



28 February 2022

The General Manager
Pakistan Stock Exchange Limited (PSX)
Stock Exchange Building
Stock Exchange Road, Karachi

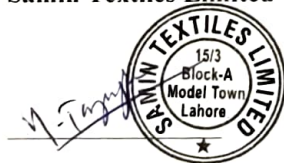
Submission of Half Yearly Accounts- For the Period Ended December 31, 2021

Dear Sir,

In compliance with the provisions of Section 237 of the Companies Act, 2017, read with PSX Notice No. PSX/N-4207 dated 13 July, 2018 and PSX/N- 4952 dated 29 August 2018, we are pleased to submit electronically through PUCAR un-audited accounts for the half year ended December 31, 2021

Yours truly

For and on behalf of
Samin Textiles Limited



Muhammad Tayyab
Company Secretary

SAMIN TEXTILES LIMITED

Half Yearly Report

Six Months Ended 31 December 2021

Contents

Corporate Information	2
Directors' Report	3
Independent Auditor's Report	5
Condensed Interim Statement of Financial Position	7
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Interim Statement of Cash Flows	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Statements	12

SAMIN TEXTILES LIMITED

BOARD OF DIRECTORS

- | | |
|----------------------------|-------------------------------|
| 1. Mr. Khalid Azeem | Chairman/Independent Director |
| 2. Mr. Aamir Jamil | Independent Director |
| 3. Mr. Riaz Ahmad | Non-Executive Director |
| 4. Mr. Zaheer Jamil | Non-Executive Director |
| 5. Mr. Abdul Hameed Shiekh | Non-Executive Director |
| 6. Mrs. Shahida Shanaz | Non-Executive Director |
| 7. Mr. Mustafa Kamal | Chief Executive Officer |

AUDIT COMMITTEE

- | | |
|----------------------------|-------------------------------|
| 1. Mr. Aamir Jamil | Chairman/Independent Director |
| 2. Mr. Abdul Hameed Sheikh | Member/Non-Executive Director |
| 3. Mr. Zaheer Jamil | Member/Non-Executive Director |
| 4. Mr. Muhammad Tayyab | Secretary of Audit Committee |

HR & REMUNERATION COMMITTEE

- | | |
|----------------------------|--------------------------------|
| 1. Mr. Aamir Jamil | Chairman/Independent Director |
| 2. Mr. Abdul Hameed Sheikh | Member/Non-Executive Director |
| 3. Mr. Riaz Ahmad | Member/Non-Executive Director |
| 4. Mrs. Shahida Shanaz | Member/ Non-Executive Director |
| 5. Mr. Muhammad Tayyab | Secretary of HR & R Committee |

CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman, ACA

COMPANY SECRETARY

Muhammad Tayyab

HEAD OF INTERNAL AUDITOR

Mr. Waleed Afzal

LEGAL ADVISOR

Imtiaz Siddiqui & Associates

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co
Chartered Accountants, Lahore

SHARE REGISTRAR

Corplink (Private) Limited
Wings Arcade, I-K Commercial Model Town
Lahore

COMPANY OFFICES

Registered Office: 15/3 Block A
Model Town Lahore
Head Office: 8.7-Km Multan Road,
Opposite Mansorah Lahore -54790, Pakistan
Ph: 042-35415421-5, 04235421502-4 UAN:
+92(42)111-31-32-33

COMPANY REGISTRATION NO.

L 02004

COMPANY'S BANKER

National Bank of Pakistan
Bank Al-Falah Limited
JS Bank Limited

Habib Bank Limited
MCB Bank Limited

DIRECTORS' REPORT TO THE MEMBERS

For the Half Year end December 31st, 2021

The Directors of Samin Textiles Limited ("the Company") are pleased to present the un-audited condensed interim financial statements reviewed by the statutory auditors of the Company for the half year ended December 31, 2021. The financial statements have been prepared in compliance with IAS – 34 "Interim Financial Reporting" and provisions of, and directives issued under the Companies Act, 2017.

Financial Highlights

During the Interim financial period under review, Company resumed its business operations and recorded Net sales of Rs.33.26 million as compared to Rs. NIL for the corresponding period of last financial year. The shares of the Company are now again being traded at the Regular Counter of PSX.

The composition of net profit / (loss) is as under: -

	Half Year ended December 31, 2021	Half Year ended December 31, 2020
	<u>Rupees in million</u>	<u>Rupees in million</u>
Net Sales	33.26	Nil
Gross Profit(Loss)	2.19	Nil
Operating Profit/(Loss)	0.79	(2.89)
Other Income/ Capital Gain	Nil	1.69
Taxation	0.49	Nil
Net (Loss)/ Profit for the year	0.29	(9.19)

Future outlook

In order to fast-track the revival of business operations, the Company is in process of acquisition of home appliance business of Waves Singer Pakistan Limited. In this regard, a scheme of arrangement duly approved by BOD of both the Company's has already been filed in Honorable Lahore High Court.

Acknowledgement

We are grateful to all our stakeholders exclusively the employees of the Company for their hard work, dedication, commitment and faith in Company's survival.

On behalf of the Board of Directors



Mustafa Kamal Lodhi
Chief Executive Officer



Aamir Jamil
Director

28 February 2022

Lahore:

شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ
31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لیے

سمین ٹیکسٹائلز لمیٹڈ ("کمپنی" یا "سمین") کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لیے کثیف غیر عبوری غیر مستحکم مالی گوشواروں کے بارے میں شیئر ہولڈرز کے لیے ڈائریکٹرز رپورٹ پیش کرتے ہیں۔ یہ مالیاتی گوشوارے IAS - 34 "انٹیرم فائنانشل رپورٹنگ" اور کمپنیز ایکٹ 2017 کے احکامات کے تحت تیار کیے گئے ہیں۔

کلیدی مالیاتی اشاریے

انٹیرم مالیات کی زیر جائزہ مدت (نصف سال) کے دوران کمپنی نے اپنے کاروباری آپریشنز کو نہ صرف بحال کیا ہے بلکہ گزشتہ مالیاتی سال کی متعلقہ مدت کے Rs. NIL کے مقابلے میں 33.26 ملین کی خالص سیلز بھی ریکارڈ کی ہیں۔ سمین کے شیئرز اب پاکستان اسٹاک ایکسچینج کے ریگولر کاؤنٹر پر دوبارہ سے ٹریڈ کیے جا رہے ہیں۔
 خالص منافع جات/ (نقصان) - روپے ملین میں - کی ترتیب درج ذیل ہے:

پہلی ششماہی	پہلی ششماہی	
2020	2021	
صفر	33.26	خالص سیلز
صفر	2.19	مجموعی منافع/نقصان
(2.89)	0.79	آپریٹنگ منافع/(نقصان)
1.69	صفر	دیگر آمدن/ کپیٹل حصول
صفر	0.49	ٹیکس
(9.19)	0.29	خالص منافع/(نقصان)

مستقبل کا جائزہ

سمین کے کاروباری آپریشنز کو مزید استحکام اور فروغ دینے کے لیے کمپنی، ویوز سنگر پاکستان لمیٹڈ کے ہوم اپلائنسز کے کاروبار کے حصول کے عمل میں ہے۔ اس سلسلے میں، دونوں کمپنیوں کے بورڈ آف ڈائریکٹرز کی جانب سے باضابطہ طور پر منظور شدہ اسکیم آف ارینجمنٹ پہلے ہی ہونر ایبل لاہور ہائی کورٹ میں دائر کی جا چکی ہے۔

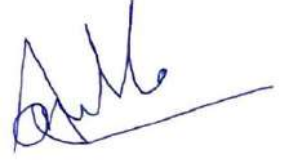
اعتراف

ہم اپنے تمام اسٹیک ہولڈرز خصوصاً کمپنی کے ملازمین کی جفاکشی، ولولے، عزم اور کمپنی کی بقاء پر یقین رکھنے پر تہ دل سے مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



عامر جمیل
 ڈائریکٹر



مصطفیٰ کمال لودھی
 چیف ایگزیکٹو آفیسر

28 فروری 2022

لاہور



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 REVIEW REPORT

To the members of Samin Textiles Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Samin Textiles Limited as at 31 December 2021 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the following:

- note 7 to these interim 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.
- note 1.2 in these interim financial statements, which indicates that as at 31 December 2021 the accumulated losses are 37.42 million and the current liabilities exceed the current assets by the same amount. As stated in note 1.2, these events or conditions, along with other matters as set forth in note 1.2 to these interim financial statements, indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



KPMG Taseer Hadi & Co.

Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2021 and 31 December 2020, have not been reviewed by us and we do not express a conclusion on them.


The condensed interim financial statements of the Company for the period ended 31 December 2021 and financial statements for the year ended 30 June 2021 were reviewed and audited by another auditor who expressed an unmodified conclusion and unmodified opinion on those financial statements on 22 February 2021 and 07 October 2021 respectively with emphasis of matter paragraph thereon in relation to non-preparation of financial statements on going concern basis in their review and audit report.

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

Lahore

Date: 28 February 2022

UDIN: RR202110114CVFbxZYUH


KPMG Taseer Hadi & Co.
Chartered Accountants

Samin Textiles Limited
Condensed Interim Statement of Financial Position (Un-Audited)
As at 31 December 2021

	31 December 2021	30 June 2021
ASSETS	(Rupees)	(Rupees)
	Note	Note
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorised capital 300,000,000 (30 June 2021: 30,000,000) ordinary shares of Rs. 10 each	5	5
	300,000,000	300,000,000
Issued, subscribed and paid-up capital	5	5
Loan from sponsors	6	6
Revenue reserve - accumulated losses		
	(37,417,613)	(39,211,105)
	267,280,000	267,280,000
	115,300,427	113,855,377
	(419,998,040)	(420,346,482)
	489,316	-
	65,373,086	40,739,263
	64,883,770	40,739,263
	-	-
	-	-
	27,955,473	1,528,158
	27,955,473	1,528,158
Contingencies and commitments	8	
	27,955,473	1,528,158
	27,955,473	1,528,158
	731,806	58,159
	26,485,474	1,469,999
	27,955,473	1,528,158
	27,955,473	1,528,158

Current assets

Trade Debts
Tax refunds due from government
Cash and bank balances
Non current assets held for sale

7

25,753,668	-	-
731,806	58,159	58,159
26,485,474	1,469,999	1,469,999
27,955,473	1,528,158	1,528,158
27,955,473	1,528,158	1,528,158

Current Liabilities

Trade and other payables
Short term borrowing
Provision for taxation

7

64,883,770	40,739,263
-	-
489,316	-
65,373,086	40,739,263

8

27,955,473	1,528,158
27,955,473	1,528,158

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

with



Director



Chief Executive Officer



Chief Financial Officer

Lahore

Samin Textiles Limited

Condensed Interim Statement of Profit or Loss (Un-Audited)

For the period 31 December 2021

	Note	Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		----- (Rupees) -----		----- (Rupees) -----	
Revenue	9	33,260,426	-	-	-
Cost of sales		(31,009,516)	-	-	-
Gross profit		2,250,910	-	-	-
Other income		-	1,693,409	-	-
Administrative expenses		(1,412,247)	(7,035,628)	(653,231)	(2,451,413)
		(1,412,247)	(5,342,219)	(653,231)	(2,451,413)
Profit / (loss) from operations		838,663	(5,342,219)	(653,231)	(2,451,413)
Finance cost		(905)	(3,854,068)	(35)	(1,955,165)
Profit / (loss) before taxation		837,758	(9,196,287)	(653,266)	(4,406,578)
Taxation		(489,316)	-	-	-
Profit / (loss) for the period		348,442	(9,196,287)	(653,266)	(4,406,578)
Earnings / (loss) per share - basic and diluted (Rupees)		0.01	(0.34)	(0.02)	(0.16)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

u/mu/m

Samin Textiles Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the period 31 December 2021

	31 December 2021	31 December 2020
	----- (Rupees) -----	
Profit / (loss) for the period	348,442	(9,196,287)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	<u>348,442</u>	<u>(9,196,287)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


KPMG



Director



Chief Executive Officer



Chief Financial Officer

Samin Textiles Limited
Condensed Interim Statement of Cash Flows (Un-Audited)
For the period 31 December 2021

	31 December 2021	31 December 2020
<u>Cash flows from operating activities</u>	----- (Rupees) -----	
Profit / (loss) before taxation	837,758	(9,196,287)
<i>Adjustments for non cash and other items :</i>		
Finance costs	-	3,854,068
Gain on disposal of assets	-	(1,693,300)
Profit before working capital changes	837,758	(7,035,519)
<u>Effect on cash flows due to working capital changes</u>		
<i>Increase in current assets</i>		
Trade deposits and prepayments	-	(61,562)
Tax refunds due from government	-	-
	(25,753,668)	(61,562)
Decrease in trade and other payables	24,144,507	(2,344,480)
Cash used in operations	(771,403)	(9,441,561)
Income tax received	-	8,660,383
Net cash used in operating activities	(771,403)	(781,178)
<u>Cash flows from financing activities</u>		
Increase/(decrease) in sponsors' loan	1,445,050	(3,387,344)
Finance cost paid	-	(8,621,855)
Net cash generated from financing activities	1,445,050	(12,009,199)
<u>Cash flows from investing activities</u>		
Proceeds from realization of long term deposits	-	5,355,000
Proceeds from disposal of property, plant and equipment	-	6,100,000
Net cash generated from investing activities	-	11,455,000
Net decrease in cash and cash equivalents	673,647	(1,335,377)
Cash and cash equivalents at beginning of the period	58,159	2,484,192
Cash and cash equivalents at end of the period	731,806	1,148,815

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


Lahore Director


Chief Executive Officer


Chief Financial Officer

Samin Textiles Limited

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the period ended 31 December 2021

Issued, subscribed and paid-up capital	Loan from sponsors	Revenue Reserve	Total
		Accumulated losses	

----- (Rupees) -----

As at 01 July 2020 267,280,000 73,018,587 (401,651,721) (61,353,134)

Total comprehensive loss for the year

Loss for the year	-	-	(18,694,761)	(18,694,761)
Other comprehensive income	-	-	-	-
	-	-	(18,694,761)	(18,694,761)

Sponsors loan during the year - 40,836,790 - 40,836,790

Balance as at 30 June 2021 - restated 267,280,000 113,855,377 (420,346,482) (39,211,105)

Total comprehensive income for the period

Profit for the period	-	-	348,442	348,442
Other comprehensive income	-	-	-	-
	-	-	348,442	348,442

Sponsors loan during the year 1,445,050 1,445,050

Balance as at 31 December 2021 267,280,000 115,300,427 (419,998,040) (37,417,613)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

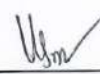
kencafin



Director



Chief Executive Officer



Chief Financial Officer

Samin Textiles Limited

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

For the period 1 July 2021 to 31 December 2021

1 Status and nature of business

1.1 Samin Textiles Limited ("the Company") was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). 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 is trading, import and export of textile products and electric appliances.

1.2 As at the reporting date the accumulated losses are Rs 37.42 million (30 June 2021: Rs 39.21 million) and current liabilities exceed current assets by the same amount. However, Company has been taken over by new management in second quarter of 2021 with an agenda to implement a revival plan and accordingly these financial statements have been prepared on going concern basis as explained below:

After the acquisition of the Company by the new management in April 2021, a revival plan of the Company was devised and formulated by the new management and shared with Pakistan Stock Exchange (PSX). However, in order to fast track the revival of the business operations, the Board of Directors instructed the management to analyse a potential opportunity to acquire home appliances business from Waves Singer Pakistan Limited (WSPL, a related entity). Accordingly, management engaged various subject matter experts to analyse the said opportunity and a scheme of arrangement has been prepared for acquisition of home appliances business of WSPL. As explained in note 1.3 the scheme of arrangement has been approved by the Board in their meeting held on 23 December 2021, following which the scheme has been submitted to the Honourable Lahore High Court along with the petition for acquisition of home appliances business. As the acquisition requires approval from various regulatory departments there is a material uncertainty regarding the timing and outcome of the process and delay in receipt of these requisite approvals may delay the acquisition and hence may affect the Company to operate as going concern during the intervening time period. These conditions indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern and therefore, it may not be able to realize its assets and discharge its liabilities in the normal course of business. The management is hopeful that this plan, which is subject to various regulatory approvals, once approved and implemented, will result in revival of the operations of the Company. Accordingly, these condensed interim financial statements have been prepared on a going concern basis on the assumption that the Company will be able to successfully acquire the home appliances business from WSPL and achieve satisfactory levels of profitability in the future as 'Waves' is a leading home appliances brand and has active market presence in the market.

In addition, the major sponsor has also confirmed to provide financial and other support as and when needed.

1.3 The Board of Directors in their meeting held on 11 November 2021, authorized the management to take steps for preparation of the scheme of arrangement ("the Potential Acquisition Transaction") for acquisition of home appliances business from Waves Singer Pakistan Limited (WSPL, a related company). The scheme is planned to be implemented from 01 September 2021 and would be so implemented after the necessary corporate legal and regulatory requirements have been fulfilled including requisite approvals from the shareholders of both companies and secured creditors. The said scheme of arrangement was presented for consideration, review and approval of the Board in the Board meeting held on 23 December 2021, whereby the Company would acquire home appliances business of WSPL against issue of shares of the Company as detailed below:

As per the draft plan, if implemented, the management intends to acquire the carrying values of assets and liabilities assumed at the date of merger as summarized below:

	01 Sep 2021 (Rupees in '000')
Property, plant and equipment	3,229,920
Intangible assets and goodwill	2,879,080
Long term deposits	8,545
Inventory and stores	2,804,872
Trade debts	6,078,825
Advances, deposits, prepayments and other receivables	557,270
Reserves	(750,000)
Loans and borrowings	(4,946,015)
Other non-current liabilities	(361,882)
Trade and other payables	(1,310,704)
Total identifiable net asset to be acquired	<u>8,189,911</u>

Net assets will be acquired against issue of shares of the Company to WSPL and its shareholders in addition to cash consideration as detailed below:

a) Share capital of the Company will be reduced from every 225 shares to 100 shares i.e. total paid-up 26,728,000 shares to 11,879,111 shares of the Company. Subsequent to this share reduction, a total of 256,006,196 shares of the Company will be issued against net assets identified above upon implementation of Scheme of Arrangement.

- Out of above, 199,724,956 shares of the Company to be issued and allotted to WSPL.
- 56,281,240 shares of the Company to be issued and allotted to WSPL's shareholders @ 20 shares in the Company for every 100 shares of WSPL. The 20 shares of the Company to be directly issued to WSPL shareholders are equivalent to presently traded 45 shares of the Company prior to proposed capital reduction. There is no contingent consideration involved.

b) Rs. 2 billion in cash shall be payable to WSPL; 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.

Waves Singer Pakistan Limited (now Waves Corporation Limited) is a leading local player of appliances business. Consequent to the potential merger transaction, the Company would be deemed a Subsidiary Company of WSPL and it may meet the objectives of the Group for focus, growth and strategic alliance with global players in home appliances business. In accordance with terms of Scheme of Arrangement:

- the authorized share capital of the Company shall stand automatically increased from Rs. 300 million to Rs. 4,250 million and Memorandum and Articles of Association shall stand amended in terms of the Scheme.
- the name of the Company shall be changed from "Samin Textiles Limited" to "Waves Home Appliances Limited"
- the principal line of business of the Company shall be altered to include the manufacturing, assembly, and wholesale of domestic consumer appliances and other light engineering products; and

- the financial year of the Company shall be revised to be from the first day of January of each year the last day of December of each year to bring the same in line with financial year of WSPL.

For the eight months period ended 31 August 2021, the revenue and profit of the acquired Company amounts to Rs 6,028.95 million and Rs 225.45 million respectively. If the merger had occurred on 01 January 2021, the management estimates that the above revenue and profit would have been recognized in Company's results.

2 Basis of preparation

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

- 2.2.1** These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at 31 December 2021 and the related condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof.
- 2.2.2** These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2021.
- 2.2.3** Comparative statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2021, whereas comparative profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the six months and three months period ended 31 December 2020.
- 2.2.4** These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3 Estimates and judgments

- 3.1** The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 3.2** Estimates and judgements made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company for the year ended 30 June 2021.

4 Statement of consistency in accounting policies

- 4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statement are same as those applied in the preparation of the annual financial statements for the year ended 30 June 2021.
- 4.2 There were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Amendments and interpretations of approved accounting standards

- | | |
|--|-------------------------|
| - Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | 01 January 2021 |
| - COVID-19-Related Rent Concessions 01 June 2021 (Amendments to IAS 37) | 01 June 2021 |
| - Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) | 01 January 2022 |
| - Amendments to IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture | 01 January 2022 |
| - Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) | 01 January 2022 |
| - Reference to the Conceptual Framework (Amendments to IFRS 3) | 01 January 2022 |
| - Classification of liabilities as current or non-current (Amendments to IAS 1) | 01 January 2022 |
| - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) | 01 January 2023 |
| - Definition of Accounting Estimates (Amendments to IAS 8) | 01 January 2023 |
| - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) | 01 January 2023 |
| - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | Effective date Deferred |

		(Un-Audited) 31 December 2021	(Audited) 30 June 2021	(Un-Audited) 31 December 2021	(Audited) 30 June 2021
	Note	(Number of shares)		---- (Rupees) ----	

5 Share capital

5.1	Authorized share capital	5.1.1	<u>30,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
-----	--------------------------	-------	-------------------	-------------------	--------------------	--------------------

5.1.1 The authorized share capital stands at Rs. 300 million, divided into 30,000,000 shares of Rs. 10 each, according to the Memorandum and Articles of Association the Company.

		(Un-Audited) 31 December 2021	(Audited) 30 June 2021	(Un-Audited) 31 December 2021	(Audited) 30 June 2021
				---- (Rupees) ----	
5.2	Issued, subscribed and paid-up				
	26,728,000 (30 June 2021: 26,728,000) ordinary shares of Rs. 10 each allotted for consideration paid in cash			<u>267,280,000</u>	<u>267,280,000</u>

5.2.1 Ordinary shares of the Company held by associated person and undertaking at the period end having more than 10% share holding is Mr. Haroon Ahmed Khan, 34.97%, CEO of Waves Singer Pakistan Limited.

5.3 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 per clause 4 b (i) of SPA, Ex-sponsors (sellers) will be entitled to pursue and recover the receivable balances including tax refunds as appearing in half yearly reviewed 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. As explained in note 7, such receivable balances have been adjusted against the loan from sponsors.

Further according to clause 4 b (ii) of the SPA, 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. However, being prudent the management has not adjusted these balances as these will be accounted for as and when received from sellers.

		(Un-Audited) 31 December 2021	(Audited) 30 June 2021	(Un-Audited) 31 December 2021	(Audited) 30 June 2021
	Note			Rupees	
6	Loan from sponsors				
	Loan from sponsors	6.1		<u>91,795,032</u>	<u>91,795,032</u>
	Others	6.2		<u>23,505,395</u>	<u>22,060,345</u>
				<u>115,300,427</u>	<u>113,855,377</u>

6.1 This includes interest accrued, short term borrowings obtained from sponsors and segment payables and other liabilities etc.

6.2 These represent interest free loans from members of the Company 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.

		(Un-Audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees <i>Restated</i>
7 Short term borrowings			
Loan from sponsors	<i>7.1 & 7.2</i>	-	-

7.1 Restatements in interim 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 7.2.1 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 below movement summarizes the impacts of this adjustment on the Company's condensed interim 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 2020.

1) Statement of financial position

30 June 2021	Impact of restatement		
	As previously reported	Adjustments	As restated
Tax due from Government	81,879,894	(81,879,894)	-
Others	1,528,158	-	1,528,158
Total current assets	83,408,052	(81,879,894)	1,528,158
Total Liabilities	40,739,263	-	40,739,263
Loan from sponsors	195,735,271	(81,879,894)	113,855,377
Others	(153,066,482)	-	(153,066,482)
Total equity	42,668,789	(81,879,894)	(39,211,105)

		(Un-Audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees <i>Restated</i>
7.2 Movement in short term borrowing	<i>Note</i>		
Opening balance		100,000,000	100,000,000
Assets taken over as settlement of sponsor loan	<i>7.2.1</i>	(81,879,894)	(81,879,894)
		18,120,106	18,120,106
Transferred to interest free Loan from sponsors/ equity	<i>7.2.2</i>	(18,120,106)	(18,120,106)
Closing balance		-	-

7.2.1 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.

7.2.2 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.

Contingencies and Commitments

There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2021.

	Half year ended		Quarter ended	
	(Un-Audited) 31 December 2021 Rupees	(Un-Audited) 31 December 2020 Rupees	(Un-Audited) 31 December 2021 Rupees	(Un-Audited) 31 December 2020 Rupees
Revenue - net				
Local sales	39,145,260	-	-	-
Less: Sales tax	(5,884,834)	-	-	-
	<u>33,260,426</u>	<u>-</u>	<u>-</u>	<u>-</u>

9.1 It includes sales made to related party, amounting to Rs. 13.43 million (31 December 2020: Rs. Nil)

Transactions and balances with Related Parties

Related parties comprise subsidiary, associated company, associate, companies where directors also held directorship, directors, provident fund and key management personnel. The Company in the normal course of business carries out transactions with its related parties. Transactions and balances with related parties are as follows:

	Half year ended		Nature of transaction
	(Un-Audited) 31 December 2021 Rupees	(Un-Audited) 31 December 2020 Rupees	
Transactions and balances with Related parties			
Waves Singer Pakistan Limited		13,428,062	Sale of appliances products
Waves Singer Pakistan Limited		20,247,868	Purchase of appliances products

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

CAW

11 Events after the reporting date

As explained in note 1.3, after the approval by the Board, a petition for acquisition of home appliances business under section 279 to 283 and 285(8) of the Companies Act has been submitted to the Honourable Lahore High Court on 11 January 2022 and upon the Court's directives, the same has been presented to and approved by the shareholders in an extraordinary general meeting held on 15 February 2022.

At the date of authorization of these condensed interim financial statements, the business combination is incomplete as the fair value of the acquired identifiable intangible assets is in process; hence, amount of goodwill cannot be determined. The fair value of the financial assets acquired namely trade debts, advances, deposits, prepayments and other receivables approximates their carrying value. Adjustments for the above, as per the International Accounting Standards (IAS) would be made once the legal formalities have been fulfilled and the scheme has been sanctioned by the Honourable Lahore High Court.

12 General

- 12.1 Figures in these condensed interim financial statements have been rounded off to the nearest rupee.
- 12.2 Corresponding figures have been re-arranged and/ or reclassified, wherever considered necessary, for the purpose of better presentation of the financial statements. However, no significant reclassification has been made in these condensed interim financial statements.

13 Date of authorization for issue

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on _____, 2022.

28 FEB

KRM:ASH





