Waves Singer Pakistan Limited

Condensed Interim Consolidated and Unconsolidated Financial Statements (Un-Audited)

For the Nine Months Ended 30th September 2019

Company Information

Board of Directors

Umair Khan	Chairman
Haroon Ahmad Khan	Chief Executive Officer
Moazzam Ahmad Khan	Director
Nighat Haroon Khan	Director
Brig Mukhtar Ahmed (Retd.)	Director
Zafar Uddin Mehmmod	Director
Yousuf Muhammad Farooq	Director

Chief Financial Officer
Nadeem M. Butt

Chief Internal Auditor
Usman Khalid

Company Secretary
Tauseef Ahmed Zakai

Audit Committee

Zafar Uddin Mehmmod	Chairman
Umair Khan	Member
Nighat Haroon Khan	Member

HR and Remuneration Committee

Umair Khan	Chairman
Nighat Haroon Khan	Member
Brig Mukhtar Ahmed (Retd.)	Member

Bankers

Al Baraka Bank (Pakistan) Limited
Bank Al Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
Meezan Bank Limited
The Bank of Punjab Limited
Sindh Bank Limited
Bank of Khyber Limited
Silk Bank Limited
Askari Bank Limited

Website
http://www.wavessinger.com

Auditors

KPMG Taseer Hadi & Co
Chartered Accountants

Share Registrar
Corp Link (Private) Limited
Wings Arcade, 1-K,
Commercial, Model Town,
Lahore.

Registered Office
9 KM Multan Road, Hanjarwal,
Lahore-54790, Pakistan

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Waves Singer Pakistan Limited
Directors Report to the Shareholders
For the Nine Months Ended 30th September 2019

The Board of Directors of your Company are pleased to present their report together with the un-audited condensed Interim Financial Statements of the Company for the Nine (09) Months period ended September 30th, 2019. During the period under review, your company achieved Gross Sales of Rs. 9,278 Million, registering an increase of 29% as compared to Rs. 7,184 Million in the corresponding period of last year. A primary reason for this, despite challenging market condition is the low base effect, as last year during the same period the production was closed for around six (06) weeks due to the fire incident in the Factory, which resulted in lower sales volumes, however Alhamdulillah this year the company's production and resultant sales continued as usual. Another reason is that Waves as a brand and its tagline "نام ہی کافی ہے" continues to have a strong recall value in the market resulting in persistent volumetric sales growth even in difficult economic circumstances.

We are also pleased to state that your company has started witnessing the synergetic benefits of the merger. Due to the merger, your company has been able to significantly reduce marketing, selling and distribution costs recorded at Rs. 753 Million in the period under review compared to Rs. 851 Million in the corresponding period last year. This resulted into a positive variance of 12 % in marketing, selling and distribution expenses. Similar benefits have also been experienced in Factory Overheads and in other related expenses.

Key Financial Indicators

During the Nine (09) months of 2019, your Company generated profit before tax of Rs. 428 Million compared to profit before tax of Rs. 387 Million for the period of 2018. The operating results of your Company reflect high level of trust posed by our valued customers on the company's products, concerted efforts of management and increased level of employees' commitment and dedication to achieve the desired results.

Key Financial Indicators for the 9M 2019 compared to that of 9M 2018 are summarized below:

	PKR Million		
Summary of operating results (PKR 000)	**9M 2019**	**9M 2018**	**Percentage Change (%)**
Gross Revenue	9,278	7,184	29%
Gross Profit	1,981	1,736	14%
Operating Profit	837	573	46%
Financial Cost (Net of Earned Carrying Charges)	(408)	(186)	119%
Profit Before Tax	428	387	11%
Profit After Tax	313	305	3%
Earnings Per Share – Rupees	1.67	1.63	2%

Financial Performance Analysis

Gross profit achieved in Nine (09) months of 2019 amounted to Rs. 1,981 Million as compared to Rs. 1,736 Million for 9M 2018 resulting in an increase of 29%.

Profit before tax for Nine (09) months of 2019 is Rs. 428 Million compared to Rs. 387 Million for the corresponding period of 2018 representing an increase of 11 %.

Profit after tax stands at Rs. 313 Million compared to Rs. 305 Million for the corresponding period of 2018 representing an increase of 3%.

The Company recorded EPS of Rs. 1.67 as compared to Rs. 1.63 for the corresponding period of previous year.

Future Outlook:

Due to low penetration of appliances in large population and rapid urbanization, leaving aside the temporary slowdown due to current economic condition in the country, in the long run an overall growth in the home appliances market shall continue to improve. As a result of this, we expect to introduce new models and improve our dealership network to raise our products penetration among the masses. The Company, with its unique brand, elaborate manufacturing facility, country-wide Sales and After Sales Service Network shall stand to benefit from an enhanced market share, INSHALLAH.

As the future prospects of the Company are inextricably linked with the overall development of the country, Waves Singer Pakistan shall continue its focus to exploit all available opportunities in the market. The Company promises all of its stakeholders that the Company is fully committed to create value and grow its business.

Acknowledgement
We take this opportunity to thank all our stakeholders for their patronage and look forward to their continued support.

On behalf of the Board

Haroon Ahmad Khan
Chief Executive Officer
Lahore: 30th October 2019

ویوز سنگر پاکستان لمیٹڈ
۳۰ ستمبر ۲۰۱۹ کے اختتام پر حصص کنندگان کے لیئے ڈائرکٹرز کی نو ماہ کی رپورٹ

کمپنی کے ڈائرکٹرز ۳۰ ستمبر ۲۰۱۹ کو ختم ہونے والی تیسری سہ ماہی کے اختتام پر نو ماہ کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکہ ساتھ ہی اس دورانیہ کےغیر آڈٹ شدہ نو ماہ کے وسط مدتی مجموعی مالیاتی گوشوارہ بھی منسلک ہیں۔ زیر نظر مدت کے دوران آپکی کمپنی نے 9،278 ملین روپے کا کل منافع کمایا جو کہ گزشتہ اسی مدت کے کل منافع کے مقبلہ میں 29 فیصد زیادہ ہے جو کہ 7،184 ملین روپے تھا۔ اسکی بنیادی وجہ مارکیٹ کے مسابقتی حالات کے باوجود سال گزشتہ میں مضنوعات کی تیاری کا چھ ہفتوں کے لیئے بند رہنا تھا جو پلانٹ میں آگ لگنے کے واقع کا نتیجہ تھا، چسکے نتیجے میں فروخت میں کمی واقع ہوئی تھی۔ الحمد اللہ اس سال کمپنی کی پیداوار اور اس کے نتیجے میں فروخت معمول کے مطابق جاری ہے۔ اس کی ایک اور وجہ یہ ہے کہ ویوز کا برینڈ اور اس کی ٹیگ لائن "نام ہی کافی ہے" کا مارکیٹ میں مستقل طور پر یاد رکھا جانا ہے جس کے نتیجے میں مشکل معاشی حالات میں بھی فروخت کی مقدار میں مستقل اضافہ ہے۔

ہمیں یہ بتاتے ہوئے بھی خوشی ہوئی ہے کہ آپ کی کمپنی نے انضمام کے مشترکہ فوائد دیکھنا شروع کردیئے ہیں۔ انضمام کی وجہ سے آپ کی کمپنی مارکیٹنگ، فروخت اور تقسیم کے اخراجات میں نمایاں کمی لانے میں کامیاب رہی ہے، جو کہ زیر نظر مدت میں 753 ملین روپے رکارڈ کی گئی جبکہ پچھلے سال کی اسی مدت میں 851 ملین روپے کے اخراجات رہے۔ اس کے نتیجے میں مارکیٹنگ ، فروخت اور تقسیم کے اخراجات میں 12 فیصد کا مثبت فرق رہا۔ فیکٹری اوور ہیڈس اور دیگر متعلقہ اخراجات میں بھی اسی طرح کے فوائد کا تجربہ کیا گیا ہے۔

کلیدی مالیاتی اشارئیے

۲۰۱۹ کے پہلے نو ماہ کے دوران آپ کی کمپنی نے 428 ملین روپے کا قبل از ٹیکس منافع کمایا جبکہ ۲۰۱۸ کے پہلے نو ماہ کے دوران 387 ملین روپے کا قبل از ٹیکس منافع ہوا تھا۔ یہ کلیدی مالیاتی اشارئیے آپ کی کمپنی کی مصنوعات پر ہمارے گراں قدر صارفین کی طرف سے پیدا کردہ اعلی سطحی اعتماد ، انتظامیہ کی متفقہ کوششوں اور ملازمین کی عزم و حوصلہ افزائی کی عکاسی کرتے ہیں۔

۲۰۱۹ کے پہلے نو ماہ کے کلیدی مالیاتی اشاریہ ۲۰۱۸ کے پہلے نو ماہ کے کلیدی مالیاتی اشاریہ کے مقابل مندرجہ ذیل رہے۔

(پاکستانی روپیہ ہزار میں) آپریٹنگ نتائج کا خلاصہ	پاکستانی روپیہ ملین میں		
	پہلے نو ماہ ۲۰۱۹	**پہلے نو ماہ ۲۰۱۸**	**فی صد (%)**
مجموعی ریوینیو	9،278	7،184	29%
مجموعی منافع	1،981	1،736	14%
اپریٹنگ منافع	837	573	46%
مالیاتی لاگت (کمائے گئے کیری انگ چارجز کو منہا کرنے کے بعد)	(408)	(186)	119%
منافع قبل از ٹیکس	428	387	11%
منافع بعد از ٹیکس	313	305	3%
فی حصص آمدنی –روپیہ میں	1.67	1.63	2%

مالیاتی کارکردگی کا جائزہ

۲۰۱۹ کے پہلے نو ماہ میں حاصل ہونے والا مجموعی منافع 1،981 ملین روپے رہا جبکہ سال ۲۰۱۸ کے پہلے نو ماہ میں حاصل ہونے والا مجموعی منافع 1،736 ملین روپے تھا جس کے نتیجے میں 29٪ کا اضافہ ہوا ہے۔

۲۰۱۹ کے پہلے نو ماہ میں حاصل ہونے والا قبل از تیکس مناقع 428 ملین روپے رہا جبکہ سال ۲۰۱۸ کے پہلے نو ماہ میں حاصل ہونے والا قبل از ٹیکس منافع 387 ملین روپے تھا جس کے نتیجے میں 11٪ کا اضافہ ہوا ہے۔

۲۰۱۹ کے پہلے نو ماہ میں حاصل ہونے والا بعد از تیکس مناقع 313 ملین روپے رہا جبکہ سال ۲۰۱۸ کے پہلے نو ماہ میں حاصل ہونے والا بعد ز ٹیکس منافع 305 ملین روپے تھا جس کے نتیجے میں 3٪ کا اضافہ ہوا ہے۔

اس دورانیہ میں فی شیئر آمدنی 1-67 روپے ہوئی جبکہ گزشتہ سال پہلے نو ماہ میں 1-63 روپے فی شیئر آمدنی ہوئی تھی۔

مستقبل کی توقعات

الات کا بڑی آبادی میں نسبتاُ کم داخلہ، آبادی کا شہری علاقوں میں کم ہوتا ہوا دخول اور ملک میں موجودہ معاشی حالت فروخت میں عارضی سست روی کی بڑی وجہ ہیں، طویل عرصے میں گھریلو ایپلائینسز مارکیٹ میں مجموعی طور پر ترقی اور بہتری آتی رہے گی۔ اس کے نتیجے میں ، ہم توقع کرتے ہیں کہ عوام میں اپنی مصنوعات کو بڑھاوا دینے کے لئے نئے ماڈل متعارف کروائیں اور اپنے ڈیلرشپ نیٹ ورک کو بہتر بنائیں۔ کمپنی ، اپنے منفرد برانڈ، وسیع پیمانے پر مینوفیکچرنگ کی سہولت، ملک بھر میں سیلز اور آفٹرسیل سیلز سروس نیٹ ورک کے ساتھ، مارکیٹ کے بہتر حصص سے فائدہ اٹھانے کے لئے تیار کھڑی ہوگی۔

چونکہ کمپنی کے مستقبل کے امکانات پورے ملک کی مجموعی ترقی کے ساتھ جڑے ہوئے ہیں، لہذا ویوز سنگر پاکستان مارکیٹ میں موجود تمام مواقع سے فائدہ اٹھانے کے لئے اپنی توجہ جاری رکھے گی کمپنی اپنے تمام اسٹیک ہولڈرز سے وعدہ کرتی ہے کہ کمپنی اپنے کاروبار کو اہمیت دینے اور بڑھانے کے لئے پوری طرح پرعزم ہے۔

اعتراف

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

بورڈ کی وساطت سے

ہارون احمد خان
چیف ایگزیکیوٹیو آفیسر
لاہور: ۳۰ اکتوبر ۲۰۱۹

Waves Singer Pakistan Limited

(Un-Audited) Condensed Interim

Consolidated Financial Statements

For the Nine Months Ended 30th September 2019

Waves Singer Pakistan Limited

Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at 30 September 2019

EQUITY AND LIABILITIES	Note	**(Unaudited) 30 Sep 2019**	(Audited) 31 December 2018
		(Rupees in '000)	
Share capital and reserves			
Authorized capital			
200,000,000 (31 December 2018: 175,000,000) ordinary shares of Rs 10 each		**2,000,000**	1,750,000
Issued, subscribed and paid up capital	*5*	**1,876,041**	1,631,340
Share premium reserve		**4,581,063**	4,825,764
Capital reserve		**5,000**	5,000
Revenue reserve - unappropriated profit		**1,767,373**	1,809,626
Surplus on revaluation of property, plant and equipment - net of tax		**117,330**	117,395
		8,346,807	8,389,125
Non-current liabilities			
Long term loans - secured		**1,080,708**	732,271
Liabilities against assets subject to lease	*6*	**140,640**	42,454
Employee retirement benefits - obligation		**62,508**	61,823
Deferred tax liability - net		**261,272**	270,251
Deferred income		**19,299**	20,214
		1,564,427	1,127,013
Current liabilities			
Trade and other payables		**1,548,887**	1,789,617
Mark-up accrued on borrowings		**183,011**	97,338
Short term borrowings - secured and unsecured	*7*	**4,072,643**	2,995,286
Unclaimed dividend		**-**	1,325
Unpaid dividend		**1,662**	1,517
Current portion of long term liabilities		**374,108**	311,449
		6,180,310	5,196,532
Contingencies and commitments	*8*		
		16,091,544	14,712,670

ASSETS	Note	**(Unaudited) 30 Sep 2019**	(Audited) 31 December 2018
		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	*9*	**4,900,877**	4,754,698
Intangible assets and goodwill	*10*	**2,935,992**	2,965,690
Employee retirement benefits - obligation		**5,125**	9,960
Long term deposits		**27,440**	23,637
		7,869,434	7,753,985
Current assets			
Stores, spares and loose tools		**48,517**	31,035
Stock-in-trade		**3,289,959**	3,091,701
Trade debts	*11*		
- Retail		**909,362**	860,125
- Wholesale		**3,348,295**	2,386,358
Advances, deposits, prepayments and other receivables		**233,795**	149,759
Taxation - net		**350,234**	334,460
Cash and bank balances	*15*	**41,948**	105,247
		8,222,110	6,958,685
		16,091,544	14,712,670

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Waves Singer Pakistan Limited

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

For the three and nine months period ended 30 September 2019

		For the three months period ended		For the nine months period ended	
		30 Sep 2019	30 Sep 2018 Restated	**30 Sep 2019**	30 Sep 2018 Restated
	Note	------------------- **(Rupees in '000)** -------------------			
Gross sales		**2,125,717**	1,707,218	**9,277,535**	7,184,172
Sales tax, trade discounts and Sale return		**(309,107)**	(286,084)	**(2,036,390)**	(1,260,841)
Sales - net	*12*	**1,816,610**	1,421,134	**7,241,145**	5,923,331
Cost of sales		**(1,276,384)**	(996,998)	**(5,259,683)**	(4,187,455)
Gross profit / (loss)		**540,225**	424,136	**1,981,461**	1,735,876
Marketing, selling and distribution cost		**(206,576)**	(202,672)	**(752,734)**	(851,032)
Administrative expenses		**(104,567)**	(73,328)	**(335,430)**	(273,397)
Other expenses		**(10,136)**	(6,489)	**(72,347)**	(54,762)
Other income		**2,543**	6,631	**15,958**	16,147
Profit from operations		**221,490**	148,278	**836,909**	572,832
ECC		**54,044**	45,336	**135,713**	122,017
Finance cost		**(201,859)**	(107,064)	**(544,173)**	(307,641)
Profit before taxation		**73,675**	86,550	**428,449**	387,208
Taxation	*13*	**(14,849)**	(18,304)	**(115,491)**	(81,779)
Profit for the period		**58,826**	68,246	**312,958**	305,429
Earnings per share - basic and diluted-restated	*14*	**0.31**	0.36	**1.67**	1.63

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Waves Singer Pakistan Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the three and nine months period ended 30 September 2019

	For the three month period ended		For the nine months period ended	
	30 Sep 2019	30 Sep 2018	**30 Sep 2019**	30 Sep 2018
	------------------- (Rupees in '000) -------------------			
Profit for the period	**58,826**	68,246	**312,958**	305,429
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss account:				
	-	-	-	-
Total comprehensive income for the period	**58,826**	68,246	**312,958**	305,429

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Waves Singer Pakistan Limited

Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)

For the three and nine months period ended 30 September 2019

	Issued, subscribed and paid-up capital	Capital reserves: Shares to be issued pursuant to amalgamation	Capital reserves: Share premium reserve	Capital reserves: Other capital reserve	Capital reserves: Surplus on revaluation of land and building	Revenue reserve: Unappropriated profits	Total
	Rupees in '000						
Balance at 01 January 2018	454,056	964,500	5,038,548	5,000	118,100	1,586,439	**8,166,643**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	237,638	**237,638**
Other comprehensive income for the period	-	-	-	-	-	-	**-**
	-	**-**	**-**	**-**	**-**	**237,638**	**237,638**
Surplus transferred to accumulated profits							
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	-	-	**-**
Transactions with owners of the Company							
Shares issued under scheme of amalgamation	964,500	(964,500)	-	-	-	-	**-**
Final dividend for the year ended 31 December 2017 @ Rs. 1.25 per share	-	-	-	-	-	(177,320)	**(177,320)**
Balance as at 30 September 2018 (unaudited)	**1,418,556**	**-**	**5,038,548**	**5,000**	**118,100**	**1,646,757**	**8,226,961**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	144,437	**144,437**
Other comprehensive income for the period	-	-	-	-	-	15,197	**15,197**
	-	**-**	**-**	**-**	**-**	**159,634**	**159,634**
Surplus transferred to accumulated profits							
Transfer against sale of land and building - net of tax	-	-	-	-	(967)	967	**-**
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(2,268)	2,268	-
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	-	-	2,530	-	**2,530**
	-	**-**	**-**	**-**	**(705)**	**3,235**	**2,530**
Transactions with owners of the Company							
Shares issued as fully paid bonus shares @ 15%	212,784	-	(212,784)	-	-	-	**-**
Balance as at 31 December 2018	**1,631,340**	**-**	**4,825,764**	**5,000**	**117,395**	**1,809,626**	**8,389,125**
Balance at 01 January 2019, as previously reported	1,631,340	-	4,825,764	5,000	117,395	1,809,626	8,389,125
Provision for doubtful debt						(140,000)	**(140,000)**
Impact of change in accounting policy as explained in note 4.1.2	-	-	-	-	-	(11,358)	**(11,358)**
Adjusted Balance as at 01 January 2019	**1,631,340**	**-**	**4,825,764**	**5,000**	**117,395**	**1,658,268**	**8,237,767**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	312,958	**312,958**
Other comprehensive income for the period	-	-	-	-	-	-	**-**
	-	**-**	**-**	**-**	**-**	**312,958**	**312,958**
Surplus transferred to accumulated profits							
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(65)	65	**-**
Transactions with owners of the Company							
Final dividend for the year ended 31 December 2018 @ Rs. 1.25 per share	-	-	-	-	-	(203,918)	**(203,918)**
Shares issued as fully paid bonus shares @ 15%	244,701	-	(244,701)	-	-	-	**-**
Balance as at 30 September 2019 (un-audited)	**1,876,041**	**-**	**4,581,063**	**5,000**	**117,330**	**1,767,373**	**8,346,808**

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Waves Singer Pakistan Limited

Condensed Interim Consolidated Statement of Cash Flow (Un-audited)

For the nine months period ended 30 September 2019

	Note	(Un-audited) 30 Sep 2019	(Un-audited) 30 Sep 2018
		- - - - - -Rupees in '000- - - - - -	
Cash flows from operating activities			
Profit before taxation		**428,449**	387,208
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	*9.1*	**188,734**	198,470
Amortisation of intangible assets	*10*	**29,699**	24,872
Finance cost		**544,173**	307,641
Gain on sale of assets		**(1,242)**	-
Amortisation of deferred income		**(5,187)**	(4,367)
Net loss on insurance claim of assets written off due to fire		**-**	6,785
Unrealised exchange Loss		**37,909**	-
Workers' Profit Participation Fund		**27,123**	-
Provision for doubtful debts		**(1,210)**	1,762
Provision for employee retirement benefits		**7,885**	5,654
Dividend income from subsidiary company		**-**	-
		1,256,333	928,025
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		**(17,482)**	(7,583)
Stock-in-trade		**(198,258)**	(106,931)
Trade debts and other receivables		**(1,011,174)**	(467,893)
Advances, deposits, prepayments and other receivables		**(84,036)**	4,643
Increase in current liabilities:			
Trade and other payables		**(240,730)**	449,676
		(1,551,680)	(128,088)
Cash used in operations		**(295,347)**	799,937
Income tax paid		**(121,461)**	(269,937)
Workers' Profit Participation Fund paid		**(27,644)**	-
Employee retirement benefits paid		**(2,175)**	2,072
Long term deposits - net		**(3,803)**	(2,068)
Net cash used in operating activities		**(450,430)**	530,004
Cash flow from investing activities			
Capital expenditure -net		**(288,095)**	(556,535)
Proceeds against insurance claim against assets written off due to fire		**-**	175,341
Proceeds from disposal of property, plant and equipment		**6,124**	-
Net cash generated from investing activities		**(281,970)**	(381,194)
Cash flow from financing activities			
Long term loans repaid		**348,437**	393,750
Finance costs paid		**(458,500)**	(288,060)
Dividend paid		**(201,393)**	-
Borrowing of Short term finance- net		**1,077,357**	(544,726)
Lease rentals paid		**(76,654)**	(19,832)
Net cash generated from financing activities		**689,247**	(458,868)
Net decrease in cash and cash equivalents		**(43,153)**	(310,058)
Cash and cash equivalents - at beginning of the period		**(1,424,619)**	(576,860)
Cash and cash equivalents - at end of the period	*15*	**(1,467,772)**	(886,918)

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

1 Status and nature of business

The Group comprises of:

<u>Holding Company</u>

	2019	2018
- ***Waves Singer Pakistan Limited***	**(Holding percentage)**	
<u>Subsidiary Companies</u>		
- Waves Marketing (Private) Limited	**100**	100
- Electronics Marketing Company (Private) Limited	**100**	100

Waves Singer Pakistan Limited ("the Company") is 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 along with 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.

<u>Waves Marketing (Private) Limited - Subsidiary Company</u>

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.

<u>Electronics Marketing Company (Private) Limited - Subsidiary Company</u>

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 the company is to carry out distribution / wholesales / retail business of all kinds of electronic appliances, its components and accessories, etc.

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

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

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

2.2 These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 30 September 2019 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 Nine month period then ended.

2.3 These condensed interim consolidated financial statements are unaudited but subject to limited scope review by external auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

2.4 These 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 2018. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.5 Comparative consolidated statement of financial position's numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 September 2018, 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 months and Nine months period ended.

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 2018.

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 2018 except for the adoption of new standards effective as off 01 January 2019 as stated below:

4.1 Change in accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers', IFRS 9 'Financial Instruments' and IFRS 16 'Leases' from 01 January 2019 which is effective from the annual periods beginning on or after 01 July 2018, period ending on or after 30 June 2019 and periods begining on or after 01 January 2019 respectively. The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

4.1.1 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. The Company is engaged in the manufacturing and assembly of domestic consumer appliances along with retailing and trading of the same and other light engineering products. The contracts with customers for the sale of goods generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations at 01 July 2018, did not have a material impact on the amounts of revenue recognized in these condensed interim consolidated financial statements except for reclassification of the freight outwards which is now to be part of cost of sales. The corresponding figures have been represented to reflect this change on adoption of IFRS 15. Accordingly, selling and distribution expense of Rs. 3.69 million (30 June 2018: Rs. 4.54 million) has been reclassified to cost of sales. This reclassification has no impact on the reported Earning per Share (EPS) of the corresponding period.

4.1.2 IFRS 9 Financial Instruments

IFRS 9 replaced the provisions of IAS 39 ' Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The details of new significant accounting policies adopted and the nature and the effect of the changes to the previous accounting policies are set out below:

4.1.2.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for the financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through Other Comprehensive Income ("FVOCI"), or through profit or loss ("FVTPL"); and

- Those to be measured at amortized cost.

The classification depends upon entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within the business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading , this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. However, the above had no effect on these condensed interim consolidated financial statements as the Company has no investments at the reporting date.

Trade and other receivables including deposits and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Changes in accounting policies resulting from change in classification and measurement of these financial assets does not have a significant impact on these condensed interim unconsolidiated financial statements.

4.1.2.2 Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to the financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. There had been no impairment losses related to trade and other receivables, including contract assets. Trade receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. This includes both qualitative and quantative information and analysis, based on historical experience and informed credit risk assessment including forward looking information. Given the Company's experience with customers having good collection history with no historical loss rates / bad debts and normal receivable ageing, the move from an incurred loss model to an expected loss model has no impact on the financial position and / or financial performance of the Company.

4.1.3 IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. As a result, the Company, as a lessee, has recognized right of use of assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Company presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Company has presented non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

Significant accounting policies

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. Right of use asset is disclosed in the property, plant and equipment as referred to in 10.2 of these condensed interim consolidated financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used it incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement. Refer note 6 to these condensed interim consolidated financial statements for disclosure of lease liability.

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

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact of financial statements

The Company has applied IFRS 16 using the modified retrospective approach. On transition to IFRS 16, the Company recognized additional Rs. 146.51 million right of use assets and Rs. 157.87 million of lease liabilities, recognizing the difference in retained earnings. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate applicable at the time of initial application of standard. However, there are some warehouse leases prior to 01 January 2019 that have not been considered as significant for the purpose of application of IFRS 16 and accordingly has no impact on the opening retained earnings as at 01 January 2019.

The result of intial application of IFRS 16 has been disclosed in note 10.2 and note 6 to these condensed interim consolidated financial statements respectively.

4.2 Other than those disclosed above in note 4.1, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

Amendments and interpretations of approved accounting standards

-	IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
-	Amendment to IAS 28 - Investments in associates and joint ventures - Long Term Interests in Associates and Joint Ventures	01 January 2019
-	Amendment to IAS 19 - Employee benefits - Plan Amendment, Curtailment or Settlement	01 January 2019
-	Amendment to IFRS 3 - Business Combinations – Definition of a Business	01 January 2019
-	Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2019
-	Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

5 Issued, subscribed and paid up capital

	(Un-audited) 30 September 2019	(Audited) 31 December 2018	**(Un-audited) 30 September 2019**	(Audited) 31 December 2018
	- - - Number of shares - - -		**- - - Rupees in '000 - - -**	
Issued for cash	**11,461,568**	11,461,568	114,616	114,616
Issued for consideration other than cash	**703,733**	703,733	7,037	7,037
Issued as paid bonus shares	**78,988,764**	54,518,664	789,888	545,187
Issued under scheme of amalgamation	**96,450,000**	96,450,000	964,500	964,500
	187,604,065	**163,133,965**	1,876,041	1,631,340

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

	(Un-audited) 30 September 2019	(Audited) 31 December 2018	**(Un-audited) 30 September 2019**	(Audited) 31 December 2018
*Poseidon Synergies (Private) Limited	**6.00%**	6.00%	**9,785,377**	9,785,377
Chief Executive Officer and his spouse and minor children				
- Haroon Ahmad Khan (CEO)	**38.32%**	37.95%	**61,916,108**	61,916,108
- Nighat Haroon Khan (Wife of CEO)	**15.64%**	15.64%	**25,518,500**	25,518,500
- Dependent children of CEO	**1.66%**	1.66%	**2,702,500**	2,702,500
	61.62%	61.25%		

6 Liabilities against assets subject to lease

	(Un-audited) 30 September 2019	(Audited) 31 December 2018
Liabilities for finance lease assets	**93,202**	65,528
Liability recognized for right of use asset	**135,341**	-
	228,543	65,528
Less: Current maturity presented under current liabilities	**(87,903)**	(23,074)
	140,640	42,454

7 Short term borrowings

	Note	**(Un-audited) 30 September 2019**	(Audited) 31 December 2018
		(Rupees in '000)	
From banking companies - secured:			
Running finance under mark-up arrangements		**1,509,721**	1,529,866
Finance against trust receipt	*7.1*	**2,163,322**	1,032,528
Short term borrowings under 'Murahaba' arrangement	*7.1*	**399,601**	397,892
		4,072,643	2,960,286
From non banking companies:			
Short term borrowings from associated undertaking - unsecured	*7.2*	**-**	35,000
		4,072,643	2,995,286

7.1 There were increase in FATR and no major changes in other facilities during the period. All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements of the Company for the year ended 31 December 2018.

7.2 The loan has been paid off during the period.

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 2018.

8.2 Commitments

The Company has the following commitments in respect of:

Commitments, for the import of stock in trade, outstanding at year end were for Rs. 130 million (2018: Rs. 247.88 million).

	Note	**(Un-audited)**	(Audited)
		30 September 2019	31 December 2018
		(Rupees in '000)	
9 Property, plant and equipment			
Operating fixed assets	*9.1*	**4,752,008**	4,721,191
Right of-use asset	*9.2*	**136,967**	-
Capital work-in-progress	*9.3*	**11,902**	33,507
		4,900,877	4,754,698

9.1 Operating fixed assets

Opening balance - as at 01 January	**4,721,191**	4,594,641
Additions during the period / year	**185,534**	570,356
Transfers from leased to owned assets	**-**	17,950
	4,906,725	5,182,947
Book value of property, plant and equipment disposed off during the period / year	**(2,106)**	(267,927)
Depreciation charged during the period / year	**(152,611)**	(193,829)
Closing balance - as at 30 September 2019	**4,752,008**	4,721,191

9.2 Right of-use asset

Balance as at 01 January	**146,509**	-
Additions during the period	**26,581**	-
Depreciation charge for the period	**(36,124)**	-
Balance as at 30 September	**136,967**	-

9.3 Capital work-in-progress

Building	**5,836**	3,770
Plant and machinery	**592**	18,400
Electric installation	**5,475**	1,155
Advance against purchase of a land	**-**	10,182
	11,902	33,507

10 Intangible assets and goodwill

	Note	(Un-audited) 30 September 2019	(Audited) 31 December 2018
		(Rupees in '000)	
Software		**30,019**	36,678
Goodwill	*10.1*	**1,070,207**	1,070,206
Customer Relationship	*10.1*	**253,619**	276,659
Brand value	*10.1*	**1,582,147**	1,582,147
		2,935,992	2,965,690

10.1 Effective 01 July 2017, Waves Singer Pakistan Limited ("the Company") completed a 'Scheme of Arrangement' as approved by the Honourable Sindh High Court through its Order dated 22 May 2018 for the amalgamation of Cool Industries (Private) Limited [CIPL] and Link Wel (Private) Limited [LWPL] with and into the Company and demerger of retail business from the Company and amalgamate the same into the subsidiary.This goodwill and intangible assets (brand value) represents excess of the amount paid over the fair value of the net assets of CIPL and LWPL on its acquisition as of the start of business on 01 July 2017.

11 Trade debts

	(Un-audited) 30 September 2019	(Audited) 31 December 2018
	(Rupees in '000)	
Considered good, usecured	**4,257,657**	3,246,483
Considered doubtful, unsecured	**414,365**	274,365
	4,672,022	3,520,848
Provision for doubtful debts	**(414,365)**	(274,365)
	4,257,657	3,246,483

12 Sales - net

	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018
	(Rupees in '000)	
Gross sales:		
- Local	**9,259,375**	7,193,838
- Export	**18,160**	14,186
	9,277,535	7,208,024
Sales tax	**(997,998)**	(740,857)
Trade discounts	**(951,310)**	(519,984)
Sales return	**(87,081)**	(23,852)
	(2,036,390)	(1,284,693)
	7,241,145	5,923,331

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 Earnings Per Share - basic and diluted

	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018
Profit for the period	**58,826**	**68,246**	**312,958**	305,429
Weighted average number of ordinary shares	**187,604**	**187,604**	**187,604**	187,604
Earnings Per Share - basic and diluted	**0.31**	**0.36**	**1.67**	**1.63**

15 Cash and cash equivalents

	(Un-audited) 30 September 2019	(Audited) 31 December 2018
	(Rupees in '000)	
Cash and bank balances	**41,948**	105,247
Short term running finance - secured	**(1,509,721)**	(1,529,866)
	(1,467,773)	(1,424,619)

16 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 consolidated condensed interim financial statements. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018 Restated
Associated Undertakings				
Poseidon Synergies (Private) Limited	Shareholding and common directorship	Repayment of loan during the period	35,000	-
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	19,498	21,435
		Loan received during the period	44,000	-
		Repayment of loan during the period	22,000	-
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	1,149	954
Employee's Pension Fund	Post employee benefit plan	Contribution for the period	-	3,017
Directors	Employees	Fee for meetings	784	693
Key management personnel	Remuneration	Remuneration	85,381	84,440

17 Operating Segments

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

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

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

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

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

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

	Singer	Waves	Total
	-------------------- (Rupees in '000) --------------------		
Revenue	1,762,317	7,515,218	9,277,535
Segment profit / loss before tax	17,270	295,689	312,958
Interest expense	93,304	450,868	544,173
Depreciation and amortization	71,136	147,297	218,433
Segment assets	3,894,003	12,197,541	16,091,544
Segment liabilities	2,501,026	5,243,711	7,744,737

17.1 Revenue from refrigerators and deep freezers represent 44% and 43% respectively) of the total revenue of the Group.

17.2 Sales represents local sales of Rs. 9,259 million (30 September 2018: Rs. 7,194 million) and export sales of Rs. 18.16 million (30 September 2018: 14.18 million).

17.3 All non-current assets of the Group at 30 September 2019 are located in Pakistan.

17.4 The Group does not have any customer having sales of 10% or more during the half year ended 30 September 2019 and 30 September 2018.

18 Financial risk management and fair value of financial instruments

18.1 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 2018.

18.2 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:

		Carrying amount			Fair value		
		Financial assets at amortized cost	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
	Note	----------	----------	---------- Rupees in '000	----------	----------	----------
Financial instruments							
30 September 19 - (Un-audited)							
Financial assets - not measured at fair value							
Security deposits		**46,017**	**-**	**46,016**	**-**	**-**	**-**
Trade debts		**-**	**-**	**-**	**-**	**-**	**-**
Deposit and other receivables		**233,795**	**-**	**233,795**	**-**	**-**	**-**
Bank balances		**41,948**	**-**	**41,947**	**-**	**-**	**-**
	18.3	**321,760**	**-**	**321,758**	**-**	**-**	**-**
Financial liabilities - not measured at fair value							
Liabilities against assets subject to finance lease		**-**	**228,543**	**228,543**	**-**	**-**	**-**
Long term loans - secured		**-**	**1,080,708**	**1,080,708**	**-**	**-**	**-**
Trade and other payables		**-**	**1,548,887**	**1,548,887**	**-**	**-**	**-**
Employee retirement benefit		**-**	**-**	**-**	**-**	**-**	**-**
Short term borrowings - secured and unsecured		**-**	**4,072,643**	**4,072,643**	**-**	**-**	**-**
Mark-up accrued on short term finances and long term loans		**-**	**183,011**	**183,011**	**-**	**-**	**-**
	18.3	**-**	**7,113,792**	**7,113,792**	**-**	**-**	**-**

	Note	Financial assets at amortized cost	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3
		----------	----------	Rupees in '000	----------	----------	----------
Financial instruments							
31 December 2018							
Financial assets - not measured at fair value							
Security deposits		48,570	-	48,570	-	-	-
Trade debts		3,246,483	-	3,246,483	-	-	-
Deposit and other receivables		149,759	-	149,759	-	-	-
Bank balances		105,247	-	105,247	-	-	-
	18.3	3,550,059	-	3,550,059	-	-	-
Financial liabilities - not measured at fair value							
Liabilities against assets subject to finance lease		-	65,528	65,528	-	-	-
Long term loans - secured		-	1,013,521	1,013,521	-	-	-
Trade and other payables		-	1,577,876	1,577,876	-	-	-
Employee retirement benefit		-	61,823	61,823	-	-	-
Short term borrowings - secured and unsecured		-	2,995,286	2,995,286			
Mark-up accrued on short term finances and long term loans		-	97,338	97,338	-	-	-
	18.3	-	5,811,372	5,811,372	-	-	-

18.3 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 December 2017
Investment property	Date of valuation	31 December 2018

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.

19 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 30 October, 2019.

20 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.

Chief Executive	**Director**	**Chief Financial Officer**

Waves Singer Pakistan Limited

(Un-Audited) Condensed Interim

Un-Consolidated Financial Statements

For the Nine Months Ended 30th September 2019

Waves Singer Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position (Un-audited)

As at 30 September 2019

EQUITY AND LIABILITIES	Note	(Unaudited) 30 September 2019	(Audited) 31 December 2018
		(Rupees in '000)	
Share capital and reserves			
Authorized capital			
200,000,000 (31 December 2018: 175,000,000)			
ordinary shares of Rs 10 each		**2,000,000**	1,750,000
Issued, subscribed and paid up capital	*5*	**1,876,041**	1,631,340
Share premium reserve		**4,581,063**	4,825,764
Capital reserve		**5,000**	5,000
Revenue reserve - unappropriated profit		**1,801,392**	1,754,670
Surplus on revaluation of property, plant and equipment - net of tax		**158,460**	158,525
		8,421,956	8,375,299
Non-current liabilities			
Long term loans - secured		**1,080,708**	732,271
Liabilities against assets subject to lease	*6*	**140,640**	42,454
Employee retirement benefits - obligation		**43,404**	42,480
Deferred tax liability - net		**97,446**	75,628
Deferred income		**19,299**	20,215
		1,381,498	913,048
Current liabilities			
Trade and other payables		**1,318,970**	1,683,939
Mark-up accrued on borrowings		**183,011**	97,338
Short term borrowings - secured and unsecured	*7*	**4,072,643**	2,995,286
Unclaimed dividend		**-**	1,325
Unpaid dividend		**1,662**	1,517
Current portion of long term liabilities		**374,108**	311,449
		5,950,393	5,090,854
Contingencies and commitments	*8*		
		15,753,847	14,379,201

ASSETS	Note	(Unaudited) 30 September 2019	(Audited) 31 December 2018
		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	*9*	**4,480,465**	4,316,040
Intangible assets and goodwill	*10*	**2,682,371**	2,689,031
Investment property		**178,300**	178,300
Investment in subsidiaries	*11*	**573,769**	573,769
Employee retirement benefits - obligation		**5,125**	9,960
Long term deposits		**7,982**	4,179
		7,928,012	7,771,279
Current assets			
Stores, spares and loose tools		**48,517**	31,035
Stock-in-trade		**2,700,169**	2,991,310
Trade debts	*12*	**3,016,483**	1,982,771
Advances, deposits, prepayments and other receivables	*13*	**1,494,540**	1,062,145
Taxation - net		**474,301**	450,001
Cash and bank balances		**91,825**	90,660
		7,825,835	6,607,922
		15,753,847	14,379,201

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

Waves Singer Pakistan Limited

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

For the three and nine months period ended 30 September 2019

		For the three months period ended		For the nine months period ended	
		30 September 2019	30 September 2018	**30 September 2019**	30 September 2018
	Note				s
Gross sales		**1,615,939**	1,629,160	**8,943,738**	6,878,829
Sales tax and trade discount on invoices		**(316,622)**	(598,545)	**(3,121,958)**	(2,570,090)
Sales - net	*14*	**1,299,316**	1,030,615	**5,821,779**	4,308,739
Cost of sales		**(838,173)**	(1,002,731)	**(5,241,652)**	(4,192,590)
Gross profit / (loss)		**461,144**	27,884	**580,128**	116,149
Marketing, selling and distribution cost		**(100,992)**	(21,016)	**(156,967)**	(106,157)
Administrative expenses		**(68,253)**	(21,130)	**(105,462)**	(94,806)
Other expenses		**(9,630)**	(9,730)	**(71,841)**	(47,284)
Other income	*15*	**103,432**	144,644	**633,910**	554,575
Profit from operations		**385,701**	120,652	**879,768**	422,478
Finance cost		**(195,569)**	(106,239)	**(534,139)**	(305,488)
Profit before taxation		**190,131**	14,412	**345,628**	116,990
Taxation	*16*	**(40,965)**	(2,844)	**(83,695)**	(18,088)
Profit for the period		**149,166**	11,568	**261,933**	98,902
Earnings per share - basic and diluted-restated		**0.80**	**0.06**	**1.40**	**0.53**

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

Chief Executive Officer **Director** **Chief Financial Officer**

Waves Singer Pakistan Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the three and nine months period ended 30 September 2019

	For the three months period ended		For the nine months period ended	
	30 September 2019	30 September 2018	**30 September 2019**	30 September 2018
	------------------- **(Rupees in '000)** -------------------			
Profit for the period	**149,166**	11,568	**261,933**	98,902
<u>Other comprehensive income for the period</u>				
Items that will not be reclassified to profit or loss account:				
	-	-	-	-
Total comprehensive income for the period	**149,166**	11,568	**261,933**	98,902

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

Chief Executive Officer **Director** **Chief Financial Officer**

Waves Singer Pakistan Limited

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)

For the nine months period ended 30 September 2019

	Issued, subscribed and paid-up capital	Capital reserves				Revenue reserve	Total
		Shares to be issued pursuant to amalgamation	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	Unappropriated profits	
	------ Rupees in '000 ------						
Balance at 01 January 2018	454,056	964,500	5,038,548	5,000	159,500	1,463,020	**8,084,624**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	98,902	**98,902**
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**98,902**	**98,902**
Surplus transferred to accumulated profits							
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	-	-	-
Transactions with owners of the Company							
Shares issued under scheme of amalgamation	964,500	(964,500)	-	-	-	-	-
Final dividend for the year ended 31 December 2017 @ Rs. 1.25 per share	-	-	-	-	-	(177,320)	**(177,320)**
Shares issued as fully paid bonus shares @ 15%	212,784		(212,784)				-
Balance as at 30 September 2018 (unaudited)	**1,631,340**	**-**	**4,825,764**	**5,000**	**159,500**	**1,384,602**	**8,006,206**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	353,767	**353,767**
Other comprehensive income for the period	-	-	-	-	-	15,197	**15,197**
	-	**-**	**-**	**-**	**-**	**368,964**	**368,964**
Surplus transferred to accumulated profits							
Transfer against sale of land and building - net of tax	-	-	-	-	(967)	967	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(129)	129	-
Adjustment of Restating					(8)	8	-
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	-	-	129	-	**129**
	-	**-**	**-**	**-**	**(975)**	**1,104**	**129**
Transactions with owners of the Company							
Shares issued as fully paid bonus shares @ 15%	-	-	-	-	-	-	-
Balance as at 31 December 2018	**1,631,340**	**-**	**4,825,764**	**5,000**	**158,525**	**1,754,670**	**8,375,299**
Balance at 01 January 2019, as previously reported	1,631,340	-	4,825,764	5,000	158,525	1,754,670	8,375,299
Impact of change in accounting policy as explained in note 4.1.2	-	-	-	-	-	(11,358)	**(11,358)**
Adjusted Balance as at 01 January 2019	**1,631,340**	**-**	**4,825,764**	**5,000**	**158,525**	**1,743,312**	**8,363,941**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	261,933	**261,933**
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**261,933**	**261,933**
Surplus transferred to accumulated profits							
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(65)	65	-
Transactions with owners of the Company							
Final dividend for the year ended 31 December 2018 @ Rs. 1.25 per share	-	-	-	-	-	(203,918)	**(203,918)**
Shares issued as fully paid bonus shares @ 15%	244,701		(244,701)				
Balance as at 30 September 2019 (un-audited)	**1,876,041**	**-**	**4,581,063**	**5,000**	**158,460**	**1,801,392**	**8,421,956**

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

Chief Executive Officer **Director** **Chief Financial Officer**

Waves Singer Pakistan Limited

Condensed Interim Unconsolidated Statement of Cash Flow (Un-audited)

For the nine months period ended 30 September 2019

	Note	**(Un-audited) 30 September 2019**	(Un-audited) 30 September 2018
		- - - - - -Rupees in '000- - - - - -	
Cash flows from operating activities			
Profit before taxation		**345,628**	116,990
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	*9.1*	**164,621**	166,923
Amortisation of intangible assets	*10*	**6,659**	1,817
Finance cost		**534,139**	305,488
Gain on sale of assets		**(1,242)**	-
Amortisation of deferred income		**(7,781)**	(4,367)
Net loss on insurance claim of assets written off due to fire		**-**	6,785
Unrealised exchange Loss		**38,519**	-
Workers' Profit Participation Fund		**30,933**	-
Provision for doubtful debts		-	1,762
Provision for employee retirement benefits		**6,385**	5,654
Mark up charged to subsidiary		**(258,457)**	-
Dividend income from subsidiary company		**(360,000)**	(540,000)
		499,404	61,052
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		**(17,482)**	(7,584)
Stock-in-trade		**291,141**	(139,722)
Trade debts and other receivables		**(1,033,712)**	(1,092,774)
Advances, deposits, prepayments and other receivables		**(310,823)**	590,955
Increase in current liabilities:			
Trade and other payables		**(208,795)**	785,513
		(1,279,671)	136,388
Cash used in operations		**(780,267)**	197,441
Income tax paid		**(72,291)**	(174,020)
Workers' Profit Participation Fund paid		**(27,751)**	
Employee retirement benefits paid		**(1,925)**	(832)
Long term deposits - net		**(12,161)**	(576)
Net cash used in operating activities		**(894,395)**	22,013
Cash flow from investing activities			
Capital expenditure -net		**(179,666)**	(420,655)
Proceeds against insurance claim against assets written off due to fire		**-**	175,341
Proceeds from disposal of property, plant and equipment		**6,124**	-
Dividend received from subsidiary company		**360,000**	400,000
Net cash generated from investing activities		**186,458**	154,686
Cash flow from financing activities			
Long term loans repaid		**348,437**	393,750
Finance costs paid		**(418,500)**	(285,906)
Dividend paid		**(201,393)**	-
Borrowing of short term finance - net		**1,077,357**	(544,726)
Lease rentals paid		**(76,654)**	(19,832)
Net cash generated from financing activities		**729,247**	(456,714)
Net decrease in cash and cash equivalents		**21,310**	(280,015)
Cash and cash equivalents - at beginning of the period		**(1,439,206)**	(625,334)
Cash and cash equivalents - at end of the period	*17*	**(1,417,896)**	(905,349)

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

Chief Executive Officer **Director** **Chief Financial Officer**

1 Status and nature of business

Waves Singer Pakistan Limited ("the Company") is 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 along with 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 Basis of preparation

Statement of compliance

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

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

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

2.2 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 30 September 2019 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 Nine month period then ended.

2.3 These condensed interim unconsolidated financial statements are unaudited but subject to limited scope review by external auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

2.4 These 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 2018. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

2.5 Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2018, whereas comparative unconsolidated 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 unconsolidated financial statement of the Company for the three months and Nine months period ended 31 December 2018.

3 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 2018.

4 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 2018 except for the adoption of new standards effective as off 01 January 2019 as stated below:

4.1 Change in accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers', IFRS 9 'Financial Instruments' and IFRS 16 'Leases' from 01 January 2019 which is effective from the annual periods beginning on or after 01 July 2018, period ending on or after 30 September 2019 and periods begining on or after 01 January 2019 respectively. The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

4.1.1 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. The Company is engaged in the manufacturing and assembly of domestic consumer appliances along with retailing and trading of the same and other light engineering products. The contracts with customers for the sale of goods generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations at 01 July 2018, did not have a material impact on the amounts of revenue recognized in these condensed interim unconsolidated financial statements except for reclassification of the freight outwards which is now to be part of cost of sales. The corresponding figures have been represented to reflect this change on adoption of IFRS 15. Accordingly, selling and distribution expense of Rs. 3.69 million (30 June 2018: Rs. 4.54 million) has been reclassified to cost of sales. This reclassification has no impact on the reported Earning per Share (EPS) of the corresponding period.

4.1.2 IFRS 9 Financial Instruments

IFRS 9 replaced the provisions of IAS 39 ' Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The details of new significant accounting policies adopted and the nature and the effect of the changes to the previous accounting policies are set out below:

4.1.2.1 *Classification and measurement of financial assets and financial liabilities*

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for the financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through Other Comprehensive Income ("FVOCI"), or through profit or loss ("FVTPL"); and

- Those to be measured at amortized cost.

The classification depends upon entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within the business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading , this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. However, the above had no effect on these condensed interim unconsolidated financial statements as the Company has no investments at the reporting date.

Trade and other receivables including deposits and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Changes in accounting policies resulting from change in classification and measurement of these financial assets does not have a significant impact on these condensed interim unconsolidiated financial statements.

4.1.2.2 *Impairment*

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to the financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. There had been no impairment losses related to trade and other receivables, including contract assets. Trade receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. This includes both qualitative and quantative information and analysis, based on historical experience and informed credit risk assessment including forward looking information. Given the Company's experience with customers having good collection history with no historical loss rates / bad debts and normal receivable ageing, the move from an incurred loss model to an expected loss model has no impact on the financial position and / or financial performance of the Company.

4.1.3 IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. As a result, the Company, as a lessee, has recognized right of use of assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Company presents right-of-use assets in ‘property, plant and equipment’, the same line item as it presents underlying assets of the same nature that it owns.

The Company has presented non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

Significant accounting policies

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. Right of use asset is disclosed in the property, plant and equipment as referred to in 10.2 of these condensed interim unconsolidated financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company’s incremental borrowing rate. The Company has used it incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement. Refer note 6 to these condensed interim unconsolidated financial statements for disclosure of lease liability.

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

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

– Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

– Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

– Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact of financial statements

The Company has applied IFRS 16 using the modified retrospective approach. On transition to IFRS 16, the Company recognized additional Rs. 146.51 million right of use assets and Rs. 157.87 million of lease liabilities, recognizing the difference in retained earnings. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate applicable at the time of initial application of standard. However, there are some warehouse leases prior to 01 January 2019 that have not been considered as significant for the purpose of application of IFRS 16 and accordingly has no impact on the opening retained earnings as at 01 January 2019.

The result of intial application of IFRS 16 has been disclosed in note 10.2 and note 6 to these condensed interim unconsolidated financial statements respectively.

Also in relation to those leases under IFRS 16, the Company has recognised depreciation and interest costs, instead of operating lease expense. During the Nine months ended 30 September 2019, the Company recognised Rs. 23.84 million of depreciation charges and Rs. 5.82 million of interest costs from this lease.

4.2 Other than those disclosed above in note 4.1, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

Amendments and interpretations of approved accounting standards

- IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
- Amendment to IAS 28 - Investments in associates and joint ventures - Long Term Interests in Associates and Joint Ventures	01 January 2019
- Amendment to IAS 19 - Employee benefits - Plan Amendment, Curtailment or Settlement	01 January 2019
- Amendment to IFRS 3 - Business Combinations – Definition of a Business	01 January 2019
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2019
- Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

5 Issued, subscribed and paid up capital

	(Un-audited) 30 September 2019	(Audited) 31 December 2018	(Un-audited) 30 September 2019	(Audited) 31 December 2018
	--- Number of shares ---		--- Rupees in '000 ---	
Issued for cash	**11,461,568**	11,461,568	114,616	114,616
Issued for consideration other than cash	**703,733**	703,733	7,037	7,037
Issued as paid bonus shares	**78,988,764**	54,518,664	789,888	545,187
Issued under scheme of amalgamation	**96,450,000**	96,450,000	964,500	964,500
	187,604,065	**163,133,965**	1,876,041	1,631,340

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

	(Un-audited) 30 September 2019	(Audited) 31 December 2018	(Un-audited) 30 September 2019	(Audited) 31 December 2018
*Poseidon Synergies (Private) Limited	**6.00%**	6.00%	**9,785,377**	9,785,377
Chief Executive Officer and his spouse and mir				
- Haroon Ahmad Khan (CEO)	**38.32%**	37.95%	**61,916,108**	61,916,108
- Nighat Haroon Khan (Wife of CEO)	**15.64%**	15.64%	**25,518,500**	25,518,500
- Dependent children of CEO	**1.66%**	1.66%	**2,702,500**	2,702,500
	61.62%	61.25%		

6 Liabilities against assets subject to lease

	(Un-audited) 30 September 2019	(Audited) 31 December 2018
Liabilities for finance lease assets	**93,202**	65,528
Liability recognized for right of use asset	**135,341**	-
	228,543	65,528
Less: Current maturity presented under current liabilities	**(87,903)**	(23,074)
	140,640	42,454

7 Short term borrowings

	Note	(Un-audited) 30 June 2019	(Audited) 31 December 2018
		(Rupees in '000)	
From banking companies - secured:			
Running finance under mark-up arrangements		**1,509,721**	1,529,866
Finance against trust receipt	*7.1*	**2,163,322**	1,032,528
Short term borrowings under 'Murahaba' arrangement	*7.1*	**399,601**	397,892
		4,072,643	2,960,286
From non banking companies:			
Short term borrowings from associated undertaking - unsecured	*7.2*	**-**	35,000
		4,072,643	2,995,286

7.1 There were increase in FATR and no major changes in other facilities during the period. All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements of the Company for the year ended 31 December 2018.

7.2 The loan has been paid off during the period.

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 2018.

8.2 Commitments

The Company has the following commitments in respect of:

Commitments, for the import of stock in trade against letters of credit, outstanding at year end were for Rs. 130 million (2018: Rs. 247.88 million).

	Note	**(Un-audited) 30 September 2019**	(Audited) 31 December 2018
		(Rupees in '000)	
9 Property, plant and equipment			
Operating fixed assets	*9.1*	**4,331,596**	4,282,533
Right of-use asset	*9.2*	**136,967**	-
Capital work-in-progress	*9.3*	**11,902**	33,507
		4,480,465	4,316,040

9.1 Operating fixed assets

Opening balance - as at 01 January	**4,282,533**	4,142,980
Additions during the period / year	**179,666**	547,280
Transfers from leased to owned assets	**-**	17,950
	4,462,199	4,708,210
Book value of property, plant and equipment disposed off during the period / year	**(2,106)**	(267,927)
Depreciation charged during the period / year	**(128,497)**	(157,750)
Closing balance - as at 30 September 2019	**4,331,596**	4,282,533

9.2 Right of-use asset

Balance as at 01 January	**146,509**	-
Additions during the period	**26,581**	-
Depreciation charge for the period	**(36,124)**	-
Balance as at 30 September	**136,967**	-

9.3 Capital work-in-progress

Building	**5,836**	3,770
Plant and machinery	**592**	18,400
Electric installation	**5,475**	1,155
Advance against purchase of a land	**-**	10,182
	11,902	33,507

		Note	(Un-audited) 30 September 2019	(Audited) 31 December 2018
10	**Intangible assets and goodwill**	*Note*	**(Rupees in '000)**	
	Software		**30,019**	36,678
	Goodwill	*10.1*	**1,070,206**	1,070,206
	Brand value	*10.1*	**1,582,147**	1,582,147
			2,682,371	2,689,031

10.1 Effective 01 July 2017, Waves Singer Pakistan Limited ("the Company") completed a 'Scheme of Arrangement' as approved by the Honourable Sindh High Court through its Order dated 22 May 2018 for the amalgamation of Cool Industries (Private) Limited [CIPL] and Link Wel (Private) Limited [LWPL] with and into the Company and demerger of retail business from the Company and amalgamate the same into the subsidiary.This goodwill and intangible assets (brand value) represents excess of the amount paid over the fair value of the net assets of CIPL and LWPL on its acquisition as of the start of business on 01 July 2017.

		Note	(Un-audited) 30 September 2019	(Audited) 31 December 2018
11	**Investment In subsidiaries**	*Note*	**(Rupees in '000)**	
	Electronics Marketing Company (Private) Limited			
	2,500,000 (31 Dec 2018: 2,500,000) fully paid ordinary shares of Rs. 10 each	*11.1*	**250,000**	250,000
	Equity held: 100% (31 Dec 2018: 100%)			
	Chief Executive Officer - Nadeem Mahmood Butt			
	Waves Marketing (Private) Limited			
	Equity held: 100% (2017: 100%)	*11.2*	**323,769**	323,769
	Chief Executive Officer - Moazzam Ahmad Khan			
			573,769	573,769

11.1 Electronics Marketing Company (Private) Limited (EMCPL), a wholly owned subsidiary, was incorporated on 09 September 2016. The principal activity of the subsidiary company is to carry out distribution / wholesales and retail business of all kinds of electronic appliances, its components and accessories etc. The registered office of the subsidiary company is located at 10th Floor, Right Wing, NIC Building, Abbasi Shaheed Road, Karachi. Net assets of the subsidiary company as at 30 September 2019 were Rs. 227 million.

11.2 Waves Marketing (Private) Limited (WMPL), a wholly owned subsidiary, was incorporated on 10 April 2017. The principal activity of the subsidiary company is to carry out businesses of distributors, marketers, merchants, wholesalers, retailers, traders, indentures, stockiest, suppliers, agent for product of manufacturers of other principals, local or foreign. The registered office of the subsidiary company is located at 15/3 A, Model Town, Lahore. Net assets of the subsidiary company as at 30 September 2019 were Rs. 410 million. Investment comprises of 100,000 ordinary shares of Rs. 10 each and fair value of customer relationships acquired of Rs. 322.77 million.

		Note	(Un-audited) 30 September 2019	(Audited) 31 December 2018
12	**Trade debts**	*Note*	**(Rupees in '000)**	
	Considered good, usecured		**3,016,483**	1,982,771
	Considered doubtful, unsecured		**200,814**	200,814
			3,217,297	2,183,585
	Provision for doubtful debts		**(200,814)**	(200,814)
			3,016,483	1,982,771

12.1 This includes related parties to whom debts are receivable:

Waves Marketing (Private) Limited (WMPL)	**929,768**	1,101,515
Electronics Marketing Company (Private) Limited (EMCPL)	**1,060,069**	633,708
	1,989,837	1,735,223

13 This include amounts due from Electronic Marketing Company (Private) Limited and Waves Marketing Company (Privte) Limited , wholly owned subsidiary companies, of Rs. 436 million (31 December 2018: Rs. 537.15 million) and Rs. 737 million (31 December 2018: Rs. 354.97 million) respectively on account of expenses allocated to them/ incurred on their behalf in accordance with basis approved by the Board of Directors of the Company. This balance is unsecured and receivable on demand. Markup is calculated on outstanding balance at an average borrowing rate of the Company. Furthermore, it also includes interim dividend receivable from Waves Marketing (Private) Limited amounting to Rs. 258 million (31 December 2018: Nil).

	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018
	(Rupees in '000)	
14 Sales - net		
Gross sales:		
- Local	**8,925,578**	6,879,052
- Export	**18,160**	14,186
	8,943,738	6,893,238
Sales tax	**(997,998)**	(740,858)
Trade discounts	**(2,099,114)**	(1,829,232)
Sales return	**(24,847)**	(14,409)
	(3,121,958)	(2,584,499)
	5,821,779	4,308,739

15 Other Income

This includes Rs. 360 million on account of dividend income from Waves Marketing (Private) Limited, a wholly owned subsidiary. It also includes Rs. 258 million as markup income on net amount receivable from the subsidiary companies as explained in note 13. Mark-up is calculated at an average quarterly borrowing rate of the Company. The quarterly borrowing rate is applied on the outstanding balance receivable that exceeds the credit period of 30 days.

16 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) 30 September 2019	(Audited) 31 December 2018
17 Cash and cash equivalents	**(Rupees in '000)**	
Cash and bank balances	**91,825**	90,660
Short term running finance - secured	**(1,509,721)**	(1,529,866)
	(1,417,895)	(1,439,206)

18 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) 30 September 2019	(Un-audited) 30 September 2018 Rsetated
i. Subsidiary Company				
Waves Marketing (Private) Limited	Wholly owned subsidiary	Purchase of inventory	**-**	104,509
		Sale of inventory - gross	**4,334,704**	3,334,797
		Expenses incurred / paid on behalf of subsidiary	**383,973**	627,139
		Dividend income	**360,000**	540,000
		Trade Receivable		846,861
		Mark-up charged on receivable from subsidiary	**108,392**	140,000
Electronics Marketing (Private) Limited	Wholly owned subsidiary	Purchase of inventory	**-**	525
		Sale of inventory - gross	**771,604**	1,448,849
		Trade Receivable	**-**	266,854
		Trade Payable	-	525
		Expenses incurred / paid on behalf of subsidiary	**50,198**	401,361
		Mark-up charged on receivable from subsidiary	**126,902**	-
ii. Associated Undertakings				
Poseidon Synergies (Private) Limited	Shareholding and common directorship	Repayment of loan during the period	**35,000**	-
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	**19,498**	21,435
		Loan received during the period	**44,000**	-
		Repayment of loan during the period	**22,000**	-
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	**1,149**	954
Employee's Pension Fund	Post employee benefit plan	Contribution for the period	**-**	3,017
Directors	Employees	Fee for meetings	**784**	693
Key management personnel	Remuneration	Remuneration	**83,381**	82,462

19 Financial risk management and fair value of financial instruments

19.1 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 2018.

19.2 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:

		Carrying amount			Fair value		
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	Rupees in '000					
Financial instruments							
30 September 19 - (Un-audited)							
Financial assets - not measured at fair value							
Security deposits		18,577	-	18,577	-	-	-
Trade debts		3,016,483	-	3,016,483	-	-	-
Deposit and other receivables		1,494,540	-	1,494,540	-	-	-
Bank balances		91,825	-	91,825	-	-	-
	19.3	4,621,426	-	4,621,425	-	-	-
Financial liabilities - not measured at fair value							
Liabilities against assets subject to finance lease		-	140,640	140,640	-	-	-
Long term loans - secured		-	1,080,708	1,080,708	-	-	-
Trade and other payables		-	1,318,970	1,318,970	-	-	-
Employee retirement benefit		-	-	-	-	-	-
Short term borrowings - secured and unsecured		-	4,072,643	4,072,643	-	-	-
Mark-up accrued on short term finances and long term loans		-	183,011	183,011	-	-	-
	19.3	-	6,795,972	6,795,972	-	-	-

	Note	Financial assets at amortized cost	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3
		----------	----------	Rupees in '000	----------	----------	----------
Financial instruments							
31 December 2018							
Financial assets - not measured at fair value							
Security deposits		22,869	-	22,869	-	-	-
Trade debts		1,982,771	-	1,982,771	-	-	-
Deposit and other receivables		926,767	-	926,767	-	-	-
Bank balances		90,660	-	90,660	-	-	-
	19.3	3,023,067	-	3,023,067	-	-	-
Financial liabilities - not measured at fair value							
Liabilities against assets subject to finance lease		-	65,528	65,528	-	-	-
Long term loans - secured		-	1,013,521	1,013,521	-	-	-
Trade and other payables		-	1,475,747	1,475,747	-	-	-
Employee retirement benefit		-	2,748,916	2,748,916	-	-	-
Short term borrowings - secured and unsecured		-	2,995,286	2,995,286			
Mark-up accrued on short term finances and long term loans		-	97,338	97,338	-	-	-
	19.3	-	8,396,336	8,396,336	-	-	-

19.3 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 December 2017
Investment property	Date of valuation	31 December 2018

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.

20 Date of authorization

This condensed interim unconsolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 30 October 2019

21 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.

Chief Executive	**Director**	**Chief Financial Officer**