focus on the business segment, resulting in better performance of the same. Further, this will enable WAVES to oversee, supervise and control the business / direction of WHALE, while the management of WHALE can operate and manage the business of WHALE on a regular / day-to-day basis.

WAVES has issued a notice of Book Closure to its shareholders for determining the entitlement to such shareholders of WAVES whose shares appear as of the last date before the start of the Book Closure on 22 August 2022.

Subsequent to the period end and pursuant to the Scheme, the previous Board of Directors of the Company resigned and new Board was appointed by the Company which took effective charge on 02 August 2022. The new Board is in the process of reviewing and updating the systems, procedures and other corporate formalities in the best interest of the Company.

Holding Company

Pursuant to the Scheme, Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVE) has now become a holding company of WHALE. Currently the new shares issuance pursuant to the Scheme are in process of issuance for which necessary notices of book closures has already been issued by WAVES.

The registered office of WAVES is located at 9-KM Multan Road, Lahore. The registered office of the Company is being shifted to the Registered Office of the Holding Company.

5. PRODUCT, QUALITY MANAGEMENT AND DISTRIBUTION

5.1 Products

Waves Branded Product Range



Waves Brand

Deep Freezers

Visi Coolers

Refrigerators

Air Conditioners

Washing Machines

Microwaves

Water Dispensers

Water Heaters

Instant Geysers

Cooking Ranges

5.2 Quality Management

Waves standardized manufacturing processes and rigorous quality control management procedures are followed to achieve consistency in product performance and enhance customer satisfaction. The Company recognizes the importance of Quality Management System as an integrated function; combined with Innovation, Research & Development and Information Technology. The Company complies with the International Standard ISO 9001:2015 accredited by IAF & UKAS. The Company has developed extensive In-house Quality Checks and Controls to assure complete risk coverage from the Designing to the Customer usage. The controls encompass the processes of Design & Development, Material Ordering & Receiving, Initial Material Inspection, Manufacturing and Product Testing to End User.

5.3 Geographical Presence & Distribution



Nationwide Network

Zone	Dealers	Warehouse	Service Centre	Total
South	525	6	44	575
North	1,052	10	145	1,207
Total	1,577	16	189	1,782

6. FINANCIAL ANALYSIS

6.1 Overall Overview

These are the first special financial statements prepared as at and for the period ended 31 December 2021 (six-months period) pursuant to the Scheme of Arrangement (the Scheme) by and between Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE or the Company) and Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES or the Holding company), wherein home appliances business of WAVES has been demerged and merged with and into WHALE with effect from 31 August 2021, sanctioned by the honorable Lahore High Court, Lahore (LHC or Court). In this respect, please also refer to the heading “Restructuring of the Company” in this Special Report for further details. Resultantly, the Company is a subsidiary of WAVES.

Consequent to the approval of the Scheme by the Court, the financial year of the Company was changed from 30 June to 31 December. This change has been made to bring the financial year in line with the financial year of the Holding company. Accordingly, these special financial statements are prepared for six months period from 01 July 2021 to 31 December 2021. The corresponding figures shown in the financial statements pertain to financial statements for the year ended 30 June 2021 and therefore, are **not entirely comparable** in respect of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows.

For consolidated results and analysis of home appliance business, please refer to the financial statements of Waves Corporation Limited, formerly Waves Singer Pakistan Limited, which are placed on its website at www.waves.net.pk. The eight months period ended 31 August 2021 of the Holding company, contributed net revenue of Rs. 6,028.95 million and profit (net of tax) of Rs. 263.23 million. However, brief analysis of six months period is given hereunder incorporating the effect of the Scheme, which was sanctioned on 27 May 2022 and order was received on 22 June 2022.

Subsequent to the period end, the shares of the Company were consolidated in the ratio of 225 shares for every 100 shares held by the shareholders of the Company. Resultantly the Issued, paid-up capital stood at PKR 118.791 Mn from PKR 267.280 Mn. The shares to be issued represents such shares that are to be issued to WAVES and its shareholders (in the ratio of 20 WHALE shares for every 100 WAVES shares held by the shareholders of WAVES). The total Assets to Equity represents a multiplier of 2.3. The total liabilities to total asset ratio are 0.56. The current ratio of the Company for the period shows a healthy trend of 1.67. The debt equity ratio is of 42:58. The period shows a healthy working capital of PKR 4,041 Mn.

The net revenue for the four months period (post demerge) is of PKR 2,083 Mn, whereas the Gross Profit is of 24% based on net revenues. The selling and marketing expenses are 7.7% of the net revenues, whereas the administrative expenses are around 5.2% of the net revenues. The Profit before Tax is PKR 92 Mn (4.4% of net sales) and Profit after Tax is PKR 36 Mn (1.8% of net sales). The EPS of 0.2 per share is worked out on diluted basis incorporated impact of new shares which are yet to be issued of 256,006,196, whereas the results given are of only four months period.

7. DIRECTORS' REPORT

7.1 Operating Results

On behalf of the Board of Directors of Waves Home Appliances Limited, formerly Samin Textiles Limited (WAVES or the Company), we are obliged to submit the Directors' report and audited financial statements of your Company as at and for the six-months period ended 31 December 2021, together with the auditors' report thereon.

The financial highlights for the six months period are presented as hereunder:

	01 July 2021 To 31 Dec 2021	01 July 2020 to 30 June 2021
	Six-Months	Full-Year
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Gross Sales	2,425,840	-
Gross Profit	501,633	-
Admin, Marketing, selling and distribution Expenses	(268,599)	(14,609)
Other Expenses	(100,671)	-
Operating Profit	132,363	-
Finance Costs (net)	(174,965)	(5,779)
Other Income	134,743	-
Profit/(Loss) before taxation	92,141	(18,694)
Taxation	(55,645)	-
Profit/(Loss) for the period	36,946	(18,694)
Earnings Per Share	<u>0.20</u>	<u>(1.57)</u>

Based on the financial results in view of the tough current economic conditions the Board of Directors do not recommend any pay-out to the shareholders of the Company.

7.2 Business Overview

Principle Activities and Development

WHALE or the Company is listed on Pakistan Stock Exchange Limited (PSX). The Company has recently gone under a Scheme of Arrangement (the Scheme) wherein the home appliances business from Waves Corporation Limited, formerly Waves Singer Pakistan Limited, was acquired and merged into the Company. The Scheme was sanctioned by the honorable Lahore High Court, Lahore on 27 May 2022. The effective date of Scheme is 31 August 2021. WHALE is now a subsidiary company of WAVES. The brand includes Deep Freezers, Visa Coolers, Refrigerators, Air Conditioners, Washing Machines, Microwaves, Water Dispenser etc.

The appliances' manufacturing plant is being moved to a new purpose-built larger factory for which land has already been purchased and construction is already underway. Progress on construction of the new factory premises is expected to be completed in the last quarter of calendar year 2022.

The Company is operating a nationwide set-up of 15 warehouses in cities such as Karachi, Lahore, Gujranwala, Peshawar, Multan, etc., a network of around 1,500 + dealers, approx. 16 after-sales service centers and 509 service workshops spread nationwide. The Company's sales infrastructure is comparable to any other leading Home Appliance Company operating within Pakistan.

Economic Analysis

During the financial period 31 December 2021, despite an increase in inflation, the Pakistani economy entered onto a strong and sustained recovery. The COVID-19 vaccination gave a hope for global economic recovery. During the period domestic home appliances business showed recovery. With investment in new technologies,

diversification and enlarging customer base and improving manufacturing efficiency the Company will continue to improve its shareholders values.

The global GDP during the FY21 is estimated to have grown to 5.8% compared to negative estimated in year 2020. In the 2nd half of FY21, the economy of the Country gauged sizable momentum as compared to previous half year. The global increase in commodity prices with pressure on USD/PKR parity has caused increase in local inflation. During the period high level of imports exerted significant pressure on the balance of trade resulting in high current account deficit, which was significant increase from the previous period. However, the Country's exports recorded high growth of around 24% mainly due to the value-added textiles. In respect of inflation the consumer price index was one of the highest in the recent past, which resulted in increase in the policy rate by the SBP to counter inflation. The Country's foreign exchange market remained volatile during the period as the parity rate reached to PKR 176/USD. The PSX 100 index, recorded highest at 48,776 points at end of half year, closed at 44,596 at the end of the FY21.

While the countries came out of COVID-19 during FY21, the economic pitfalls in beginning of FY22 owing especially due to Russia-Ukraine war has raised macro-economic uncertainty in many countries, particularly those dependent upon imported commodities. Economic activity across the world has slowed as a result of supply-chain disruptions. Furthermore, inflationary pressure has surged in many economics as commodity prices escalated, resulting in tightened monetary policies by many central banks. The global macro-economic instability has impacted on the Country's economy resulting in high inflation and also increase in the current account deficit of the Country. With the increase in inflation, the Government has opted tight fiscal and monetary policies, in order to secure IMF deal, which will help the Country in over the next few quarters in

the form of stabilized reserves, controlled fiscal balance and sustainable economic growth. However, while the current political temperature is increasing, the fast-paced implementation of energy pass-through and tight fiscal/monetary policy will have its impact in the short term.

The continued surge in the global food prices, PKR devaluation and energy pass through resulted in the national Consumer Price Index (CPI) reaching to 21.3% in June 2022. This was similar to what the Country faced in year 2008, thereafter, it settled to a normal expected level. Inflation is expected to continue with the impact of high energy rates and is expected to reduce in the latter half of financial year 2022. The new government is working hard for economic reformation and to improve Pakistan's credibility in the international market, which remains imperative. The country needs to scale back both its imports and expenditures to manage the economic situation. Efforts are underway and will hopefully soon bear fruit. Short-term measures can be helpful for Pakistan, but it's time to look for long-term solutions too.

Industry Overview

During the period Large Scale Manufacturing registered moderate growth whereas the demand indicators such as electricity generation, cement dispatches, sales of consumer goods and petroleum products also showed positivity. This is reflected in the strength of imports and tax collection of the Government. However, energy tariff increases, raw material costs escalation, global supply chain disruptions and gas shortages have affected production costs. During the FY21, the growth is backed by overall economic growth and high foreign remittances. The electrical home appliances demand surged with growing disposable incomes and restoration of consumer confidence. With growth in the new housing under the Government policy also brought a significant increase in the consumer goods. The Pakistan Bureau of Statistics (PBS) has reported around 90% increase in the

refrigerators production, air conditioners around 140% and deep freezers around 45%. With the changes in the overall weather conditions surges in refrigeration and air conditioning is experienced.

Pakistan's economy has performed well despite COVID-19 situation that resulted steady growth which in turn provided consumers with higher disposable income and benefit those seeking to upgrade their lifestyles.

A robust and growing middle class with growing disposable incomes has been instrumental in driving demand of various consumer electronic devices. Price pressures due to high inflation, fuel costs, a weakening rupee and rising input prices will remain major concerns for manufacturers.

Low household penetration (well below world average) of appliances in Pakistan will provide opportunities for companies to expand their reach. Expansion of modern retail and exclusive company outlets across regions is expected to increase the penetration of Home Appliances. Appliances are expected to post strong growth even in non-metro cities (tier two & three cities & rural areas).

Other factors fueling double digit growth of consumer appliances are rise in double-income nuclear families, easy availability of credit, changing lifestyles, introduction of new models, and increasing consumer awareness. Rapidly shrinking replacement cycle for consumer durables is also expected to continue and therefore fuel demand for consumer electronics.

7.3 Company's Future Outlook / Forward Looking Statements

Our primary objective is to provide high-quality and effective home appliance products. We remain committed to enhancing shareholder value while balancing profitability

and investments into projects of long-term significance.

Pakistan's foreign exchange reserves have fallen since February 2022 as foreign exchange inflows have been outpaced by outflows. The inflows mainly comprise of multilateral loans from the IMF, World Bank and ADB; bilateral assistance in the form of deposits and loans from friendly countries like China, Saudi Arabia, and the UAE; and commercial borrowing from foreign banks and through the issuance of Eurobonds and Sukuks. The paucity of inflows has happened in large part due to the delay in completing the next review of the IMF program, which has lingered since February due to policy slippages. Meanwhile, on the outflows side, debt servicing on foreign borrowing has continued as repayments on these debts have been coming due over this period. At the same time, the exchange rate has come under significant pressure, especially since mid-June. It has been driven by general US dollar tightening, a rise in the current account deficit (exacerbated by a heavy energy import bill in June), the decline in foreign exchange reserves, and worsening sentiment due to uncertainty about the IMF program and domestic politics

However, important developments have happened recently that will address both of these temporary issues. On 13 July 2022, the critical milestone of a staff-level agreement on completing the next IMF review was reached. As of today, all prior actions for completing the review have been met and the formal Board meeting to disburse the next tranche of \$1.2 billion is expected soon. At the same time, macroeconomic policies both fiscal policy and monetary policy have been appropriately tightened to reduce demand-led pressures and rein in the current account deficit. Finally, the government has clearly announced that it intends to serve out the rest of its term until October 2023 and is ready to implement all the conditions agreed with the Fund over the remaining 12 months of the IMF program.

Looking ahead, a considerable slowdown has been witnessed in LC opening in recent weeks, again for both oil as well as non-oil commodities. Based on market reports, there was an 11% month-on-month decline in Oil Marketing Companies sales volume in June 2022. With the recent rains and storage of water in the dams, hydroelectricity is also likely to increase and need to generate electricity on imported fuel is expected to decline going forward. As a result of these trends, the import bill is likely to shrink going forward and should begin to manifest itself more forcefully in lower FX payments over the next few months

Overall, imports are expected to decline in coming months due to a decline in global commodity prices, the higher oil stock, the unfolding impact of higher domestic prices of petroleum products, adjustments in electricity and gas tariffs, the removal of tax exemptions under the FY23 budget, administrative measures taken to curtail imports, and the lagged impact of the monetary and fiscal tightening that has been undertaken.

Going forward, as the current account deficit is curtailed and sentiment improves, we fully expect the Rupee to appreciate. Indeed, this was the experience during the beginning of the IMF program in 2019, when the Rupee strengthened considerably after a period of weakness in the lead-up to the program. Clearly, the Rupee can overshoot temporarily as it has done recently. However, it moves both ways over time. We expect this pattern to re-assert itself in the coming period. As a result, the Rupee should strengthen in line with improved fundamentals in the form of a smaller current account deficit as well as stronger sentiment.

The construction of the new factory and planning shifting of manufacturing operations before end of this calendar year are in smooth progress. This fits well with the ongoing situation of materials availability and any expected break in production during these months. As State Bank of Pakistan is expected to allow opening of fresh LCs for

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

import of materials/components required for appliances industry from end August 2022, arrival of fresh materials/components is expected in another couple of months. Commissioning of new factory in the last quarter Insha Allah, will ensure continuity of operations during ongoing challenging times. The Company is actively monitoring its production and operations and is closely working with the industry players, Government and SBP to alleviate present challenges.

7.4 Risks, Uncertainties and Mitigations

Your Company recognizes that risk is an integral part of business and is committed to managing the risks proactively and efficiently. Your Company periodically assesses risks, in the internal and external environment and incorporates risk mitigation plans in its strategy and business/operational plans. Every risk is carefully looked into, as in some

The Board remains positive and confident in respect of the future of the Company. We have a rational and lucid team of management, staff & workforce, brand name, excellent product line, and a nationwide distribution and after sales service network which allows us to reach customers and provide them service both in urban & rural areas at the best possible terms.

of the cases post-analysis it may lead to a new business opportunity.

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels from top to bottom across the enterprise. These levels form the strategic defense cover of the Company's risk management. Your Company's Risk Management Committee monitors and reviews the risk mitigation plan.

Key Business Risks	Mitigants
Operational excellence – These are risks associated with internal factors, administrative and operational procedures like employee turnover, supply chain disruption, IT system shutdowns or control failures.	<ul style="list-style-type: none"> Your Company has initiated vendor rationalization, emphasis on in-house manufacturing and scorecard evaluation of vendors has been put in place. Your Company has put in place a quality and process improvement program across the Company, including strategic vendors, during the period with progress being tracked at regular Management reviews.
Branding/Innovation Risk – Risk that applies to innovative areas of your business such as product research and to cope up with latest market trends and product innovation.	<ul style="list-style-type: none"> Your Company has put in place a centralized marketing structure during the period, thereby strengthening its consumer insight process and filling up competency gaps in the concerned function. Company's research and development department has been strengthened and is continuously looking into and implementing product innovation strategies.
Organization Excellence – Ability to attract and retain the right talent may lead to your Company's inability to achieve organization's	<ul style="list-style-type: none"> Your Company has put in place Succession Planning framework mapping career development and

WAVES HOME APPLIANCES LIMTIED (FORMERLY SAMIN TEXTILES LIMITED)

goals.	progression opportunities for suitable employees and thereby ensuring talent retention
Liquidity Risk- is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset	<ul style="list-style-type: none"> Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans
Credit Risk- Credit risk represents the risk of a loss if the counterparties fail to perform as contracted.	<ul style="list-style-type: none"> The risk is mitigated by applying individual credit limits and by securing the majority of trade debts against bank guarantees and inland letter of credit. The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks of reasonably high credit ratings as approved by the Board of Directors.
Price Risk- with new entrants in the market, there is a likelihood of price competition which might squeeze margins.	<ul style="list-style-type: none"> The Company is constantly sourcing competitive suppliers, improving its technology, efficiency and productivity. Also, since it has in-house capability to develop products with fast turnaround time, that by itself obviates possibilities of competition affecting the Company.
Competitive Risk- Increasing entrants making their way into the plastic industry.	<ul style="list-style-type: none"> The Company's diversified product line and unique dealer plus retail sale structure and technical expertise makes it adequately prepared to face these challenges.
Regulatory Risk- Imposition/enhancement of duties, taxes, levies and other conditions may adversely affect the operations.	<ul style="list-style-type: none"> New levies go across the board, so we stay competitive

7.5 Environment, Health & Safety (EHS)

We are committed to achieve excellence in health, safety, and the environment across

our business. We prioritize the safety of our employees and work hard to provide a positive environment, good health, and safety culture, particularly at our manufacturing facilities while vigilantly fulfilling our environmental duties and responsibilities.

Our Company gives importance to the occupational safety and health of our workers. We maintain a safe working environment and takes responsibility for the health and wellbeing of our staff and stakeholders. The company actively trains all employees to ensure their safety at both the workplace and beyond. Besides, our manufacturing, distribution, and retail operations have developed SOPs that seek to reduce the risk of accidents.

7.6 Corporate Social Responsibilities

We believe in collective effort and therefore, have created a strong organizational culture that extends benefits to all employees and stakeholders. We embrace social responsibility as one of our core values and it is shared by every member of the group.

Sustainable and responsible development is not only binding by local laws on corporate entities, but it is more about moral obligation which needs to be followed and practiced with the best spirit. We strongly believe that improving its environmental and social performance is inevitable for its financial success. The Company always emphasizes a culture of excellence, good governance, transparency, integrity, and accountability. WHALE has been consistently running diverse CSR initiatives each fulfilling in achieving our goals towards our CSR vision such as Investment in Human Assets, Learning and Development of its Human Assets.

7.7 Investment in Human Capital

The Company believes in attracting the best talent in the marketplace and giving them the skills and opportunities, they need to become high-achievers.

Human Assets

The Company treats its people as its most important asset. We are always on the

lookout to recruit, train and promote the best human resource talent available. Besides attractive remuneration packages, our corporate culture is designed to boost employee performance. Our succession planning framework proactively guides our recruitment and promotion activities.

Learning & Organizational Development

Our workforce regularly undergoes training in their respective functional areas. The Singer Retail Academy is instrumental in taking the employees through a comprehensive workforce training calendar. We also conduct workshops to make our employees aware of new developments in the field to remain abreast of the changing market landscape.

7.8 Adequacy of Internal Control

The internal control framework has been effectively implemented through an in-house Internal Audit function established by the Board which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company, and the shareholders' wealth at all levels within the Company.

The Internal Audit function has carried out its duties under the charter defined by the Audit Committee. The Audit Committee has reviewed material Internal Audit findings, took appropriate action or brought the matters to the Board's attention where required. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

7.9 Best Practices of Corporate Governance

Our Code of Conduct lists Ethics as one of our core values, therefore the Company has a zero-tolerance policy towards any form of discrimination and harassment. Similarly, honesty and open communication is also expected on the reporting front, we care how we get results.

We believe it is essential for everyone associated with Waves Corporation Limited to embrace this culture and live by the highest standards of integrity and accountability. The Board of directors adopted the Code of Conduct for Directors and employees and the same has been circulated to board members and employees in terms of requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The code of conduct is also placed on the Company's website.

Directors' Statement on as at and for Six Months ended 31 December 2021

The Directors of the Company, are pleased to state that:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- b) Proper books of account have been maintained by the Company;
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements;
- d) The accounting estimates are based on reasonable and prudent judgment;
- e) International Accounting Standards (IAS) and IFRS, as applicable in Pakistan, have been followed in the preparation of financial statements;
- f) The system of internal control is sound in design and has been effectively implemented and monitored;

- g) There are no significant doubts upon the Company's ability to continue as a going concern; and
- h) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Statement of Compliance

The Company adheres to the best practices of governance. The Company has already issued its annual Statement of Compliance with the Code of Corporate Governance as stipulated in listed Companies (Code of Corporate Governance) Regulations 2019 on 06 October 2021 along with its annual audited accounts for the year ended 30 June 2021 which has also been reviewed and certified by the then Auditors of the Company. Pursuant to the sanction of the Scheme on 27 May 2022 by the honorable LHC, the previous Board members resigned and new Board effectively took charge on 02 August 2022. The next Annual Statement of Compliance will be issued by the Board for the Annual Report for the year ending 31 December 2022.

Meetings and Activities during the Financial period

During the period under review, four (4) meetings of the Board of Directors were held, which were presided over by the Chairman. The Chief Financial Officer and Company Secretary also attended the meetings to the extent required.

Audit Committee

An Audit Committee of the Board has been in existence which comprises of three (3) members. The Audit Committee has adopted its Terms of Reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019. Pursuant to the sanction of the Scheme on 27 May 2022, the members were changed in the Board meeting held on 02 August 2022. During the

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

period under review, four (4) meetings were held.

Human Resource and Remuneration Committee

The Company has formed a Human Resource and Remuneration Committee that comprised of four (4) members. The Committee has adopted its Terms of Reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019. Pursuant to the sanction of the Scheme on 27 May 2022 the members were changed in the Board meeting held on 02 August 2022. During the period under review one (1) meeting was held.

Evaluation of the Board's Performance and Directors' Training Program (DTP)

A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board, and of its committees against pre-determined operational and strategic goals. Effective boards make sound collective decisions to meet the company's strategic objectives and provide oversight and support on key matters to management for optimal operational performance. Pursuant to the sanction of the Scheme on 27 May 2022 and appointment of new Directors on 02 August 2022 among which two (2) directors have already completed their DTP, whereas the DTP trainings for remaining directors shall be considered before the next Annual General Meeting, if so required. A well-conducted evaluation helps the board and its committees to perform to their maximum capabilities, crucial for the continuing success and growth in the long-term sustainable value of the Company.

Notice of Annual General Meeting

The notice of Annual General Meeting (AGM) is attached which is being sent due to the change in financial year of the Company from 30 June to 31 December pursuant to the sanction of the Scheme by honorable Lahore

High Court, Lahore and to comply with the provisions of section 229 and section 233 of the Companies Act, 2017

Pattern of Shareholding

The total number of the Company's shareholders as of 31 December 2021 were 7,322 in numbers. The pattern of Shareholding of the Company as of 31 December 2021, along with a pattern of shareholding of certain classes of shareholders as well as the statement of purchase and sale of shares by Directors, executives, and their spouses including minor children during the six months financial period is shown in the shareholding section of this report.

Directors' Remuneration

The Board of Directors has duly approved the policy and procedure for remuneration of the Directors for attendance of Board and Committee meetings.

The remuneration is determined by the level of responsibility and expertise, to attract and retain the best talent while ensuring that their independence is not compromised in any manner. Its main features include that Independent Directors are entitled to meeting fees as remuneration for attending meetings of the Board of Directors and other committees of the Board. Details of the remuneration paid to Directors during the period is given in the periodic Financial Statements.

Investor Relations & Website

We want our investors, shareholders, and customers to be well informed about us and our operations so we can continue to build lasting and mutually beneficial relationships. We are determined to service our Shareholders and Stakeholders by delivering material information as soon as the same are available for circulation. As a practice, we will publish all material communiqués on the official website of the company

www.samintextile.com and also on www.waves.net.pk.

Pursuant to the sanction of the Scheme on 27 May 2022, space is made available at the Holding company's website for information of the Company (www.waves.net.pk).

7.10 External Auditors

The present auditors M/s. KPMG Taseer Hadi & Co. (Chartered Accountants) retire and being eligible for reappointment at the Annual General Meeting. The audited accounts presented are for as at and six months period ended on 31 December 2021.

The Audit Committee has recommended the reappointment of M/s. KPMG Taseer Hadi & Co. as Statutory Auditors of the company for the year ending 31 December 2022, at a fee to be mutually agreed upon. The Board has endorsed this recommendation.

Haroon Ahmad Khan
Chief Executive Officer
Lahore

7.11 Acknowledgements

We would like to thank all our stakeholders, especially our valued customers, suppliers, business partners, financial institutions, regulators, who have positioned their trust in us. The Company's accomplishments and present standing could not have been possible without the unswerving commitment, hard work, immense support, and efforts of our management team and other employees who deserve a full compliment. We are confident that the team will continue to grow and constantly deliver on the expectations of all stakeholders. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, and the management of the Pakistan Stock Exchange for their continued support and cooperation.

We would also like to extend our sincerest gratitude to our shareholders for the confidence and trust they have reposed in us and for their unwavering support.
For and on behalf of the Board:

Moazzam Ahmad Khan
Director

8. OTHER INFORMATION

8.1 Pattern of Shareholding

PATTERN OF SHAREHOLDING
Form 34 under Section 227(2)(f)

1.1 Name of the Company: Waves Home Appliances Limited, formerly Samin Textiles Limited

2.1 Pattern of holding of shares held by the shareholders as at: 31 December 2021¹

2.2	No. of Shareholders	From	To	Total Shares Held
	93	1	100	2,448
	199	101	500	96,627
	75	501	1,000	71,576
	129	1,001	5,000	364,797
	42	5,001	10,000	327,933
	21	10,001	15,000	280,814
	9	15,001	20,000	175,500
	8	20,001	25,000	188,500
	4	25,001	30,000	112,000
	4	30,001	35,000	129,870
	6	35,001	40,000	232,500
	2	40,001	45,000	86,000
	5	45,001	50,000	247,000
	2	50,001	55,000	101,501
	2	55,001	60,000	116,000
	1	60,001	65,000	65,000
	2	70,001	75,000	145,025
	1	80,001	85,000	81,500
	1	85,001	90,000	85,500
	1	90,001	95,000	94,000
	1	105,001	110,000	106,500
	1	115,001	120,000	119,500
	1	140,001	145,000	144,000
	1	150,001	155,000	155,000
	1	180,001	185,000	181,000
	1	185,001	190,000	187,500
	1	205,001	210,000	210,000
	1	235,001	240,000	236,000
	1	260,001	265,000	264,500
	1	270,001	275,000	271,000
	1	300,001	305,000	301,000
	3	495,001	500,000	1,500,000
	1	500,001	505,000	501,000
	1	1,095,001	1,100,000	1,095,067
	1	1,600,001	1,605,000	1,604,838
	3	2,495,001	2,500,000	7,500,000
	1	9,345,001	9,350,000	9,347,004
	628			26,728,000¹

¹ Subsequent to the year end these shares were consolidated as per Scheme of Arrangement

WAVES HOME APPLIANCES LIMTIED (FORMERLY SAMIN TEXTILES LIMITED)

WAVES HOME APPLIANCES LIMTIED (Formerly Samin Textiles Limited) Categories of Shareholding required under Code of Corporate Governance (CCG) As at 31 December 2021¹

S. No.	NAME	Shares	% AGE
A	Directors, CEO, their Spouse and Minor Children		
1	Mr. Aamir Jamil	500	0.0019
2	Mr. Khalid Azim	500	0.0019
3	Mr. Zaheer Jamil	1,000	0.0037
4	Mr. Riaz Ahmed	1,000	0.0037
5	Mr. Ahmed Hamid Sheikh	1,000	0.0037
6	Mrs. Shahida Shahnaz Lodhi	500	0.0019
7	Mr. Mustafa Kamal Lodhi	500	0.0019
	Sub-Total	5,000	0.0187
B	Associated Companies	-	0.0000
C	Executives	-	0.0000
D	NIT & ICP	-	0.0000
E	Financial Institutions	1,604,917	6.0046
F	Insurance Companies	-	0.0000
G	Pension Funds	12,794	0.0479
H	Leasing Companies	-	0.0000
I	Modaraba and Mutual Funds	-	0.0000
J	Joint Stock Companies	682,501	2.5535
K	Other Companies	449	0.0017
L	General Public	24,422,339	91.3736
	Sub-Total	26,723,000	99.9813
	Total	26,728,000	100.0000
Shareholders holding more than 5% of the capital			
1	Mr. Haroon Ahmad Khan	10,442,071	38.3219
2	Mr. Shaheer Ahmed Butt	2,500,000	9.3535
3	Mr. Moazzam Ahmad Khan	2,500,000	9.3535
4	Mrs. Sadia Ali	2,500,000	9.3535
5	National Bank of Pakistan	1,604,917	6.0046
	Total	19,546,988	73.1330

¹ Subsequent to the year-end these shares were consolidated as per Scheme of Arrangement

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

WAVES HOME APPLIANCES LIMITED

(Formerly Samin Textiles Limited)

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their Spouses and minor children

during Six Months Period from 01 July 2021 to 31 December 2021

No.	Name	Designation	Opening Balance ¹	Purchase ¹	Sale	Closing Balance
1	Mr. Aamir Jamil ³	Director	500	-	-	500
2	Mr. Khalid Azim	Director	500	-	-	500
3	Mr. Zaheer Jamil ³	Director	1,000	-	-	1,000
4	Mr. Riaz Ahmed ³	Director	1,000	-	-	1,000
5	Mr. Ahmad Hameed ³	Director	1,000	-	-	1,000
6	Mrs. Shahida Shanaz ³	Director	-	500	-	500
7	Mr. Mustafa Kamal ²	CEO	-	500	-	500
8	Mr. Muhammad Usman	CFO	-	-	-	-
9	Mr. Muhammad Tayyab	CS	-	-	-	-

¹ Represents opening balance as reported in the audited financial statements for 30 June 201

² Mr. Mustafa Kamal Lodhi was appointed as CEO in place of Mr. Safdar Hussain Tariq, who later resigned and Mr. Haroon Ahmad Khan was appointed as CEO/Director on 02 August 2022

³ Mr. Abdul Hameed Sheikh, Mrs. Shahida Shahnaz Lodhi (who was appointed in place of Ms. Tooba Tariq during the period), Mr. Riaz Ahmad, Mr. Zaheer Jamil and Mr. Aamir Jamil resigned as Directors and Mr. Muhammad Adnan Afaq, Mr. Shoaib Dastgir, Mr. Moazzam Ahmad Khan, Mr. Hamza Ahmad Khan and Mrs. Nighat Haroon appointed as Directors in their places on 02 August 2022

9. NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting (AGM) of the shareholders of Waves Home Appliances Limited (WHALE or the Company) will be held on Monday 29 August 2022 at 11:30 AM. at the Registered Office, at 9. Km Multan Road Lahore (within Waves Factory Premises) physically as well electronically to transact the following businesses:

Ordinary Businesses

1. To receive, consider and adopt audited financial statements of the Company for the year ended 31 December 2021, together with Directors' Report and Chairman's Review thereon
2. To appoint Statutory Auditors of the Company for the year ending 31 December 2022 and to fix their remuneration. The Board and Audit Committee have recommended the name of M/s KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors, for appointment as Auditors of the Company.

Special Businesses

3. To consider and if deemed fit pass the following ordinary resolution for getting shareholders' approval for circulation of Annual Report (Consolidated and Standalone) through CD/DVD/USB:

"Resolved that approval be and is hereby granted to allow the Company to transmit its Annual Financial Statements (Consolidated and Standalone) together with Directors' Report and Chairman's Review thereon along with the notice of Annual General Meeting to its members through CD/DVD/USB instead of hard copy at the registered addresses of the shareholders".

4. To consider and if deemed fit pass the following special resolutions with or without modifications:

"Resolved that the transactions carried out by the Company with Waves Corporation Limited, formerly Waves Singer Pakistan Limited, Electronic Marketing Company Limited and Employees' Pension/Gratuity/Provident Fund, during the financial year 31 December 2021 as given in the related party note 40 of the Annual Audited Financial Statements of the Company for the year ended 31 December 2021 be and hereby are approved."

"Resolved further that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on case-to-case basis during the financial year 31 December 2022. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval"

By the order of the Board

Tariq Majeed
Company Secretary

06 August 2022
Lahore

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

Notes:

1. The shareholders of the Company interested to participate in the general meeting through video link are requested to send their particulars (as given below) along with a valid copy of their CNIC (both sides)/passport, attested copy of the board resolution / power of attorney (in case of corporate shareholders) through email at cs@waves.net.pk (or through post/courier) with the subject similar to "Registration for AGM 31 December 2021 of WHALE" at least 48 hours before the holding of the general meeting. The original signed documents are required to be sent to the Company separately through courier or post, for record purposes.

Name of Shareholder	CNIC No.	Folio No.	Cell/WhatsApp No.	Email Address
---------------------	----------	-----------	-------------------	---------------

** Where applicable, please also give the above particulars of proxy-holder or nominee of shareholder*

The video link and login credential will be shared with only those members whose emails, containing all the required particulars are received well within time. This notice of video link shall also cover providing video link facility to the members holding 10% or more shareholding (in aggregate) in the Company, residing at a geographical location.

2. The share transfer Books of the Company will remain closed from 22 August 2022 to 29 August 2022 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore at the close of business on 21 August 2022 will be treated in time for the purposes of entitlement to the transferees.
3. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. Instrument appointing Proxy must be deposited at the Head Office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is available at the Company's website i.e., www.samintextile.com and www.waves.net.pk However, in case of electronic attendance, the relevant procedure given in the precedent paragraph may be followed.
4. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan:

a. For attending the meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b. For appointment proxies:

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

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company
5. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
6. Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 07 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to Head Office address of the Company at least 07 (seven) days before the date of general meeting.

<i>I/We _____ of _____, being member(s) of Waves Home Appliances Limited holder of _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.</i>

7. The Company can transmit annual financial statements through email for which shareholders may provide their relevant information to Share Registrar or the Company Secretary by filling the Standard Request Form available on the Company's website. The shareholders can submit their request for minutes of the previous general meetings at the Registered Office of the Company.
8. All material information in respect of the special business including certificate change of name, MOA/AOA, financial statements, related party transactions and record, scheme of arrangement, statement of material facts, interest of directors/shareholding and other necessary documents in respect of the notice of AGM are kept at the registered office of the Company and shall be available for inspection from the date of this notice till the conclusion of the AGM.
9. The Annual Audited Financial Statements along with relevant Reports/Reviews have also been placed at Company's website at www.samintextile.com and www.waves.net.pk. These accounts are also available for inspection during the office hours at the registered office of Company.
10. In compliance with the requirements of Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace his/her physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 that is, 30 May 2017. Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for

WAVES HOME APPLIANCES LIMITED (FORMERLY SAMIN TEXTILES LIMITED)

issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

11. Due to the change in financial year of the Company from 30 June to 31 December pursuant to the sanction of the Scheme by LHC, the Company is holding this Annual General Meeting (AGM) for the year ended 31 December 2021.
12. For any query / clarification / information, the shareholders may contact the Company at email cs@waves.net.pk and/or the Share Registrar of the Company at email akbar@corplink.com.pk.

Statement of Material Facts in respect of the Special Businesses

Agenda Item No. 3 – Transmission of Annual Accounts through CD/DVD/USB:

The Securities & Exchange Commission of Pakistan (SECP) vide its SRO No. 470(I)/2016 has allowed the companies to circulate Annual Balance Sheet, Profit & Loss account, Auditors' Report and Directors' Report etc., (Financial Statements) along with the Notice of AGM to its members through CD/DVD/USB instead of hard copy at their registered addresses. The Company shall however, shall place on its website a standard request form for the shareholders to demand hard copies of Financial Statements. In case, any member requests for the hard copy of the Financial Statements, the same shall be provided free of cost.

Agenda Item No. 4 – Approval of Related Party Transactions during the Financial Year ended 31 December 2021 and to authorize the Board to approve Related Party Transactions during the Financial Year ended 31 December 2022

The Company has undertaken related party transactions with the following entities which includes holding and associated companies/undertakings.

- a. Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES), a holding company of the Company w.e.f. 31 August 2021 pursuant to the Scheme of Arrangement between the Company and WAVES sanctioned by the honorable Lahore High Court on 27 May 2022. Before that WAVES was a related party.
- b. Electronic Marketing Company Limited (EMCL)
- c. Employee's Provident Fund
- d. Employees' Pension Fund
- e. Employees' Gratuity Fund

All the transactions with related parties during financial year are entered into by the Company in the ordinary course of business and at arm's length basis, under the policy of the Company for related party transactions. All transactions entered into with related parties require the approval and recommendation of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions are placed before the Board of Directors for approval. All transactions with the related parties are disclosed in the note 40 of the audited financial statements for the year ended 31 December 2021.

The transactions with WAVES include transactions which are arising out of the implementation process of the Scheme and results in inter-company balances appearing in the financial statements, till such time the implementation process pursuant to the Scheme is fully complete. The nature of these relationships is also disclosed in the note 40.

WAVES HOME APPLIANCES LIMTIED (FORMERLY SAMIN TEXTILES LIMITED)

The Company shall be conducting transactions with the related parties during the year ending 31 December 2022 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. The transactions with WAVES may include transactions which are arising out of the implementation process of the Scheme and results in inter-company balances appearing in the financial statements, till such time the implementation process pursuant to the Scheme is fully complete.

In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties from time-to-time on case-to-case basis for the year ending 31 December 2022, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.

Interest of Directors

The Company has only one class of members. The effect of resolutions on the interests of directors of the Company does not differ from the effect of interest of other members except stated herein and the Directors are interested in the resolution only to the extent of their common directorship in such related parties and that the directors of the Company and the related parties performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per the respective policies of the Company and the related parties, therefore may be regarded as interested to that extent in the resolutions.

Material Information

All material information in respect of the special business including certificate change of name, MOA/AOA, financial statements, related party transactions and record, minutes of the previous general meetings, shareholding of directors of Company and related parties, Scheme of Arrangement sanctioned by honorable Lahore High Court, Lahore, Statement of Material Facts and other necessary documents in respect of the notice of AGM are kept at the registered office of the Company and shall be available for inspection from the date of this notice till the conclusion of the AGM and also placed to the extent required on the Company's website www.samintextile.com or www.waves.net.pk.

Proxy Form

The Proxy Form is attached with the notice of Notice of Annual General Meeting.

WAVES HOME APPLIANCES LIMITED

Formerly Samin Textiles Limited

FORM OF PROXY

The Company Secretary
Waves Home Appliances Limited
9 KM, Multan Road, **Lahore**

I/ We _____
of _____
being a member of **Waves Home Appliances Limited** hereby appoint
_____ of _____
or failing him _____
of _____
as my proxy in my absence to attend, speak and vote for me on my behalf at the Annual General Meeting of the Company to be held on Monday, 29 August 2022 at 11:30 AM and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2022.

**Rs. 5/-
Revenue
Stamp**

Witness No.1

Name : _____
Address : _____

CNIC No.: _____

Signature of Member(s)

Witness No. 2

Name : _____
Address : _____

CNIC No.: _____

(Name in Block letters)

Folio No. _____

Participant ID No. _____

No. of shares _____

Account No. in CDC _____

Important:

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.
2. A Member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. Members are requested:
 - (a) To affix Revenue Stamp of Rs. 5/- at the place indicated above.
 - (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) To write down their Folio Numbers.
4. This form of proxy, duly completed and signed across a Rs. 5/- revenue stamp, must be deposited/sent at the Company's Registered Office not less than 48 hours before the time for holding the meeting or may be sent through the email as given in this notice followed by courier/post to the Company's registered office.

WHALE SPECIAL FS 2021

Auditors' Report to the Members



KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

INDEPENDENT AUDITOR'S REPORT

To the Members of Waves Home Appliances Limited (formerly Samin Textiles Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Waves Home Appliances Limited** ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the six-months period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the six-months period then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Restatement of Comparative information

We draw attention to note 18.1 to these financial statements which indicates that the comparative information presented as at 30 June 2021 has been restated. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the six-months period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



KPMG Taseer Hadi & Co.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Revenue</p> <p>Refer to note 5.12 and 29 to the financial statements.</p> <p>The Company principally generates revenue from manufacturing and assembly of domestic consumer appliances along-with retailing and trading of the same.</p> <p>We identified revenue recognition as a key audit matter because it is one of the key performance indicator of the Company and gives rise to a risk that revenue is recognized without transferring of control.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls; • assessing the appropriateness of the Company's accounting policy for recording of sales and compliance of the relevant accounting policy as referred to in the financial statements; • comparing a sample of sale transactions recorded during the six-months period with sales orders, sales invoices, delivery documents and other relevant underlying documents to assess whether the related revenue was recorded in accordance with the Company's accounting policy. • comparing a sample of sale transactions recorded before and after the six-months period-end with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period; • inspecting on a sample basis, credit notes issued near to and subsequent to period end to evaluate whether the adjustments to sales had been accurately recorded in the appropriate accounting period; and • scanning for any manual journal entries relating to sales recorded during and near the period end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2.	<p>Impairment of intangible assets</p> <p>Refer to note 5.4 and 22 to the financial statements.</p> <p>The Company annually tests the carrying value of goodwill and intangible assets. The testing is subject to estimates and judgments made by the management of the Company with respect to future sales growth and profitability, cash flow projection and selection of appropriate discount rate.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • assessing the appropriateness of the Company's accounting policy for impairment testing of intangible assets and goodwill and compliance of the relevant accounting policy as referred to in the financial statements; • discussing with the Company's management key assumptions used in valuation model and testing the mathematical accuracy of the model; • involving our internal valuation specialists to assist us in assessing the significant estimates, assumptions and judgements applied in the valuation of intangible assets and goodwill,



KPMG Taseer Hadi & Co.

S. No.	Key audit matters	How the matter was addressed in our audit
	<p>We identified the impairment testing of separately identifiable intangible assets and goodwill as a key audit matter because significant degree of management judgement is involved in making the above assessment and in forecasting the future cash flows of the Company which are inherently uncertain.</p>	<p>including discount rate, growth rate, terminal value and attrition rate, with reference to available market information;</p> <ul style="list-style-type: none"> • assessing the ability of the Company to accurately forecast through comparison of previous forecasts with actual results; • comparing the recoverable amount with the goodwill and intangible assets recognized to identify impairment, if any; and • assessing the adequacy of disclosure made in the financial statements in accordance with the accounting policy.
3.	<p>Scheme of arrangement</p> <p>Refer note 2, 5.2 and 46 to the financial statements.</p> <p>Effective 01 September 2021, the Company completed a scheme of arrangement for carving out of home appliances business from Waves Corporation Limited, the Holding Company and amalgamation of certain assets, liabilities, obligation, contracts (as envisaged in the scheme) with and into the Company against allotment and issue of Company shares as detailed in note 2 and 46 of the financial statements.</p> <p>We identified this scheme of arrangement as a key audit matter because this transaction is with the related party, involves accounting and reporting complexities and is impacting the overall financial statements.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • assessing the appropriateness of the Company's accounting policy for common control transaction and compliance of the relevant accounting policy as referred to in the financial statements. • obtaining an understanding of key terms and conditions of the scheme, confirming our understanding of transaction with the management. • obtaining a certified copy of the Honorable Lahore High Court's order sanctioning the scheme. • reviewing the minutes of the board and extra ordinary general meetings for the approval of scheme of arrangement. • assessing the adequacy of disclosures in financial statements of the Company in accordance with the accounting policy and financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the report for the six-months ended 31 December 2021, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



KPMG Taseer Hadi & Co.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



KPMG Taseer Hadi & Co.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current six-months period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other matter

The financial statements of the Company as at and for the year ended 30 June 2021, excluding the adjustments described in note 18.1 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 October 2021.

As part of our audit of the financial statements as at and for the six-months period ended 31 December 2021, we audited the adjustment described in note 18.1 that was applied to restate the comparative information presented as at 30 June 2021. We were not engaged to audit, review, or apply any procedures to the financial statements for the year ended 30 June 2021, other than with respect to the adjustment described in note 18.1 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustment described in note 18.1 is appropriate and have been properly applied.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Bilal Ali.

Lahore

Date: 18 August 2022

UDIN: AR202110114BYD1NaqZz

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Waves Home Appliances Limited (formerly, Samin Textiles Limited)

Statement of Financial Position

As at 31 December 2021

	31 December 2021	30 June 2021	Note
	(Rupees in '000)	(Rupees in '000)	Restated
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital 425,000,000 (30 June 2021: 30,000,000)	4,250,000	300,000	
ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital	118,791	267,280	6
Shares to be issued under scheme of arrangement	2,560,062	-	7
Capital redemption reserve	148,489	-	6
Share premium reserve	3,642,002	-	7
Merger reserve	(263,296)	-	46
Loan from sponsors	115,300	113,855	9
Surplus on revaluation of property, plant and equipment	368,984	-	10
Revenue reserve - unappropriated profit / (loss)	375,924	(420,346)	
	7,066,256	(39,211)	
Non-current liabilities			
Long term loans - secured	748,146	-	11
Amount due to holding Company	1,779,177	-	8
Lease liabilities			
- Other assets under right of use - secured	22,806	-	12
- Building under right of use - unsecured	33,487	-	12
Employee retirement benefits	14,020	-	13
Deferred tax liability - net	463,394	-	14
Deferred income	7,639	-	15
	3,068,669	-	
Current liabilities			
Trade and other payables	1,815,288	40,739	16
Mark-up accrued on borrowings	129,808	-	17
Short term borrowings	3,913,544	-	18
Provision for tax	5,971	-	
Current portion of long term liabilities	232,013	-	19
	6,096,624	40,739	
Contingencies and commitments			
			20
	16,231,549	1,528	
ASSETS			
Non-current assets			
Property, plant and equipment	3,218,819	-	21
Intangible assets and goodwill	2,865,672	-	22
Long term deposits	8,545	-	23
	6,093,036	-	
Current assets			
Stores, spares and loose tools	45,723	-	24
Stock-in-trade	3,626,538	-	25
Trade debts	1,705,741	-	
Advances, deposits, prepayments and other receivables	4,758,309	-	26
Tax refunds due from government	-	-	18
Cash and bank balances	732	58	27
	10,137,043	58	
Non current assets held for sale	1,470	1,470	28
	10,138,513	1,528	

The annexed notes 1 to 49 form an integral part of these financial statements.

Waves

Lahore

Director

Chief Executive Officer

Chief Financial Officer

Waves Home Appliances Limited (formerly, Samin Textiles Limited)

Statement of Profit or Loss

For the six months ended 31 December 2021

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
	Note	----- (Rupees in '000) -----	
Revenue - net of sales return		2,425,840	-
Sales tax and trade discount on invoices		(342,317)	-
Revenue - net	29	2,083,523	-
Cost of sales	30	(1,581,890)	-
Gross profit		501,633	-
Marketing, selling and distribution costs	31	(160,056)	-
Administrative expenses	32	(108,543)	(14,609)
Other expenses	33	(100,671)	-
Other income	34	134,743	1,693
		(234,527)	(12,915)
		267,106	(12,915)
Finance costs	35	(174,965)	(5,779)
Profit / (loss) before taxation		92,141	(18,694)
Taxation	36	(55,645)	-
Profit / (loss) for the period		36,496	(18,694)
			<i>Restated</i>
Profit / (loss) per share - basic and diluted (Rupees)	37	0.20	(1.57)

The annexed notes 1 to 49 form an integral part of these financial statements.

نہیں

Lahore

Director

Chief Executive Officer

Chief Financial Officer

Waves Home Appliances Limited (formerly, Samin Textiles Limited)

Statement of Comprehensive Income

For the six months ended 31 December 2021

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
	Note	----- (Rupees in '000) -----	
Profit / (loss) for the period		36,496	(18,694)
<u>Other comprehensive income</u>			
<i>Items that will not be reclassified to profit or loss:</i>			
- Actuarial gain on employee retirement benefits	13.7	1,013	-
Total comprehensive income for the period		<u>37,509</u>	<u>(18,694)</u>

The annexed notes 1 to 49 form an integral part of these financial statements.

Waves

Lahore



Director



Chief Executive Officer



Chief Financial Officer

Waves Home Appliances Limited (formerly, Samin Textiles Limited)

Statement of Changes in Equity

For the six months ended 31 December 2021

	Capital Reserve					Revenue Reserve		Total
	Issued, subscribed and paid-up capital	Shares to be issued under scheme of arrangement	Capital redemption reserve	Share premium reserve	Merger reserve	Loan from sponsors	Surplus on revaluation of land, building and plant and machinery	
Balance as at 01 July 2020	267,280	-	-	-	-	73,019	-	(61,353)
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	-	-	-	(18,695)
Sponsors loan during the year - (rectification of error - refer note 18.1)	-	-	-	-	-	40,837	-	40,837
As at 30 June 2021 - restated	267,280	-	-	-	-	113,855	-	(39,211)
Total comprehensive income for the year								
Loss for the period	-	-	-	-	-	-	-	36,496
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	1,013
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	-	-	(8,761)	37,509
Transactions with owners of the Company								
Consolidation of shares under scheme of arrangement - note 2	(148,489)	2,560,062	148,489	3,642,002	-	-	-	6,202,064
Shares to be issued under scheme of arrangement - note 2	-	-	-	-	-	-	-	1,445
Sponsors loan during the year	-	-	-	-	-	1,445	-	-
Transferred from Waves Corporation Limited - note 2 and 46	-	-	-	-	-	-	377,745	377,745
- Revaluation surplus	-	-	-	-	-	-	-	750,000
- Retained earnings	-	-	-	-	-	-	-	-
Merger reserve under scheme of arrangement - (note 2 & 46)	-	-	-	(263,296)	(263,296)	-	-	(263,296)
Balance as at 31 December 2021	118,791	2,560,062	148,489	3,642,002	(263,296)	115,300	368,984	7,066,256

The annexed notes 1 to 49 form an integral part of these financial statements.

Waves


Director

Lahore


Chief Executive Officer


Chief Financial Officer

Waves Home Appliances Limited (formerly, Samin Textiles Limited)

Statement of Cash Flows

For the six months ended 31 December 2021

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
	Note	----- (Rupees in '000) -----	
<u>Cash flows from operating activities</u>			
Profit before taxation		92,141	(18,694)
<u>Adjustments for non-cash items:</u>			
Depreciation on property, plant and equipment	21.1.4	82,390	-
Amortisation of intangible asset	22.3	15,362	-
Finance costs	35	174,965	5,779
Gain on sale of property, plant and equipment	34	(1,463)	(1,693)
Notional interest on amount due to holding company	33	56,821	-
Workers' Profit Participation Fund	33	4,980	-
Interest on Workers' Profit Participation Fund	35	163	-
Amortisation of deferred income	34	(5,730)	-
Liabilities no longer payable written back	34	(121,669)	-
Provision for employee retirement benefits	13	586	-
Profit / (loss) before working capital changes		298,546	(14,609)
<u>Effect on cash flows due to working capital changes</u>			
<u>(Increase) / decrease in current assets</u>			
Stores, spares and loose tools		(234)	-
Stock-in-trade		(867,155)	-
Trade debts		(1,705,741)	-
Advances, deposits, prepayments and other receivables		1,877,786	(102)
Increase / (decrease) in trade and other payables		568,395	(18,149)
		(126,949)	(18,251)
Cash generated from / (used in) operating activities		171,597	(32,860)
Income tax paid		-	8,660
Net cash generated from / (used in) operating activities		171,597	(24,200)
<u>Cash flows from investing activities</u>			
Capital expenditure		(84,905)	-
Proceeds from realization of long term deposits		-	5,355
Proceeds from disposal of property, plant and equipment		11,625	6,100
Net cash (used in) / generated from investing activities		(73,280)	11,455
<u>Cash flows from financing activities</u>			
Long term loans repaid		(66,182)	-
Lease rentals paid - net		(26,124)	-
Finance costs paid		(161,297)	(8,521)
Short term finances availed - net		87,562	-
Loan from Sponsors		1,445	18,840
Net cash (used in) / generated from financing activities		(164,596)	10,319
Net decrease in cash and cash equivalents		(66,279)	(2,426)
Cash and cash equivalents at beginning of the year		58	2,484
Cash and cash equivalents acquired in scheme of arrangement		(926,609)	-
Cash and cash equivalents at end of the year	38	(992,830)	58

The annexed notes 1 to 49 form an integral part of these financial statements.

KPMG

Lahore

Director

Chief Executive Officer

Chief Financial Officer

Waves Home Appliances Limited (formerly, Samin Textiles Limited)

Notes to the financial statements

For the six months ended 31 December 2021

1 Status and nature of business

- 1.1** Waves Home Appliances Limited (formerly, Samin Textiles Limited) ("the Company") is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited company. The registered office of the Company is situated at 15/3 Block A, Model Town, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company was trading, import and export of textile products. Consequent to approval of scheme of arrangement as discussed in note 2, the principal line of business has been amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

The Company is a subsidiary of Waves Corporation Limited (formerly Waves Singer Pakistan Limited), the ultimate parent Company.

Geographical locations of the manufacturing facilities of the Company are located at:

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Mouza Mustafabad, 41-K.M., Ferozpur Road, Off 2-K.M. Rohi Nala Road, Tehsil & District Kasur

- 1.2** On 11 March 2020, Covid-19 (Coronavirus) was declared a pandemic by the World Health Organization. The spread of coronavirus as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has effected the overall economic environment of the country and production and sale volumes of the Company during the lock down period. However, as per relaxation given by Authorities, the Company continued its operations during the with all precautionary measures to prevent the pandemic spread. While no material effects on the Company's business and measurement of assets and liabilities have yet been identified at the date of these financial statements, the management will continue to monitor and evaluate them including effects of new variants.

2 Seperation / Carving out of Home Appliances Business from Waves Corporation Limited (WCL - formlery Waves Singer Pakistan Limited), a related entity and Amalgamation into WHAL

During the six months ended 31 December 2021 Samin Textiles Limited now renamed as Waves Home Appliances Limited ("the Company-WHAL") completed a Scheme of Arrangement as follows:

- Carving out / seperation of home appliances business from WCL by transferring certain assets, liabilities, obligations, contracts and undertakings and amalgamating the same with and into the Company as of the effective date of 01 September 2021 against allotment and issue of WHAL shares to WCL. WCL was a related party of the Company by virtue of common shareholding. Refer to note 46 of these financial statements for details of assets transferred and liabilities assumed.
- The Honourable Lahore High Court (the Court) through its Order dated 22 June 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from the Holding Company and amalgamation of the same into the subsidiary Company WHAL.

WHAAL

- The Board of Directors of the Company, in their meeting held on 23 December 2021, approved and resolved to present the Scheme of Arrangement before the shareholders of the Company for their approval. After approval by the BOD, the said scheme was submitted to Court for approval. As per requirements, the Company subsequently obtained approval of the Scheme of Arrangement from its shareholders and secured creditors of the Company. Shareholders of the Company also approved the change of name of the Company in accordance with Section 12 of the Companies Act, 2017 from "Samin Textiles Limited (SMTM)" to "Waves Home Appliances Limited (WHAL)". Further, shareholders have also resolved to change the year-end of WHAL from 30 June to 31 December to be aligned with the year-end of the holding company subsequent to amalgamation.
- As envisaged by the scheme of arrangement approved by the Honorable Lahore High Court, the books of accounts of WCL and WHAL shall be updated to record the necessary fair value accounting entries in accordance with the applicable accounting standards and applicable laws.
- As consideration for the transfer of the home appliances business, WHAL shall:
 - issue a total of 256,006,196 shares:
 - Out of above, 199,724,956 shares shall be issued and allotted to WCL.
 - Remaining 56,281,240 shares of the Company shall to be issued and allotted to shareholders of WCL in the swap ratio of 20 shares for every 100 shares held in WCL. The 20 shares of the Company directly issued to the shareholders of WCL are equivalent to presently traded 45 shares of the Company prior to the proposed capital reduction.
 - Rs. 2 billion in cash shall be payable to WCL; no additional compensation shall be applicable against this amount if the said amount is settled by the Company within 2 years of sanction of this scheme. However, if the said amount is still wholly or partially outstanding at the end of 2 years of the sanction of scheme, then a profit/mark-up shall be payable on outstanding amount on a quarterly basis in arrears at such profit/mark-up rate as determined by the Board(s) of Directors of each of the Company at the relevant time, provided such profit/mark-up rate shall not be less than the rate prescribed under applicable laws.

As part of the arrangement hereunder, subsequent to the Scheme completion date, but prior to the issuance / allotment of WHAL Shares to the Company and its shareholders, share capital of WHAL will be reduced from every 225 shares to 100 shares i.e total paid up capital from 26,728,000 to 11,879,111 shares.

The Group expects several benefits after this merger including the synergies of operations, allowing them to become leading suppliers / service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities, a more focussed business and customer base.

At the same time, as a consequence of the arrangement, accounting year-end of WHAL shall change from 30 June to 31 December and WHAL shall become a subsidiary of WCL. Separation of the different undertakings and assets of WCL and merger of the demerged undertaking with and into WHAL will allow the management of each company to focus on the business segment sought to be carried out by the respective company, resulting in better performance of the same.

Details of assets and liabilities demerged along with other disclosures are given in note 46 to these financial statements.

3 Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Consequent to approval of the scheme of arrangement by the Honorable Lahore High Court as explained in note 2, the financial year of the Company has changed from 30 June to 31 December. This change has been made to bring the financial year of the Company in line with the financial year followed by the holding company. Accordingly, these financial statements are prepared for six months period from 01 July to 31 December 2021. The corresponding figures shown in these financial statements pertain to financial statements for the year ended 30 June 2021 and therefore, are not entirely comparable in respect of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employee retirement benefits and lease liabilities which are stated at present value.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is also the Company's functional and presentation currency and have been rounded off to the nearest thousand.

4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are relevant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

	<i>Note</i>
- Residual value, market values and useful lives of property, plant and equipment	5.3
- Useful lives of intangible assets	5.4
- Provision for employee retirement benefit plans	5.5
- Stock in trade and stores and spares and loose tools at net realisable value / net of impairment losses	5.7
- Provisions	5.10
- Provision for warranty obligation	5.11
- Taxation	5.14
- Impairment of financial and non-financial assets	5.16

5 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements other than mentioned in 5.1.

5.1 Change in accounting policy

As explained in note 2, effective 01 September 2021 WHAL has become the subsidiary of WCL and the policies of the Company have been aligned with the Holding Company's policies accordingly. Accordingly, there is no material impact on these financial statements as there were no balances prior to the scheme.

Following significant change in accounting policies are applied:

- Property, Plant, and Equipment from cost to revaluation model.
- Stock-in-trade has been valued on FIFO basis.

5.2 Common control transactions

A business combination (or a demerger for that purpose) involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and the control is not transitory. Such common control transactions have been excluded from the scope of International Financial Reporting Standards 3 dealing with Business Combinations.

The Institute of Chartered Accountants of Pakistan ("ICAP") through S.R.O 53(I)/2022 notified accounting standard 'Accounting for Common Control Transactions' effective for annual period beginning on or after 30 June 2022. This standard establishes the principles to account for the effects of business combinations under common control and group restructurings in the financial statements of a receiving entity. This standard is applicable on common control transactions occurring on or after 30 June 2022. The Company has opted for earlier application as permitted under the accounting standard.

The Holding company (WCL) was applying book value method to account for common control transactions. Under the book value method, the assets and liabilities are recognized under the book value basis (carry-over basis) of accounting.

Under the application of ICAP 'Accounting for Common Control Transactions' standard as referred above, the receiving entity (WHAL) is adopting 'Predecessor Accounting' which states that the receiving entity shall measure assets acquired and liabilities assumed at their carrying amounts as reflected in the financial statements of the transferring entity (WCL), at the date of transaction.

After the adoption of this standard, and application of 'predecessor method' as prescribed under this standard, there is no material impact on these financial statements. As envisaged by the scheme of arrangement approved by the Honorable Lahore High Court, the books of accounts of WCL and WHAL shall be updated to record the necessary fair value accounting entries in accordance with the applicable accounting standards and applicable laws. Fair value adjustments are only required for assets and liabilities which under the applicable accounting standards are required to be measured at fair values.

5.3 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for the land which is stated at revalued amount less impairment loss, if any, and buildings and plant and machinery which are stated at the revalued amounts less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of an asset.

Land, buildings and plant and machinery are revalued by professionally qualified valuer with sufficient regularity (every three to five years unless earlier required) to ensure that the net carrying amount does not differ materially from the fair value (market value). In case of revalued assets, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset.

Increase in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation is charged to the statement of profit or loss applying the straight-line method whereby the depreciable amount of an asset is depreciated over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use and up to the month of disposal. The rates of depreciation are stated in note 21 to these financial statements.

The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Normal repairs and maintenance are charged to the statement of profit or loss as and when incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. Gains and losses on disposal of assets are taken to the statement of profit or loss. When revalued assets are sold, the amount included in surplus on revaluation of property, plant and equipment is transferred to retained earnings.

Capital work in progress

It is stated at cost less impairment losses, if any. It includes expenditure incurred and advances made in respect of assets in the course of their construction and installation. These cost are transferred to relevant assets category as and when assets are available for intended use.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

5.4 Intangible assets and goodwill

Goodwill

Goodwill arising on the acquisition of business represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Goodwill is initially recognized at cost which is determined as the excess of the cost of business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is annually tested for impairment.

Other Intangible asset

Other intangible assets, including customer relationship, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets such as brand value that have infinite lives are measured at cost less accumulated impairment losses, if any.

KACAN

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives and is generally recognised in profit or loss. The rates of amortization are stated in note 22 to these financial statements.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gain or loss from derecognition of intangible assets is recognised in the statement of profit or loss.

The Company assesses at each reporting date whether there are any indications that the intangible assets may be impaired. If such indications exists then the recoverable amount is determined. (Refer note 5.18 for impairment of non-financial assets).

5.5 Employee retirement and other service benefits

Defined benefit plans

The Company operates a funded defined benefit pension scheme for the eligible executives and managers and a funded gratuity scheme for all of its eligible employees (old Singer Pakistan Limited's employees) other than field staff. Provisions / contributions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out annually under the Projected Unit Credit Method.

Amount recognised in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets, if any. All actuarial gains and losses are recognised in 'Other Comprehensive Income' as they occur. Past service cost resulting from the changes to defined benefit plan is immediately recognised in the statement of profit or loss. Current service cost together with net interest cost are also charged to the statement of profit or loss.

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

Defined contribution plan

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

KPMG

Staff Compensated absences

The Company recognises the liability for compensated absences in respect of employees in the period in which they are earned up to the reporting date on the basis of un-availed earned leaves balance at the end of the year.

5.6 Stores, spares and loose tools

These are valued at lower of cost determined on first-in-first-out basis and impairment losses if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date less any impairment losses.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimates. These are based on their future usability. Provision is made for any excess of carrying value over the estimated net realizable value and is recognised in the statement of profit or loss.

5.7 Stock-in-trade

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

Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to be incurred to make the sale.

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

5.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, and deposits held with banks having original maturities of three months or less and where these are held for the purpose of meeting short term cash commitments rather than for investments or other purposes. Short term running finance facilities availed by the Company are also included as part of cash and cash equivalents for the purpose of cash flow statement.

5.9 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycles of business if longer). If not, they are classified as non-current liabilities.

remain

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.10 Provisions

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

5.11 Warranty obligations

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

5.12 Revenue recognition

- Revenue represents the fair value of consideration received or receivable for sale of goods, net of sales tax, sales returns and related discounts. Revenue is recognized when or as performance obligation is satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or point in time.

Other income

- Income on investments and profit and loss sharing bank accounts are recognised on accrual basis using the effective interest rate method.
- Dividend income and entitlement of bonus shares are recognised when the right to receive is established

5.13 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

5.14 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity / surplus on revaluation of fixed assets or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

कर्मचारी

Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred taxation

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.15 Borrowings cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

Finance cost are accounted for on an accrual basis and are included in accrued finance cost to the extent of the remaining amount unpaid.

5.16 Financial instruments

5.16.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

5.16.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI), fair value through statement of profit or loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Fair value through statement of profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss. The Company has no such investments at the reporting date.

Financial assets – Business model assessment

For the purposes of the assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Company's financial liabilities comprise trade and other payables, long and short term borrowings, amount due to Holding Company, lease liabilities, accrued markup and dividend payable.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

5.17 Offsetting of financial assets and financial liabilities

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

5.18 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

10/11/2020

- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowance required on an annual basis. Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

KPMG

Non - Financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.19 Foreign currency transactions and translation

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit or loss.

Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences are generally included in the statement of profit or loss.

5.20 Dividends and appropriations to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved. Transfer between reserves approved subsequent to the reporting date is considered as non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

5.21 Earnings per share

As required under International Accounting Standard 33 Earnings Per Share, basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The Company is not exposed to the dilutive effect on EPS.

12/11/19

5.22 Deferred income

Grant in aid

Grant in aid represents the amount received from the World Bank under a project to phase out the Ozone Depleting Substances (ODS) by acquiring asset (production facility) which manufactures such products which are free from such substances. This grant is classified as deferred income and is being amortized over the useful life of such asset.

Government grant

The Company recognizes the benefit of a government loan at a below-market rate of interest as Government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received and is presented as deferred grant. The recognition of government grants in profit or loss is done on a systematic basis over the periods in which the expenses for which the grants are intended to compensate.

5.23 Leases

At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any. The right of use assets is depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or cost of the right of use asset reflects that the Company will exercise a purchase option.

In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 21.1 of the financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 12 to these financial statements for disclosure of lease liability.

Short term leases and leases of low value assets

The Company has elected not to recognize right of use assets and liabilities for some leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Sale and lease back

Where the sale and lease back transactions result in a lease liability, any excess of sale proceeds over the carrying amount is deferred and amortised over the lease term. However, sale proceeds less than the carrying value is immediately recognised in the statement of profit or loss.

5.24 Allocation of expenses

Certain expenses are allocated by the Company to its subsidiaries in accordance to a basis approved by the Board of Directors of the Company and the subsidiaries.

5.25 Standards, interpretations and amendments to published approved International Financial Reporting Standards

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 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 01 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 01 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are effective from annual period beginning on or after 01 January 2022 and the management has determined that there is no material impact of these on the Company's financial statements.

kpncin

		31 December 2021 (Number of shares)	30 June 2021	31 December 2021 (Rupees in '000)	30 June 2021
6	Share capital				
6.1	Authorized share capital	6.1.1 425,000,000	30,000,000	4,250,000	300,000
6.1.1	In line with the scheme of arrangement, effective on 01 September 2021, as discussed in note 2, the authorized share capital of the Company stands increased from Rs. 300 million to Rs. 4,250 million and accordingly the Memorandum and Articles of Association of the Company are in process of amendment after order of the court.				

6.2 Issued, subscribed and paid-up capital

		31 December 2021 (Number of shares)	30 June 2021	31 December 2021 (Rupees in '000)	30 June 2021
	<u>Fully paid-up ordinary shares of Rs. 10 each</u>	Note			
	Issued for cash	11,879,111	26,728,000	118,791	267,280
6.3	Reconciliation of ordinary shares				
	Balance as at 01 July	26,728,000	26,728,000	267,280	267,280
	Consolidation of shares under the scheme of arrangement	6.3.1 (14,848,889)	-	(148,489)	-
	Balance as at 31 December	11,879,111	26,728,000	118,791	267,280

6.3.1 Pursuant to Scheme of Arrangement as referred to in note 2 and approved by Honorable Lahore High Court through its Order dated 22 June 2022, effective 01 September 2021 the issued share capital of the Company shall be consolidated to 2.25 shares and the share capital of the Company will reduce from every 225 shares to 100 shares i.e. number of existing paid-up shares (prior to issuances of shares to WCL) will reduce from 26,728,000 to 11,879,111. The resultant amount has been transferred to 'Capital redemption reserve'.

6.4 Ordinary shares of the Company held by associated persons and undertaking at year end are as follows:

	31 December 2021 (Percentage held)	30 June 2021	31 December 2021 (Number of shares)	30 June 2021
- Haroon Ahmad Khan (CEO of WCL)	34.97%	34.97%	4,154,224	9,347,004

7 Shares to be issued pursuant to merger and share premium

Pursuant to Scheme of Arrangement as referred to in note 2 and approved by Honorable Lahore High Court through its Order dated 22 June 2022, effective 01 September 2021 the Company will issue 199,724,956 shares to Waves Corporation Limited and 56,281,240 shares to the shareholders of Waves Corporation Limited at the rate of Rs. 24.24 per share. The excess of market value over the face value of the shares at the effective date amounting to Rs. 3,642 million has been recognized as share premium.

Kamran

		31 December 2021	30 June 2021
		(Rupees in '000)	
8	Amount due to holding Company		
	Gross consideration payable to WCL	2,000,000	-
	Less: Fair value adjustment	(277,644)	-
	Fair value of deferred consideration	1,722,356	-
	Notional interest on amount due to holding Company	56,821	-
	Carrying value	1,779,177	-

8.1 As per scheme of arrangement described in note 2 and 46, WHAL is liable to pay Rs. 2 billion to WCL within two years of the sanction of the scheme. However, if the said amount is still wholly or partially payable, then WHAL is also subject to pay profit / markup on the outstanding amount on a quarterly basis in arrears and such rate shall be decided by the BOD of each company and should not be less than the prescribed rate as per

8.2 This represents interest free amount discounted at the average borrowing rate (9.87%) of the Company and has been classified in equity as a 'contribution from Holding Company' - net of tax.

		31 December 2021	30 June 2021
		(Rupees in '000)	
9	Loan from sponsors		
	Loan from sponsors	115,300	113,855
		115,300	113,855

9.1 These represent interest free loans from members of the Company (novated to major shareholders as detailed in note 18.1.1) to meet financing requirements. These loan are designated interest free and are repayable at the discretion of the Company. Further, in accordance with Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan, the loan has been classified as part of equity.

		31 December 2021	30 June 2021
		(Rupees in '000)	
10	Surplus on revaluation of property, plant and equipment - net of tax		
	Revaluation surplus - as on 01 July	-	-
	Transferred from WCL under scheme of arrangement	507,039	-
	Incremental depreciation transferred to equity	(12,339)	-
		494,700	-
	Deferred tax liability - as on 01 July	-	-
	Transferred from WCL under scheme of arrangement	(129,294)	-
	Tax effect on transfer of incremental depreciation to retained earnings	3,578	-
	Deferred tax liability	(125,716)	-
		368,984	-

10.1 This represents amount of surplus - net of deferred tax transferred from WCL under the scheme of arrangement as referred to in note 2 and note 46. This includes balance of revaluation surplus of land amounting to Rs. 55.65 million, building on freehold land amounting to Rs. 7.76 million (30 June 2021: Rs. Nil) and plant and machinery of Rs. 305.57 million (30 June 2021: Rs. Nil).

10.2 As operating fixed assets and their related surplus have been transferred from WCL under the scheme of arrangement, the following details of revaluation have been taken as earlier reflected in the Holding Company's record. The Holding Company revalued its freehold land, building on freehold land and plant and machinery during the financial year 2017, 2019 and 2021. The latest revaluation was carried out on 31 August 2021. This was conducted by M/s Asif Associates (Private) Limited. Freehold land was revalued on the basis of current market values whereas other assets were revalued on the basis of depreciated market values. The most significant input into this valuation approach is price per kanal for land, price per square foot for buildings, present operational condition and age of plant and machinery.

KPMG

11 Long term loans - Secured

Long term loans - Banking Companies
Long term loans - Non-banking Companies
Less: Deferred grant
Less: Current maturity presented under current liabilities

Note	31 December 2021	30 June 2021
	(Rupees in '000)	
11.1	361,016	-
11.2	579,697	-
11.3	(18,834)	-
19	(173,733)	-
	<u>748,146</u>	

11.1 Long term finances utilized under mark-up arrangements from banking companies are composed of:

Bank Name	Facility	31 December 2021 Rupees	30 June 2021 Rupees	Mark-up as per Agreement	Scheme of Arrangement Note 2 & Note 46	Tenure and basis of principal repayment	Security
Sindh Bank Limited	Term Finance	162,283	-	3 Months KIBOR plus 3% per annum, payable quarterly.	Loan amount of 162 million was transferred to WHAL on 31st August 2021 in accordance with scheme of arrangement.	Balance payable in two equal instalments payable on 16 March 2023 and 16 September 2023.	This facility is secured by way of First parri passu charge of Rs.216.378 Million on present and future fixed assets of the Company with 25% margin, exclusive charge of Rs. 300 million on shops of the Company and personal guarantees of the directors of the Company. This facility has been obtained to meet long term working capital requirements of the Company.
The Bank of Khyber	SBP Salary Refinance Scheme	98,733	-	SBP rate plus 3% per annum, payable quarterly.	Loan amount was completely transferred to WHAL on 31st August 2021 in accordance with scheme of arrangement.	Balance payable in four quarterly instalments starting from March 2022 and ending on December 2022.	This facility is secured by way of ranking charge of Rs. 197.46 million over present and future fixed assets of the Company.
Dubai Islamic Bank Limited	Term Finance	100,000	-	3 Months KIBOR plus 2% per annum, payable quarterly.	Loan amount of 100 million was transferred to WHAL on 31st August 2021 in accordance with scheme of arrangement.	Balance payable in four quarterly instalments starting from January 2025 and ending on October 2025.	This facility is secured by way of joint parri passu charge of Rs. 134 million on present and future fixed assets of the Company and Cross corporate guarantees of group concerns of the Company. This facility has been obtained to meet long term working capital requirements and balance sheet re-profiling of the Company.
		<u>361,016</u>	<u>-</u>				

KPMV

11.2 Long term finances utilized under mark-up arrangements from non banking companies are composed of

Bank Name	Facility	31 December 2021	30 June 2021	Mark-up as per Agreement	Scheme of Arrangement Note 2 & Note 46	Tenure and basis of principal repayment	Security
Pak Brunei Investment Company Limited	Term Finance	89,063	-	3 Months KIBOR plus 3% per annum, payable quarterly.	Loan amount of 89 million was transferred to WHAL on 31st August 2021 in accordance with arrangement.	Balance payable in three quarterly instalments starting from 28 February 2023 and ending on 30 August 2023.	This facility is secured by way of joint pari passu charge of Rs. 118.75 million on present and future fixed assets with 25% margin of the Company, ranking charge of Rs. 118.75 million on current assets with 25% margin and joint pari passu charge of 118.75 million on immovable properties of the Company with 25% margin and personal guarantees of the directors of the Company. This facility has been obtained to meet long term working capital requirements and balance sheet re-profiling of the Company.
Pak Oman Investment Company Limited	Term Finance	281,250	-	3 Months KIBOR plus 2.5% per annum, payable quarterly.	Loan amount of 281 million was transferred to WHAL on 31st August 2021 in accordance with arrangement.	Balance payable in 15 quarterly instalments starting from 6 March 2022 and ending on 06 September 2025.	This facility is secured by way of first pari passu charge of Rs. 400 million on present and future fixed assets of the Company, personal guarantees of the directors of the Company. This facility has been obtained to meet long term working capital requirements and CAPEX for shifting of existing manufacturing unit to new place.
Pak Libya Investment Company Limited	Term Finance	209,384	-	6 Months KIBOR plus 2.5% per annum, payable quarterly.	Loan amount of 210 million was transferred to WHAL on 31st August 2021 in accordance with arrangement.	Balance payable in 15 quarterly instalments starting from March 2022 ending on September 2025.	This facility is secured by way of joint pari passu charge of Rs. 253.42 million on present and future fixed assets of the Company and personal guarantees of the sponsor of the Company. This facility has been obtained to finance the expansion of production facility.
		579,697	-				

11.2.1 As per the Court Order all charges have been transferred in the name of WHAL alongwith the transfer of relevant collaterals as per the approved scheme of arrangement referred to in note 46. In pursuance of WCL demerger plan, WCL approached and reached an arrangement with banks and lenders. The loans will be split between WCL and WHAL, retained with WCL and transferred to WHAL in conformity with the bank arrangement. The scheme of arrangement is applicable effective from 01 September 2021.

11.3 State Bank of Pakistan introduced a 'Refinance Scheme for payment of wages and salaries (RFWS Scheme)' to support the companies in payment of salaries during COVID-19 pandemic. Under this scheme, WCL has availed financing of Rs. 197.46 million from Bank of Khyber. Loans obtained were utilized against salaries for the months from April 2020 to September 2020. These facilities have been recognized at fair value under IFRS-9 using an effective rate of interest of 9.76%, difference being recorded as deferred grant in accordance with IAS 20.

11.4 State Bank of Pakistan introduced a 'Regulation R-8, Rescheduling / Restructuring of Financing Facilities' to relieve the stress on the corporate / commercial sector arises due to COVID-19 pandemic situation. Under this scheme, the financial institutions have deferred repayment of principal loan amounting to Rs. 1,732 million by 12 to 18 month, provided that the Company will continue to service the mark-up amount as per agreed terms and conditions. As a result of this, these loans are repayable starting latest from 28 February 2021.

11.5 As per the financing arrangements, the Company is required to comply with certain financial covenants and other conditions imposed by the providers of finance.

Kanishk

		31 December 2021	30 June 2021
	Note	(Rupees in '000)	
12 Lease liabilities			
Building under right of use - <i>unsecured</i>	12.1	67,315	-
Other assets under right of use - <i>secured</i>	12.2	41,171	-
		108,486	-
Less: Current maturity of liabilities for other assets	19	(18,365)	-
Less: Current maturity of liabilities recognized for buildings	19	(33,828)	-
		<u>56,293</u>	<u>-</u>

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

12.1 Building under right of use - *unsecured*

	31 December 2021			30 June 2021		
	Minimum lease payments	Finance cost	Present value of minimum lease payments	Minimum lease payments	Finance cost	Present value of minimum lease payments
	(Rupees in '000)					
Not later than one year	38,446	4,618	33,828	-	-	-
Later than one year and not later than five years	35,985	2,498	33,487	-	-	-
	<u>74,431</u>	<u>7,116</u>	<u>67,315</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company has recognized lease buildings on account of warehouses rented out to the Company. The remaining tenure of contracts ranges from 1 to 44 month payable monthly, quarterly and annually. Lease liability is calculated at discount rate ranging from 8.93% to 15.16%.

12.2 Other assets under right of use - *secured*

	31 December 2021			30 June 2021		
	Minimum lease payments	Finance cost	Present value of minimum lease payments	Minimum lease payments	Finance cost	Present value of minimum lease payments
	(Rupees in '000)					
Not later than one year	21,074	2,708	18,365	-	-	-
Later than one year and not later than five years	25,015	2,210	22,806	-	-	-
	<u>46,089</u>	<u>4,918</u>	<u>41,171</u>	<u>-</u>	<u>-</u>	<u>-</u>

The above represents leases entered into with certain financial institution for plant and machinery and vehicles. Monthly payments of leases carry mark-up rates at KIBOR plus 2.5% to 3% per annum. KIBOR is one, three and six months average ask side. At the year-end the applicable rates range between 10.21% to 10.83% per annum. Title to the assets acquired under the leasing arrangements are transferrable to the Company upon payment of entire lease obligations.

कपिल

		31 December 2021	30 June 2021
		(Rupees in '000)	
13 Employee retirement benefits	<i>Note</i>		
<i>Employee retirement benefits - obligation</i>			
- Pension fund	13.2	467	-
- Gratuity fund - permanent employees	13.3	13,553	-
		<u>14,020</u>	<u>-</u>

- 13.1** Pension scheme is available to permanent full-time employees in the executive and manager grades including the full-time working directors but excluding persons working as temporary, trainees or apprentice employees. Minimum years of service for qualifying to pension is 15 years. Employees are entitled to Pension on retirement at 57 years of age. Gratuity to the permanent employees is payable on normal retirement at the age of 57 years, natural death, etc. and is payable only on the minimum completion of 5 years of service with the Company. Both of these benefits relate only to old employees of former Singer Pakistan Limited (before the effective date of amalgamation) and this benefit has been freezed at the level that existed as at 31 May 2019.

The details of employee retirement benefits based on actuarial valuations carried out by an independent actuary as at 31 December 2021 under the Projected Unit Credit method are given below.

The principal assumptions used in the actuarial valuation are as follows:

	Pension Fund		Gratuity	
			Permanent employees	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
<i>Note</i>	(%)	(%)	(%)	(%)
1) Discount rate per annum	10.50	Nil	10.50	Nil
2) Expected per annum rate of increase in future salaries	Nil	Nil	Nil	Nil
3) Expected rate of increase in pension	Nil	Nil	Nil	Nil
4) Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1

The number of employees for Pension Fund are 29 (30 June 2021: 29).

The number of employees for Gratuity are 28 (30 June 2021: 37).

13.2 Amounts recognised in statement of financial position

Present value of defined benefit obligation	13.4	64,191	-	13,996	-
Fair value of plan assets	13.5	(63,724)	-	(443)	-
Liability on the reporting date	13.3	<u>467</u>	<u>-</u>	<u>13,553</u>	<u>-</u>

13.3 Movement in net defined benefit liability recognised in statement of financial position

Net liability as at 01 July		-	-	-	-
Net liability transferred from WCL at 01 September 2021		1,007	-	13,440	-
Income cost recognised in profit or loss for the period	13.6	103	-	483	-
Contribution during the period		-	-	-	-
Total amount of remeasurements recognised in other comprehensive income (OCI) - actuarial gain	13.7	(643)	-	(370)	-
Net liability as at 31 December		<u>467</u>	<u>-</u>	<u>13,553</u>	<u>-</u>

13.4 Movement in present value of defined benefit obligations

Liability for defined benefit obligation at 01 July		-	-	-	-
Liability for defined benefit obligation					
Transferred from WCL at 01 September 2021		64,731	-	13,883	-
Benefits paid		-	-	-	-
Current service cost		-	-	-	-
Past service cost		-	-	-	-
Interest cost		2,144	-	483	-
Re-measurements - actuarial loss / (gain) on obligation					
- Change in financial assumptions		55	-	3	-
- Change in experience adjustments		(2,739)	-	(373)	-
Liability for defined benefit obligation at 31 December		<u>64,191</u>	<u>-</u>	<u>13,996</u>	<u>-</u>

WCL

13.4.1 Analysis of present value of defined benefit obligation

	Pension Fund		Gratuity	
			Permanent employees	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
Note ----- (Rupees in '000) -----				
<i>Vested / non-vested</i>				
- Vested Benefits	64,191	-	13,996	-
- Non Vested Benefits	-	-	-	-
	<u>64,191</u>	<u>-</u>	<u>13,996</u>	<u>-</u>
<i>Benefit obligation by participant status/ cadre</i>				
- Active / Management	13,104	-	-	-
- Retirees / Union	51,087	-	-	-
	<u>64,191</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Type of benefits earned to date</i>				
- Accumulated benefit obligation	64,191	-	13,996	-
- Amounts attributed to future salary increase	-	-	-	-
	<u>64,191</u>	<u>-</u>	<u>13,996</u>	<u>-</u>

13.5 Movements in the fair value of plan assets

Fair value of plan assets - at 01 July	-	-	-	-
Fair value of plan assets transferred from WCL at 01 September	63,724	-	443	-
Contribution during the year	-	-	-	-
Benefits paid	-	-	-	-
Expected return on plan assets	2,041	-	-	-
<i>Re-measurements on assets - actuarial loss</i>				
- Change in experience adjustments	(2,041)	-	-	-
Fair value of plan assets - at 31 December	<u>63,724</u>	<u>-</u>	<u>443</u>	<u>-</u>

13.6 Expense recognised in statement of profit or loss

Current service cost	-	-	-	-
Past service cost	-	-	-	-
Interest cost net of expected return on plan assets	103	-	483	-
	<u>103</u>	<u>-</u>	<u>483</u>	<u>-</u>

The expense is recognised in the following line items in the statement of profit or loss:

Cost of sales	67	-	314	-
Marketing, selling and distribution costs	26	-	48	-
Administrative expenses	10	-	121	-
	<u>103</u>	<u>-</u>	<u>483</u>	<u>-</u>

13.7 Actuarial (gain) / loss recognised in income

Actuarial loss / (gain) on obligation	(2,684)	-	(370)	-
Actuarial loss on plan assets	2,041	-	-	-
Total actuarial loss / (gain) recognised in OCI	<u>(643)</u>	<u>-</u>	<u>(370)</u>	<u>-</u>

Net actuarial gain on pension fund and funded gratuity amounts to Rs. 1.01 million (30 June 2021: Rs. Nil gain) which has been taken to other comprehensive income.

13.8 Return on plan assets

Actual return on plan assets	-	-	-	-
------------------------------	---	---	---	---

KPMG

	Pension Fund		Gratuity	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	(Rupees in '000)			
13.9 Composition of plan assets				
Cash and cash equivalents	1,197	-	443	-
Debt instruments - Government Bonds / Securities				
- Term Deposit Receipts	62,527	-	-	-
Total fair value of plan assets	63,724	-	443	-

13.10 Historical information	31 December				
	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
	(Rupees in '000)				
<u>Pension Fund</u>					
Present value of the defined benefit obligation	64,191	68,528	63,394	69,324	90,115
Fair value of plan assets	(63,724)	(65,173)	(66,782)	(79,284)	(84,402)
(Surplus) / deficit in the plan	467	3,355	(3,388)	(9,960)	5,713
Financial assumptions arising on plan liabilities	55	6,508	9,932	(23,496)	(1,602)
Experience adjustments arising on plan liabilities	(2,739)	(579)	(6,204)	(653)	9,633
Experience adjustments arising on plan assets	(2,041)	(1,175)	(5,993)	(4,437)	256
<u>Gratuity - fund</u>					
Present value of the defined benefit obligation	13,996	16,757	25,043	47,178	45,865
Fair value of plan assets	(443)	(446)	(1,955)	(4,698)	(14,142)
Deficit in the plan	13,553	16,311	23,088	42,480	31,723
Financial assumptions arising on plan liabilities	3	966	1,525	1,301	67
Experience adjustments arising on plan liabilities	(373)	(1,074)	(9,370)	1,855	7,126
Experience adjustments arising on plan assets	-	(147)	(194)	(1,359)	269

Above balance of defined benefit has been transferred to the Company under the scheme of arrangement effective 01 September 2021. However, the details of the historical information have been taken as earlier reflected in the Holding Company's record.

13.11 Sensitivity analysis on significant actuarial assumptions		31 December 2021			
<u>Actuarial liability</u>	Change in assumption	Pension		Gratuity	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	62,155	66,362	13,733	14,270
Salary increases	0.5%	-	-	-	-

The weighted average of plan duration for pension is 6.54 years while for funded gratuity is 3.84 years.

13.12 Maturity profile of the defined benefit obligation - undiscounted payments

	Time in years					
	1	2	3	4	5	6-10
	(Rupees in '000)					
<u>Distribution of timing of benefit payments</u>						
- Pension	3,777	7,824	8,087	7,946	7,787	36,676
- Gratuity-fund	1,203	6,001	901	2,200	658	8,372
	4,980	13,825	8,988	10,146	8,445	45,048

13.13 Expected charge to statement of profit or loss for post employment funded gratuity and pension plans for the year ending 31 December 2022 are Rs. 1.2 million and Rs. 3.78 million respectively.

13.14 Number of employees covered in the scheme	Pension	Gratuity permanent staff
	68	28

KPSC

14 Deferred tax liability - net

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

	Balance as at 30 June 2021	Transfer from WCL at 01 September 2021 (Note 2 & 46)	Recognized in Profit or Loss	Recognized in OCI	Balance as at 31 December 2021
(Rupees in '000)					
<u>Taxable temporary difference</u>					
- accelerated tax depreciation	-	483,574	17,224	-	500,798
- surplus on revaluation of property, plant and equipment	-	129,294	(3,579)	-	125,715
	-	612,868	13,645	-	626,513
<u>Deductible temporary difference</u>					
- minimum tax	-	(149,436)	35,337	-	(114,099)
- other provisions	-	(49,712)	692	-	(49,020)
	-	(199,148)	36,029	-	(163,119)
Deferred tax liability - net	-	413,720	49,674	-	463,394

14.1 Deferred tax has been recognised at rates enacted at the reporting date at which these are expected to be settled / realized.

14.2 During the current year the Company entered into a scheme of arrangement and as per the scheme balance of deferred tax liability has been transferred from Waves Corporation Limited (WCL), refer to note 46 of these financial statements. Deferred tax asset on tax credits has been recorded based on financial projections indicating the absorption of deferred tax asset over future years against future expected taxable profits. The financial projections involve certain key assumptions such as sales price and composition, raw materials, labour prices etc. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset. Nonetheless, the Company is confident of the achievement of its targeted results.

		31 December 2021	30 June 2021
15 Deferred Income	<i>Note</i>	(Rupees in '000)	
Sale and lease back	15.1	-	-
Grant in aid	15.2	7,639	-
Government grant	15.3	-	-
		<u>7,639</u>	<u>-</u>

15.1 Sale and lease back

Details of the movement in the balance

Gross balance

Balance as at 01 July	-	-
Balance transferred from WCL	2,618	-
Balance at 31 December	2,618	-

KPMG

	31 December 2021	30 June 2021
	(Rupees in '000)	
<u>Accumulated amortization</u>		
Balance as at 01 July	-	-
Amortization for the period	(1,496)	-
Balance at 31 December	(1,496)	-
<u>Carrying amount:</u>		
Balance at 31 December	1,122	-
Current portion of deferred income	(1,122)	-
Balance as at 31 December	-	-

- 15.1.1 The Company had entered in sale and lease back arrangements of specific items of plant and machinery resulting in a deferred income (representing excess of sale proceeds over the carrying amount of respective assets). The deferred income has been amortized and recognized in the statement of profit or loss over the lease term.

	31 December 2021	30 June 2021
	(Rupees in '000)	
15.2 Grant in aid		
<u>Gross balance</u>		
Balance as at 01 July	-	-
Balance transferred from WCL	8,972	-
Balance at 31 December	8,972	-
<u>Accumulated amortization</u>		
Balance as at 01 July	-	-
Amortization for the period	(171)	-
Balance at 31 December	(171)	-
<u>Carrying amount:</u>		
Balance at 31 December	8,801	-
Current portion	(1,162)	-
Balance as at 31 December	7,639	-

- 15.2.1 Grant in aid represents the amount received from the World Bank under a project to phase out the Ozone Depleting Substances (ODS) by acquiring asset (production facility) which manufactures products that are free from such substances. This grant is classified as deferred income and is being amortized over the useful life of the asset. Amortization for the year is based on 8.33% of the balance in accordance with the depreciation charged on plant and machinery for which the grant was received.

	31 December 2021	30 June 2021
	(Rupees in '000)	
15.3 Government grant		
	Note	
Balance as at 01 July	-	-
Balance transferred from WCL	7,866	-
Recognized during the period	-	-
Amortization during the period	(4,063)	-
Unamortized balance of deferred grant	3,803	-
Current maturity	(3,803)	-
Balance as at 31 December	-	-

11.3

KPMG

		31 December 2021	30 June 2021
	Note	(Rupees in '000)	
16 Trade and other payables			
Trade creditors		893,868	-
Bills payable		336,871	-
Accrued liabilities	16.1	153,854	12,043
Contract liabilities		10,275	-
Security deposits from dealers	16.2	11,049	-
Provisions in respect of warranty obligations		8,118	-
Sales tax - net		2,031	-
Workers' profits participation fund	16.3	21,954	-
Workers' welfare fund		8,889	-
Advance from employees against vehicle		25,329	-
Payable to the provident fund	39	4,584	-
Payable to ex-employees	16.4	3,634	3,634
Due to holding company	16.5	298,831	-
Others	16.6	36,001	25,062
		<u>1,815,288</u>	<u>40,739</u>

16.1 This includes remuneration payable to ex-directors and ex-executives amounting to Rs. 2.28 million (30 June 2021: Rs. 2.28 million)

16.2 These amounts are not kept in a separate bank account as required by section 217 of the Companies Act, 2017.

		31 December 2021	30 June 2021
	Note	(Rupees in '000)	
16.3 Workers' profits participation fund			
Balance as at 01 July		-	-
Balance transferred from WCL		16,811	-
Allocation for the period	33	4,980	-
Interest on funds utilized by Company	35	163	-
		<u>21,954</u>	<u>-</u>
Less: Payment made during the period		-	-
Balance as at 31 December		<u>21,954</u>	<u>-</u>

16.4 It includes bonus payable to ex-directors and ex-executives amounting to Rs. 1.21 million (30 June 2021: Rs. 1.21 million)

16.5 These represent expenses incurred on behalf of subsidiary in the ordinary course of business and have primarily originated during the process of scheme of arrangement.

16.6 It includes payables for supplies and services amounting to Rs. 7.10 million (30 June 2021: 7.10 million) and Rs 3.60 million (30 June 2021: Rs. 4.50 million) respectively.

16/06/21

		31 December 2021	30 June 2021
		<i>(Rupees in '000)</i>	
17	Mark-up accrued on borrowings	<i>Note</i>	
	<i>Mark-up based borrowings from banking companies</i>		
	- Long term loans - secured	6,919	-
	- Short term borrowings - secured	93,068	-
	<i>Mark-up based borrowings from non-banking companies</i>		
	- Long term loan from financial institution	8,602	-
	<i>Islamic mode of borrowings</i>		
	- Short term borrowings - secured	21,219	-
		<u>129,808</u>	<u>-</u>
		31 December 2021	30 June 2021
18	Short term borrowings	<i>Note</i>	<i>(Rupees in '000)</i>
	Loan from sponsors (restated)		
	Balance as at 01 July	100,000	100,000
	Assets taken over as settlement of sponsor loan	18.1	<u>(81,880)</u> 18,120
	Transferred to interest free Loan from sponsors/ equity	18.1.2	<u>(18,120)</u> (18,120)
	Closing balance (restated)		-
	From banking companies - secured		
	Running finance under mark-up arrangements	18.3	993,562
	Finance against trust receipt	18.4	2,568,459
	Short term borrowings under Murahaba arrangement	18.5	<u>351,523</u> <u>3,913,544</u>

18.1 Restatements in financial statements

During the year ended 30 June 2021, the Company's Ex-sponsors entered into a Share Purchase Agreement (SPA) with new sponsors for acquisition of 67% shareholding from ex-sponsors of the Company. As explained in note 18.1.1 the amount of tax due from government which was assigned to the ex-sponsors should have been adjusted against loan from sponsors during the year ended 30 June 2021. Since the adjustment was not accounted for in the prior year the equity and current assets of the Company for the respective year were overstated. This adjustment was treated as a prior period error and comparative figures were restated retrospectively as required under IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The error had no impact on opening balances of last year hence third column in statement of financial position has not been presented.

The below movement summarizes the impacts of this adjustment on the Company's financial statements. This adjustment has no impact on the earning per share (EPS) and operating, investing and financing cashflows for the period ended 31 December 2021.

KPMG

1) Statement of financial position

30 June 2021	Impact of restatement		
	Previously reported	Adjustments	As restated
Tax due from Government	81,880	(81,880)	-
Others	1,528	-	1,528
Total current assets	83,408	(81,880)	1,528
Total Liabilities	40,739	-	40,739
Loan from sponsors	195,735	(81,880)	113,855
Others	(153,066)	-	(153,066)
Total equity	42,669	(81,880)	(39,211)

18.1.1 The loan was obtained from an ex-sponsor of the Company in prior years. According to loan novation agreement dated 22 February 2021 between Ex-sponsors, New sponsors and the Company, the Ex-sponsors (sellers) are entitled to pursue and recover the receivable balances including tax refunds as appearing in half yearly reviewed condensed interim financial statements of the Company as at 31 December 2020. These receivables as and when received will be transferred to a separate bank account to be designated and operated by sellers. Accordingly, these balances have been netted off against loan from sponsors and the balance amount of Rs 18.12 million has been novated by the ex-sponsors to the new sponsors.

18.1.2 During the previous year, this loan has been converted into interest free loan payable at the discretion of the Company and accordingly added in sponsor's loan as part of the equity.

18.2	Particulars of borrowings	31 December 2021	30 June 2021
		Rupees	Rupees
	Interest / mark-up based borrowings	3,562,021	-
	Islamic mode of borrowings	351,523	-
		3,913,544	-

18.3 Short term running finance

Short term running finance facility has been transferred from WCL under the scheme of arrangement as per note 2. This represents utilized amount of short term running finance facilities under mark-up arrangements availed from various commercial banks aggregating to Rs. 993.56 million.

These facilities are secured by way of equitable mortgage charge on building on freehold land of the Company, charge over all current assets and fixed assets of the Company and personal guarantees of the sponsor directors of the Company and carry mark-up ranging from 9.01% to 10.78% per annum, payable monthly and quarterly in arrears. These facilities are expiring on various dates (Latest by Dec 2021 and maximum by July 2022).

18.4 Finance against trust receipt

This facility has been transferred from WCL under the scheme of arrangement as per note 2. This represents Finance Against Trust Receipt (FATR) available from commercial banks aggregating to Rs. 2,568.85 million. These facilities are secured against charge over current assets of the Company and personal guarantees of the sponsor directors of the Company and carries mark-up rate ranging between 9.09% to 13.25% per annum payable on maturity, monthly and quarterly in arrears. These borrowings are repayable on different dates starting from Jan 2022 to July 2022.

KPMG

18.5 Islamic mode of borrowings

This facility has been transferred from WCL under the scheme of arrangement as per note 2. This represents utilized amount of Musharka / Tijara borrowings available from banks aggregating to Rs. 351.52 million. These facilities are secured against charge over all current assets and fixed assets of the Company and personal guarantees of the sponsor directors of the Company and carrying mark-up rates ranging from 9.26% to 10.09% per annum payable quarterly in arrears. These borrowings are repayable between Jan 2022 to Feb 2022.

18.6 Unavailed credit facilities

The facilities for opening of letter of credits and guarantees as at 31 December 2021 amounted to Rs. 6,757.1 million of which remaining unutilized amount was Rs. 2,176.97 million.

18.7 As per the Court Order all charges have been transferred in the name of WHAL alongwith the transfer of relevant collaterals as per the approved scheme of arrangement referred to in note 46. In pursuance of WCL demerger plan, WCL approached and reached an arrangement with banks and lenders. The loans will be spilt between WCL and WHAL, retained with WCL and transferred to WHAL in conformity with the bank arrangement. The scheme of arrangement is applicable effective from 01 September 2021.

18.8 As per the financing arrangements, the Company is required to comply with certain financial covenants and other conditions imposed by the providers of finance.

		31 December 2021	30 June 2021
	Note	(Rupees in '000)	
19	Current portion of long term liabilities		
	Long term loans - Banking Company	11	98,733
	Long term loans - Non Banking Company	11	75,000
	Lease liabilities	12	52,193
	Deferred income	15	6,087
		<u>232,013</u>	<u>-</u>

20 Contingencies and commitments

20.1 Contingencies

20.1.1 Transferred from WCL under scheme of arrangement

20.1.1.1 During the financial year 2019, the Company received a show cause notice from Collector of Customs dated 05 April 2019 and respective order dated 17 October 2019 in which the Company was directed to deposit an amount of Rs. 24,120,000 for the consignment of Polymethylene polyphenylene isocyanate which was cleared through erroneous application of SRO 659/2007 dated 30 June 2007. The Company has filed an appeal against the order which is in progress. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

20.1.1.2 During the financial year 2019, a special customs reference was filed by the before the Honorable Sindh High Court Karachi against order dated 14 May 2019 passed by Customs Appellate Tribunal, Karachi where in the Company was directed to deposit an amount of Rs. 30,850,000 and penalty of Rs. 1,000,000 alleging that from July 2013 to June 2016 the Company imported four consignments of Polyethylene Isocyanates under PCT heading 3824.9091 wherein custom duty charged @ 0% instead of 20%.

NAUIN

The reference of the Company is under adjudication. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

20.1.2 Other contingencies (related to SMTM)

20.1.2.1 A petition for execution of decree of the Civil Court relating to land of the Company situated in village Rousa, Kasur which has been sold last year is pending before Civil Judge, Kasur.

20.1.2.2 An appeal effect order u/s 124 for Tax Year 2008 in the light of direction given in the CIR(A)-II dated 16-04-2014 where total losses amounting to Rs. 128,915,283 has been determined and a demand of Rs. 28,482,019 has been vacated. However, the Company and tax department have approached ATIR against the order of CIR(A)-II, which is pending adjudication till date. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

20.1.2.3 An order u/s 122(5A) for Tax Year 2009 on 27-10-2014 has been passed by Additional Commissioner Inland Revenue (Add. CIR) raising demand of Rs. 4,857,801. Appeal was filed before CIR-Appeals, who provided partial relief whereas interest on WPPF & on short term borrowings was disallowed against export sale, whereas, the Company has approached ATIR on 17-05-2015 against the order of CIR-Appeals which is pending adjudication till date. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

20.1.2.4 An order u/s 122(5A) for Tax Year 2010 on 31-10-2012 has been passed by Add. CIR reducing the Income Tax Refunds to Rs. 521,334 by imposing minimum tax u/s 113 @ 0.5% on local sales amounting to Rs. 4,412,674. Appeal was filed before CIR Appeals who upheld the stance of Add. CIR. Appeal against the Order of CIR Appeals has been filed on 04-07-2013 before the Appellate Tribunal Inland Revenue (ATIR), Appeal was heard on 11-04-2019 where the ATIR upheld the decision of CIR. The Company has approached Honorable High Court, Lahore against such order.

Orders for Tax Year 2010 u/s 122(5A) dated 16-09-2015 and 26-11-2015, had also been passed by CIR which had reduced brought forward losses and created a liability amounting to Rs. 1,640,269 and 1,775,510 respectively. Appeal against orders of CIR was filed before CIR Appeals-II who annulled the aforesaid order and remanded back the case to Department for re-examination through an order dated 06-02-2019.

An appeal has been filed by tax Department before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication till date. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

20.1.2.5 An order u/s 122(5A) for Tax Year 2011 has been passed on 02-02-2016 by CIR reducing the Income Tax Refunds from Rs. 8,939,819 to Rs. 2,925,744. Appeal against order of CIR was filed before CIR Appeals-II, Lahore who after considering arguments, deleted the additions made u/s 158(a) of the Ordinance by the CIR along with direction to re-examine the issue of refunds to the department through an order dated 06-02-2019. However, appeal was filed by tax department before higher appellate forum i.e. ATIR dated 22-03-2019, which is pending adjudication till date. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

20.1.2.6 In respect of the Audit proceedings for the Tax Year 2012. The Add. CIR (ACIR) passed an Order on 23-06-2018 u/s 122(5A) of the Ordinance along with notice of demand u/s 137 of the Ordinance whereby the tax demand of Rs. 3,971,666 was raised and made impugned addition/disallowance of Rs. 22,739,169.

The Company has filed an Appeal before the first Appellate Forum i.e. Commissioner Appeals-II, that passed the Appellate Order no. 18/A-V dated 26-07-2021 wherein addition made on account of 'Markup' amounting to Rs. 22,530,747 has been deleted and remaining additions have been remanded back to the ACIR for reexamination. The department has not been challenged this order of CIR-A so far.

- 20.1.2.7** An order u/s 122(1)(5) for Tax Year 2014 was passed on 29-0-2017 by ACIR, Unit-02, Zone-VII, whereby addition of Rs. 23,525,775 were made and the tax demand of Rs. 1,293,704 was raised. Appeal against order of ACIR has been filed before CIR Appeals-II, that passed the appellate order no. 33/A-V dated 25-06-2021 wherein additions made on account of salaries amounting to Rs. 900,000 were reduced by 50% and disallowance of 'power and fuel charges' amounting to Rs. 1,500,000 has been deleted and remaining additions have been remanded back to the ACIR for re-examination. The department has not been challenged this order of CIR-A so far.
- 20.1.2.8** An order u/s 122(1) for Tax Year 2015 was passed by ACIR whereby addition of Rs. 18,856,268 was made and the tax refund claimed demand was reduced from Rs. 17,462,076 to Rs. 17,099,006. Appeal against order of ACIR has been filed before Commissioner Inland Revenue Appeal (CIR-A) who passed the appellate order no. 19/A-V dated 26-07-2021 wherein additions made on account of donations amounting to Rs. 300,000 has been deleted and remaining additions have been remanded back to the ACIR for reexamination. The department has not been challenged this order of CIR-A so far.
- 20.1.2.9** A suit has been filed by Dynamic Equipment & Control (Pvt.) Limited on 12 October, 2018 seeking recovery of Rs. 8.4 million from the Company. Notices have been issued and the Company is defending its rights in the suit. The Company has already recorded payable amounting to Rs. 7.1 million and is confident that no additional liability is required in these financial statements.
- 20.1.2.10** An appeal has been preferred against the Company in a recovery suit instituted against it by a customer of the Company on account of supply of defective cloth for a sum of Rs. 11,383,145 along with damages of Rs. 5,000,000. The matter is subjudice before the Lahore High Court, Lahore. There is likelihood that the matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.

According to clause 4 of the Share purchase agreement dated 22 January 2021 between Ex-sponsors, New sponsors and the Company, all liabilities whether disclosed or undisclosed including but not limited to direct or indirect liabilities, indebtedness, claim including demand, suit, litigation, arbitration, assessment or proceeding made or brought against the Company and the Purchaser and loss, damage, taxes (direct or indirect), settlement agreements, secured or unsecured related to the Company and pertaining to the period up-to consummation of this transaction shall be responsibility and liability of the Sellers. Accordingly no further providing is required in respect of above mentioned other contingencies.

Based on the opinion of the legal and tax advisors handling the above litigations, the management believes that the Company has strong legal grounds against each case and that no financial liability is expected to accrue. Accordingly, no provision (in addition to already held in respect of certain cases of the Company) has been made in these financial statements.

20.2 Commitments

- 20.2.1** Commitments, for the import of stock in trade, outstanding at year end were for Rs. 592.64 million (30 June 2021: Rs. Nil).
- 20.2.2** Commitments, for capital expenditure, against irrevocable letters of credit outstanding at year end were for Rs. Nil (30 June 2021: Rs. Nil).

Khan

- 21.1.1** Had there been no revaluation of property, plant, and equipment, value as of 31 December 2021 would have been as follows:

	31 December 2021	30 June 2021
	(Rupees in '000)	
Land	472,513	-
Buildings	416,541	-
Plant and Machinery	1,677,999	-
	<u>2,567,053</u>	<u>-</u>

- 21.1.2** The latest revaluation was carried on 31 August 2021 by Asif Associates (Private) Limited. As per the revaluation report, forced sale value of freehold land, buildings on freehold land and plant and machinery was Rs. 528.17 million, Rs. 390.60 million and Rs. 1,488.75 million respectively.

- 21.1.3** Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total area (Kanals)	Covered area (Square Feet)
Muaza Mustafabad, 41 KM Ferozepur Road, Off 2- KM Rohi Nala Road, Tehsil & District Kasur	Manufacturing facility (In the process of construction)	267.55	-

- 21.1.4** Depreciation for the period has been allocated as follows:

		01 July 2021 to 31 December 2021	01 July 2020 to 31 December 2020
	Note	(Rupees in '000)	
Cost of sales	30.1	54,217	-
Marketing, selling and distribution costs	31	8,749	-
Administrative expenses	32	19,424	-
		<u>82,390</u>	<u>-</u>

21.2 Capital work-in-progress

Balance as at 01 July		-	-
Transferred from WCL	21.2.1	202,307	-
Additions during the period		63,275	-
Balance as at 31 December		<u>265,582</u>	<u>-</u>

Breakup of capital work in progress is as follows:

- Building	27	-
- Plant and machinery	95,838	-
- Electric installation	1,208	-
- New Land Development Expenditure	168,509	-
	<u>265,582</u>	<u>-</u>

- 21.2.1** This represents work-in-progress for development, improvement and installation transferred from WCL to the Company under the scheme of arrangement as explained in note 2.

μμμμμ

21.3 Disposal of operating fixed assets

Particulars of assets	Particulars of purchaser	Relationship with Company	Cost / Revalued amount	Net book value	Net sale proceeds	Gain / (loss) on disposal	Mode of disposal
----- (Rupees in '000) -----							
<u>Plant and machinery</u>							
Cummins Generator 125Kva	M/s Tahir Generators House	Third Party	1,321	1,137	1,078	(59)	Negotiation
Dorman Generator 600 Kva	M/s Tahir Generators House	Third Party	4,071	3,505	3,322	(183)	Negotiation
<u>Vehicles</u>							
Toyota Corolla	Employee Transferred	Employee	1,700	227	872	645	Company Policy
Hyundai Tuson	Employee Transferred	Employee	5,633	5,223	5,807	584	Company Policy
Insurance claim adjustment	Jubilee General Insurance	Third Party	-	-	464	464	Insurance Claim
			7,333	5,450	7,143	1,693	
Various assets having net book value up to Rs 500,000 each				100	70	82	12
31-Dec-21				12,825	10,162	11,625	1,463
30-Jun-21				14,868	4,407	6,100	1,693

new

		31 December 2021	30 June 2021
22	Intangible assets and goodwill	(Rupees in '000)	
	Software	28,837	-
	Goodwill	1,070,207	-
	Brand value	1,582,147	-
	Customer relationships	184,481	-
		<u>2,865,672</u>	<u>-</u>

22.1

22.1 Reconciliation of carrying amounts

Description	Software	Goodwill	Brand value	Customer relationships	Total
	(Rupees in '000)				
<u>Cost</u>					
Balance at 01 July 2020	-	-	-	-	-
*Transferred from WCL	104,203	1,070,207	1,582,147	261,289	3,017,846
Additions during the period	1,954	-	-	-	1,954
Balance at 31 December 2021	<u>106,157</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>261,289</u>	<u>3,019,800</u>
<u>Accumulated amortization and impairment losses</u>					
Balance at 01 July 2020	-	-	-	-	-
*Transferred from WCL	(72,171)	-	-	(66,595)	(138,766)
Amortization for the period	(5,149)	-	-	(10,213)	(15,362)
Balance at 31 December 2021	<u>(77,320)</u>	<u>-</u>	<u>-</u>	<u>(76,808)</u>	<u>(154,128)</u>
<u>Carrying amounts:</u>					
At 30 June 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>28,837</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>184,481</u>	<u>2,865,672</u>
<u>Rates of amortization/useful life</u>	<u>5-10 years</u>	<u>Nil</u>	<u>Nil</u>	<u>10.5 years</u>	

*This represents balances transferred to Waves Home Appliances Limited (WHAL) formerly Samin Textile Limited under the scheme of arrangement as mentioned in note 2 and 46.

22.2 Goodwill and other intangible assets acquired in business combination

Effective 01 September 2021, Waves Home Appliances Limited (WHAL) completed a 'Scheme of Arrangement' as approved by the Honorable Lahore High Court through its Order dated 22 June 2022 for the demerger of home appliances business of Waves Corporation Limited (WCL) and amalgamation of the same into the Company. These intangibles have been transferred from WCL at their carrying values in compliance with the Accounting Standard "Accounting for Common Control Transactions" as issued by ICAP and notified through SRO 53(I) 2022 dated 12 January 2022 as explained in note 2.

22.2.1 Impairment testing

The recoverable amount of goodwill including intangible assets (brand value and customer relationships) acquired through a business combination has been tested for impairment as at 31 December 2021, by allocating the amount of goodwill and intangible assets to respective assets on which it arose, based on value in use in accordance with IAS 36 "Impairment of Assets". The recoverable amount was calculated on the basis of five years business plan approved by the Board of Directors which includes a comprehensive analysis of existing operational deployments of the Company along with strategic business plans and business growth. The value in use calculations are based on cash flow projections derived from aforesaid business plan, which have been extrapolated beyond five years, by using a steady 4.00% growth rate. The financial projections involve certain key assumptions such as sales price and composition and raw materials etc. The cash flows are discounted using a discount rate of 21.29% (goodwill) and 20.02% (intangibles) for use in calculation of value in use which is sensitive to discount rate and local inflation rates. The values assigned to the key assumptions represent management's assessment of future business trends and have been based on historical data from both external and internal sources. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill and other intangible assets.

		31 December 2021	30 June 2021
22.3	Amortisation for the period has been allocated as follows:	(Rupees in '000)	
	Marketing, selling and distribution costs	10,243	-
	Administrative expenses	5,119	-
		<u>15,362</u>	<u>-</u>

kpnuin

		31 December 2021	30 June 2021
		----- (Rupees in '000) -----	
23 Long term deposits	<i>Note</i>		
Deposits			
- leases		5,357	-
- other long term deposits		3,188	-
	23.1	<u>8,545</u>	<u>-</u>

23.1 Effective from 01 September 2021, Long term deposits have been transferred from Waves Corporation Limited (WCL) under Scheme of arrangement (refer to note 2 & 46)

		31 December 2021	30 June 2021
		----- (Rupees in '000) -----	
24 Stock-in-trade	<i>Note</i>		
Raw and packing materials			
- in stores (in hand)		779,670	-
- in bonded warehouse		1,169,535	-
- in transit	24.1	<u>465,777</u>	<u>-</u>
		2,414,982	-
Work in process		239,286	-
Finished goods			
- own manufactured		1,002,138	-
Provision for slow moving and damaged stock		(29,868)	-
	24.2	<u>3,626,538</u>	<u>-</u>

24.1 Stock amounting to Rs. 121.71 million (30 June 2021: Rs. Nil) was cleared subsequent to the period-end.

24.2 Effective from 01 September 2021 stock-in-trade has been transferred from Waves Corporation Limited (WCL) under Scheme of arrangement (refer to note 2 & 46)

		31 December 2021	30 June 2021
		----- (Rupees in '000) -----	
25 Trade debts			
25.1 Wholesale - unsecured			
Considered good	25.1.1	<u>1,705,741</u>	<u>-</u>

25.1.1 This includes related parties from whom the debts are due and their ageing is as under:

	Less than 6 months	Greater than 6 months	31 December 2021	30 June 2021
	----- Rupees '000 -----			
Electronics Marketing Company (Private) Limited	189,087	-	189,087	-

25.1.2 Maximum outstanding balance with reference to month end balances:

	31 December 2021		30 June 2021	
	In the month of	Rupees in '000	In the month of	Rupees in '000
Electronics Marketing Company (Private) Limited	Dec-21	189,087	-	-

KPMG

		31 December 2021	30 June 2021
		----- (Rupees in '000) -----	
26 Advances, deposits, prepayments and other receivables	<i>Note</i>		
Advances - considered good			
- Employees		6,907	-
- Suppliers		22,744	-
- Against letter of credit		42,396	-
		<u>72,047</u>	-
Deposits			
- Short term deposits		3,000	-
- Security deposits		16,437	-
		<u>19,437</u>	-
Prepayments		4,909	-
Other receivables			
- Claims	26.1	8,236	-
- Trade debts transferred from holding Company	26.2	4,823,015	-
		<u>4,831,251</u>	-
Loss allowances against other receivables	26.3	(169,335)	-
	26.4	<u>4,758,309</u>	-

26.1 This includes claims receivable from insurance companies, suppliers and product claims amounting to Rs. 2.79 million against which provision of Rs. 2.34 million is held.

26.2 This represents receivable from retailers-net of recovery transferred from WCL pursuant to a scheme of arrangement as mentioned in note 2 and 46. The balance represents trade debts in respect of home appliances business on account of sales upto 31 August 2021. These are interest-free.

26.2.1 This includes related parties from whom the amounts are due as under:

	31 December 2021	30 June 2021
	----- (Rupees in '000) -----	
Electronics Marketing Company (Private) Limited	661,240	-
	<u>661,240</u>	-

26.2.2 This includes related parties from whom the debts are due and their ageing is as under:

	Less than 6 months	Greater than 6 months	31 December 2021	30 June 2021
	----- Rupees '000 -----			
Electronics Marketing Company (Private) Limited	661,240	-	661,240	-

26.2.3 Maximum outstanding balance with reference to month end balances:

	31 December 2021		30 June 2021	
	In the month of	Rupees in '000	In the month of	Rupees in '000
Electronics Marketing Company (Private) Limited	Dec-21	661,240	-	-

remin

		31 December 2021	30 June 2021
26.3	Movement in loss allowance against other receivables	----- (Rupees in '000) -----	
	Balance as at 01 July	-	-
	Loss allowance transferred from WCL	169,335	-
	Balance as at 31 December	169,335	-

26.4 Effective from 01 September 2021, advances, deposits, and other receivables have been transferred from Waves Corporation Limited (WCL) under Scheme of arrangement (refer to note 2 & 46)

		31 December 2021	30 June 2021
27	Cash and bank balances	----- (Rupees in '000) -----	
	Balances with banks		
	- in current accounts	568	58
	Cash in hand	164	-
		732	58

		31 December 2021	30 June 2021
28	Non current assets held for sale	----- (Rupees in '000) -----	
	Non-current assets held for sale	1,470	1,470
28.1	Office Equipment		
	Opening balance	286	286
	Disposal during the year	-	-
		286	286
28.2	Vehicles		
	Opening balance	1,184	1,184
	Disposal during the year	-	-
		1,184	1,184

28.3 The estimated realizable value of these non-current assets exceeds their carrying value by approximately Rs. 5.54 million (30 June 2021: Rs. 5.21 million). This amount has not been incorporated in these financial statements and will be recognized at the time of actual sale. The management is committed to sale of these assets within a period of one year.

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
29	Revenue - net	----- (Rupees in '000) -----	
	Sales - local	2,446,061	-
	Sales return	(20,221)	-
		2,425,840	-
	Sales tax	(342,317)	-
	Trade discount	-	-
		(342,317)	-
	Revenue from contracts with customers	2,083,523	-

29.1 Revenue from contracts with customers relates to local sales and represents sale of domestic consumer products.

WPM/uh

Note

01 July 2021 to 31 December 2021
01 July 2020 to 30 June 2021
----- (Rupees in '000) -----

Opening stock - finished goods

- own manufactured

724,342

-

Purchases

164,942

-

Cost of goods manufactured

30.1

1,694,744

-

2,584,028

-

Closing stock - finished goods

- own manufactured

(1,002,138)

-

1,581,890

-

30.1 Cost of goods manufactured

Raw and packing materials and stores consumed

1,445,550

-

Salaries, wages and other benefits

30.1.1

133,335

-

Depreciation on property, plant and equipment

21.1.4

54,217

-

Fuel and power

29,028

-

Freight charges

13,515

-

Insurance expense

3,493

-

Repairs and maintenance

7,372

-

Printing and stationery

5,026

-

Travelling and conveyance

122

-

Rent, rates and taxes

2,820

-

Communication

308

-

Others

73

-

1,694,859

-

Work-in-process

- Opening stock

239,171

-

Closing stock

(239,286)

-

(115)

-

Cost of goods manufactured

1,694,744

-

30.1.1 These include provision of Rs. 0.067 million, Rs. 0.314 million and Rs. 3.91 million in respect of pension, gratuity and provident funds respectively.

KPMG

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
31	Marketing, selling and distribution costs	Note	----- (Rupees in '000) -----
	Salaries and benefits	31.1	81,262 -
	Rent, rates and taxes		553 -
	Publicity and sales promotion		11,104 -
	Depreciation on property, plant and equipment	21.1.4	8,749 -
	Warranty expense		25,917 -
	Utilities		4,347 -
	Travelling and conveyance		14,902 -
	Amortisation of intangible assets	22.3	10,243 -
	Insurance expense		1,765 -
	Others		1,214 -
			<u>160,056</u> <u>-</u>

31.1 These include provision of Rs. 0.026 million, Rs. 0.048 million and Rs. 2.88 million in respect of pension, gratuity and provident funds respectively.

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
32	Administrative expenses	Note	----- (Rupees in '000) -----
	Salaries and benefits	32.2	46,083 6,737
	Legal and professional charges		8,307 349
	Auditors' remuneration	32.1	2,013 816
	Depreciation on property, plant and equipment	21.1.4	19,424 -
	Communication		4,184 232
	Travelling and conveyance		6,440 933
	Repair and maintenance		1,166 183
	Utilities		3,882 1,286
	Printing and stationery		1,811 43
	Rent, rates and taxes		1,865 2,401
	Insurance expense		1,108 -
	Entertainment expense		750 31
	Fees and subscription		4,342 1,344
	Amortisation of intangible assets	22.3	5,119 -
	Charity and donations	32.3	15 -
	Others		2,034 254
			<u>108,543</u> <u>14,609</u>

remanin

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
		----- (Rupees in '000) -----	
32.1	Auditors' remuneration		
	Audit fee	1,050	666
	Fee for the review of interim financial information	105	150
	Special audit	315	-
	Fee for the review of code of corporate governance and other certifications / reports under agreed upon procedures	368	-
	Out of pocket expenses	175	-
		<u>2,013</u>	<u>816</u>
32.2	These include provision of Rs. 0.01 million , Rs. 0.12 million and Rs. 1.76 million in respect of pension, gratuity and provident funds respectively.		
32.3	None of the donations were made to an entity in which any director or his / her spouse had an interest.		
		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
		----- (Rupees in '000) -----	
33	Other expenses		
	Workers' profits participation fund (WPPF)	4,980	-
	Exchange loss - net	33,842	-
	Notional interest on amount due to holding company	56,821	-
	Research and development expenditure	2,541	-
	Workers' welfare fund	2,487	-
		<u>100,671</u>	<u>-</u>
34	Other income		
	<u>Income from non-financial instruments</u>		
	Gain on disposal of property, plant and equipment - net	1,463	1,693
	Liabilities no longer payable	121,669	-
	Scrap sales	5,881	-
	Amortisation of deferred income	5,730	-
		<u>134,743</u>	<u>1,693</u>
35	Finance costs		
	Interest / mark-up on interest / mark-up based loans		
	- Long term loans	31,090	-
	- Short term borrowings	131,915	-
	- Lease liabilities	3,908	-
	Interest on Workers' Profit Participation Fund	163	-
	Interest on sponsors' loan - related party	-	5,775
	Bank charges	7,889	4
		<u>174,965</u>	<u>5,779</u>

16.3

		01 July 2021 to 31 December 2021	01 July 2020 to 30 June 2021
36 Taxation	<i>Note</i>	(Rupees in '000)	
Current:			
- for the year	36.1	5,971	-
Deferred:			
- for the year		49,674	-
		<u>55,645</u>	<u>-</u>

36.1 The provision for current taxation has been determined under 'Normal Tax Regime' @ 29%. The current tax includes tax under the final tax regime amounting to Rs. 5.97 million.

36.2 Tax charge reconciliation

Numerical reconciliation between tax expense and accounting profit:

	01 July 2021 to 31 December	01 July 2020 to 30 June
	(Rupees in '000)	
Profit / (loss) before taxation	92,141	(18,694)
Tax at the applicable tax rate of 29% (30 June 2021: 29%)	26,721	(5,421)
Tax effect of permanent differences:		
- Differential under normal and final / minimum tax regime	6,695	-
- Other permanent differences	16,478	-
Effect of pro-ration	7,004	-
Deferred tax asset not recognized on tax losses	-	5,421
Property, plant, and equipment additions disallowed	714	-
Others	(1,967)	-
	<u>55,645</u>	<u>-</u>

37 Earning / (Loss) per share - basic and diluted

The calculation of earnings/(loss) per share (basic and diluted) is based on earnings attributable to the owners of ordinary shares of the Company.

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

Company's earnings per share have been calculated as follows:

		31-Dec-21	30-Jun-21 <i>Restated *</i>
Profit / (loss) for the period	<i>Rupees in '000</i>	36,496	(18,694)
Weighted-average number of ordinary shares	37.1	181,622	11,879
Profit / (loss) per share - basic and diluted	<i>Rupees</i>	0.20	(1.57)

37.1 Weighted-average number of ordinary shares (basic and diluted)

Issued ordinary shares as at 01 July	11,879	26,728
Effect of consolidation under scheme of arrangement	-	(14,849)
Pro-rated effect of shares issued under scheme of arrangement	169,743	-
Weighted-average number of ordinary shares (31 December / 30 June)	<u>181,622</u>	<u>11,879</u>

37.1.1 These include effect of ordinary shares to be issued under the Scheme of Arrangement (refer note 2 and 46).

* The figures for the prior period have been restated to incorporate the effect of consolidation of shares as mentioned in note 2 of these financial statements.

1000000

38 Cash and cash equivalents

38.1 Cash and cash equivalents as at 31 December

Cash and bank balances	732	58
Short term running finances under mark-up arrangements - <i>secured</i>	(993,562)	-
	(992,830)	58

38.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2021						
	Liabilities			Equity			
	Short term borrowings	Long term loans	Lease liability	Mark-up accrued on borrowings	Share capital	Capital redemption reserve	Share premium reserve
							Tax refunds due from Government
							Loan from Sponsors
							Total
Rupees in '000							
Balance as at 01 July 2021	-	-	-	-	267,280	-	-
Cash flows							
Short term borrowings receipts - net of repayments	87,562	-	-	-	-	-	-
Long term loans repaid	-	(66,182)	-	-	-	-	-
Loan from sponsors received	-	-	-	-	-	-	1,445
Finance cost paid	-	-	-	(161,297)	-	-	-
Repayment of lease rentals	-	-	(26,124)	-	-	-	-
	87,562	(66,182)	(26,124)	(161,297)	-	-	1,445
							(164,596)
							381,135
Non-cash changes							
Changes in running finance	3,825,982	-	-	-	-	-	-
Consolidation of shares under scheme (refer note 2 and 46)	-	-	-	-	-	148,489	-
Ordinary shares against assets transferred from WCL (refer note 2 and 46)	-	-	-	-	2,411,573	-	-
Transfer from WCL	-	1,006,895	134,610	116,140	-	-	-
Finance cost	-	-	-	174,965	-	-	-
	3,825,982	1,006,895	134,610	291,105	2,411,573	148,489	-
							3,642,002
							11,460,656
Balance as at 31 December 2021	3,913,544	940,713	108,486	129,808	2,678,853	148,489	115,300
							11,677,195

	2020									
	Liabilities				Equity					
	Short term borrowings	Long term loans	Lease liability	Mark-up accrued on borrowings	Share capital	Capital redemption reserve	Share premium reserve	Tax refunds due from Government <i>(restated)</i>	Loan from Sponsors <i>(restated)</i>	Total
----- Rupees in '000 -----										
Balance as at 01 July 2020	100,000	-	-	6,721	267,280	-	-	90,438	73,019	537,458
<u>Cash flows</u>										
Loan from sponsors - unsecured	-	-	-	-	-	-	-	-	18,840	18,840
Finance cost paid	-	-	-	(8,521)	-	-	-	-	-	(8,521)
	-	-	-	(8,521)	-	-	-	-	18,840	10,319
<u>Non-cash changes</u>										
Classification in Loan (Equity) / Restatement	(100,000)	-	-	(3,876)	-	-	-	(81,880)	21,997	(163,760)
Income tax paid (non-financing activity)	-	-	-	-	-	-	-	(8,558)	-	(8,558)
Finance cost	-	-	-	5,676	-	-	-	-	-	5,676
	(100,000)	-	-	1,800	-	-	-	(90,438)	21,997	(166,642)
Balance as at 30 June 2021 - restated	-	-	-	(0)	267,280	-	-	-	113,855	381,135

39. Provident fund related disclosure

This pertains to the approved contributory provident fund for all the employees eligible under the scheme operated by WCL. Till 2018, WCL was operating two separate provident funds in the name of SPL and CIPL but with effect from 01 January 2019, the Company merged its funds. The management is of the view that the investments out of provident fund have not been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated thereunder. WCL however carved out its home appliances business with effect from 1 September 2021 in which all employees except ten as per scheme of arrangement have been transferred to WHAL as explained in note 2 and 46.

रूप में

40 Remuneration of Chief Executive, Directors And Executives

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

	Chief Executive		Executive Directors		Executives		Total	
	31-Dec-21	30-Jun-21	31-Dec-21	30-Jun-21	31-Dec-21	30-Jun-21	31-Dec-21	30-Jun-21
	(Rupees in '000)							
Managerial remuneration	-	-	-	2,961	20,247	-	20,247	2,961
Contribution to provident fund	-	-	-	-	1,531	-	1,531	-
Housing allowance	-	-	-	-	7,363	-	7,363	-
	-	-	-	2,961	29,141	-	29,141	2,961
Number of persons	1	1	-	1	28	1	28	3

40.1 In addition to the above, Directors and certain Executives are provided with free use of the Company maintained vehicles, club facility and certain items of furniture and fixtures in accordance with their entitlement. The Company also makes contributions based on actuarial calculations to gratuity and pension funds.

40.2 Aggregate amount charged in these financial statements for chief executive, directors and executives are from 01 September 2021 to 31 December 2021 when they have been transferred to Waves Home Appliance Limited (WHAL) on account of scheme of arrangement, for details refer to note 2 of these financial statement except 10 employees who were retained by WCL.

41 Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Amounts due from related parties are shown under trade debts note 25, advances, deposits, prepayments and other receivables note 26 and remuneration of directors and key management personnel note 40. Other significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	2021	2020
			(Rupees in '000)	
i. Holding Company				
Waves Corporation Limited	Holding Company	Sale of appliances products	13,413	-

KRM

Name of the Company	Relationship	Nature of transactions	2021	2020
(Rupees in '000)				
ii. Associated Undertakings				
Electronics Marketing (Private) Limited	Subsidiary of Holding Company	Sale of Inventory	197,885	-
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	10,687	-
Employee's Pension Fund	Post employee benefit plan	Contribution for the period	103	-
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	483	-

41.1 The CEO and Directors are not drawing any remuneration including meeting fee.

42	Plant capacity and actual production	Capacity		Production	
		01 Sep 2021 - 31 Dec 2021	01 July 2020 - 31 Dec 2020	01 Sep 2021 - 31 Dec 2021	01 July 2020 - 31 Dec 2020
		----- (Units) -----		----- (Units) -----	
	Refrigerators	41,667	-	76,806	-
	Deep Freezer	38,333	-	120,326	-
	Microwave ovens	20,000	-	7,771	-
	Air conditioners	20,000	-	-	-
	Washing Machines	13,333	-	4,790	-
	Gas appliances (water heater and cooking range excluding microwave ovens)	8,333	-	8,684	-
	Televisions	7,500	-	-	-
	Water dispenser	6,667	-	-	-
		155,833	-	218,377	-

Capacity reflects units expected to be produced on the basis of normal production hours (one shift of 8 hours). The production / capacity utilization is according to market demand. As per the scheme of arrangement, the home appliance business has been transferred to Waves Home Appliance Limited (WHAL) effective 01 September 2021.

43	Number of employees	Total employees	
		2021	2020
	Total number of employees as at 31 December - <i>note 40</i>	(Number of persons)	
		*1901	-
	Average number of employees	**1971	-

* These employees have been transferred to WHAL from WCL as at 31 August 2021 as per scheme of arrangement described in note 2.

** Average number of employees have been calculated for the period after scheme of arrangement based on four months.

Waves

44 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees policies for managing each of the risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

44.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk of the Company arises principally from trade debts, advances, deposits, other receivables and bank balances.

44.1.1 Exposure to credit risk

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

	Carrying amount	
	2021	2020
	(Rupees in '000)	
Security deposits	27,982	-
Trade debts	1,705,741	-
Other receivables	4,661,916	-
Balances with banks	568	58
	<u>6,396,207</u>	<u>58</u>

44.1.2 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance for developments affecting a particular industry. Maximum exposure to credit risk by type of counterparty is as follows:

	Net receivable (net of provisions)	
	2021	2020
	(Rupees in '000)	
<i>Trade debts</i>		
- others	1,705,741	-
<i>Security deposits</i>		
- individuals (against leases)	22,625	-
- lease	5,357	-
<i>Other receivable</i>		
- trade debts transferred from WCL	4,656,022	-
Insurance Company (claims)	5,894	-
Banks	568	58
	<u>6,396,207</u>	<u>58</u>

Handwritten signature

44.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or historical information about the counterparty default rates. All counterparties, with the exception of customers and utility Companies, have external credit ratings determined by various credit rating agencies and other regulatory authorities. Credit quality of customer is assessed by reference to historical default rates and present ages.

44.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances and deposits. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating Agency	Short term	Long term	2021 (Rupees in '000)	2020
National Bank Of Pakistan	PACRA	A1+	AAA	4	3
MCB Bank Limited	PACRA	A1+	AAA	15	15
Bank Alfalah Limited	PACRA	A-1+	AA+	532	11
Habib Bank Limited	JCR-VIS	A-1+	AAA	17	17
JS Bank Limited	PACRA	A1+	AA-	-	11
				<u>568</u>	<u>58</u>
<u>Security Deposits</u>					
Askari Bank	PACRA	A1+	AA+	2,772	-
Sindh leasing company	JCR-VIS	A	A-1	2,585	-
				<u>5,357</u>	<u>-</u>
				<u>5,925</u>	<u>58</u>

44.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts and other receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer / dealers. As explained in note 5.18, the Company applies the IFRS 9 simplified approach to measure expected credit losses. The analysis of ages of trade debts including receivable transferred from WCL and loss allowance using the aforementioned approach was determined as follows:

	Note	01 July 2021 to 31 December 2021 (Rupees in '000)	01 July 2020 to 30 June 2021
Trade debts	25	1,705,741	-
Receivables from dealers transferred under scheme of arrangement	26	4,823,015	-
		<u>6,528,756</u>	<u>-</u>
		<u>2021</u>	<u>2020</u>
		Gross Impairment loss	Gross Impairment loss
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Not yet due		1,093,909	-
Past due 1 - 30 days		346,450	-
Past due 31 days - 90 days		580,234	-
Past due 91 - 180 days		1,310,946	-
Past due 181 - 360 days		3,027,882	-
Past due by more than 1 year		169,335	169,335
Total		<u>6,528,756</u>	<u>169,335</u>

The management has established a credit policy under which each new customer is analysed individually for credit worthiness. Most of the customers have been transacting since many years.

None of the financial assets of the Company are secured or impaired except as those mentioned in these financial statements. Deposits and other receivables are mostly from banks, individuals and holding company. Impairment on these assets has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. Based on past experience the management believes that no impairment allowance is necessary in respect of these financial assets. There are reasonable grounds to believe that these amounts will be recovered in short course of time.

Wamun

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves forecasting future cash flow requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company maintains committed lines of credit as disclosed in note 18 to ensure flexibility in funding. In addition, the Company has unavailed facilities of running finances to meet the deficit, if required to meet the short term liquidity commitment.

Exposure to liquidity risk

Following are the contractual maturities of the financial liabilities (based on the remaining period as of the period-end), including interest obligations:

	Note	2021				
		Carrying amount	Contractual cash flows	(Rupees in '000)		
				One year or less	One to two years	Two to five years
More than 5 years						
<u>Financial liabilities</u>						
Long term loans - <i>secured</i>	11	940,713	1,213,674	520,970	371,746	320,958
Lease liabilities	12	108,486	120,520	59,519	21,362	39,638
Amount due to holding company	8	1,779,177	2,000,000	-	2,000,000	-
Trade and other payables	16	1,428,712	1,428,712	1,428,712	-	-
Mark-up accrued on borrowings	17	129,808	129,808	129,808	-	-
Short term borrowings - <i>secured</i>	18	3,913,544	3,913,544	3,913,544	-	-
		8,300,440	8,806,258	6,052,554	2,393,108	360,596
		2020				
		Carrying amount	Contractual cash flows	(Rupees in '000)		
				One year or less	One to two years	Two to five years
More than 5 years						
<u>Financial liabilities</u>						
Long term loans - <i>secured</i>	11	-	-	-	-	-
Lease liabilities	12	-	-	-	-	-
Trade and other payables	16	-	-	-	-	-
Mark-up accrued on borrowings	17	-	-	-	-	-
Short term borrowings - <i>secured</i>	18	-	-	-	-	-
		-	-	-	-	-

19/04/24

44.3 Market risk

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

44.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

44.3.1(a) Exposure to currency risk

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

		2021	2020	2021	2020
				(Rupees in '000)	
Trade creditors	(USD in '000)	<u>2,492</u>	<u>-</u>	<u>439,778</u>	<u>-</u>
Trade creditors	(Euro in '000)	<u>187</u>	<u>-</u>	<u>37,913</u>	<u>-</u>

Following significant exchange rates have been applied:

	Average rate		Reporting date Spot rate	
	2021	2020	2021	2020
USD to PKR	<u>168.17</u>	<u>161.62</u>	<u>176.51</u>	<u>159.83</u>
EUR to PKR	<u>199.67</u>	<u>184.39</u>	<u>202.69</u>	<u>196.64</u>

Sensitivity analysis

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

	2021	2020
	(Rupees in '000)	
Effect on statement of profit or loss	<u>47,769</u>	<u>-</u>

The weakening of the PKR by 10% against US Dollar would have had an equal but opposite impact on the profit for the year.

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

44.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

remin

44.3.2(a) Fair value sensitivity analysis for fixed rate instruments

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

44.3.2(b) Mismatch of interest rate sensitive financial assets and financial liabilities

The Company's interest / mark-up and non-interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2021		
	Carrying amount	Interest bearing / variable rate financial instruments	Non-interest bearing / fixed rate financial instruments
	(Rupees in '000)		
<u>Financial assets</u>			
Security deposits	27,982	-	27,982
Trade debts	1,705,741	-	1,705,741
Other receivables	4,661,916	-	4,661,916
Cash and bank balances	732	-	732
	6,396,371	-	6,396,371
<u>Financial liabilities</u>			
Long term loans - <i>secured</i>	(940,713)	(940,713)	-
Amount due to holding company	(1,779,177)	-	(1,779,177)
Lease liabilities	(108,486)	(108,486)	-
Trade and other payables	(1,428,712)	-	(1,428,712)
Mark-up accrued on borrowings	(129,808)	(129,808)	-
Short term borrowings - <i>secured</i>	(3,913,544)	(3,913,544)	-
	(8,300,440)	(5,092,551)	(3,207,889)
	<u>(1,904,069)</u>	<u>(5,092,551)</u>	<u>3,188,482</u>
	2020		
	Carrying amount	Interest bearing / variable rate financial instruments	Non-interest bearing financial instruments
	(Rupees in '000)		
<u>Financial assets</u>			
Security deposits	-	-	-
Trade debts	-	-	-
Other receivables	-	-	-
Cash and bank balance	58	-	58
	58	-	58
<u>Financial liabilities</u>			
Long term loans - <i>secured</i>	-	-	-
Lease liabilities	-	-	-
Trade and other payables	-	-	-
Mark-up accrued on borrowings	-	-	-
Short term borrowings - <i>secured</i>	-	-	-
	-	-	-
	<u>58</u>	<u>-</u>	<u>58</u>

KRM/IN

44.3.2.1 Effective interest / mark-up rates for the financial assets and financial liabilities are as follows:

	2021	2020
	Percentage	
<u>Financial liabilities</u>		
Long term loans - <i>secured</i>	3% to 10.58%	Nil
Lease liabilities	9.93% to 10.58%	Nil
Short term borrowings - <i>secured</i>	8.95% to 16.30%	Nil

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the period by Rs. 60.29 million (2020: Rs Nil). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

44.3.3 Other price risk

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

44.4 Fair value of financial instruments

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

RPW/m

44.4.1

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:

On statement of financial position - Financial instruments

	31 December 2021				
	Carrying Amount		Fair value		
	Financial assets at amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2 Level 3
	----- (Rupees in '000) -----				
<u>Financial assets - amortised cost</u>					
Security Deposits	27,982	-	27,982	-	-
Trade debts	1,705,741	-	1,705,741	-	-
Other receivables	4,661,916	-	4,661,916	-	-
Cash and bank balances	732	-	732	-	-
	<u>6,396,371</u>	<u>-</u>	<u>6,396,371</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - amortised cost</u>					
Amount due to holding company	-	1,779,177	1,779,177	-	-
Long term loans - secured	-	940,713	940,713	-	-
Lease liabilities	-	108,486	108,486	-	-
Trade and other payables	-	1,428,712	1,428,712	-	-
Mark-up accrued on borrowings	-	129,808	129,808	-	-
Short term borrowings - secured	-	3,913,544	3,913,544	-	-
	<u>-</u>	<u>8,300,440</u>	<u>8,300,440</u>	<u>-</u>	<u>-</u>

KPMV

On statement of financial position - Financial instruments

	31 December 2020					
	Carrying Amount		Fair value			
	Financial assets	Other financial	Total	Level 1	Level 2	Level 3
	at amortised cost	assets / liabilities				
<hr/> <hr/>						
<u>Financial assets - amortised cost</u>						
Security deposits	-	-	-	-	-	-
Trade debts	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Cash and bank balances	58	-	58	-	-	-
	58	-	30,424	-	-	-
<hr/> <hr/>						
<u>Financial liabilities - amortised cost</u>						
Long term loans - secured	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Mark-up accrued on short term running	-	-	-	-	-	-
Short term borrowing - secured	-	-	-	-	-	-
	-	-	-	-	-	-

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

Non-financial assets measured at fair value

Land, building and plant and machinery

Revalued Property, plant and equipment

Valuation approach and inputs used

The valuation model for land and building is based on price per square meter. 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 valuation for plant and machinery is based on present operational condition and age of plant and machinery. The valuation experts used a market-based approach to arrive at the fair value of the Company's properties. The fair valuation of land, building and plant and machinery are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these financial statements. The fair value are subject to change owing to changes in input.

45 Capital risk management

The Company's objectives when managing capital are:

- a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as total debt (current and non-current borrowings) to debt plus equity.

The debt to equity ratios were as follows:

	2021	2020
	(Rupees in '000)	
Total debt	4,882,681	-
Total equity and debt	11,948,937	(39,211)
Debt to equity ratio	41%	0%

The Company is not subject to externally imposed capital requirements.

46 Merger under scheme of arrangement

- 46.1 As explained in note 2 of these financial statements, WCL has transferred its entire home appliance business to the Company. Net assets acquired under scheme of arrangement are stated at their earning values under applicable accounting standards and applicable laws based on sanction of scheme by the Honorable Lahore High Court. These have been recognized in accordance with the 'Predecessor Accounting' method as prescribed under the ICAP Accounting Standard for Common Control Transactions notified under S.R.O. 53(I)/2022 dated 12 January 2022.

This standard is applicable on common control transactions occurring on or after 30 June 2022. The management has opted for earlier application as permitted under the accounting standard.

As envisaged by the scheme of arrangement approved by the Honorable Lahore High Court, the books of accounts of WHAL and WCL shall be updated to record the necessary fair value accounting entries in accordance with the applicable accounting standards and applicable laws.

WCL

Details of the assets and liabilities transferred from WCL to the Company are as follows:

	Book Value		
	Balance as at 31 Aug 2021	Retained by WCL	Transferred to WHAL as at 01 Sept 2021
	----- (Rupees in '000) -----		
Assets			
Property, plant and equipment	5,594,420	(2,364,500)	3,229,920
Intangible assets and goodwill:			
- Software	32,032	-	32,032
- Goodwill	1,070,207	-	1,070,207
- Brand Value	1,582,147	-	1,582,147
- Customer Relationships	194,694	-	194,694
Long term deposits	8,545	-	8,545
Stores and spares	45,489	-	45,489
Stock in trade	2,759,383	-	2,759,383
Investment property	323,480	(323,480)	-
Investment in subsidiaries	501,000	(501,000)	-
Taxation - net	175,017	(175,017)	-
Cash and bank	127,162	(127,162)	-
Trade debts	6,078,825	-	6,078,825
Advances, deposits, prepayments and receivables	557,270	-	557,270
	19,049,671	(3,491,159)	15,558,512
Equity and Liabilities			
Issued, subscribed and paid up capital	2,814,062	(2,814,062)	-
Share premium reserve	5,025,661	(5,025,661)	-
Capital reserve	5,000	(5,000)	-
Revenue reserve	2,183,745	(1,433,745)	750,000
Surplus on property, plant and equipment, net of tax	529,212	(151,467)	377,745
Long term loans - secured	1,426,956	(683,128)	743,828
Lease liabilities	70,434	-	70,434
Employee retirement benefit	14,447	-	14,447
Deferred tax liability - net	267,179	146,541	413,720
Deferred income	9,822	-	9,822
Trade and other payable	1,512,346	(201,642)	1,310,704
Mark up accrued on borrowing	140,946	(24,806)	116,140
Unpaid dividend	1,197	(1,197)	-
Short term borrowings - secured	4,107,964	(349,160)	3,758,804
Current portion of long term liabilities	940,700	(613,457)	327,243
	19,049,671	(11,156,784)	7,892,887
Net Assets			7,665,625

10/10/21

Book Value		
Balance as at 31 Aug 2021	Retained by WCL	Transferred to WHAL as at 01 Sept 2021
----- (Rupees in '000) -----		
Cash consideration (deferred) - gross value		2,000,000
Less: fair value adjustment		(277,644)
Fair value of deferred consideration - as referred to in note 8		1,722,356
Consideration to be paid by issuance of WHAL shares		
- To WCL (199,724,956 shares @ PKR 24.24*/share)		4,842,093
- To shareholders of WCL (56,281,240 shares @ PKR 24.24*/share)		1,364,472
Total Consideration		7,928,921
Merger reserve - difference between carrying value of net assets acquired and consideration paid		(263,296)

* The fair value of the shares issued to WCL and its shareholders is based on the average of values computed under asset approach and those computed under DCF valuation method under the income approach. The fair value has been determined by an independent professional expert and approved by the Honorable Lahore High Court.

For the eight months period ended 31 August 2021, WCL has contributed revenue of Rs. 6,028.95 million and profit of Rs. 225.45 million. If the amalgamation had occurred on 01 January 2021, the management estimates that the above revenue and profit would have been recognized in the Company.

47 Events after the reporting date

There are no events subsequent to the reporting date that could have an impact on the financial statements other than detailed in note 2 of these financial statements. The impact of the scheme of arrangement after the Court order dated 22 June 2022 has been adjusted.

48 Corresponding figures

Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of comparison and better presentation as per reporting framework. However, no significant

49 Date of authorization of issue

These financial statements were authorised for issue by the Board of Directors in their meeting held on

02 AUG 2022

Witness

Lahore

Director

Chief Executive Officer

Chief Financial Officer

ویوز ہوم اپلائنسز لمیٹڈ
(سابقہ سمین ٹیکسٹائل لمیٹڈ)

خصوصی مالیاتی رپورٹ
برائے 31 دسمبر 2021 چھٹمہ ششماہی
ڈائریکٹرز کی رپورٹ

ویوز ہوم اپلائنسز لمیٹڈ، سابقہ سمین ٹیکسٹائل لمیٹڈ (ویوز یا کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2021 کو ختم ہونے والی ششماہیکے لیے آپ کی کمپنی کے ڈائریکٹرز کی رپورٹ اور نظر ثانی شدہ مالیاتی گوشوارے مع اس پر آڈیٹرز کی رپورٹ جمع کرانے کے پابند ہیں۔
ذیل میں ششماہی مدت کی مالیاتی جھلکیاں پیش کی گئی ہیں:

کیم جولائی 2021 تا 31 دسمبر 2021 ششماہی	کیم جولائی 2020 تا 30 جون 2021 سالانہ	
روپے '000' میں	روپے '000' میں	
2,425,840	-	مجموعی فروخت
501,633	-	مجموعی منافع
(268,599)	(14,609)	انتظامیہ، مارکیٹنگ، فروخت اور تقسیم کے اخراجات
(100,671)	-	دیگر اخراجات
132,363	-	آپریٹنگ منافع
(174,965)	(5,779)	مالیاتی لاگت (خالص)
134,743	-	دیگر آمدنی
92,141	(18,694)	ٹیکس سے قبل منافع / (نقصان)
(55,645)	-	ٹیکسیشن
36,946	(18,694)	مدت کے لئے منافع / (نقصان)
0.20	(1.57)	فی شیئر آمدنی

موجودہ سخت معاشی حالات کے مد نظر مالیاتی نتائج کی بناء پر بورڈ آف ڈائریکٹرز نے کمپنی کے شیئرز ہولڈرز کو کسی ادائیگی کی سفارش نہیں کی ہے۔

اصل سرگرمیاں اور ترقی

WHALE یا کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) پر مندرج ہے۔ کمپنی حال ہی میں ایک سیکم آف آرٹیمٹ (اسکیم) کے تحت گئی ہے جس میں ہوم اپلائنسز کے کاروبار کو ویوز کارپوریشن لمیٹڈ، سابقہ ویوز سنٹر پاکستان لمیٹڈ سے حاصل اور کمپنی میں ضم کر دیا گیا ہے۔ اس اسکیم کی منظوری لاہور ہائی کورٹ، لاہور نے 27 مئی 2022 کو دی تھی۔ اسکیم کی مؤثر تاریخ 31 اگست 2021 ہے۔ WHALE اب WAVES کی ایک ذیلی کمپنی ہے۔

اپلائنسز کے مینوفیکچرنگ پلانٹ کو ایک نئے مقصد سے تعمیر کی گئی بڑی فیکٹری میں منتقل کیا جا رہا ہے جس کے لیے زمین پہلے ہی خریدی جا چکی ہے اور تعمیریاتی کام پہلے ہی سے جاری ہے۔ نئی فیکٹری کے احاطے کی تعمیر پر پیش رفت کینڈرسال 2022 کی آخری سہ ماہی میں مکمل ہونے کی توقع ہے۔

کمپنی کراچی، لاہور، گوجرانوالہ، پشاور، ملتان وغیرہ جیسے شہروں میں 15 گوداموں کا ملک گیر سیٹ اپ، تقریباً 1,500+ ڈبلرز کا نیٹ ورک چلا رہی ہے۔ 16 بعد از فروخت سروس سینٹر ز اور 509 سروس ورکشاپس ملک بھر میں پھیلی ہوئی ہیں۔ کمپنی کے میگز انفراسٹرکچر کا پاکستان کے اندر کام کرنے والی کسی بھی سرکردہ ہوم اپلائنس کمپنی سے موازنہ کیا جاسکتا ہے۔

معاشی تجزیہ

مالی سال 31 دسمبر 2021 کے دوران، افراط زر میں اضافے کے باوجود، پاکستانی معیشت مضبوط اور پائیدار بحالی کی طرف داخل ہوئی۔ COVID-19 ویکسینیشن نے عالمی اقتصادی بحالی کی اُمید پیدا کی۔ اس عرصے کے دوران مقامی ہوم اپلائنسز کے کاروبار میں ریکوری دیکھی گئی۔ نئی ٹیکنالوجیز میں سرمایہ کاری، تنوع اور کسٹمر بیس کو بڑھانے اور مینوفیکچرنگ کی کارکردگی کو بہتر بنانے کے ساتھ کمپنی اپنے شیئر ہولڈرز کے اقدار کو بہتر کرتی رہے گی۔

مالی سال 21 کے دوران عالمی جی ڈی پی سال 2020 میں منفی اندازے کے مقابلے میں 5.8 فیصد تک بڑھنے کا تخمینہ لگایا گیا ہے۔ مالی سال 21 کی دوسری ششماہی میں، ملک کی معیشت نے گزشتہ ششماہی کے مقابلے میں کافی رفتار کا اندازہ لگایا گیا۔ امریکی ڈالر/ پاکستانی روپیہ کی برابری پر دباؤ کے ساتھ اشیاء کی قیمتوں میں عالمی اضافہ مقامی افراط زر میں اضافے کا سبب بنا ہے۔ سال کے دوران درآمدات کی اعلیٰ سطح نے تجارتی توازن پر نمایاں دباؤ ڈالا جس کے نتیجے میں کرنٹ اکاؤنٹ خسارہ بڑھ گیا، جو گزشتہ مدت کے مقابلے میں نمایاں زیادہ تھا۔ تاہم، ملکی برآمدات میں تقریباً 24 فیصد کی اعلیٰ نمو ریکارڈ کی گئی جس کی بنیادی وجہ ویلویو ایڈڈ ٹیکسٹائل ہے۔ مہنگائی کے حوالے سے صارفین کی قیمتوں کا اشاریہ ماضی قریب میں سب سے زیادہ تھا، جس کے نتیجے میں اسٹیٹ بینک نے مہنگائی کا مقابلہ کرنے کے لیے پالیسی ریٹ میں اضافہ کر دیا۔ ملک کی زرمبادلہ کی مارکیٹ سال کے دوران اتار چڑھاؤ کا شکار رہی کیونکہ برابری کی شرح 176 روپے/ امریکی ڈالر تک پہنچ گئی۔ پی ایس ایکس 100 انڈیکس، ششماہی کے اختتام پر سب سے زیادہ 48,776 پوائنٹس ریکارڈ کیا گیا، جو FY21 کے اختتام پر 44,596 پوائنٹس پر بند ہوا۔

جب کہ ممالک مالی سال 21 کے دوران COVID-19 سے باہر نکل آئے، مالی سال 22 کے آغاز میں خاص طور پر روس۔ یوکرین جنگ کی وجہ سے معاشی نقصانات نے خاص طور پر درآمدی اشیاء پر انحصار کرنے والے بہت سے ممالک میں میکرو اکنامک غیر یقینی صورتحال کو بڑھا دیا ہے۔ سپلائی چین میں رکاوٹوں کے نتیجے میں دنیا بھر میں اقتصادی سرگرمیاں سست پڑ گئی ہیں۔ مزید برآں، اشیاء کی قیمتوں میں اضافے کی وجہ سے، بہت ساری معیشتوں میں افراط زر کا دباؤ بڑھ گیا ہے، جس کے نتیجے میں بہت سے مرکزی بینکوں کی جانب سے مالیاتی پالیسیوں کو سخت کر دیا گیا ہے۔ عالمی میکرو اکنامک عدم استحکام نے ملکی معیشت کو متاثر کیا ہے جس کے نتیجے میں مہنگائی اور ملک کے کرنٹ اکاؤنٹ خسارے میں بھی اضافہ ہوا ہے۔ مہنگائی میں اضافے کے ساتھ، حکومت نے آئی ایم ایف کے معاہدے کو محفوظ بنانے کے لیے سخت مالی اور مالیاتی پالیسیوں کا انتخاب کیا ہے، جو کہ مستحکم ذخائر، کنٹرول شدہ مالیاتی توازن اور پائیدار اقتصادی ترقی کی صورت میں آئندہ چند ماہوں میں ملک کو مدد فراہم کریں گی۔ تاہم، جب کہ موجودہ سیاسی درجہ حرارت میں اضافہ ہو رہا ہے، توانائی کے پاس تھرو اور سخت مالیاتی / مالی پالیسی کے تیز رفتار نفاذ کا اثر مختصر مدت میں پڑے گا۔

خوراک کی عالمی قیمتوں میں مسلسل اضافے، پاکستانی روپیہ کی قدر میں کمی اور انرجی پاس تھرو کے نتیجے میں جون 2022 میں نیشٹل کنزیومر پرائس انڈیکس (سی پی آئی) 21.3 فیصد تک پہنچ گیا۔ ملک کو 2008 میں بھی اسی طرح کا سامنا کرنا پڑا تھا، اس کے بعد، یہ ایک عام توقع سطح پر طے پا گیا۔ توانائی کی بلند شرحوں کے اثرات کے ساتھ افراط زر جاری رہنے کی توقع ہے اور مالی سال 2022 کے آخر میں اس میں کمی متوقع ہے۔ نئی حکومت معاشی اصلاحات اور بین الاقوامی منڈی میں پاکستان کی سہا کو بہتر بنانے کے لیے سخت محنت کر رہی ہے، جو کہ اب ضروری بھی ہے۔ ملک کو معاشی صورتحال کو سنبھالنے کے لیے اپنی درآمدات اور اخراجات دونوں کو کم کرنے کی ضرورت ہے۔ کوششیں جاری ہیں اور امید ہے کہ نتیجہ جلد ہی نکلے گا۔ قلیل مدتی اقدامات پاکستان کے لیے مددگار ثابت ہو سکتے ہیں، لیکن یہ وقت طویل المدتی حل تلاش کرنے کا ہے۔

صنعت کا جائزہ

سال کے دوران بڑے پیمانے کی مینوفیکچرنگ نے اعتدال پسند نمود رج کی جبکہ طلب کے اشارے جیسے کہ بجلی کی پیداوار، سینٹ کی ترسیل، اشیائے صرف کی فروخت اور پیٹرولیم مصنوعات نے بھی مثبت ظاہر کی۔ یہ حکومت کی درآمدات اور ٹیکس وصولی کی طاقت سے ظاہر ہوتا ہے۔ تاہم، توانائی کے نرخوں میں اضافہ، خام مال کی قیمتوں میں اضافہ، عالمی سپلائی چین میں خلل اور گیس کی قلت نے پیداواری لاگت کو متاثر کیا ہے۔ مالی سال 21 کے دوران، نمونہ مجموعی اقتصادی ترقی اور غیر ملکی ترسیلات زر میں اضافہ کی حمایت حاصل ہے۔ بڑھتی ہوئی ڈسپوز ایبل آمدنی اور صارفین کے اعتماد کی بحالی کے ساتھ برقی گھریلو آلات کی طلب میں اضافہ ہوا۔ حکومتی پالیسی کے تحت نئے مکانات میں اضافے کے ساتھ اشیائے صرف میں بھی نمایاں اضافہ ہوا۔ پاکستان بیورو آف شماریات (پی بی ایس) نے ریفریکٹریز کی پیداوار میں تقریباً 90 فیصد، ایئر کنڈیشنرز کی پیداوار میں 140 فیصد اور ڈیپ فریزر کی پیداوار میں تقریباً 45 فیصد اضافہ بیان کیا ہے۔ مجموعی طور پر موبی حالات میں تبدیلی کے ساتھ ریفریکٹریشن اور ایئر کنڈیشننگ میں اضافے کا تجربہ ہوا ہے۔

پاکستان کی معیشت نے COVID-19 کی صورتحال کے باوجود اچھی کارکردگی کا مظاہرہ کیا ہے جس کے نتیجے میں مسلسل ترقی ہوئی جس کے باعث صارفین کو زیادہ ڈسپوز ایبل آمدنی فراہم کی گئی اور ان لوگوں کو فائدہ ہوا جو اپنے طرز زندگی کو بہتر کرنا چاہتے ہیں۔

بڑھتی ہوئی ڈسپوزیبل آمدنی کے ساتھ ایک مضبوط اور بڑھتا ہوا متوسط طبقہ مختلف کنزیومر الیکٹرانک آلات کی طلب کو بڑھانے میں اہم کردار ادا کر رہا ہے۔ بلند افراط زر، ایندھن کی قیمتیں، روپے کی قدر میں کمی اور ان پٹ کی زیادہ لاگتوں کی وجہ سے قیمتوں کا دباؤ مینوفیکچررز کے لیے بڑے خدشات رہیں گے۔

پاکستان میں آلات کی کم گھریلو رسائی (عالمی اوسط سے کم) کمپنیوں کو ان کی رسائی بڑھانے کے مواقع فراہم کرے گی۔ تمام خطوں میں جدید خوردہ اور خصوصی کمپنی آؤٹ لیٹس کی توسیع سے گھریلو آلات کی رسائی میں اضافہ متوقع ہے۔ غیر میٹرو شہروں (دوسرے اور تیسرے درجے کے شہروں اور دیہی علاقوں) میں بھی آلات کی مضبوط نمو کی توقع ہے۔

کنزیومر اپائنسز کے دو ہندسے میں اضافے کے دیگر عوامل دو گنا آمدنی والے نیچے سرگند خانوں میں اضافہ، قرض کی آسان دستیابی، طرز زندگی کی تبدیلی، نئے ماڈلز کا تعارف، اور صارفین کی آگاہی میں اضافہ ہیں۔ صارفین کی پائیدار اشیاء کے لیے تیزی سے تبدیلی کا سلسلہ بھی جاری رہنے کی توقع ہے اور اس لیے کنزیومر الیکٹرانکس کے لیے طلب میں اضافہ ہوگا۔

مستقبل کا نقطہ نظر/آگے بڑھنے کے بیانات

ہمارا بنیادی مقصد اعلیٰ معیار اور موثر گھریلو آلات کی مصنوعات فراہم کرنا ہے۔ ہم طویل مدتی اہمیت کے منصوبوں میں منافع اور سرمایہ کاری میں توازن رکھتے ہوئے شیئر ہولڈر کی قدر کو بڑھانے کے لیے پُر عزم ہیں۔

فروری 2022 سے پاکستان کے زرمبادلہ کے ذخائر میں کمی واقع ہوئی ہے کیونکہ غیر ملکی زرمبادلہ کی رقوم اخراج سے زیادہ ہو گئی ہیں۔ آمدورفت بنیادی طور پر آئی ایم ایف، ورلڈ بینک اور اے ڈی بی کے کثیر جہتی قرضوں، چین، سعودی عرب اور متحدہ عرب امارات جیسے دوست ممالک سے ڈیپازٹس اور قرضوں کی شکل میں دوطرفہ امداد، اور غیر ملکی بینکوں سے اور یورو بانڈ ز اور سکوک کے اجراء کے ذریعے تجارتی قرضوں پر مشتمل ہے۔ آمدن کی کمی بڑی حد تک آئی ایم ایف پروگرام کے اگلے جائزے کو مکمل کرنے میں تاخیر کی وجہ سے ہوئی ہے، جو کہ پالیسی میں تبدیلی کی وجہ سے فروری سے التوا کا شکار ہے۔ دریں اثناء میں، اخراج کی طرف، غیر ملکی قرضوں پر ڈیٹ سروسنگ جاری ہے کیونکہ اس مدت کے دوران ان قرضوں کی ادائیگیاں ہو رہی ہیں۔ اسی وقت میں، شرح مبادلہ خاص طور پر چون کے وسط سے نمایاں دباؤ میں آ گئی ہے۔ اس کی وجہ عام طور پر امریکی ڈالر کی سختی، کرنٹ اکاؤنٹ خسارے میں اضافہ (جون میں توانائی کے بھاری درآمدی بل کی وجہ سے بڑھ گیا)، زرمبادلہ کے ذخائر میں کمی، اور آئی ایم ایف پروگرام اور ملکی سیاست کے بارے میں غیر یقینی صورتحال کی وجہ سے بگڑتے جذبات کی وجہ سے ہوا ہے۔

تاہم، حال ہی میں اہم پیش رفت ہوئی ہے جو ان دونوں عارضی مسائل کو حل کرے گی۔ 13 جولائی کو آئی ایم ایف کے اگلے جائزے کو مکمل کرنے کے لیے عملی سطح کے معاہدے کا اہم سنگ میل طے پا گیا ہے۔ آج تک، جائزہ مکمل کرنے کے لیے تمام پیشگی کارروائیاں پوری ہو چکی ہیں اور 1.2 بلین ڈالر کی اگلی قسط کی تقسیم کے لیے بورڈ کا باقاعدہ اجلاس جلد متوقع ہے۔ اس کے ساتھ ہی، میکرو اکنامک پالیسیوں، فیکل پالیسی اور مانیٹری پالیسی دونوں کو مناسب طور پر سخت کیا گیا ہے تاکہ طلب کے زیر اثر دباؤ کو کم کیا جاسکے اور کرنٹ اکاؤنٹ خسارے پر کنٹرول کیا جاسکے۔ آخر کار، حکومت نے واضح طور پر اعلان کیا ہے کہ وہ اکتوبر 2023 تک اپنی باقی ماندہ مدت پوری کرنے کا ارادہ رکھتی ہے اور آئی ایم ایف پروگرام کے بقیہ 12 مہینوں میں فنڈ کے ساتھ طے شدہ تمام شرائط پر عمل درآمد کے لیے تیار ہے۔ آگے دیکھتے ہوئے، حالیہ ہفتوں میں ایل سی کھولنے میں، ایک بار پھر تیل کے ساتھ ساتھ غیر تیل کی اشیاء دونوں کے لیے کافی سست روی دیکھی گئی ہے۔ مارکیٹ کی رپورٹوں کی بنیاد پر، جون 2022 میں آئل مارکیٹنگ کمپنیوں کی فروخت کے حجم میں ماہانہ 11 فیصد کمی واقع ہوئی ہے۔ حالیہ بارشوں اور ڈیموں میں پانی کے ذخیرہ کے ساتھ، پین بجلی بھی بڑھنے کا امکان ہے اور اپورٹڈ ایندھن پر بجلی پیدا کرنے کی ضرورت میں آئندہ کمی کی توقع ہے۔ ان رجحانات کے نتیجے میں، درآمدی بل آگے بڑھ کر کم ہونے کا امکان ہے اور اگلے چند مہینوں میں FX ادائیگیوں کی کمی میں خود کو زیادہ مضبوطی سے خراب کرنا چاہیے۔

مجموعی طور پر، آنے والے مہینوں میں عالمی اجناس کی قیمتوں میں کمی، تیل کا زیادہ ذخیرہ، پیٹرولیم مصنوعات کی مقامی قیمتوں میں اضافے کے اثرات، بجلی اور گیس کے نرخوں میں ایڈجسٹمنٹ، مالی سال 23 بجٹ کے تحت ٹیکس چھوٹ کے خاتمے، درآمدات کو کم کرنے کے لیے اٹھائے گئے انتظامی اقدامات، اور مانیٹری اور مالیاتی سختی کے پڑنے والے اثرات جو شروع کیے گئے ہیں کی وجہ سے درآمدات میں کمی متوقع ہے۔

آگے بڑھتے ہوئے، جیسا کہ کرنٹ اکاؤنٹ خسارہ کم ہو گیا ہے اور جذبات میں بہتری آئی ہے، ہم روپیہ کی قدر کے بڑھنے کی پوری توقع کرتے ہیں۔ درحقیقت، 2019 میں آئی ایم ایف پروگرام کے آغاز کے دوران یہ تجربہ کیا گیا تھا، جب پروگرام کی قیادت میں کمزوری کی مدت کے بعد روپیہ کافی مستحکم ہوا۔ واضح طور پر، روپیہ عارضی طور پر اوور شوٹ کر سکتا ہے جیسا کہ اس نے حال ہی میں کیا ہے۔ تاہم، یہ وقت کے ساتھ دونوں طریقوں سے چلتا ہے۔ ہم امید کرتے ہیں کہ آنے والے عرصہ میں یہ پیٹرن اپنے آپ کو دوبارہ دہرائے گا۔ نتیجے کے طور پر، روپیہ کو بہتر بنیادی اصولوں کے مطابق ایک چھوٹے کرنٹ اکاؤنٹ خسارے کے ساتھ ساتھ مضبوط جذبات کی صورت میں مستحکم ہونا چاہیے۔

اس کیلنڈر سال کے اختتام سے قبل نئی فیکٹری کی تعمیر اور مینوفیکچرنگ آپریشنز کی منتقلی کی منصوبہ بندی ہموار پراگریس میں ہے۔ یہ مواد کی دستیابی کی جاری صورتحال اور ان مہینوں کے دوران پیداوار میں متوقع وقفے کے ساتھ اچھی طرح سے موزوں ہے۔ چونکہ اسٹیٹ بینک آف پاکستان سے توقع ہے کہ اگست 2022 کے آخر تک آلات کی صنعت کے لیے درکار مواد/اجزاء کی درآمد کے لیے نئے ایل بیز کھولنے کی اجازت دے گا، مزید چند ماہ میں تازہ مواد/اجزاء کی آمد متوقع ہے۔ انشاء اللہ آخری سہ ماہی میں نئی فیکٹری کا افتتاح جاری مشکل اوقات کے دوران آپریشنز کے تسلسل کو یقینی بنائے گا۔ کمپنی اپنی پیداوار اور آپریشنز کی فعال نگرانی کر رہی ہے اور موجودہ مشکلات پر قابو پانے کے لئے انڈسٹری پلیسز، حکومت اور SBP کے ساتھ کام کر رہی ہے۔

بورڈ کمپنی کے مستقبل کے حوالے سے مثبت اور پُرا اعتماد ہے۔ ہمارے پاس انتظامیہ، عملہ اور افرادی قوت، برانڈ نام، بہترین پروڈکٹ لائن، اور ملک گیر تقسیم اور فروخت کے بعد سروس نیٹ ورک کی ایک عقلمند اور واضح ٹیم ہے جو ہمیں صارفین تک پہنچنے اور انہیں شہری اور دیہی دونوں علاقوں میں بہترین ممکنہ شرائط پر سروس فراہم کرنے کی اجازت دیتی ہے۔

خطرات، غیر یقینی صورتحال اور تخفیف

آپ کی کمپنی اس بات کو تسلیم کرتی ہے کہ خطرہ کاروبار کا ایک لازمی حصہ ہے اور خطرات کو فعال اور مؤثر طریقے سے منظم کرنے کے لیے پُر عزم ہے۔ آپ کی کمپنی وقتاً فوقتاً اندرونی اور بیرونی ماحول میں خطرات کا جائزہ لیتی ہے اور اپنی حکمت عملی اور کاروباری/آپریشنل پلانز میں خطرے کے تخفیف کے منصوبوں کو شامل کرتی ہے۔ ہر خطرے کا بغور جائزہ لیا جاتا ہے، جیسا کہ تجزیہ کے بعد کی بعض صورتوں میں یہ کاروبار کے نئے مواقع کا باعث بن سکتا ہے۔

آپ کی کمپنی میں رسک مینجمنٹ کا ایک اچھی طرح سے طے شدہ فریم ورک موجود ہے۔ رسک مینجمنٹ فریم ورک پورے انٹرپرائز میں اوپر سے نیچے تک مختلف سطحوں پر کام کرتا ہے۔ یہ سطحیں کمپنی کے رسک مینجمنٹ کا اسٹریٹجک دفاعی احاطہ تشکیل دیتی ہیں۔ آپ کی کمپنی کی رسک مینجمنٹ کمیٹی خطرے میں کمی کے منصوبے کی نگرانی اور جائزہ لیتی ہے۔

کلیدی کاروباری خطرات	کمی کے اقدامات
<p>آپریشنل ایکسیلنس۔ یہ اندرونی عوامل، انتظامی اور آپریشنل طریقہ کار جیسے کہ ملازمین کے کاروبار، سپلائی چین میں خلل، IT سسٹم کے بند ہونے یا کنٹرول کی ناکامیوں سے وابستہ خطرات ہیں۔</p>	<p>• آپ کی کمپنی نے وینڈر ریشلائزیشن، اندرون ملک مینوفیکچرنگ پر زور دینا شروع کر دیا ہے اور وینڈرز کے سکور کارڈ کی تشخیص رکھ دی گئی ہے۔</p> <p>• آپ کی کمپنی نے سال کے دوران پوری کمپنی میں معیار اور عمل میں بہتری کا پروگرام ترتیب دیا ہے، جس میں اسٹریٹجک وینڈرز بھی شامل ہیں، باقاعدہ انتظامی جائزوں میں پیش رفت کا پتہ لگایا جا رہا ہے۔</p>
<p>برانڈنگ/انویژن رسک۔ وہ خطرہ جو آپ کے کاروبار کے جدید شعبوں پر لاگو ہوتا ہے جیسے کہ پروڈکٹ ریسرچ اور مارکیٹ کے تازہ ترین رجحانات اور مصنوعات کی جدت سے نمٹنے کے لیے۔</p>	<p>• آپ کی کمپنی نے سال کے دوران ایک مرکزی مارکیٹنگ کا ڈھانچہ قائم کیا ہے، اس طرح اس کے صارفین کی بصیرت کے عمل کو تقویت ملی ہے اور متعلقہ فنکشن میں قابلیت کے خلا کو پُر کیا گیا ہے۔</p> <p>• کمپنی کے ریسرچ اینڈ ڈیولپمنٹ ڈیپارٹمنٹ کو مضبوط کیا گیا ہے اور وہ مسلسل مصنوعات کی جدت طرازی کی حکمت عملیوں کو دیکھ اور ان پر عمل درآمد کر رہا ہے۔</p>
<p>آرگنائزیشن ایکسیلنس۔ صحیح ٹیلنٹ کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کی صلاحیت آپ کی کمپنی کی تنظیم کے مقاصد کے حصول میں ناکامی کا باعث بن سکتی ہے۔</p>	<p>• آپ کی کمپنی نے موزوں ملازمین کے لیے کیریئر کی ترقی اور ترقی کے مواقع کی نقشہ سازی کے لیے Succession Planning فریم ورک قائم کیا ہے اور اس طرح ٹیلنٹ کو برقرار رکھنے کو یقینی بنایا گیا ہے۔</p>
<p>لیکویڈیٹی رسک۔ وہ خطرہ ہے جس سے کمپنی کو اپنی مالی ذمہ داریوں سے وابستہ ذمہ داریوں کو پورا کرنے میں دشواری کا سامنا کرنا پڑے گا جو نقد یا کسی اور مالیاتی اثاثوں کی فراہمی سے طے پاتے ہیں۔</p>	<p>• پروڈنٹ لیکویڈیٹی رسک مینجمنٹ کا مطلب کافی نقدی اور قابل فروخت سکیورٹیز کو برقرار رکھنا، قرض کی مناسب سہولتوں کے ذریعے فنڈنگ کی دستیابی ہے۔ کاروبار کی متحرک نوعیت کی وجہ سے، کمپنی پر عزم کریڈٹ لائنوں کو برقرار رکھتے ہوئے فنڈنگ میں چلک برقرار رکھتی ہے۔ کمپنی کے لیکویڈیٹی مینجمنٹ میں کیش فلو کا تخمینہ لگانا اور ان کو پورا کرنے کے لیے ضروری مائع اثاثوں کی سطح پر غور کرنا، اندرونی اور بیرونی ریگولیٹری تقاضوں کے مقابلے میں مالیاتی پوزیشن کے لیکویڈیٹی تناسب کی نگرانی اور قرض کی مالی اعانت کے منصوبوں کو برقرار رکھنا شامل ہے۔</p>

<p>• انفرادی کریڈٹ کی حدود کو لاگو اور بینک گارنٹیوں اور اندرون ملک لیٹر آف کریڈٹ کے عوض زیادہ تر تجارتی قرضے حاصل کر کے اس خطرے کو کم کیا جاتا ہے۔ ان بینک گارنٹیوں کو قبول کرنے کی وجہ سے پیدا ہونے والے کریڈٹ رسک کا انتظام اس بات کو یقینی بنا کر کیا جاتا ہے کہ بینک گارنٹی معقول حد تک اعلیٰ کریڈٹ ریٹنگ والے بینکوں کی طرف سے جاری کی گئی ہیں جیسا کہ بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔</p>	<p>• کریڈٹ رسک - کریڈٹ رسک نقصان کے خطرے کی نمائندگی کرتا ہے اگر کاؤنٹر فریقین معاہدے کے مطابق کارکردگی کا مظاہرہ کرنے میں ناکام رہتے ہیں۔</p>
<p>• کمپنی اپنی ٹیکنالوجی، کارکردگی اور پیداواری صلاحیت کو بہتر بنا کر مسابقتی سپلائرز کو مسلسل سروسنگ کر رہی ہے۔ نیز، چونکہ WAVES میں تیزی سے تبدیلی، وقت کے ساتھ مصنوعات تیار کرنے کی اندرون ملک صلاحیت موجود ہے، جو خود ہی WAVES کو متاثر کرنے والے مسابقت کے امکانات کو ختم کر دیتی ہے۔</p>	<p>• قیمت کا خطرہ - مارکیٹ میں نئے آنے والوں کے ساتھ، قیمت کے مقابلے کا امکان ہے جو مارجن کو کم کر سکتا ہے۔</p>
<p>• WAVES کی متنوع مصنوعات کی لائن اور منفرد ڈیلر کے علاوہ خوردہ فروخت کا ڈھانچہ اور تکنیکی مہارت اسے ان چیلنجوں کا سامنا کرنے کے لیے مناسب طریقے سے تیار کرتی ہے۔</p>	<p>• مسابقتی خطرہ - پلاسٹک کی صنعت میں داخل ہونے والوں میں اضافہ۔</p>
<p>• نئے لیویز پورے بورڈ میں ہوتے ہیں، اس لیے ہم مسابقتی رہتے ہیں۔</p>	<p>• ریگولیٹری رسک - ڈیوٹیز، ٹیکسز، لیویز اور دیگر شرائط کا نفاذ/ اضافہ آپریشنز کو بری طرح متاثر کر سکتا ہے۔</p>

ماحولیات، صحت اور حفاظت

ہم اپنے پورے کاروبار میں صحت، حفاظت اور ماحول میں عمدگی حاصل کرنے کے لیے پُر عزم ہیں۔ ہم اپنے ملازمین کی حفاظت کو ترجیح دیتے ہیں اور ایک مثبت ماحول، اچھی صحت، اور حفاظتی کلچر فراہم کرنے کے لیے، خاص طور پر اپنی مینوفیکچرنگ سہولیات پر اپنے ماحولیاتی فرائض اور ذمہ داریوں کو چوکس طریقے سے پورا کرتے ہوئے سخت محنت کرتے ہیں۔ ہماری کمپنی اپنے کارکنوں کی پیشہ ورانہ حفاظت اور صحت کو اہمیت دیتی ہے۔ ہم کام کرنے کا ایک محفوظ ماحول برقرار رکھتے ہیں اور اپنے عملے اور اسٹیک ہولڈرز کی صحت اور تندرستی کی ذمہ داری لیتے ہیں۔ کمپنی تمام ملازمین کو کام کی جگہ اور اس سے باہر دونوں جگہوں پر ان کی حفاظت کو یقینی بنانے کے لیے فعال طور پر تربیت دیتی ہے۔ اس کے علاوہ، ہمارے مینوفیکچرنگ، ڈسٹری بیوٹن، اور رٹیل آپریشنز نے SOPs تیار کیے ہیں جو حادثات کے خطرے کو کم کرنے کی کوشش کرتے ہیں۔

کارپوریٹ سماجی ذمہ داری (CSR)

ہم اجتماعی کوششوں پر یقین رکھتے ہیں اور اس لیے، ایک مضبوط تنظیمی کلچر بنایا ہے جو تمام ملازمین اور اسٹیک ہولڈرز کو فائدہ فراہم کرتا ہے۔ ہم سماجی ذمہ داری کو اپنی ایک بنیادی اقدار کے طور پر قبول کرتے ہیں اور اسے گروپ کے ہر ممبر کے ساتھ شیئر کیا گیا ہے۔

پائیدار اور ذمہ دارانہ ترقی نہ صرف کارپوریٹ اداروں پر مقامی قوانین کی پابندی ہے، بلکہ یہ اخلاقی ذمہ داری کے بارے میں زیادہ ہے جس پر بہترین جذبے کے ساتھ عمل کرنے کی ضرورت ہے۔ ہمارا پختہ یقین ہے کہ اس کی مالیاتی کامیابی کے لیے اس کی ماحولیاتی اور سماجی کارکردگی کو بہتر بنانا ناگزیر ہے۔ کمپنی ہمیشہ فضیلت، گڈ گورننس، شفافیت، دیانتداری اور جوابدہی کے کلچر پر زور دیتی ہے۔

WHALE مسلسل درج ذیل متنوع CSR اقدامات کر رہی ہے جس میں سے ہر ایک ہمارے CSR ڈژن کی طرف ہمارے اہداف کو پورا کرتا ہے۔

انسانی کپٹل میں سرمایہ کاری

ویوز کارپوریشن میں، ہم مارکیٹ پلیس میں بہترین ٹیلنٹ کو اپنی طرف متوجہ کرنے اور انہیں مہارت اور مواقع دینے، انہیں اعلیٰ کامیاب بننے کی ضرورت پر یقین رکھتے ہیں۔

انسانی اثاثے

کمپنی اپنے لوگوں کو اپنا سب سے اہم اثاثہ سمجھتی ہے۔ ہم ہمیشہ دستیاب انسانی وسائل کی بہترین صلاحیتوں کو بھرتی، تربیت اور فروغ دینے کے لیے کوشاں رہتے ہیں۔ پُرکشش معاوضے کے پیکیجوں کے علاوہ،

ہمارا کارپوریٹ کلچر ملازمین کی کارکردگی کو بڑھانے کے لیے ڈیزائن کیا گیا ہے۔ ہمارا جانشینی کی منصوبہ بندی کا فریم ورک ہماری بھرتی اور فروغ کی سرگرمیوں کی فعال طور پر رہنمائی کرتا ہے۔

لرنگ اور تنظیمی ترقی

ہماری افرادی قوت باقاعدگی سے اپنے متعلقہ شعبوں میں تربیت حاصل کرتی ہے۔ سگریٹیل اکیڈمی ملازمین کو ایک جامع ورک فورس ٹریننگ کیلنڈر کے ذریعے لے جانے میں اہم کردار ادا کرتی ہے۔ ہم اپنے ملازمین کو اس شعبے میں ہونے والی نئی پیشرفتوں سے آگاہ کرنے کے لیے ورکشاپس کا انعقاد بھی کرتے ہیں تاکہ مارکیٹ کے بدلتے ہوئے منظر نامے سے باخبر رہیں۔

کافی داخلی مالیاتی کنٹرول

داخلی کنٹرول کا فریم ورک مؤثر طریقے سے بورڈ کی طرف سے قائم کردہ داخلی آڈٹ فنکشن کے ذریعے نافذ کیا گیا ہے جو بیرونی آڈٹ فنکشن سے آزاد ہے۔ کمپنی کا داخلی کنٹرول کا نظام ڈیزائن کے لحاظ سے مستحکم ہے اور تاثر اور مناسبت کے لیے اس کا مسلسل جائزہ لیا جاتا ہے۔ آڈٹ کمیٹی نے کمپنی کے اندر تمام سطحوں پر آپریشنل، تعلیم، رسک مینجمنٹ، مالیاتی رپورٹنگ اور کنٹرول کے مقاصد، کمپنی کے اثاثوں کی حفاظت اور شیئر ہولڈرز کی دولت کے حصول کو یقینی بنایا ہے۔

داخلی آڈٹ فنکشن نے آڈٹ کمیٹی کی طرف سے بیان کردہ چارٹر کے تحت اپنے فرائض سرانجام دیئے ہیں۔ آڈٹ کمیٹی نے داخلی آڈٹ کے مواد کا جائزہ لیا، مناسب کارروائی کی ہے یا جہاں ضرورت ہو معاملات بورڈ کی توجہ میں لائے ہیں۔ ایک قابل اعتماد مالیاتی رپورٹنگ سسٹم اور قوانین و ضوابط کی تعمیل سمیت کمپنی کے مقاصد میں کارکردگی اور شراکت کو یقینی بنانے کے لیے بیرونی اور اندرونی آڈیٹرز کے درمیان ہم آہنگی کو آسان بنایا گیا ہے۔

کارپوریٹ گورننس کے بہترین طرز عمل

ہمارے ضابطہ اخلاق کو اخلاقیات کی ہماری بنیادی اقدار میں سے ایک کے طور پر درج کیا گیا ہے، اس لیے ویوز کارپوریشن لمیٹڈ کسی بھی قسم کے امتیازی سلوک اور ایذا رسانی کے خلاف صفر واداری کی پالیسی رکھتی ہے۔ اسی طرح رپورٹنگ کے محاذ پر بھی ایمانداری اور کھلی بات چیت کی توقع کی جاتی ہے، ہمیں اس بات کی پرواہ ہے کہ ہم کیسے نتائج حاصل کرتے ہیں۔ ہمارا ماننا ہے کہ ویوز کارپوریشن لمیٹڈ سے وابستہ ہر فرد کے لیے اس کلچر کو اپنانا اور دینا انتہائی اہم اور جوابدہی کے اعلیٰ ترین معیارات کے مطابق زندگی گزارنا ضروری ہے۔

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور ملازمین کے لیے کوڈ آف کنڈکٹ کو اپنانا اور اسے بورڈ کے ممبران اور ملازمین کو لکچرینیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت کے مطابق ترسیل کیا گیا ہے۔ کوڈ آف کنڈکٹ کمپنی کی ویب سائٹ پر بھی رکھا گیا ہے۔

31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لئے ڈائریکٹرز کا بیان

ضابطہ کی ضرورت کے مطابق، ہم، کمپنی کے ڈائریکٹرز، بخوشی بیان کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے۔
- اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IAS) اور IFRS کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے لسٹنگ ضابطے میں تفصیلی بہترین طریقوں میں سے کوئی مادی انحراف نہیں ہو رہا ہے۔

تعمیل کا بیان

کمپنی گورننس کے بہترین طریقوں پر عمل پیرا ہے۔ کمپنی نے مندرجہ ذیل کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق "کارپوریٹ گورننس کے ضابطہ کی تعمیل کا بیان" جاری کیا ہے، جس کا کمپنی کے آڈیٹرز نے بھی جائزہ لیا اور توثیق کی ہے۔ معزز LHC کی طرف سے 27 مئی 2022 کو اسکیم کی منظوری کے مطابق، 02 اگست 2022 کو سابقہ بورڈ ممبران مستعفی ہو گئے اور نئے بورڈ نے مؤثر طور پر چارج لیا۔ اگلا تعمیل کا سالانہ بیان 31 دسمبر 2022 کو ختم ہونے والے سال کی سالانہ رپورٹ کے لئے بورڈ جاری کرے گا۔

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے جن کی صدارت چیئر مین نے کی۔ چیف فنانشل آفیسر اور کمپنی سیکرٹری نے بھی اجلاس میں تقاضہ کے مطابق شرکت کی۔

آڈٹ کمیٹی

بورڈ کی ایک آڈٹ کمیٹی تشکیل دی گئی ہے جو تین (3) ارکان پر مشتمل ہے۔ آڈٹ کمیٹی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں فراہم کردہ ٹرمز آف ریفرنس پر عمل کیا ہے۔ 27 مئی 2022 کو اسکیم کی منظوری کے مطابق، 02 اگست 2022 کو منعقدہ بورڈ کے اجلاس میں ارکان تبدیل کئے گئے۔ زیر جائزہ مدت کے دوران، چار (4) اجلاس منعقد ہوئے۔ انسانی وسائل اور معاوضہ کمیٹی

کمپنی نے ایک ہیومن ریسورس اینڈ ریمیزیشن کمیٹی تشکیل دی ہے جو چار (4) ارکان پر مشتمل ہے۔ کمیٹی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں فراہم کردہ ٹرمز آف ریفرنس پر عمل کیا ہے۔ 27 مئی 2022 کو اسکیم کی منظوری کے مطابق، 02 اگست 2022 کو منعقدہ بورڈ کے اجلاس میں ارکان تبدیل کئے گئے۔ زیر جائزہ مدت کے دوران، ایک (1) اجلاس منعقد ہوا۔

بورڈ کی کارکردگی اور ڈائریکٹرز کے تربیتی پروگرام کا جائزہ

بورڈ کی اپنی کارکردگی، بورڈ کے ممبران اور اس کی کمیٹیوں کے پہلے سے طے شدہ آپریشنل اور سٹریٹجک مقاصد کی خاطر سالانہ جائزہ لینے کے لیے ایک باضابطہ اور مؤثر طریقہ کار وضع کیا گیا ہے۔ مؤثر بورڈز کمپنی کے اسٹریٹجک مقاصد کو پورا کرنے کے لیے اجتماعی فیصلے کرتے ہیں اور بہترین آپریشنل کارکردگی کے لیے انتظامیہ کو کلیدی معاملات پر نگرانی اور مدد فراہم کرتے ہیں۔ 27 مئی 2022 کو اسکیم کی منظوری اور 02 اگست 2022 کو نئے ڈائریکٹرز کی تقرری کے مطابق جن میں سے دو (2) ڈائریکٹرز پہلے ہی اپنا DTP مکمل کر چکے ہیں، جبکہ باقی ڈائریکٹرز کے لیے DTP کی تربیت اگلے سالانہ اجلاس عام سے پہلے زیر غور لائی جائے گی، اگر ضرورت ہو تو۔

اچھی طرح سے کی جانے والی تشخیص سے بورڈ اور اس کی کمیٹیوں کو اپنی زیادہ سے زیادہ صلاحیتوں کے مطابق کارکردگی کا مظاہرہ کرنے میں مدد ملتی ہے، جو کمپنی کی طویل مدتی پائیدار قدر میں مسلسل کامیابی اور ترقی کے لیے اہم ہے۔

سالانہ اجلاس عام کا نوٹس

سالانہ اجلاس عام (AGM) کا نوٹس منسلک ہے جو معزز لاہور ہائی کورٹ، لاہور کی جانب سے اسکیم کی منظوری کے مطابق کمپنی کے مالی سال میں 30 جون سے 31 دسمبر تک کی تبدیلی کی وجہ سے کیپٹنیز ایکٹ 2017 کے سیکشن 229 اور سیکشن 233 کی دفعات کی تعمیل میں بھیجا جا رہا ہے۔

شیئر ہولڈنگ کا نمونہ

31 دسمبر 2021 کو کمپنی کے شیئر ہولڈرز کی کل تعداد 7,322 تھی۔ 31 دسمبر 2021 کو کمپنی کے شیئر ہولڈنگ کا نمونہ، جھص یا فیتگان کے مخصوص طبقے کے شیئر ہولڈنگ کے نمونہ جن کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے نیز ششماہی مالیاتی مدت کے دوران ڈائریکٹرز، ایگزیکٹوز، اور ان کے شریک حیات بشمول نابالغ بچوں کی طرف سے کی گئی شیئرز کی خرید و فروخت کا بیان اس رپورٹ کے شیئر ہولڈنگ سیکشن میں ظاہر کیا گیا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز کے معاوضے کی پالیسی اور طریقہ کار کی منظوری دی ہے۔

معاوضے کا تعین ذمہ داری اور مہارت کی سطح سے کیا جاتا ہے، بہترین ٹیلنٹ کو راغب اور برقرار رکھنے کے لیے اس بات کو یقینی بناتے ہوئے کہ ان کی آزادی پر کسی بھی طرح سے سمجھوتہ نہ کیا جائے۔ اس کی اہم خصوصیات میں شامل ہے کہ آزاد ڈائریکٹرز بورڈ آف ڈائریکٹرز اور بورڈ کی دیگر کمیٹیوں کے اجلاسوں میں شرکت کے معاوضے کے طور پر اجلاس کی فیس کے حقدار ہیں۔ سال کے دوران ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیلات مجموعی مالیاتی گوشواروں میں دی گئی ہیں۔

سرمایہ کار سے تعلقات اور ویب سائٹ

ہم چاہتے ہیں کہ ہمارے سرمایہ کاروں، شیئر ہولڈرز، اور صارفین کو ہمارے اور ہمارے آپریشنز کے بارے میں اچھی طرح سے آگاہ کیا جائے تاکہ ہم دیر پا اور باہمی طور پر فائدہ مند تعلقات استوار کرنا جاری رکھ

سکیں۔ ہم اپنے شیئر ہولڈرز اور اسٹیک ہولڈرز کو جیسے ہی دستیاب ہو مواد کی ترسیل کرنے کی خدمت کے لیے پُر عزم ہیں۔ ایک مشتق کے طور پر، ہم کمپنی کی آفیشل ویب سائٹ (www.samintextile.com) پر تمام مادی اہلانیات کو باقاعدگی سے شائع کریں گے۔ 27 مئی 2022 کو اسٹیک ہولڈرز کی منظوری کے مطابق، کمپنی کی معلومات کے لئے ہولڈنگ کمپنی کی ویب سائٹ (www.waves.net.pk) پر جگہ بنائی گئی ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) ریٹائر ہو گئے ہیں اور سالانہ اجلاس عام میں دوبارہ تقرری کے اہل ہیں۔ نظر ثانی شدہ حسابات 31 دسمبر 2021 کو ختم ہونے والی ششماہی مدت کے لئے پیش کئے گئے ہیں۔ آڈٹ کمیٹی نے میسرز KPMG تاثیر ہادی اینڈ کمپنی کی 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر، باہمی متفقہ فیصل پر دوبارہ تقرری کی سفارش کی ہے۔ بورڈ نے اس سفارش کی توثیق کی ہے۔

اظہار تشکر

ہم اپنے تمام اسٹیک ہولڈرز، خاص طور پر اپنے قابل قدر صارفین، سپلائرز، کاروباری شراکت داروں، مالیاتی اداروں، ریگولیٹرز، جنہوں نے ہم پر اپنا اعتماد ظاہر کیا کا شکریہ ادا کرتے ہیں۔ کمپنی کی کامیابیاں اور موجودہ تشغیر متزلزل عزم، سخت محنت، بے پناہ تعاون، اور ہماری انتظامی ٹیم اور دیگر ملازمین کی کوششوں کے بغیر ممکن نہیں تھا جو بھرپور تعریف کے مستحق ہیں۔ ہمیں یقین ہے کہ ٹیم ترقی کرتی رہے گی اور تمام اسٹیک ہولڈرز کی توقعات پر مسلسل پورا اترے گی۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی مسلسل حمایت اور تعاون کا بھی اعتراف کرتا ہے۔

ہم اپنے شیئر ہولڈرز اور ان کی غیر متزلزل حمایت کے بھی تہہ دل سے شکر گزار ہیں کہ انہوں نے ہم پر اعتماد اور بھروسہ کا اظہار کیا ہے۔
منجانب بورڈ:

معظم احمد خان
ڈائریکٹر

بارون احمد خان
چیف ایگزیکٹو آفیسر
لاہور

ویوز ہوم اپلائنسز لمیٹڈ (سابقہ سمین ٹیکسٹائلز لمیٹڈ)

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ویوز ہوم اپلائنسز لمیٹڈ (WHALE) کمپنی کے حصص داران کا سالانہ اجلاس عام، کمپنی کے رجسٹرڈ دفتر 9 کلومیٹر ملتان روڈ، لاہور (ویوز فیکٹری پریکسز کے اندر) میں فزیکلی اور الیکٹرونکلی بروز جمعرات 29 اگست 2022ء کو دوپہر 12:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 1- 31 دسمبر 2021ء مختتمہ سال کیلئے کمپنی کے نظر ثانی شدہ مالی حسابات مع ڈائریکٹران کی رپورٹس اور چیئرمین کے جائزہ کی وصولی، غور و خوض اور منظوری دینا۔
- 2- 31 دسمبر 2021ء مختتمہ سال کیلئے کمپنی کے آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ بورڈ اور آڈٹ کمیٹی نے ریٹائر ہونے والے میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کی حیثیت سے مقرر کرنے کی سفارش کی ہے۔

خصوصی امور

- 3- سالانہ رپورٹ (مجموعی اور واحد) کی CD/DVD/USB کے ذریعے ترسیل کے لئے حصص داران کی منظوری حاصل کرنے کے لئے درج ذیل قرارداد پر غور و خوض اور اگر بہتر خیال کیا گیا تو منظوری

دینا۔

"قرار پایا کہ سالانہ مالی حسابات (مجموعی اور واحد) معہ ان پر ڈائریکٹرز کی رپورٹ اور چیئرمین کے جائزہ بمعہ سالانہ اجلاس عام کا نوٹس حصہ داران کے رجسٹرڈ پتہ پر ہارڈ کاپی کی بجائے CD/DVD/USB کے ذریعے ممبران کو ترسیل کرنے کی منظوری اور کمپنی کو اجازت دی جاتی ہے۔"

4۔ غور و خوض اور اگر بہتر خیال کیا گیا تو مندرجہ ذیل قرارداد کو معہ یا بلا ترسیمات پاس کرنا:

"قرار پایا کہ کمپنی کی جانب سے مالی سال 31 دسمبر 2021 کے دوران ویز کارپوریشن لمیٹڈ، سابقہ ویز سنگر پاکستان لمیٹڈ، الیکٹرانک مارکیٹنگ کمپنی لمیٹڈ اور ایمپلائز پنشن/گریجویٹ/پراویڈنٹ فنڈ کے ساتھ کیے گئے لین دین جیسا کہ 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی حسابات کے متعلقہ پارٹی نوٹ 40 میں دیا گیا ہے، اس کی منظوری دی جاتی ہے۔"

"مزید قرار پایا کہ کمپنی کا بورڈ آف ڈائریکٹرز مالی سال 31 دسمبر 2022 کے دوران کیس ٹوکیس کی بنیاد پر کیے جانے والے تمام متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا مجاز ہے۔ ان ٹرانزیکشنز کو شیئر ہولڈرز اور اگلی AGM میں حصہ یافتگان کے سامنے ان کی باضابطہ توثیق/منظوری کے لیے پیش کیا جائے گا۔"

لاہور

06 اگست 2022ء

بحکم بورڈ طارق مجید (کمپنی سیکرٹری)

نوٹ:

1۔ ویڈیولنک کے ذریعے اجلاس عام میں شرکت کرنے میں دلچسپی رکھنے والے کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات (جیسا کہ ذیل میں دیا گیا ہے) اپنے CNIC (دونوں اطراف) / پاسپورٹ کی مؤثر کاپی، بورڈ کی قرارداد / پاور آف اٹارنی (کارپوریٹ شیئر ہولڈرز کی صورت میں) cs@waves.net.pk پر ای میل کے ذریعے (یا پوسٹ / کوریئر کے ذریعے) جس کا عنوان "WAVES کی AGM 31 دسمبر 2022 کے لیے رجسٹریشن" کے ساتھ اجلاس عام کے انعقاد سے کم از کم 48 گھنٹے پہلے ارسال کریں۔ اصل دستخط شدہ دستاویزات کو ریکارڈ کے مقاصد کے لیے الگ سے کوریئر یا ڈاک کے ذریعے کمپنی کو بھیجنا ضروری ہے۔

نام شیئر ہولڈر CNIC نمبر فوٹیو نمبر موبائل / وٹس ای میل ایڈریس ایپ نمبر

* جہاں قابل اطلاق ہو، براہ مہربانی شیئر ہولڈر کے پراسسی ہولڈر یا نامزد کے بالا کو آف بھی دیں۔

ویڈیولنک اور لاگ ان کنڈیشنل صرف ان ممبران کے ساتھ شیئر کی جائے گی جن کی ای میلز، بشمول تمام مطلوبہ تفصیلات بروقت موصول ہو گئی ہیں۔ ویڈیولنک کا یہ نوٹس جغرافیائی محل وقوع میں سکونت، کمپنی میں 10% یا زیادہ شیئر ہولڈنگ (مجموعی) کے مالک ارکان کو ویڈیولنک سہولت فراہم کرنے کے سلسلے میں کمپیوٹر ایکٹ 2017 کی دفعہ (b)(1) 134 کے تقاضہ کو بھی پورا کرے گا۔

2۔ حصص منتقلی کتابیں 22 اگست 2022ء تا 29 اگست 2022ء (بشمول ہر دو ایام) بند رہیں گی۔ 21 اگست 2022 کو کاروبار کے اختتام پر ہمارے شیئر رجسٹراری میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونکز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن، لاہور کے دفتر میں موصول ہونے والی منتقلیاں ٹرانسفریز کے استحقاق کے مقاصد کے لئے بروقت تصور ہوگی۔

3۔ اجلاس ہذا میں شرکت اور ووٹ دینے کا مستحق ممبر اپنے بجائے شرکت، تقریر اور ووٹ دینے کیلئے کسی دیگر ممبر کو بطور پراسسی مقرر کر سکتا/سکتی ہے۔ پراسسی تقرری کے آلات کمپنی کے صدر دفتر پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرایا جانا چاہئے۔ پراسسی فارم کمپنی کی ویب سائٹ یعنی www.samintextile.com اور www.waves.net.pk پر دستیاب ہے۔ تاہم، الیکٹرونک حاضری کی صورت میں متعلقہ طریقہ کار گزشتہ پیرا گراف میں دیا گیا ہے۔

4۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر 1 مورخہ 26 جنوری 2000 میں دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔

a۔ اجلاس میں شرکت کیلئے:

(i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا افراد جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

(ii) بصورت کارپوریٹ اینٹیٹی، بورڈ آف ڈائریکٹرز قرارداد/مختار نامہ معہ نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہوئے (اگر پہلے فراہم نہیں کئے گئے ہیں)۔

b۔ پراسسی کی تقرری کیلئے

i۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہیں کو مذکورہ بالا ضروریات کے مطابق پراسسی فارم جمع کرنا ہوگا۔

ii۔ پراسسی فارم دو افراد کا گواہی شدہ ہوگا جن کے نام، پتے اور CNIC نمبرز فارم پر درج ہونگے۔

iii۔ پیشگی مقررہ مالکان اور پراسسی کے CNIC / پاسپورٹ کی مصدقہ نقول پراسسی فارم کے ساتھ جمع کرنا ہوگی۔

iv۔ پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔

v۔ کارپوریٹ انٹنٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد پر مختار نامہ مع نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے فراہم نہیں کیا گیا ہے)۔

5۔ شیئر ہولڈر سے التماس ہے کہ اپنے رجسٹرڈ ڈاک کے چٹوں میں کسی تبدیلی بارے کمپنی کے شیئر رجسٹرار کو مطلع کریں۔

6۔ SECP کے سرکلر نمبر 10 مورخہ 21 مئی 2014 کی پیروی میں، اگر کمپنی اجلاس کے شہر کے علاوہ جغرافیائی مقام میں رہنے والے اور مجموعی 10% یا زیادہ شیئرز رکھنے والے ارکان سے وڈیو کانفرنس کے ذریعے اجلاس میں شرکت کے لئے رضامندی اجلاس کی تاریخ سے کم از کم 7 (سات) یوم قبل وصول کرتی ہے تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالہ سے اس شہر میں وڈیو کانفرنس سہولت کا انتظام کرے گی۔ اس سلسلہ میں، براہ مہربانی درج ذیل فارم کو پُر کریں اور کمپنی کے صدر دفتر کے پتہ پر اجلاس عام کی تاریخ سے کم از کم 07 (سات) یوم قبل جمع کروائیں۔

میں/ہم _____ ویوز ہوم پلانسنز لمیٹڈ کے ممبر ہونے کی حیثیت سے _____ عام حصص بمطابق رجسٹرڈ فوئو نمبر _____ بذریعہ ہذا _____ پروڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔

7۔ کمپنی، کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم داخل کروا کر شیئر رجسٹرار یا کمپنی بیکریٹری کو اپنی متعلقہ معلومات فراہم کرنے والے حصص داران کو ای میل کے ذریعے سالانہ مالی حسابات ترسیل کرے گی۔

8۔ خصوصی امور کی بابت تمام مادی معلومات بشمول شمولیت تبدیلی نام، MOA/AOA، مالی حسابات، متعلقہ پارٹی لین دین اور ریکارڈ، اسکیم آف اربٹمنٹ، مادی حقائق کا بیان اور AGM نوٹس کی بابت دیگر ضروری دستاویزات کمپنی کے رجسٹرڈ دفتر میں رکھے گئے ہیں اور نوٹس ہذا کی تاریخ سے AGM کے اختتام تک معائنہ کے لئے دستیاب ہیں۔

9۔ سالانہ نظر ثانی شدہ مجموعی اور واحد مالی حسابات مع متعلقہ رپورٹس/جائزے کمپنی کی ویب سائٹ www.samintextile.com اور www.waves.net.pk پر بھی دستیاب ہیں۔ یہ اکاؤنٹس کمپنی کے رجسٹرڈ دفتر میں دفتری اوقات کے دوران معائنہ کے لئے بھی دستیاب ہیں۔

10۔ کیپنیز ایکٹ، 2017 کے سیکشن 72 کے تقاضوں کی تعمیل میں، ہر موجودہ لمحدہ کمپنی پر لازم ہوگا کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ SECP کی طرف سے مطلع کردہ تاریخ سے اور اس انداز میں تبدیل کرے جیسا کہ بیان کیا گیا ہو جس کی مدت کیپنیز ایکٹ کے آغاز یعنی 30 مئی 2017 سے چار سال سے زیادہ نہ ہو۔ فزیکل شیئر ٹھونکیٹ رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل فارم سے جلد از جلد بک انٹری فارم میں تبدیل کروائیں۔ اس سے اراکین کو کوئی طریقوں سے سہولیات فراہم کی جائیں گیں جن میں حصص کی محفوظ تحویل، حصص کا گم نہ ہونا، ڈپلیکیٹ حصص کے اجراء کے لیے درکار رسمی کارروائیوں سے گریز اور اوپن مارکیٹ میں بہتر نرخوں پر فروخت اور خریداری کے لیے آسانی سے دستیاب ہے۔

11۔ لاہور ہائی کورٹ کی طرف سے اسکیم کی منظوری کے مطابق کمپنی کے مالی سال میں 30 جون سے 31 دسمبر کی تبدیلی کی وجہ سے، کمپنی 31 دسمبر 2021 کو ختم ہونے والے سال کے لئے یہ سالانہ اجلاس عام (AGM) منعقد کر رہی ہے۔

12۔ کسی استفسار/وضاحت/معلومات کے لئے، حصص یافتگان کمپنی سے ای میل cs@waves.net.pk پر اور/یا کمپنی کے شیئر رجسٹرار سے ای میل akbar@corplink.com.pk پر رابطہ کر سکتے ہیں:

خصوصی کاروبار کے سلسلے میں مادی حقائق کا بیان

ایجنڈا آئٹم نمبر 3-CD/DVD/USB کے ذریعے سالانہ اکاؤنٹس کی ترسیل:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے SRO نمبر 470(I)/2016 کے ذریعے کمپنیوں کو سالانہ بیلنس شیٹ، نفع اور نقصان کے اکاؤنٹ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (مالی گوشواروں) بمعہ AGM نوٹس کے ساتھ اپنے ممبروں کو ان کے رجسٹرڈ پتے پر ہارڈ کاپی کے بجائے USB/DVD/CD کے ذریعے ترسیل کرنے کی اجازت دی ہے۔ تاہم، کمپنی مالیاتی گوشواروں کی ہارڈ کاپیوں کا مطالبہ کرنے کے لیے اپنی ویب سائٹ پر شیئر ہولڈرز کے لیے ایک معیاری درخواست فارم رکھے گی، اگر کوئی رکن مالیاتی گوشواروں کی ہارڈ کاپی کے لیے درخواست کرتا ہے، تو اسے مفت فراہم کی جائے گی۔

ایجنڈا آئٹم نمبر 4-31 دسمبر 2021 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹی ٹرانزیکشنز کی منظوری اور بورڈ کو مالی سال 31 دسمبر 2022 کے دوران متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا اختیار دینا

کمپنی نے درج ذیل اداروں جس میں ذیلی کمپنیاں، مکمل ملکیتی ذیلی کمپنیاں اور شریک کمپنیاں/انڈر ٹیکنگ شامل ہیں کے ساتھ متعلقہ پارٹی لین دین کیا ہے۔

a۔ ویوز کارپوریشن لمیٹڈ، سابقہ نگر پاکستان لمیٹڈ (WAVES)، 27 مئی 2022 کو معزز لاہور ہائی کورٹ کی طرف سے منظور شدہ کمپنی اور WAVES کے درمیان انتظامات کی اسکیم کے مطابق 31 اگست 2021 سے مؤثر، کمپنی کا ایک ذیلی ادارہ۔ اس سے قبل WAVES ایک متعلقہ پارٹی تھی۔

b۔ الیکٹرانک مارکیٹنگ کمپنی لمیٹڈ (EMCL)

c۔ ایمپلائز پرائیویٹ فنڈ

d۔ ایمپلائز پنشن فنڈ

e۔ ایمپلائز گریجویٹ فنڈ

مالی سال کے دوران متعلقہ فریقوں کے ساتھ تمام لین دین کمپنی کی طرف سے کمپنی کی متعلقہ پارٹی ٹرانزیکشنز پالیسی کے تحت کاروبار کے عام کورس میں اور قابل رسائی قیمتوں کی بنیاد پر کیا جاتا ہے۔ متعلقہ

فریقوں کے ساتھ کیے گئے تمام لین دین کے لیے بورڈ آڈٹ کمیٹی کی منظوری درکار ہوتی ہے۔ آڈٹ کمیٹی کی سفارش پر، اس طرح کے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے رکھا جاتا ہے۔ متعلقہ فریقوں کے ساتھ تمام لین دین کا انکشاف 31 دسمبر 2021 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 40 میں کیا گیا ہے۔ ان تعلقات کی نوعیت کو بھی 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 41 میں ظاہر کیا گیا ہے۔ WHALE کے ساتھ لین دین میں وہ لین دین شامل ہیں جو اسکیم کے نفاذ کے عمل سے پیدا ہوتے ہیں اور اس کے نتیجے میں بین کمپنی بیلنس، جب تک کہ اسکیم کے مطابق عمل درآمد کا عمل مکمل طور پر مکمل نہ ہو جائے، مالیاتی گوشواروں میں ظاہر ہوتا ہے۔

کمپنی 31 دسمبر 2022 کو ختم ہونے والے سال کے دوران متعلقہ فریقوں کے ساتھ کمپنی کی متعلقہ پارٹنرز، ایکسچینج پالیسی کے تحت کاروبار کے عام کورس میں اور قابل رسائی قیمتوں کی بنیاد پر کیا گیا ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کے لیے بورڈ کی آڈٹ کمیٹی کی منظوری درکار ہوتی ہے۔ آڈٹ کمیٹی کی سفارش پر، اس طرح کے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے رکھا جائے گا۔ WAVES کے ساتھ لین دین میں وہ لین دین شامل ہو سکتے ہیں جو اسکیم کے نفاذ کے عمل سے پیدا ہوتے ہیں اور اس کے نتیجے میں مالیاتی گوشواروں میں بین کمپنی بیلنس، جب تک کہ اسکیم کے مطابق عمل درآمد کا عمل مکمل طور پر مکمل نہ ہو جائے، میں ظاہر ہوتا ہے۔ شفاف کاروباری طریقوں کو فروغ دینے کے لیے، شیئر ہولڈرز سے سفارش کی جاتی ہے کہ وہ کمپنی کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کیس ٹو کیس کی بنیاد پر متعلقہ فریقوں کے ساتھ لین دین کی منظوری دینے کا اختیار دیں۔ لین دین کو شیئر ہولڈرز کے ذریعے منظور شدہ سمجھا جائے گا۔ ان ٹرانزیکشنز کو AGM میں شیئر ہولڈرز کے سامنے ان کی باضابطہ توثیق/منظوری کے لیے رکھا جائے گا۔ ڈائریکٹرز صرف اس حد تک قراردادوں میں دلچسپی رکھتے ہیں جو متعلقہ فریقوں میں ان کی مشترکہ ڈائریکٹر شپ کی حد تک ہو۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ممبران کی صرف ایک کلاس ہے۔ کمپنی کے ڈائریکٹرز کے مفادات پر قراردادوں کا اثر دوسرے ممبران کی دلچسپی کے اثر سے مختلف نہیں ہے سوائے جو یہاں بیان کیے گئے اور ڈائریکٹرز اس قرارداد میں صرف اس حد تک دلچسپی رکھتے ہیں کہ متعلقہ فریقوں میں ان کی مشترکہ ڈائریکٹر شپ اور ڈائریکٹرز کمپنی اور متعلقہ فریقین جو کل وقتی ایگزیکٹو افعال سرانجام دے رہے ہیں، کمپنی اور متعلقہ فریقوں کی متعلقہ پالیسیوں کے مطابق معاوضے، مراعات اور الاؤنسز کی حد تک بھی دلچسپی رکھتے ہیں، اس لیے قراردادوں میں اس حد تک دلچسپی سمجھی جاسکتی ہے۔

مادی معلومات

خصوصی امور کے حوالے سے تمام مادی معلومات بشمول نام کی تبدیلی، AOA / MOA، مالیاتی گوشواروں، متعلقہ پارٹی کے لین دین اور ریکارڈ، گزشتہ اجلاس عام کی کارروائی، کمپنی اور متعلقہ فریقوں کے ڈائریکٹرز کی شیئر ہولڈنگ، معزز لاہور ہائی کورٹ، لاہور کی طرف سے منظور شدہ انتظامات کی اسکیم، AGM نوٹس کے سلسلے میں مادی حقائق کا بیان اور دیگر ضروری دستاویزات کمپنی کے رجسٹرڈ آفس میں رکھے گئے ہیں اور نوٹس ہذا کی تاریخ سے AGM کے اختتام تک معائنہ کے لیے دستیاب ہوں گے اور کمپنی کی ویب سائٹ www.samintextile.com اور www.waves.net.pk پر بھی مطلوبہ حد تک رکھا گیا ہے۔

ویوز ہوم اپلائنسز لمیٹڈ

سابقہ سینیٹریکل سٹائل لمیٹڈ

پراسیکیوٹر (مختار نامہ)

کمپنی سیکرٹری

ویوز ہوم اپلائنسز لمیٹڈ

9 کلو میٹر، ملتان روڈ، لاہور

میں / ہم

سکنہ

بحیثیت رکن ویوز ہوم اپلائنسز لمیٹڈ بذریعہ ہذا

محترم / محترمہ

یا کسی غیر موجودگی میں

کو اپنے / ہمارے ایماء پر بروز سوموار مورخہ 29 اگست 2022ء، صبح 11:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں شرکت، تقریر اور حق رائے دہی استعمال کرنے، یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراسیکیوٹر) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز تاریخ 2022ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

گواہ نمبر 1۔

5/- روپے
کارسیدی ٹکٹ
یہاں چسپاں کریں

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

دستخط رکن: _____

گواہ نمبر 2۔

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

دستخط رکن: _____

(نام بڑے حروف میں)

فولیو نمبر: _____

پارٹیشنٹ آئی ڈی نمبر: _____

سی ڈی سی میں اکاؤنٹ نمبر: _____

اہم نوٹ:

1۔ CDC اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ نوٹس اجلاس میں بیان کردہ ہدایات پر سختی سے عمل کریں۔

2۔ اجلاس عام میں شرکت کا اہل رکن اپنی بجائے شرکت کرنے اور ووٹ دینے کے لیے پراکسی مقرر کرنے کا اہل ہے۔

3۔ اراکین سے درخواست کی جاتی ہے کہ:

(a)۔ مذکورہ بالا جگہ پر 5/- روپے کارپوریٹ سٹیمپ چسپاں کرنا۔

(b)۔ کارپوریٹ سٹیمپ پر دستخط کے اسی انداز میں دستخط کرنا جس طرح کمپنی کے ہاں رجسٹرڈ ہے۔

(c)۔ نیچے اپنے فولیو نمبر لکھنا۔

4۔ یہ پراکسی فارم، باقاعدہ مکمل اور 5/- روپے کے کارپوریٹ سٹیمپ پر دستخط شدہ، اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع/ بھیجا جانا چاہیے یا جیسا کہ نوٹس ہدایتیں دیا

گیا ہے اسی میل کے ذریعے اور کمپنی کے رجسٹرڈ آفس کو کوریئر/ پوسٹ کے ذریعے بھیجا جاسکتا ہے۔