



WAVES HOME APPLIANCES LIMITED
Formerly Samin Textiles Limited

Half Yearly Report

For the Period Ended June 30, 2022

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WAVES

نام ہی کافی ہے



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COMPANY INFORMATION

Board of Directors*

Mr. Muhammad Adnan Afaq
Chairman/Independent Director

Mr. Shoaib Dastgir
Independent Director

Mr. Haroon Ahmad Khan
Chief Executive Officer

Mr. Khalid Azim
Non-Executive Director

Mr. Hamza Ahmad Khan
Non-Executive Director

Mrs. Nighat Haroon Khan
Non-Executive Director

Mr. Moazzam Ahmad Khan
Non-Executive Director

Audit Committee*

Mr. Shoaib Dastgir
Chairman/Independent Director

Mr. Moazzam Ahmad Khan
Non-Executive Director

Mr. Hamza Ahmad Khan
Non-Executive Director

Mr. Tariq Majeed
Secretary

HR & Remuneration Committee*

Mr. Shoaib Dastgir
Chairman/Independent Director

Mr. Khalid Azim
Non-Executive Director

Mr. Moazzam Ahmad Khan
Non-Executive Director

Mr. Haroon Ahmad Khan
Executive Director

Mr. Tariq Majeed
Secretary

Chief Financial Officer

Mr. Muhammad Usman

Head of Internal Audit

Mr. Waleed Afzal

External Auditors

RSM Avais Hyder Liaqat Nauman
Chartered Accountants
H.No. 136-B, Street 43, F/10, Islamabad

Company Secretary

Mr. Tariq Majeed

* New Board appointed on 02 August 2022

Legal Advisor

Law Wings Advocates & Solicitors

Shares Registrar & Transfer Agents

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

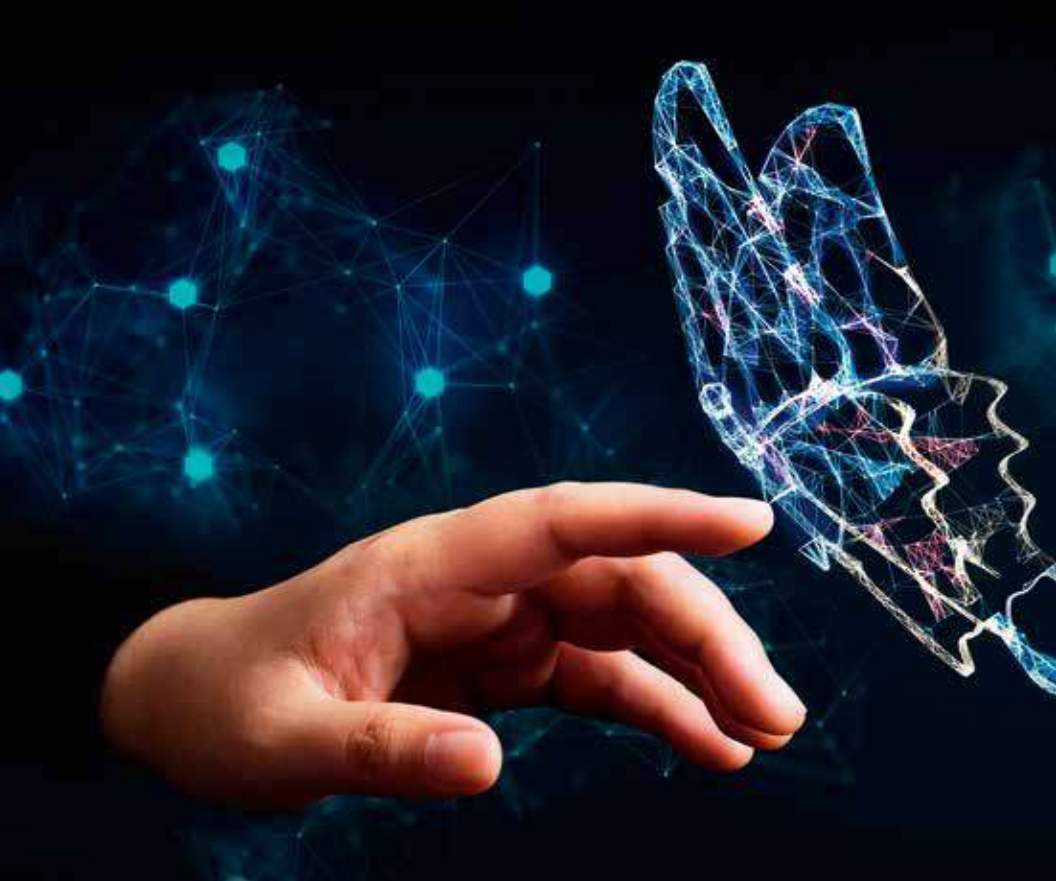
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Al Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Prudential Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China
National Bank of Pakistan
Pak Brunei Investment Company Limited
Pak Libya Holding Company Limited
Pak Oman Investment Company Limited
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab

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



CORPORATE VALUE STATEMENTS



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 engaged in home appliances.



Mission Statement

To inspire the 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 the Future.



Innovation



Respect &
Teamwork



Ethics &
Integrity



Safety, Health
& Environment



Excellence &
Quality



Reliability &
Consistency

DIRECTORS' REVIEW REPORT

TO THE SHAREHOLDERS

Operating Results

On behalf of the Board of Directors of Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE or the Company), we are obliged to submit the Directors' Review Report on condensed interim financial statement (un-audited) for the period ended 30 June 2022 as under:

	For 6 months 30 June 2022	For 6 months 30 June 2021
Rs. in '000		
Gross Sales – Net of Sales return	6,841,267	–
Sales tax and trade discount on invoices	(1,264,852)	–
Sales – Net	5,576,415	–
Cost of Sales	(4,400,746)	–
Gross Profit	1,175,669	–
Marketing, selling and distribution costs	(274,875)	–
Administrative expenses	(168,298)	(7,574)
Other expenses	(71,134)	–
Other income	37,742	–
	(476,565)	(7,574)
Profit/(Loss) from Operations	699,104	(7,574)
Finance Costs	(349,430)	(1,924)
Profit/(Loss) before taxation	349,674	(9,498)
Taxation	(59,455)	–
Profit/(Loss) for the period	290,219	(9,498)
Earnings Per Share	1.08	(0.04)

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.

Performance Overview

These are the interim half yearly unaudited financial statements prepared for the period ended 30 June 2022 after the implementation of 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 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). Resultantly the Company is now a subsidiary of WAVES, being the holding company.

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 financial statements are prepared for six months period ended 30 June 2022.

The corresponding figures shown in the financial statements pertain to financial statements for the period 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 interim financial statements for the period ended 30 June 2022 of Waves Corporation Limited, formerly Waves Singer Pakistan Limited, which are placed on its website at www.waves.net.pk.

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.

The product line being manufactured and sold by the Company under its flagship brand "Waves" includes Deep Freezers, Visi-Coolers, Refrigerators, Air Conditioners, Water Heaters, etc.

Company's Future Outlook

Our primary objective is to provide high-quality and effective home appliance products to our valued customers. We remain committed to enhancing shareholder value while balancing profitability and investments into projects of long-term significance. Going forward, as the current account deficit is curtailed and sentiment improves, we fully expect the Rupee to appreciate.

The construction of the new factory and its plan for shifting are in smooth progress. 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.

Acknowledgements

We would like to thank all our stakeholders, especially our valued customers, suppliers, business partners, Banks, financial institutions, regulators, who have positioned their trust in us. The Company's accomplishments and present standing could not have been possible without the 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.



Haroon Ahmad Khan
Chief Executive Officer
Lahore



Shoaib Dastgir
Director

عدالت کی طرف سے اکتیو کی منظوری کے بعد، کینی کا مالی سال 30 جون سے 31 دسمبر تک تبدیل کر دیا گیا۔ یہ تبدیلی مالی سال کو بولڈنگ کینی کے مالی سال کے مطابق لانے کے لیے کی گئی ہے۔ اس کے مطابق، یہ مالی حسابات 30 جون 2022 کو ختم ہونے والی ششماہی مدت کے لیے تیار کیے گئے ہیں۔

مالی حسابات میں دکھائے گئے متعلقہ اعداد و شمار 30 جون 2022 کو ختم ہونے والی مدت کے مالی حسابات سے متعلق ہیں اور اس وجہ سے، منافع یا نقصان اور دیگر جامع آمدنی، ایکویٹی میں تبدیلیوں کے بیان اور نقد بہاؤ کے بیانات کے حوالے سے مکمل طور پر موازنہ نہیں کیا جاسکتا۔ ہوم اپائنٹمنٹ کے کاروبار کے مجموعی نتائج اور تجربے کے لیے، براہ کرم ویوز کارپوریشن لمیٹڈ، سابقہ ویوز سنگر پاکستان لمیٹڈ، کے 30 جون 2022 کو ختم ہونے والی مدت کے لیے عبوری مالیاتی گوشوارے ملاحظہ کریں، جو اس کی ویب سائٹ www.waves.net.pk پر رکھے گئے ہیں۔

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

کینی کی طرف سے اپنے فلنگ شیپ برانڈ "ویوز" کے تحت تیار اور فروخت کی جانے والی پروڈکٹ لائن میں ڈیپ فریزرز، ویزی کلرز، ریفریجریٹرز، ایئر کنڈیشنرز، گیزرو وغیرہ شامل ہیں۔ یہ ایک کاؤنٹرس آکٹیم کے نفاذ کی بنیاد پر تیار کیے گئے ہیں۔

مستقبل کا نقطہ نظر / آگے بڑھنے کے بیانات

ہمارا بنیادی مقصد ایسے معیار اور موثر گھر بیلو آلات کی مصنوعات فراہم کرنا ہے۔ ہم طویل مدتی اہمیت کے منصوبوں میں منافع اور سرمایہ کاری میں توازن رکھتے ہوئے سٹیٹرز ہولڈرز کی قدر کو بڑھانے کے لیے پرعزم ہیں۔ آگے بڑھتے ہوئے، جیسا کہ کرنٹ اکاؤنٹ خسارہ کم ہو گیا ہے اور نظریات میں بہتری آئی ہے، ہم روپیہ کی قدر کے بڑھنے کی پوری توقع کرتے ہیں۔ نئی ٹیکنالوجی کی تعمیر اور اس کا منتقلی کا منصوبہ پر ہموار پیشرفت جاری ہے۔ کینی اپنی پیداوار اور آپریٹنگ کی فعال نگرانی کر رہی ہے اور موجودہ مشکلات کے خاتمہ کے لیے لائحہ عملی پالیسیز، حکومت اور SBBP کے ساتھ مل کر کام کر رہی ہے۔

یورڈ کینی کے مستقبل کے حوالے سے مثبت اور پرامن ہے۔ ہمارے پاس انتظامیہ، عملداری اور افرادی قوت، برانڈ نام، بہترین پروڈکٹ لائن، اور ملک گیر تقسیم اور فروخت کے بعد سروس نیٹ ورک زکی ایک ڈین اور واضح ٹیم ہے جو ہمیں صارفین تک پہنچانے اور انہیں شہری اور دیہی دونوں علاقوں میں بہترین مینڈیٹراٹک پر سروس فراہم کرنے کی اجازت دیتا ہے۔

اظہار تشکر

ہم اپنے تمام اسٹیک ہولڈرز، خاص طور پر اپنے قابل قدر صارفین، سپلائرز، کاروباری شراکت داروں، میٹکوں، مالیاتی اداروں، ریگولیٹرز، جنہوں نے ہم پر اپنا اعتماد دکھایا اور کیا کا شکر ادا کرتے ہیں۔ کینی کی کامیابیاں اور موجودہ تشخص غیر متزلزل عزم، سخت محنت، بے پناہ تعاون، اور ہماری انتظامی ٹیم اور دیگر ملازمین کی کوششوں کے بغیر ممکن نہیں تھا جو ہر پورے تعریف کے مستحق ہیں۔ ہمیں یقین ہے کہ ہم بڑھتی رہے گی اور تمام اسٹیک ہولڈرز کی توقعات پر مسلسل پورا اترے گی۔

منجانب یورڈ:



شہباز دurrani
ڈائریکٹر



بارون احمد خان
چیف ایگزیکٹو آفیسر

لاہور

حصص داران کو ڈائریکٹرز کی رپورٹ

آپریٹنگ نتائج

ویوز ہوم ایپلائنس لمیٹڈ، سابقہ سیکین ٹیکسٹائل لمیٹڈ (WHAL) یا کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جولائی 2022 کو ختم ہونے والی پہلی ششماہی کے لیے ایشتمال شدہ عبوری مالیاتی گوشوارے (غیر نظر ثانی شدہ) پر ڈائریکٹرز کی جائزہ رپورٹ جمع کرانے کے پابند ہیں، نتائج درج ذیل ہیں:

30 جولائی 2022	30 جولائی 2021	
نتیجہ ششماہی	نتیجہ ششماہی	
روپے '000	روپے '000	
-	6,841,267	فروخت - خاص فروخت ریٹرن
-	(1,264,852)	انوائسز پر پیلنگس اور تجارتی ڈسکاؤنٹ
-	5,576,415	خاص فروخت
-	(4,400,746)	فروخت لاگت
-	1,175,669	مجموعی منافع
-	(274,875)	مارکیٹنگ، فروخت اور تسم
(7,574)	(168,298)	انتظامی اخراجات
-	(71,134)	دیگر اخراجات
-	37,742	دیگر آمدنی
(7,574)	(476,565)	
(7,574)	699,104	آپریشن سے منافع (نقصان)
(1,924)	(349,430)	مالی لاگت
(9,498)	349,674	ٹیکس سے قبل منافع (نقصان)
-	(59,455)	ٹیکسیشن
(9,498)	290,219	مدت کے لئے منافع (نقصان)
(0.04)	1.08	فی شیئر آمدنی

مالیاتی نتائج کی بنیاد پر مشکل موجودہ معاشی حالات کے پیش نظر بورڈ آف ڈائریکٹرز کمپنی کے شیئرز ہولڈرز کو کسی قسم کی ادائیگی کی سفارش نہیں کرتا ہے۔

کارکردگی کا جائزہ

یہ 30 جولائی 2022 کو ختم ہونے والی مدت کے لیے تیار کردہ عبوری ششماہی کے غیر نظر ثانی شدہ حسابات ہیں جو ویوز ہوم ایپلائنس لمیٹڈ، سابقہ سیکین ٹیکسٹائل لمیٹڈ (WHAL) یا کمپنی (کمپنی) اور ویوز کارپوریشن لمیٹڈ جو پیپلے ویوز سنگر پاکستان لمیٹڈ (WAVES) تھی، کے درمیان اور اس کے درمیان سکیم آف آرٹینڈ (آکسیم) کے نفاذ کے بعد تیار کیے گئے ہیں، جس میں WAVES کے ہوم ایپلائنسز کے کاروبار کے WHAL کے ساتھ اور میں 31 اگست 2022 سے ضم کر دیا گیا ہے، جس کی منظوری لاہور ہائی کورٹ، لاہور (LHO) لیا۔ کورٹ (نے دی ہے۔ نتیجتاً کمپنی ہولڈنگ کمپنی WAVES کا ایک ذیلی ادارہ ہے۔

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Waves Home Appliances Limited
(formerly Samin Textiles Limited)
On review of condensed interim unconsolidated financial
Statements



RSM Avasi Hyder Liaquat Nauman
Chartered Accountants
House # 136-B, Street # 43,
Sector F-10/4,
Islamabad - Pakistan.

T: +92 (51) 211 4096/7/8
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E: islamabad@rsm-pakistan.com
W: www.rsm-pakistan.com

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Waves Home Appliances Limited** ("The Company") as at 30 June 2022, and the related condensed interim unconsolidated profit and loss account, condensed unconsolidated interim statement of (comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed unconsolidated interim 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 unconsolidated financial information 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 condensed unconsolidated interim financial statements as of and for the half year ended 30 June 2022 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed unconsolidated interim profit and loss account and condensed unconsolidated interim statement of comprehensive income for the three months period ended 30 June 2022 and 30 June 2021, have not been reviewed as we are required to review only the cumulative figures for the half year ended 30 June 2022.

The engagement partner on this independent auditor's review report is Mr. Nauman Mahmood, FCA.

UDIN: RR202210379H8dg1f1c

Place: Islamabad

Date: 30-09-2022

RSM Avasi Hyder Liaquat Nauman
CHARTERED ACCOUNTANTS

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

Other Offices at:

Lahore : 92 (42) 3587 2731-3
Karachi : 92 (21) 3565 5975/6
Faisalabad : 92 (41) 854 1165, 854 1965
Peshawar : 92 (91) 527 8310/5277205
Quetta : 92 (81) 282 9809
Kabul : 93 (799) 058155

RSM Avasi Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

WAVES INTERIM
FINANCIAL
STATEMENTS
For the six month period ended 30 June 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT JUNE 30, 2022

	Note	Un audited June 30, 2022	Audited December 31, 2021
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 425,000,000			
(2021: 425,000,000) ordinary shares of Rs. 10 each			
		4,250,000	4,250,000
Issued, subscribed and paid up capital	6	118,791	118,791
Shares to be issued under scheme of arrangement		2,560,062	2,560,062
Other reserves		3,527,195	3,527,195
Revenue reserve - unappropriated profit		666,142	375,924
Surplus on revaluation of property, plant and equipment - net of tax		368,984	368,984
		7,241,174	6,950,956
Non-current liabilities			
Long term loans - secured		718,121	748,146
Amount due to holding company		1,779,177	1,779,177
Lease liabilities			
- Assets under right of use - secured		38,811	22,806
- Building under right of use - unsecured		33,820	33,487
Employee retirement benefits - obligation		15,391	14,020
Deferred tax liability - net		453,144	463,394
Deferred income		9,758	7,639
		3,048,222	3,068,669
Current liabilities			
Trade and other payables		1,457,536	1,815,288
Mark-up accrued on borrowings		141,443	129,808
Short term borrowings - secured	7	3,641,854	3,913,544
Provision for tax		70,195	5,971
Loan from sponsors		117,467	115,300
Current portion of long term liabilities		402,379	232,013
		5,830,874	6,211,924
Contingencies and commitments	8		
		16,120,270	16,231,549


The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

Note	For the six month period ended		For the three month period ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(Rupees in thousand)			
Sales - net of sales return	6,841,267	-	3,458,505	-
Sales tax and trade discount on invoices	(1,264,852)	-	(617,688)	-
Sales - net 12	5,576,415	-	2,840,817	-
Cost of sales	(4,400,746)	-	(2,251,640)	-
Gross profit	1,175,669	-	589,177	-
Marketing, selling and distribution costs	(274,875)	-	(90,364)	-
Administrative expenses	(168,298)	(7,574)	(90,043)	(2,867)
Other expenses	(71,134)	-	(66,752)	-
Other income	37,742	-	30,733	-
	(476,565)	(7,574)	(216,426)	(2,867)
Profit from operations	699,104	(7,574)	372,751	(2,867)
Finance cost	(349,430)	(1,924)	(150,365)	(0)
Profit before taxation	349,674	(9,498)	222,386	(2,868)
Taxation	(59,455)	-	(25,260)	-
Profit for the period	290,219	(9,498)	197,126	(2,868)
Earnings per share - basic and diluted (Rupees)	1.08	(0.04)	0.74	(0.01)

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

Lahore


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

	For the six month period ended	
	30 June 2022	30 June 2021
	(Rupees in thousand)	
Profit for the period	290,219	(9,498)
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss account:	–	–
Total comprehensive income for the period	290,219	(9,498)

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

Lahore



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

	Issued, subscribed and paid-up capital	Shares to be issued under scheme of arrangement	Capital reserves				Revenue reserve	
			Capital redemption reserve	Share premium reserve	Merger reserve	Surplus on revaluation of land and building	(Accumulated losses) / Unappropriated profits	Total
(Rupees in thousand)								
As at 01 July 2020	267,280						(401,652)	(134,372)
Total comprehensive income for the year								
Profit after taxation	-		-	-	-	-	(18,695)	(18,695)
	-		-	-	-	-	(18,695)	(18,695)
As at 30 June 2021 - restated	267,280		-	-	-	-	(420,347)	(153,067)
Other comprehensive income for the year								
Profit for the period							36,496	36,496
Remeasurement of defined benefit obligation	-		-	-	-	-	1,013	1,013
	-		-	-	-	-	37,509	37,509
Surplus transferred to accumulated profits								
Transfer against sale of land and building - net of tax	-		-	-	-	-	-	-
Incremental depreciation relating to surplus on revaluation - net of tax	-		-	-	-	-	(8,761)	8,761
	-		-	-	-	-	(8,761)	8,761
Transactions with owners of the Company								
Consolidation of shares under scheme of arrangement	(148,489)		148,489					-
Shares to be issued under scheme of arrangement		2,560,062		3,642,002				6,202,064
Merger reserve under scheme of arrangement					(263,296)			(263,296)
Transferred from Waves Corporation Limited.						377,745	750,000	1,127,745
	(148,489)	2,560,062	148,489	3,642,002	(263,296)	377,745	750,000	7,066,513
Balance as at 31 December 2021	118,791	2,560,062	148,489	3,642,002	(263,296)	368,984	375,923	6,950,955
Total comprehensive income for the year								
Profit after taxation	-		-	-	-	-	290,219	290,219
Effect of change in tax rate on account of surplus on property, plant and equipment	-		-	-	-	-	-	-
	-		-	-	-	-	290,219	290,219
Balance as at 30 June 2022	118,791	2,560,062	148,489	3,642,002	(263,296)	368,984	666,142	7,241,174

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

Lahore



Chief Executive Officer



Director




Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

	Un audited June 30, 2022	Audited June 30, 2021
Note	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	349,673	(9,498)
Adjustments for non-cash and other items:		
Depreciation on property, plant and equipment	122,020	
Amortisation of intangible assets	18,758	
Finance cost	349,430	1,924
Amortisation of deferred income	2,119	
	842,000	(7,574)
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(9,424)	
Stock-in-trade	139,758	
Trade debts and other receivables	1,385,720	
Advances, deposits, prepayments and other receivables	(107,905)	(41)
Increase in current liabilities:		
Trade and other payables	(357,752)	(17,038)
	1,050,397	(17,079)
Cash used in operations	1,892,397	(24,653)
Income tax paid	(69,705)	(102)
Employee retirement benefits paid	1,371	
Long term deposits - net	(13,068)	
Net cash used in operating activities	1,810,995	(24,755)
Cash flow from investing activities		
Capital expenditure -net	(1,420,284)	
Net cash generated from investing activities	(1,420,284)	-
Cash flow from financing activities		
Long term loans received / (repaid)	140,341	
Provision for tax	64,224	
Finance costs paid	(337,795)	101
Short term borrowing - net	(171,014)	
Loan from sponsors - unsecured	2,167	22,227
Lease rentals paid	16,338	
Net cash generated from financing activities	(285,739)	22,329
Net increase in cash and cash equivalents	104,972	(2,426)
Cash and cash equivalents - at beginning of the period	(992,830)	2,484
Cash and cash equivalents - at end of the period	11 (887,859)	58

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.


 Lahore Chief Executive Officer


 Director


 Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

1 Status and nature of business

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 8.7 KM Hanjarwal, Multan Road 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

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

Samintextiles Limited renamed as Waves Home Appliances Limited (“the Company-WHAL”) completed a Scheme of Arrangement as follows:

- Carving out / separation 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 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.
- 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 “Samintextiles 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 to these financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

3 Basis of preparation

Statement of compliance

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

- International 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.
- Provisions of and directives issued under the Companies Act, 2017; and

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

3.2 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2021 and the related condensed interim unconsolidated statement of profit or loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flow and notes to the financial information for the three month period then ended.

3.3 These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2021. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

4 Use of estimates and judgments

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

In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2021.

5 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2021.

6 Share Capital

	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Number of shares)		(Rupees in thousand)	
6.1 Authorized share capital	425,000,000	425,000,000	4,250,000	4,250,000

6.1.1 In line with the scheme of arrangement, effective on 01 September 2021, 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

	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Number of shares)		(Rupees in thousand)	
Fully paid-up ordinary shares of Rs. 10 each				
Issued for cash	11,879,111	11,879,111	118,791	118,791
To be issued under scheme of arrangement	256,006,196	256,006,196	2,560,062	2,560,062
	267,885,307	267,885,307	2,678,853	2,678,853

6.3 Reconciliation of ordinary shares

Balance as at 01 July	267,885,307	26,728,000	2,678,853	267,280
Consolidation of shares under the scheme of arrangement	-	(14,848,889)	-	(148,489)
Ordinary shares to be issued under the scheme of arrangement		256,006,196		2,560,062
Balance as at 31 December	267,885,307	267,885,307	2,678,853	2,678,853

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'.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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

	(Un-audited) 30 June 2022	(Audited) 31 December 2021	(Un-audited) 30 June 2022	(Audited) 31 December 2021
	(Percentage held)		(Number of shares)	
- Waves Corporation Limited	74.56%	74.56%	199,724,956	199,724,956
- Haroon Ahmad Khan (CEO)	9.60%	9.60%	25,722,281	25,722,281
	84.16%	84.16%	225,447,237	225,447,237

	Un audited June 30, 2022	Audited December 31, 2021
	(Rupees in thousand)	
7 Short term borrowings		
From banking companies - secured:		
Running finance under mark-up arrangements	892,887	993,562
Finance against trust receipt	2,402,027	2,568,459
Short term borrowings under 'Murahaba' arrangement	346,941	351,523
	3,641,854	3,913,544

7.1 These facilities are secured against charge over current assets of the company and personal guarantees of the sponsors of the company and carries markup rate of one month KIBOR + 2% per annum payable monthly in arrears and KIBOR + 2.5% per annum.

8 Contingencies and commitments

8.1 Contingencies

There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2021.

8.2 Commitments

The Company has the following commitments in respect of:

- (i) Commitments for the import of stock in trade outstanding at period end were for Rs. 27.40 million (2021: Rs. 928.65 million).
- (ii) Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were Rs. 32.50 million (31 December 2021: Rs. 13.50 million).

	Note	Un audited June 30, 2022	Audited December 31, 2021
		(Rupees in thousand)	
9 Property, plant and equipment			
Operating fixed assets	9.1	3,198,025	2,797,121
Right of use asset	9.2	165,007	156,115
Capital work-in-progress	9.3	1,154,051	265,582
		4,517,082	3,218,818

Un audited
June 30, 2022

Audited
December 31, 2021

(Rupees in thousand)

9.1 Operating fixed assets		
Opening balance - as at 01 January	2,797,121	–
Transferred from Waves Corporation Limited.		2,848,210
Additions / (deletion) during the period / year	510,494	19,675
Revaluation gain / (loss)	–	–
Transfers to investment property	–	–
Transfer to investment property		
Transfers from right to use to owned assets	2,982	
	3,310,597	2,867,885
Book value of property, plant and equipment disposed off during the period / year	(9,220)	(10,162)
Depreciation charged during the period / year	(103,352)	(60,602)
Closing balance	3,198,025	2,797,121
9.2 Right of-use asset		
Balance as at 01 January	156,115	–
Transferred from Waves Corporation Limited.		177,903
Additions / (deletion) during the period / year	30,542	
Revaluation gain / (loss)	–	–
Transfers to owned assets	(2,982)	
Disposed off during the period / year	–	
Depreciation charge for the period / year	(18,668)	(21,788)
Closing balance	165,007	156,115
9.3 Capital work-in-progress		
Balance as at 01 January	265,582	–
Transferred from Waves Corporation Limited.		202,307
Additions / (deletion) during the period / year	888,496	63,275
Transfers to owned assets		
Closing balance	1,154,078	265,582
Breakup of capital work in progress:		
Building	1,024,334	168,536
Plant and machinery	128,410	95,838
Electric installation	1,307	1,208
	1,154,051	265,582
10 Intangible assets and goodwill		
Software	25,444	28,837
Brand value	1,582,147	1,582,147
Customer relationships	169,117	184,481
Goodwill	1,070,207	1,070,207
	2,846,914	2,865,672

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

Un audited Audited
June 30, 2022 December 31, 2021
(Rupees in thousand)

	Un audited June 30, 2022	Audited December 31, 2021
11 Cash and cash equivalents		
Cash and bank balances	5,028	732
Short term running finance - secured	(892,887)	(993,562)
	(887,859)	(992,830)
12 Sales - net		
Gross sales:		
- Local	6,896,732	-
Sales return	(55,465)	-
	6,841,267	-
Sales tax	(998,738)	-
Trade discounts	(266,114)	-
	(1,264,852)	-
	5,576,414	-

13 Taxation

The Company has opted for group taxation and the Group falls under the normal tax regime. Provision for taxation has been calculated as group taxation.

14 Transactions with related parties

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Amounts due from and to related parties are shown under respective notes in these unconsolidated condensed interim financial statements. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	Un audited June 30, 2022	Un audited June 30, 2021
(Rupees in thousand)				
Electronics Marketing Company (Pvt) Ltd.	Associated undertaking	Sale of inventory - gross	129,742	-
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	16,230	-
Directors	Director	Fee for meetings	300	-
Key management personnel	Remuneration	Remuneration	76,450	-

15 Financial risk management and fair value of financial instruments

15.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 31 December 2021.

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

		30 June 2022					
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note		(Rupees in thousand)					
Financial instruments							
Financial assets - not measured at fair value							
		21,613	–	21,613	–	–	–
		4,973,701	–	4,973,701	–	–	–
		212,534	–	212,533	–	–	–
		5,028	–	5,027	–	–	–
	15.3	5,212,876	–	5,212,874	–	–	–
Financial liabilities - not measured at fair value							
		–	1,120,500	1,120,500	–	–	–
		–	1,457,536	1,457,536	–	–	–
		–	15,391	15,391	–	–	–
		–	3,641,854	3,641,854	–	–	–
		–	141,443	141,443	–	–	–
	15.3	–	6,376,724	6,376,724	–	–	–

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

		31 December 2021				
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	(Rupees in thousand)					
Financial instruments						
31 December 2021						
Financial assets - not measured at fair value						
	8,545	-	8,545	-	-	-
	6,359,421	-	6,359,421	-	-	-
	104,629	-	104,629	-	-	-
	732	-	732	-	-	-
15.3	6,473,327	-	6,473,327	-	-	-
Financial liabilities - not measured at fair value						
	-	980,159	980,159	-	-	-
	-	1,815,288	1,815,288	-	-	-
	-	14,020	14,020	-	-	-
	-	3,913,544	3,913,544	-	-	-
	-	129,808	129,808	-	-	-
15.3	-	6,852,819	6,852,819	-	-	-

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

Non financial assets measured at fair value

Land and Building and plant and machinery

Revalued Property, plant and equipment Date of valuation 31-Aug-21

Investment property Date of valuation 31-Aug-21

Valuation approach and inputs used

The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

16 Date of authorization

This condensed interim Un-Consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 29 September 2022.

17 General

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

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

This interim financial statement is to be read in conjunction with the audited financial statements for the year ended December 31, 2021.

Lahore



Chief Executive Officer



Director



Chief Financial Officer



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