

ناہی کانی

WAVES CORPORATION LIMITED

Formerly Waves Singer Pakistan Limited

Half Yearly Report

For the Period Ended June 30, 2022

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WAVES

نامہی کافی ہے





Spreading
Happiness



SINCE 1971

COMPANY INFORMATION

Board of Directors

Mr. Muhammad Adnan Afaq
Chairman/Independent Director

Mr. Shoaib Dastgir
Independent Director

Mr. Tajammal Hussain Bukharee
Independent Director

Mr. Muhammad Zafar Hussain
Non-Executive Director

Mr. Haroon Ahmad Khan
Chief Executive Officer

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
Member/Non-Executive Director

Mr. Nighat Haroon Khan
Member/Non-Executive Director

Mr. Ahmad Bilal Zulfiqar
Secretary

HR & Remuneration Committee

Mr. Shoaib Dastgir
Chairman/Independent Director

Mr. Muhammad Zafar Hussain
Member/Non-Executive Director

Mr. Moazzam Ahmad Khan
Member/Non-Executive Director

Mr. Haroon Ahmad Khan
Member/ Executive Director

Mr. Ahmad Bilal Zulfiqar
Secretary

Chief Financial Officer

Mr. Arslan Shahid Butt

Head of Internal Audit

Mr. Usman Khalid

External Auditors

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

Company Secretary

Mr. Ahmad Bilal Zulfiqar

Legal Advisor

Law Wings Advocates & Solicitors

Share Registrar

Corplink (Private) Limited

Registered Office/Plant

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

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

Company Registration No

CUIN 0001286
Email: cs@waves.net.pk
UAN: 042-111-31-32-33,
042-35415421-5, 042-35421502-4
cs@waves.net.pk
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 Group engaged in home appliances, real estate and retail business in Pakistan.



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.



CORE VALUES



Innovation



**Respect &
Teamwork**



**Ethics &
Integrity**



**Safety, Health
& Environment**



**Excellence &
Quality**



**Reliability &
Consistency**



DIRECTORS' REVIEW REPORT

TO THE SHAREHOLDERS

On behalf of the Board of Directors of Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES or the Company), we are obliged to submit the Directors' Review Report on condensed interim consolidated statement (un-audited) for the Half Yearly period ended 30 June 2022, wherein financial results of standalone financial statements are also provided therein:

OPERATING RESULTS – CONSOLIDATED ACCOUNTS

	For 6 months 30 June 2022	For 6 months 30 June 2021
	Rs. in '000	
Gross Sales – net of sales return	8,712,981	7,062,618
Gross Profit	1,478,704	1,349,382
Profit from operations	652,326	577,187
Profit before taxation	537,568	407,298
Profit for the period	438,671	318,491
Earnings Per Share – Basic & Diluted (Rs.)	1.56	1.13

Consolidated Operating Performance

During the period of six months the Company on consolidated basis achieved Net Sales of PKR 8,712 million with a growth of 23% growth over PKR 7,062 million in same period last year.

The Gross Profit stood at 1,478 million with 9.56% growth over PKR 1,349 million in same period last year. The profit after taxation during the period grew by 37% to PKR 438 million as compared to same period last year of PKR 318 million. The earning per share for the period is PKR 1.56 per share as compared to PKR 1.13 of same period last year.

The finance cost decreased to PKR 277 million as compared to 350 million in same period last year, which is on account of efficient capital management. However, marketing and administrative expenses showed increase of 2.9% and 16.7%.

With the increase in urbanization and growing metropolitan areas on the back of rural population migrating towards the cities for employment, better life style and economic revival during the year resulted in an increased overall growth in the Company's businesses.

Restructuring of the Company

The Company with effect from 01 September 2021 carved out its home appliances business with and into Waves Home Appliances Limited (WHALE) under the Scheme of Arrangement between the Company and WHALE, sanctioned by the honorable Lahore High Court, Lahore (the Court).

The Half yearly periodic financial statement is prepared on post Scheme implementation.

Subsidiary Companies

The Company has the following subsidiary companies.

Waves Home Appliances Limited (formerly Samin Textiles Limited)	74.56%*
Electronic Marketing (Private) Limited	100.00%
Waves Builders & Developers (Private) Limited	100.00%

* Percentage based on approved Scheme of Arrangement; however, shares are yet to be issued for which necessary corporate formalities are being completed

The standalone financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees.

Standalone Results of the Company

The standalone results of the Company are given hereunder:

	For 6 months period ended	For 6 months period ended
	30 June 2022	30 June 2021
	Rs. in '000	
CONTINUING OPERATIONS		
Revenue	107,576	-
Admin Expenses	(22,839)	-
Operating Profit	84,737	-
Finance cost	-	-
Profit before Taxation – Continuing Operations	84,737	-
Profit before Taxation – Discontinuing Operations		268,418
Profit before Taxation – Continued & Discontinued Operations	84,737	268,418
Taxation		
- Continuing Operations	(18,642)	-
- Discontinuing Operations	-	(69,392)
	(18,642)	(69,392)
Profit for the Year		
- Continuing Operations	66,095	-
- Discontinuing Operations	-	199,026
Profit for the Year – Continued & Discontinued Operations	66,095	199,026
		Restated
Earnings Per Share – Continuing Operations		
Earnings Per Share – Basic & Diluted (Rupees)	0.23	-
		Restated
Earnings Per Share – Discontinued Operations		
Earnings Per Share – Basic & Diluted (Rupees)	-	0.71

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.

Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE)

WHALE has become a subsidiary company pursuant to the Scheme of Arrangement as sanctioned by the honorable Court and listed on Pakistan Stock Exchange Limited. The registered office of the Company is now shifted to 9-KM Multan Road, Lahore. The principal line of business includes manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

Waves Marketplace Limited, formerly Electronic Marketing Company Limited (WML)

WML is a wholly owned subsidiary of the Company and is a pioneer of retail sales of home appliances, offering cash and installment sales to treasured customers to shop with convenience at our 141 nationwide spread outlets in rural and urban areas of Pakistan. The name of WML is recently changed from Electronic Marketing Company Limited (EMCL).

Waves Builders and Developers (Private) Limited (WBDL)

The Company is undertaking a real estate project at the existing factory premises. The project company is envisaged to be "WBDL" which is currently a wholly owned subsidiary of the Company.

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. The global economy is suffering from slow growth, higher inflation and monetary tightening. The Central Banks around the world have been raising interest rates in year 2022, a momentum may likely to continue in the short term. Oil prices stabilized recently due to worsening global economic prospects. The world's three largest economies the US, China, and Euro Area-have all been experiencing severe slowdowns.

The geopolitical conflicts continue to exist and the global and domestic uncertainties surround the economic prospects. High inflation, aggressive monetary tightening, and uncertainty from the Ukraine war and pandemic have hampered the global outlook in 2022. Hence, Pakistan's external environment faces rising challenges.

Going forward, as the current account deficit is curtailed and sentiment improves, we fully expect the Rupee to appreciate and settle down at a reasonable level. In view of current economic conditions of the country, satisfactory inventory levels are maintained by WHALE whereby no interruption is foreseen during the ongoing quarters of the year. Progress on construction of the new factory premises and shifting of manufacturing operations is going well in current situation.

With Government of Pakistan easing the imports restrictions, arrival of fresh materials and commissioning of new factory, Insha Allah, will ensure continuity of operations during ongoing difficult times. Alhamdulillah, demand for WAVES branded products continues to be strong and impact of increase in costs mainly due to devaluation of Pak Rupee is being passed on in the selling prices, almost maintaining net margins with modest growth in volumes.

The retail business of WML is showing robust growth and in order to fund its expansion plans, the Board in principle decided that it may be listed on PSX at an appropriate time when market is conducive for listing.

WBDL development plans of real estate project including architectural and construction designs, engaging one of the leading marketing agencies, obtaining required NOCs and approvals and hiring of construction contractors are all at an advanced stage.

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 unwavering 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:



Haroon Ahmad Khan
Chief Executive Officer
Lahore




Shoab Dastgir
Director


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۔ کئی 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 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۔ یورڈسکیو ریٹز اینڈ ایڈجسٹمنٹ 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 محروسہ کا اظہار کیا ہے۔

مخائبہ پورڈ:


شعیب دurrانی
ڈائریکٹر


بارون احمد خان
چیف ایگزیکٹو آفیسر
لاہور

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

ویوز ہوم پلانٹس لمیٹڈ، سابقہ سائیکس اینڈ (WHALE)

WHALE معزز عدالت کی منظور شدہ سیم آف آرٹیمٹ کے مطابق ذیلی کینیڈا اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں مندرج ہے۔ کینیڈا رجسٹرڈ دفتر KM-9 ملتان روڈ، لاہور میں منتقل ہو گیا ہے۔ کاروباری اصل لائن گھریلو صارفین کے آلات اور دیگر پبلی انجینئرنگ مصنوعات کی مینوفیکچرنگ، آسٹریلیا اور ہونولول شامل ہیں۔

ویوز مارکیٹ پلیس لمیٹڈ، سابقہ ایکسٹرا ٹیک مارکیٹنگ کینیڈا لمیٹڈ (WML)

WML کینیڈا کا ایک مکمل ملکیتی ذیلی ادارہ گھریلو آلات کی خوردہ فروخت کا عملیادار ہے، جو ہمارے قابل قدر صارفین کو پاکستان کے دیہی اور شہری علاقوں میں ملک گیر پھیلے ہوئے ہمارے 14 آؤٹ لیس پر سہولت کے ساتھ خریداری کرنے کے لیے نقد اور قسطوں پر فروخت کی پیشکش کرتا ہے۔ حال ہی میں ایکسٹرا ٹیک مارکیٹنگ کینیڈا لمیٹڈ (EMCL) کا نام تبدیل کر کے WML رکھا گیا ہے۔

ویوز بلڈرز اینڈ ڈویلپرز (پرائیویٹ) لمیٹڈ

کینیڈا موجودہ ٹیکسری کے احاطے میں ایک ریئل اسٹیٹ منصوبہ شروع کر رہی ہے۔ پروجیکٹ کینیڈا ویوز بلڈرز اینڈ ڈویلپرز (پرائیویٹ) لمیٹڈ) ہوگی جو فی الحال کینیڈا کا مکمل ملکیتی ماتحت ادارہ ہے۔

مستقبل کا نقطہ نظر آگے بڑھنے کے بیانات

ہمارا بنیادی مقصد مالی معیار اور مؤثر گھریلو آلات کی مصنوعات فراہم کرنا ہے۔ ہم طویل مدتی اہمیت کے منصوبوں میں منافع اور سرمایہ کاری میں توازن رکھتے ہوئے شیئر ہولڈرز کی قدر کو بڑھانے کے لیے بڑے حجم میں عالمی معیشت سے مستخرج نمو، بلند افراط زر اور مالیاتی سختی سے دوچار ہے۔ جے پی مورگن گلوبل کیپٹل ایکسٹرا آؤٹ پٹ انڈیکس کے مطابق، بین الاقوامی تجارتی حجم میں کمی کے درمیان کے بعد 2022 میں پہلی بار عالمی اقتصادی سرگرمی میں کمی آئی۔ عالمی اجناس کی قیمتوں کے علاوہ، رحمان ظاہر کیا جبکہ توانائی کی قیمتوں میں اضافہ ہوا۔ دنیا بھر کے مرکزی بینک سال 2022 میں شرح سود میں اضافہ کر رہے ہیں، یہ رفتار مختصر مدت میں جاری رہنے کا امکان ہے۔ اس کے باوجود شرح سود میں اضافے کی فی الحال متوقع رفتار، اور دیگر پالیسی اقدامات عالمی افراط زر کو ہائی بنیادی بنیادی سطح پر لانے کے لیے کافی نہیں ہیں۔ عالمی قدرتی اجناس کی قیمتوں کا پیرومینٹر گذشتہ حالیہ تینوں سالوں میں کم ہوا۔ عالمی اجناس نے اتار چڑھاؤ کا مظاہرہ کیا اور قیمتیں پچھلے چند ہفتوں سے مسترد ہو رہی ہیں۔ عالمی اقتصادی حالات کی وجہ سے تیل کی قیمتیں حالیہ ہی میں مستحکم ہوئیں۔ ترقی کی پٹریوں کو تینوں سالوں میں گہری اور وسیع کٹوتیاں، یورپی یونین کا بحران، بلند افراط زر اور عالمی مائیکرو پالیسی کی سختی کی رفتار میں تیز رفتاری اقتصادی امکانات پر بہت زیادہ اثر ڈال رہی ہے۔ دنیا کی تین بڑی معیشتیں امریکہ، چین اور یورپ اور ابھی شدید مستردی کا سامنا کر رہی ہیں۔

جغرافیائی سیاسی تنازعات بدستور موجود ہیں اور عالمی اور ملکی غیر یقینی صورتحال معاشی امکانات کو گھیرے ہوئے ہیں۔ بلند افراط زر، جارحانہ مالیاتی سختی، اور یورپ کے جنگ اور ہائی بنیادی بنیادی غیر یقینی صورتحال 2022 میں عالمی منظر نامے کو متاثر کیا ہے۔ اس لیے پاکستان کے بیرونی ماحول کو بڑھتے ہوئے چیلنجز کا سامنا 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۔ ملک کے موجودہ معاشی حالات اور مواد، اجراء اور درآمد پر پابندیوں کے پیش نظر WHALE کی طرف سے انویسٹری کی سطح تکلیفی پیش رکھی گئی جس کے تحت سال کی جاری تیسری سہ ماہی کے دوران کس کا روٹ کی توقع نہیں ہے۔ رواں حالات کے تحت ٹیکسری کے نئے احاطے کی تعمیر اور مینوفیکچرنگ کے کاموں کی منتقلی پر جاری پیشرفت اچھی جارہی ہے۔ حکومت پاکستان کی طرف سے درآمدی پابندیوں کی نرمی، نئے مواد کی آمداری ٹیکسری کی آٹھ ماہی، انشاء اللہ حالیہ مشکل وقت میں آرہی ہیں۔ کے تسلسل کو یقینی بنانے کا اہم اللہ WAVES برانڈ مصنوعات کی طلب بدستور مضبوط ہے اور قیمتوں میں اضافے کا اثر بنیادی طور پر پاکستانی روپیہ کی قدر میں کمی کی وجہ سے فروخت کی قیمتوں میں گزر رہا ہے، جو ہم میں معمولی اضافے کے ساتھ خاص مارجن کو تقریباً برقرار رکھتا ہے۔

WML کا خوردہ کاروبار منصوبہ نمونہ مظاہرہ کر رہا ہے اور اس کے توسیعی منصوبوں کو فنڈ دینے کے لیے، بورڈ نے اصولی طور پر فیصلہ کیا کہ اسے PSX پر کسی موزوں وقت پر درج کرایا جائے گا جب مارکیٹ اندراج کے لیے موزوں ہو۔

جب کہ WBD کی طرف سے ریئل اسٹیٹ پروجیکٹ کے ترقیاتی منصوبوں بشمول آرکٹیکل اور کنسٹرکشن ڈیولپمنٹ، معروف مارکیٹنگ ایجنسیوں میں سے ایک کو شامل کرنا مطلوبہ یا این اوپیز اور منظوریوں حاصل کرنا اور یقینی بنانے کی ٹیکسیکس کی خدمات حاصل کرنا بھی ایک اعلیٰ درجے کے مرحلے میں ہیں۔

* حصص کا یہ فیصد منظور شدہ آکٹیم آف اریٹمنٹ کی بنیاد پر لیا گیا ہے، تاہم، حصص کا اجراء ہونا باقی ہے جس کے لیے ضروری کارپوریٹ ریکی کارروائیاں مکمل کی جا رہی ہیں۔
 کپنی کے واحد مالیتی حسابات میں ذیلی اداروں میں سرمایہ کاری کو مذکورہ نتائج اور سرمایہ کاروں کے خالص اثاثوں کی بنیاد پر کرنے کی بجائے براہ راست ایکویٹی انٹریٹنگلی بنیاد پر شمار کیا گیا ہے۔
 کپنی کے مجموعی مالیاتی گوشواروں کو الگ سے تیار اور پیش کیا گیا ہے۔

کپنی کے واحد نتائج

کپنی کے واحد نتائج یہاں درج کیے گئے ہیں:

30 جون 2021	30 جون 2022	
مختصر ششماہی	مختصر ششماہی	
روپے 000 میں	روپے 000 میں	
		جاری آپریشنز
-	107,576	آمدنی
-	(22,839)	انتظامی اخراجات
-	84,737	آپریٹنگ منافع
-	-	مالیاتی لاگت
-	84,737	ٹیکس سے پہلے منافع - جاری آپریشنز
268,418		ٹیکس سے پہلے منافع - منقطع آپریشنز
268,418	84,737	ٹیکس سے پہلے منافع - جاری اور منقطع آپریشنز
		ٹیکسیشن
-	(18,642)	جاری آپریشنز
(69,392)	-	منقطع آپریشنز
(69,392)	(18,642)	
		سال کے لیے منافع
-	66,095	جاری آپریشنز
199,026	-	منقطع آپریشنز
199,026	66,095	سال کے لیے منافع - جاری اور منقطع آپریشنز
اعادہ		
		فی شیئر آمدنی - جاری آپریشنز
-	0.23	فی شیئر آمدنی - بنیادی اور معتدل (روپے)
اعادہ		
		فی شیئر آمدنی - منقطع آپریشنز
0.71	-	فی شیئر آمدنی - بنیادی اور معتدل (روپے)

حصص داران کو ڈائریکٹرز کی جائزہ رپورٹ

ویوز کارپوریشن لمیٹڈ، سابقہ ویوزنگز پاکستان لمیٹڈ (ویوز یا کینی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2022 کو ختم ہونے والی پہلی ششماہی کے لیے ایشیا شدہ عبوری مجموعی گوشوارے (غیر نظر ثانی شدہ) پر ڈائریکٹرز کی جائزہ رپورٹ جمع کرانے کے پابند ہیں، جہاں واحد مالیاتی گوشواروں کے مالی نتائج بھی اس رپورٹ میں فراہم کیے گئے ہیں:

آپریٹنگ نتائج - مجموعی اکاؤنٹس مجموعی آپریٹنگ نتائج

30 جون 2022	30 جون 2021	تختہ ششماہی
روپے '000	روپے '000	
8,712,981	7,062,618	مجموعی فروخت - خالص فروخت ریٹرن
1,478,704	1,349,382	مجموعی منافع
652,326	577,187	آپریٹنگ سے منافع
537,568	407,298	نیکس سے پہلے منافع
438,671	318,491	مدت کا منافع
1.56	1.13	فی شیئر آمدنی - بنیادی اور معتدل (روپے)

مجموعی آپریٹنگ کارکردگی

ششماہی مدت کے دوران کینی نے مستحکم بنیادوں پر 8,712 ملین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کی اسی مدت میں 7,062 ملین روپے کے مقابلے میں 23 فیصد زیادہ ہے۔ گزشتہ سال کی اسی مدت میں 1,349 ملین روپے کے مقابلے میں 9.56% اضافہ کے ساتھ مجموعی منافع 1,478 ملین روپے پر رہا۔ زیر جائزہ مدت کے دوران نیکس کے بعد منافع گزشتہ سال کی اسی مدت میں 318 ملین روپے کے مقابلے میں 37% بڑھ کر 438 ملین روپے ہوا۔

مالی لاگت گزشتہ سال کی اسی مدت میں 350 ملین روپے کے مقابلے میں 277 ملین روپے تک ہوئی، جس کی بنیادی وجہ مؤثر کیپیکل بیجمنٹ ہے۔ تاہم، مارکیٹنگ اور انتظامی اخراجات میں 2.9% اور 16.7% کا اضافہ ہوا۔

سال کے دوران دہنی آبادی کی روزگار، بہتر طرز زندگی اور اقتصادی بحالی کے لیے شہروں کی طرف ہجرت کرنے کی وجہ سیبھری آبادی اور میٹروپولیٹن علاقوں میں اضافے کی نتیجے میں کینی کے کاروبار میں مجموعی طور پر اضافہ ہوا۔

کینی کی تنظیم نو

کینی نے یکم ستمبر 2021 سے اپنے ہوم اپلائنس کاروبار کو کینی او WHALE کے درمیان اسکیم آف انڈیمنٹ کے تحت ویوز ہوم اپلائنس لمیٹڈ (WHALB) کے ساتھ شروع کیا، جس کی معزز لاہور ہائی کورٹ، لاہور (عدالت) نے منظوری دی ہے۔

متواتر ششماہی مالی حسابات اسکیم کے نفاذ کے بعد تیار کئے گئے ہیں۔

ذیلی کمپنیاں

کینی کی مندرجہ ذیل ذیلی کمپنیاں ہیں

74.56%*	ویوز ہوم اپلائنس لمیٹڈ (سابقہ سین ٹیکسٹائل لمیٹڈ)
100.00%	الیکٹرا ایک مارکیٹنگ (پرائیویٹ) لمیٹڈ
100.00%	ویوز بلڈرز اینڈ ڈویلپرز (پرائیویٹ) لمیٹڈ

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Waves Corporation Limited
(formerly Waves Singer Pakistan Limited)
On review of condensed interim unconsolidated
financial Statements



RSM Avais Hyder Liaquat Nauman
Chartered Accountants
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Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Waves Corporation 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: RR202210379HFEk0lwYK
Place: Islamabad
Date: 30-09-2022

RSM Avais Hyder Liaquat Nauman
CHARTERED ACCOUNTANTS

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Other Offices at:

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RSM Avais 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 CONSOLIDATED INTERIM
FINANCIAL
STATEMENTS
For the six month period ended 30 June 2022

CONDENSED INTERIM CONSOLIDATED 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 300,000,000 (2021: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital	5	2,814,062	2,814,062
Other reserves		5,030,661	5,030,661
Revenue reserve - unappropriated profit		787,363	318,580
Surplus on revaluation of property, plant and equipment - net of tax		531,586	561,698
		9,163,672	8,725,001
Non-controlling interest		1,549,295	1,549,295
		10,712,967	10,274,296
Non-current liabilities			
Long term loans - secured		718,121	1,103,098
Lease liabilities			
-Assets under right of use - secured		56,886	51,041
-Building under right of use - unsecured		33,820	84,794
Employee retirement benefits - obligation		36,140	36,586
Deferred tax liability - net		382,906	467,266
Deferred income		9,898	7,779
		1,237,772	1,750,564
Current liabilities			
Trade and other payables		3,063,381	2,298,358
Mark-up accrued on borrowings		297,121	184,229
Short term borrowings - secured	6	6,291,537	5,188,205
Loan from sponsors - unsecured		117,467	115,300
Current portion of long term liabilities		458,448	990,181
		10,227,955	8,776,273
Contingencies and commitments	7	-	-
		22,178,694	20,801,133

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.


 Lahore Chief Executive Officer


 Director


 Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED 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		8,712,981	7,062,618	4,662,818	3,971,714
Sales tax and trade discount on invoices		(1,570,760)	(1,235,816)	(818,445)	(785,368)
Sales - net	10	7,142,220	5,826,802	3,844,373	3,186,346
Cost of sales		(5,663,516)	(4,477,420)	(3,100,774)	(2,421,208)
Gross profit		1,478,704	1,349,382	743,600	765,138
Marketing, selling and distribution costs		(534,980)	(520,325)	(232,341)	(282,334)
Administrative expenses		(294,532)	(252,483)	(154,105)	(128,732)
Other expenses		(71,134)	(38,288)	(66,752)	(20,442)
Other income		74,577	38,901	58,992	24,381
Profit from operations		652,636	577,187	349,394	358,011
Earned carrying charges		162,289	180,759	87,933	99,091
Finance cost		(277,357)	(350,648)	(49,680)	(188,805)
		(115,068)	(169,889)	38,253	(89,715)
Profit before taxation		537,568	407,298	387,648	268,296
Taxation		(98,896)	(88,807)	(56,538)	(53,421)
Profit for the period		438,671	318,491	331,109	214,875
Attributable to:					
Owners of the Group		364,985	318,491	281,059	214,875
Non-controlling interests		73,687		50,050	
		438,671	318,491	331,109	214,875
Earnings per share - basic and diluted (Rupees)		1.56	1.13	1.18	0.76

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore 
Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED 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	438,671	318,491
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss account:	–	–
Total comprehensive income for the period	438,671	318,491

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore

 Chief Executive Officer



 Director


 Chief Financial Officer

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

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve		Non controlling interest	Total	
		Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	Unappropriated profits			Total
(Rupees in thousand)								
Balance at 01 January 2021	1,876,041	4,581,063	5,000	338,171	1,660,149	8,460,424	8,460,424	
Total comprehensive income for the period								
Profit for the period	-	-	-	-	318,620	318,620	9,267	327,887
Other comprehensive income for the period	-	-	-	-	6,674	6,674	-	6,674
	-	-	-	-	325,294	325,294	9,267	334,561
Surplus transferred to accumulated profits								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(26,162)	26,162	-	-	-
Related deferred tax on revaluation surplus	-	-	-	(77,287)	(77,287)	(77,287)	(77,287)	(77,287)
Effect of change in tax rate	-	-	-	-	-	-	-	-
Transaction with owners of the Company								
Issue of ordinary shares	938,021	468,914	-	-	-	1,406,935	-	1,406,935
Incremental cost of issuance of shares	-	(24,316)	-	-	-	(24,316)	-	(24,316)
Sponsors loan during the year	-	-	-	-	-	-	-	-
Issuance of 20 for 100 shares under scheme of arrangement	-	-	-	-	(1,364,472)	(1,364,472)	-	(1,364,472)
Change in ownership interest								
NCI of subsidiary	-	-	-	-	-	-	1,540,028	1,540,028
Difference arising on the consideration paid and the capital of the subsidiary	-	-	-	-	(328,553)	(328,553)	-	(328,553)
Balance as at 31 December 2021 audited	2,814,062	5,025,661	5,000	561,698	318,580	8,725,001	1,549,295	10,274,296
Total comprehensive income for the period								
Profit for the period	-	-	-	-	438,671	438,671	-	438,671
Other comprehensive income for the period	-	-	-	-	-	-	-	-
	-	-	-	-	438,671	438,671	-	438,671
Surplus transferred to accumulated profits								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(30,112)	30,112	-	-	-
Balance as at 30 June 2022	2,814,062	5,025,661	5,000	531,586	787,363	9,163,672	1,549,295	10,712,967

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.


Lahore Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED 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		537,568	407,298
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	8.1	153,264	180,215
Amortisation of intangible assets		31,470	11,360
Finance cost		277,357	350,648
Gain on sale of property, plant and equipment		–	(503)
Amortisation of deferred income		2,119	(425)
		1,001,779	948,593
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(9,424)	(26,417)
Stock-in-trade		(84,918)	(635,852)
Trade debts and other receivables		277,970	(391,698)
Advances, deposits, prepayments and other receivables		(179,404)	(3,595)
Increase in current liabilities:			
Trade and other payables		765,023	413,765
		769,248	(643,797)
Cash used in operations			
		1,771,027	304,796
Income tax received / (paid)		(128,740)	(99,287)
Employee retirement benefits paid		(446)	(2,619)
Long term deposits - net		(7,719)	240
Net cash used in operating activities			
		1,634,122	203,130
Cash flow from investing activities			
Capital expenditure -net		(1,591,801)	(602,124)
Proceeds from disposal of property, plant and equipment		–	1,963
Net cash generated from investing activities			
		(1,591,801)	(600,161)
Cash flow from financing activities			
Long term loan repaid		(916,710)	(168,456)
Loan from sponsors		2,167	(380,500)
Proceeds from issue of right shares		–	1,385,942
Finance costs paid		(164,465)	(356,902)
Dividend paid		–	(45)
Short term borrowing - net		(171,014)	188,751
Lease rentals paid		(45,129)	(9,215)
Net cash generated from financing activities			
		(1,295,151)	659,575
Net increase in cash and cash equivalents			
		(1,252,830)	262,544
Cash and cash equivalents - at beginning of the period			
		(1,190,686)	(1,071,595)
Cash and cash equivalents - at end of the period			
	12	(2,443,516)	(809,051)

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.


Lahore Chief Executive Officer


Director


Chief Financial Officer

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

1 Status and nature of business

The Group comprises of:

Holding Company

- Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)

	2022	2021
	(Holding percentage)	
Subsidiary Companies		
- Waves Builders & Developers (Pvt) Ltd. (formerly, Waves Marketing (Pvt) Ltd)	100.00	100.00
- Electronics Marketing Company (Private) Limited	100.00	100.00
- Waves Home Appliances Limited (formerly, Samin Textiles Limited)	74.56	74.56

Waves Singer Pakistan Limited (the Holding Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The company is principally engaged in the manufacturing and assembly of domestic consumer appliances alongwith retailing and trading of the same and other light engineering products. The registered office of the company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

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

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Dina Nath, Mouza Rakh Serai Cheenba, Tehsil Pattoki, District Kasur.
- Mouza Mustafabad, 41-KM Ferozepur Road, Off 2-KM Rohi Nala Road, Tehsil & District Kasur

Waves Builders and Developers (Private) limited

(formerly, Waves Marketing (Private) Limited) - Subsidiary Company

Waves Marketing (Private) Limited (WMPL) is a private limited company which was incorporated on 10 April 2017 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the company is located at 15/3 A Model Town, Lahore. The principal activity of the company is the sale, distribution and marketing of consumer appliances being a trading concern.

Electronics Marketing Company (Private) Limited - Subsidiary Company

Electronics Marketing Company (Private) Limited (EMCPL) is a private limited company which was incorporated on 09 September 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the company is to carry out distribution / wholesales / retail business of all kinds of electronic appliances, its components and accessories, etc.

Waves Home Appliances Limited (formerly Samin Textiles Limited)- Subsidiary Company

Waves Home Appliances Limited (WHAL) (formerly as Samin Textiles Limited) 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 8.7 KM Hanjarwal, Multan Road, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company previously was trading, import and export of textile products. Consequent to approval of scheme of arrangement, the principal line of business shall be amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

- 1.1** During the year ended 31 December 2021, the Holding Company, Waves Corporation Limited (WCL), acquired WHAL (formerly Samin Textiles Limited) as a subsidiary Company through a scheme of arrangement. As per the term of the scheme, WCL 'Carved out / seperated home appliances business by transferring certain assets, liabilities, obligations, contracts and undertakings to the subsidiary Company as of the effective date of 01 September 2021.

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 Holding Company and subsidiary Company, in their meetings 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 Holding Company subsequently obtained approval of the Scheme of Arrangement from its shareholders and secured creditors of the Holding Company.

On account of consideration under the scheme of arrangement, 56,281,240 shares of the subsidiary company were issued and allotted to shareholders of Holding Company in the swap ratio of 20 shares for every 100 shares held in parent company at the date of acquisition. The consideration also included issue of 199,724,956 shares to WCL and Rs. 2 billion in cash (interest free) payable over the period of 2 years but these have no impact on these consolidated financial statements.

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.

If the acquisition of WHAL had occurred on 01 January 2021, the management estimates that there would not have been any material changes to the revenue and profits of the Group as WHAL was a dormant entity.

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

However, this scheme of arrangement/group restructuring does not have any material impact on these consolidated financial statements.

2 Basis of preparation

Statement of compliance

- 2.1** These condensed interim Consolidated 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;
 - Provisions of and directives issued under the Companies Act, 2017; and
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.

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.

- 2.2** These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 31 December 2021 and the related condensed interim consolidated statement of profit or loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flow and notes to the financial information for the three month period then ended.
- 2.3** These condensed interim consolidated 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.
- 2.4** Comparative consolidated statement of financial position's numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 31 December 2021, whereas comparative Consolidated statement of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim Consolidated financial statement of the Company for the three month period ended 30 June 2021.

3 Use of estimates and judgments

The preparation of condensed interim consolidated 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 consolidated 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.

4 Statement of consistency in accounting policies

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

5 Issued, subscribed and paid up capital

	(Un-audited) 30 June 2022	(Audited) 31 December 2021	(Un-audited) 30 June 2022	(Audited) 31 December 2021
(Rupees in thousand)				
Issued for cash	105,263,597	105,263,597	1,052,636	1,052,636
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	281,406,089	281,406,089	2,814,061	2,814,061

5.1 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
(Rupees in thousand)				
Chief Executive Officer and his spouse				
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	107,840,286	107,840,286
- Nighat Haroon Khan (Wife of CEO)	9.92%	9.92%	27,925,911	27,925,911
	48.25%	48.25%	135,766,197	135,766,197

5.2 The holders of ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Holding Company.

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

		Un audited June 30, 2022	Audited December 31, 2021
	Note	(Rupees in thousand)	
6 Short term borrowings - secured			
From banking companies - secured:			
Running finance under mark-up arrangements	6.1	2,617,887	1,343,540
Finance against trust receipt	6.1	2,402,027	2,568,459
Commercial Papers		924,683	924,683
Short term borrowings under 'Murahaba' arrangement	6.1	346,941	351,523
		6,291,538	5,188,205

6.1 This includes amount of bridge finance facility under markup arrangement availed from National Bank of Pakistan amounting to Rs.1,500 million during the period (2021: Rs. Nil). This facility is secured against 1st charge over land & building with 25% margin and carry markup from 16.95% per annum, payable quarterly in arrears.

6.2 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.

7 Contingencies and commitments

7.1 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.

7.2 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 (31 December 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)			
8 Property, plant and equipment			
Operating fixed assets	8.1	6,332,558	5,760,284
Right-of-use asset	8.2	197,751	231,931
Capital work-in-progress	8.3	1,185,809	297,340
		7,716,118	6,289,555
8.1 Operating fixed assets			
Opening balance - as at 01 January		5,760,284	5,136,719
Additions / (deletion) during the period / year		714,858	593,468
Revaluation gain / (loss)		-	317,572
Transfers from investment property		2,982	-
		6,478,124	6,047,759
Book value of property, plant and equipment disposed off during the period / year		(9,220)	(11,974)
Depreciation charged during the period / year		(136,346)	(275,501)
Closing balance		6,332,558	5,760,284
8.2 Right-of-use asset			
Balance as at 01 January		231,931	351,546
Additions / (deletion) during the period / year		30,542	60,389
Revaluation gain / (loss)		-	9,403
Transfers to owned assets		(2,982)	-
Assets disposed off during the period / year		(44,822)	(90,704)
Depreciation charge for the period / year		(16,918)	(98,703)
Closing balance		197,751	231,931
8.3 Capital work-in-progress			
Building		1,056,092	200,294
Plant and machinery		128,410	95,838
Electric installation		1,307	1,208
		1,185,809	297,340
9 Intangible assets and goodwill			
Software		25,444	41,550
Goodwill	9.1	1,070,207	1,070,206
Brand value	9.1	1,582,147	1,582,147
Customer relationships	9.1	169,117	184,482
		2,846,915	2,878,385

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

	Un audited June 30, 2022	Un audited June 30, 2021
(Rupees in thousand)		
10 Sales - net		
Gross sales:		
- Local	8,768,445	3,090,776
- Export	-	15,996
Sales return	(55,465)	(15,869)
	8,712,981	3,090,903
Sales tax	(1,255,489)	(316,282)
Trade discounts	(315,272)	(134,166)
	(1,570,760)	(450,448)
	7,142,220	2,640,455

11 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.

	Un audited June 30, 2022	Audited December 31, 2021
(Rupees in thousand)		
12 Cash and cash equivalents		
Cash and bank balances	174,370	152,854
Short term running finance - secured	(2,617,887)	(1,343,540)
	(2,443,517)	(1,190,686)

13 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)	
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	16,230	15,347
			-	-
Directors	Employees	Loan from sponsors	2,167	-
		Meeting fee	300	-
Key management personnel	Remuneration	Remuneration	76,450	69,500

14 Financial risk management and fair value of financial instruments

14.1 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.

14.2 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								
		Trade debts	6,571,756	–	6,571,756	–	–	–
		Security deposits	21,613	–	21,613	–	–	–
		Other receivables	312,154	–	312,154	–	–	–
		Cash & Bank Balances	174,370	–	174,370	–	–	–
	14.3		7,079,893	–	7,079,893	–	–	–
Financial liabilities - not measured at fair value								
		Long term loans - secured	–	1,176,569	1,176,569	–	–	–
		Liabilities against assets subject to finance lease	–	90,706	90,706	–	–	–
		Loan from sponsors - unsecured	–	117,467	117,467	–	–	–
		Trade and other payables	–	3,063,381	3,063,381	–	–	–
		Employee retirement benefit	–	36,140	36,140	–	–	–
		Short term borrowings - secured	–	6,291,537	6,291,537	–	–	–
		Mark-up accrued on short term finances and long term loans	–	297,121	297,121	–	–	–
	14.3		–	11,072,922	11,072,922	–	–	–

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

31 December 2021

Note	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in thousand)					
Financial instruments						
31 December 2021						
Financial assets - not measured at fair value						
	Security deposits	13,894	-	13,894	-	-
	Trade debts	6,855,892	-	6,855,892	-	-
	Other receivables	132,750	-	132,750	-	-
	Bank balances	152,854	-	152,854	-	-
14.3		7,155,390	-	7,155,390	-	-
Financial liabilities - not measured at fair value						
	Liabilities against assets subject to finance lease	-	135,835	135,835	-	-
	Long term loans - secured	-	2,093,279	2,093,279	-	-
	Loan from sponsors - unsecured	-	115,300	115,300	-	-
	Trade and other payables	-	2,298,358	2,298,358	-	-
	Employee retirement benefit	-	36,586	36,586	-	-
	Short term borrowings - secured	-	5,188,205	5,188,205	-	-
	Mark-up accrued on short term finances and long term loans	-	184,229	184,229	-	-
14.3		-	10,051,792	10,051,792	-	-

14.3 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

Revalued Property, plant and equipment

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.

15 Date of authorization

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

16 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.

Lahore



Chief Executive Officer



Director



Chief Financial Officer

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

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT JUNE 30, 2022

	Un audited June 30, 2022	Audited December 31, 2021
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital 300,000,000 (2021: 300,000,000) ordinary shares of Rs. 10 each	3,000,000	3,000,000
Issued, subscribed and paid up capital	2,814,062	2,814,062
Other reserves	5,030,661	5,030,661
Revenue reserve -aunappropriated profit	83,869	17,774
Surplus on revaluation of property, plant and equipment - net of tax	151,467	151,467
	8,080,059	8,013,964
Non-current liabilities		
Long term loans - secured	-	354,952
Deferred income	140	140
	140	355,092
Current liabilities		
Trade and other payables	648,438	285,282
Mark-up accrued on borrowings	155,678	54,421
Short term borrowings - secured	2,649,683	1,274,661
Current portion of long term liabilities	50,995	733,683
	3,504,794	2,348,047
Contingencies and commitments	8	11,584,993
	11,584,993	10,717,103

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

	Un audited June 30, 2022	Audited December 31, 2021	
Note	(Rupees in thousand)		
ASSETS			
Non-current assets			
Property, plant and equipment	9	10,000	10,000
Investment property		273,480	323,480
Investment in subsidiaries		5,579,797	5,079,797
Deferred tax asset		115,810	115,810
Long term advance		1,779,177	1,779,177
		7,758,264	7,308,264
Current assets			
Advances, deposits, prepayments and other receivables		762,762	715,288
Taxation - net	12	380,969	263,997
Cash and bank balances	10	80,734	73,554
		1,224,464	1,052,839
Assets held for sale	9	2,602,265	2,356,000
		3,826,729	3,408,839
		11,584,993	10,717,103

Lahore



Chief Executive Officer



Director




Chief Financial Officer

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

	Six months period ended		Three months period ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
(Rupees in thousand)				
Continuing operations				
Revenue	107,576		43,178	-
Admin expenses	(22,839)		(11,420)	-
Operating profit	84,737	-	31,758	-
Finance cost	-		-	-
Profit before taxation - continuing operations	84,737	-	31,758	-
Profit before taxation - discontinued operations	-	268,418	-	150,529
Profit before taxation	84,737	268,418	31,758	150,529
Taxation				
- continuing operations	(18,642)	-	(6,977)	-
- discontinued operations	-	(69,392)	-	(44,232)
	(18,642)	(69,392)	(6,977)	(44,232)
Profit for the year				
- continuing operations	66,095	-	24,781	-
- discontinued operations	-	199,026	-	106,297
Profit for the year	66,095	199,026	24,781	106,297
Earnings per share - Continuing operations				
Earnings per share - basic and diluted (Rupees)	0.23		0.09	
		Restated		Restated
Earnings per share - Discontinued operations				
Earnings per share - basic and diluted (Rupees)	-	0.71	-	0.38
		Restated		Restated

Lahore


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED 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	66,095	199,026
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss account:	–	–
Total comprehensive income for the period	66,095	199,026

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

Lahore



Chief Executive Officer



Director



Chief Financial Officer

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

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserve		Total
		Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	(Accumulated losses) / Unappropriated profits	
(Rupees in thousand)						
As at 01 January 2021	1,876,041	4,581,063	5,000	385,086	1,939,444	8,786,634
Total comprehensive income for the year						
Profit after taxation	-	-	-	-	173,952	173,952
Other comprehensive income for the year						
Remeasurement of defined benefit obligation	-	-	-	-	5,634	5,634
Surplus on revaluation of property, plant and equipment arisen	-	-	-	197,560	-	197,560
Transferred to Waves Home Appliances Ltd.	-	-	-	(377,745)	(750,000)	(1,127,745)
Recognition of A/L on Demerger	-	-	-	-	(1,364,472)	(1,364,472)
Related deferred tax on surplus arisen	-	-	-	(40,218)	-	(40,218)
	-	-	-	(220,403)	(1,934,886)	(2,155,289)
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	-	-	-	(13,216)	13,216	-
	-	-	-	(13,216)	13,216	-
Transactions with owners of the Company						
Right shares issued	938,021	444,598	-	-	-	1,382,619
	938,021	444,598	-	-	-	1,382,619
Balance as at 31 December 2021	2,814,062	5,025,661	5,000	151,467	17,774	8,013,964
Total comprehensive income for the year						
Profit after taxation	-	-	-	-	66,095	66,095
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	-	-	-	-
	-	-	-	-	66,095	66,095
Balance as at 30 June 2022	2,814,062	5,025,661	5,000	151,467	83,869	8,080,059

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


Lahore Chief Executive Officer


Director


Chief Financial Officer

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

	Un audited June 30, 2022	Un audited June 30, 2021
Note	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	84,737	268,418
Adjustments for non-cash and other items:		
Depreciation on property, plant and equipment	9.1	138,938
Amortisation of intangible assets	-	22,405
Finance cost	-	335,903
Gain on sale of property, plant and equipment	-	(503)
Amortisation of deferred income	-	(10,466)
Unrealised exchange Loss	-	6,731
Workers' Profit Participation Fund	-	14,530
Reversal of provision for doubtful debts	-	(4,216)
	84,737	771,740
Effect on Cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	-	(26,417)
Stock-in-trade	-	(599,064)
Trade debts and other receivables	-	(419,660)
Advances, deposits, prepayments and other receivables	(47,474)	165,940
Increase in current liabilities:		
Trade and other payables	363,156	268,256
	315,682	(610,945)
Cash generated / (used) in operations	400,419	160,795
Income tax paid	(135,614)	(22,680)
Workers' Profit Participation Fund paid	-	(14,530)
Employee retirement benefits paid	-	(650)
Long term deposits - net	-	169
Net cash generated / (used) in operating activities	264,805	123,104
Cash flow from investing activities		
Capital expenditure -net	(196,265)	(523,312)
Proceeds from disposal of property, plant and equipment	-	1,963
Investment in subsidiaries	(500,000)	-
Net cash generated from investing activities	(696,265)	(521,349)
Cash flow from financing activities		
Proceeds from issue of right shares	-	1,005,442
Long term loans repaid	(1,037,640)	(145,456)
Proceeds from borrowings	-	-
Finance costs paid	101,257	(349,017)
Dividend paid	-	(45)
Short term borrowing - net	(0)	188,751
Lease liabilities paid	-	(33,443)
Net cash generated from financing activities	(936,383)	666,232
Net increase in cash and cash equivalents	(1,367,843)	267,987
Cash and cash equivalents - at beginning of the period	(276,424)	(1,120,578)
Cash and cash equivalents - at end of the period	10	(852,591)

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

 Chief Executive Officer	 Director	 Chief Financial Officer
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NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

1 Status and nature of business

Waves Corporation Limited (formerly Waves Singer Pakistan Limited) (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in the manufacturing and assembly of domestic consumer appliances alongwith retailing and trading of the same and other light engineering products. The registered office of the company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

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

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Dina Nath, Mouza Rakh Serai Cheenba, Tehsil Pattoki, District Kasur.

2 Separation / Carving out of Home Appliances Business from the Company and Amalgamation with and into Waves Home Appliances Limited (a related entity)

Waves Singer Pakistan Limited renamed as Waves Corporation Pakistan Limited ("the Company - WCL") completed a Scheme of Arrangement as follows:

- Carving out / separation of home appliances business from the Company by transferring certain assets, liabilities, obligations, contracts and undertakings and amalgamating the same with and into Waves Home Appliance Limited (WHAL) (formerly Samin Textiles Limited) as of the effective date 01 September 2021 against allotment and issue of WHAL shares. WHAL was a related party of the Company by virtue of common shareholding.

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 WCL (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 WCL for their approval. After approval by the BOD, the said scheme was submitted to Court for approval. As per requirements, the Company obtained approval of the Scheme of Arrangement from its shareholders on 15 February 2022, while the secured creditors of the Company approved the Scheme of Arrangement in Extraordinary General Meeting (EOGM) held on 03 March 2022. Further on 15 February 2022, shareholders of the Company also approved the change of name of the Company in accordance with Section 12 of the Companies Act, 2017 from "Waves Singer Pakistan Limited (WSPL)" to "Waves Corporation Limited (WCL)" and "Samin Textile Limited (SMTM)" to "Waves Home Appliance Limited (WHAL)".

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

- 199,724,956 shares shall be issued and allotted to the Company.
- Remaining 56,281,240 shares of WHAL shall to be issued and allotted to shareholders of the Company in the swap ratio of 20 shares for every 100 shares of the Company. The 20 shares of WHAL directly issued to the shareholders of the Company 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 the Company; no additional compensation shall be applicable against this amount if the said amount is settled by the WHAL 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 Company expects several 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, WHAL shall 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 the Company to oversee, supervise and control the business / direction of WHAL, while the management of WHAL can operate and manage the business of WHAL on a regular /day-to-day basis. Through the scheme of arrangement, WCL shall reduce the risk of diseconomies of scale associated with WCL's growth.

Waves Home Appliances Limited (formerly Samin Textiles Limited) was incorporated in Pakistan on 27 November, 1989 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). 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 is 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.

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

3 Basis of preparation

Statement of compliance

3.1 Separate financial statements

These financial statements are the separate financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared and presented separately.

The Company has the following long term investments:

	2022	2021
	(Direct holding percentage)	
Name of subsidiary companies		
– Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited)	100	100
– Electronics Marketing Company (Private) Limited	100	100
– Waves Home Appliances Limited (formerly Samin Textiles Limited)	74.56	74.56

3.2 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.

3.3 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.

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 Issued, subscribed and paid up capital

	(Un-audited) 30 June 2022	(Audited) 31 December 2021	(Un-audited) 30 June 2022	(Audited) 31 December 2021
	(Rupees in thousand)			
Issued for cash	105,263,597	105,263,597	1,052,636	1,052,636
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	281,406,089	281,406,089	2,814,061	2,814,061

6.1 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
	(Rupees in thousand)			
Poseidon Synergies (Private) Limited	–	4.27%	–	12,020,274
Chief Executive Officer and his spouse				
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	107,840,286	107,840,286
- Nighat Haroon Khan (Wife of CEO)	9.92%	9.92%	27,925,911	27,925,911
	48.25%	52.52%	135,766,197	147,786,471

6.2 The holders of ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Company.

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

Un audited
June 30, 2022 Audited
December 31, 2021

(Rupees in thousand)

7 Short term borrowings	Un audited June 30, 2022	Audited December 31, 2021
From banking companies - secured:		
Running finance under mark-up arrangements	1,725,000	349,978
Commercial Papers	924,683	924,683
	2,649,683	1,274,661

7.1 This includes amount of bridge finance facility under markup arrangement availed from National Bank of Pakistan amounting to Rs.1,500 Million (2021: Rs. Nil).This facility is secured against 1st charge over land & building with 25% margin and carry markup from 16.95% per annum, payable quarterly in arrears.

7.2 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

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

	Note	Un audited June 30, 2022	Audited December 31, 2021
(Rupees in thousand)			
9 Property, plant and equipment			
Operating fixed assets	9.1	10,000	10,000
Right of use asset	9.3	–	–
Capital work-in-progress	9.4	–	–
		10,000	10,000
9.1 Operating fixed assets			
Opening balance - as at 01 January		10,000	4,634,915
Additions / (deletion) during the period / year		–	533,176
Revaluation gain / (loss)		–	188,156
		10,000	5,356,247
Assets disposed off during the period / year		–	(1,547)
Depreciation charged during the period / year		–	(140,490)
Reclassification to asset held for sale		–	(2,356,000)
Transferred to Waves Home Appliances Ltd.		–	(2,848,210)
Closing balance		10,000	10,000
9.2 Assets held for sale			
Opening balance - as at 01 January		2,356,000	2,356,000
Additions / (deletion) during the period / year		196,265	–
Transfers from investment property		50,000	–
		2,602,265	2,356,000
Closing balance		2,602,265	2,356,000
9.3 Right of-use asset			
Balance as at 01 January		–	151,122
Additions / (deletion) during the period / year		–	60,389
Revaluation gain / (loss)		–	9,403
Depreciation charge for the period / year		–	(43,011)
Transferred to Waves Home Appliances Ltd.		–	(177,903)
Closing balance		–	–
10 Cash and cash equivalents			
Cash and bank balances		80,734	73,554
Short term running finance - secured		(1,725,000)	(349,978)
		(1,644,266)	(276,424)

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

	Un audited June 30, 2022	Un audited June 30, 2021
(Rupees in thousand)		
11 Sales - net		
Gross sales:		
- Local	–	2,590,145
- Export	–	15,996
Sales return	–	(14,271)
	–	2,591,870
Sales tax	–	(340,924)
Trade discounts	–	(157,628)
	–	(498,552)
	–	2,093,318

12 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.

13 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)	
i. Subsidiary Company				
Electronics Marketing Company (Private) Limited	Wholly owned subsidiary	Sale of inventory - gross	–	252,719
		Mark-up charged on receivable from subsidiary	16,938	16,353
ii. Associated Undertakings				
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	–	15,347
Key management personnel	Remuneration	Remuneration	–	69,500

14 Financial risk management and fair value of financial instruments

14.1 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.

14.2 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							
		1,779,177	–	1,779,177	–	–	–
		–	–	–	–	–	–
		762,762	–	762,761	–	–	–
		80,734	–	80,733	–	–	–
	14.3	2,622,672	–	2,622,671	–	–	–
Financial liabilities - not measured at fair value							
		–	50,995	50,995	–	–	–
		–	648,438	648,438	–	–	–
		–	–	–	–	–	–
		–	2,649,683	2,649,683	–	–	–
		–	155,678	155,678	–	–	–
	14.3	–	3,504,794	3,504,794	–	–	–

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED 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						
	Security deposits	1,779,177	-	1,779,177	-	-
	Trade debts	-	-	-	-	-
	Other receivables	715,288	-	715,288	-	-
	Bank balances	73,554	-	73,554	-	-
	14.3	2,568,019	-	2,568,019	-	-
Financial liabilities - not measured at fair value						
	Long term loans - secured	-	1,088,635	1,088,635	-	-
	Trade and other payables	-	285,282	285,282	-	-
	Employee retirement benefit	-	-	-	-	-
	Short term borrowings - secured and unsecured	-	1,274,661	1,274,661	-	-
	Mark-up accrued on short term finances and long term loans	-	54,421	54,421	-	-
	14.3	-	2,702,999	2,702,999	-	-

14.3 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.

15 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.

16 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.

Lahore



Chief Executive Officer



Director



Chief Financial Officer



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