

Waves Singer Pakistan Limited

9 Months Report

Nine Months Ended 30 September, 2021

Corporate Information

BOARD OF DIRECTORS

1. Mr. Muhammad Adnan Afaq	Chairman/Independent Director
2. Mr. Shoaib Dastgir	Independent Director
3. Mr. Muhammad Zafar Hussain	Independent Director
4. Mrs. Nighat Haroon Khan	Non-Executive Director
5. Mr. Moazzam Ahmad Khan	Non-Executive Director
6. Mr. Nadeem Mehmood Butt	Executive Director
7. Mr. Haroon Ahmad Khan	Chief Executive Officer

AUDIT COMMITTEE

1. Mr. Muhammad Zafar Hussain	Chairman/Independent Director
2. Mr. Moazzam Ahmad Khan	Member/Non-Executive Director
3. Mrs. Nighat Haroon Khan	Member/Non-Executive Director
4. Mr. Wasif Ali Rana	Secretary of Audit Committee

HR & REMUNERATION COMMITTEE

1. Mr. Shoaib Dastgir	Chairman/Independent Director
2. Mr. Muhammad Zafar Hussain	Member/ Independent Director
3. Mr. Moazzam Ahmad Khan	Member/Non-Executive Director
4. Mr. Nadeem Mehmood Butt	Member/Executive Director
5. Mr. Haroon Ahmad Khan	Member/ Executive Director
6. Mr. Wasif Ali Rana	Secretary of HR & R Committee

CHIEF FINANCIAL OFFICER

Mr. Arslan Shahid Butt

COMPANY SECRETARY

Mr. Wasif Ali Rana

HEAD OF INTERNAL AUDITOR

Mr. Usman Khalid

LEGAL ADVISOR

Law Wings Advocates & Solicitors

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE/PLANT

Factory Premises 9-KM Multan Road, Lahore
PH. No. 042-35415421-5, 35421502-4
UAN: 042-111-21-32-33
www.wavessinger.com

COMPANY REGISTRATION NO.

CUIN 0001286

Bankers:

Al Baraka Bank (Pakistan) Ltd.
Allied Bank Ltd.
Askari Bank Ltd.
Bank Al Falah Ltd.
The Bank of Khyber Ltd.
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Pak Oman Investment Company
Habib Metropolitan Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
National Bank of Pakistan Ltd.
Pak Brunei Investment Company Ltd.
Sindh Bank Ltd.
Pak Libya Holding Company
The Bank of Punjab Ltd.
Silk Bank Ltd.
SAMBA Bank Ltd.

Contact Information:

Registered Office: 042-35415421-5, 042-35421502-4
Web Site: <http://www.wavessinger.com/>

DIRECTOR'S REPORT

The Board of Directors of Waves Singer Pakistan Limited (the "Company") are pleased to present condensed un-audited interim financial statements of the Company for 9 Months ended September 30th, 2021

During the period, your Company's Gross Revenue grew by 31% over same period last year from Rs. 7,705 Million to Rs. 10,096 million and Gross Profit stands at Rs. 1,909 million which is 25% higher against the last year period. Company's net profit is Rs. 371 million compared to Rs. 90 million recorded in nine months period ended on September 30, 2020. Earning per share is Rs. 1.58 against Rs. 0.43 during the last year corresponding period. The growth witnessed by the Company can be attributed to easing of lockdown, extended summer season, increase in disposable household income coupled with better cost absorption due to higher volumetric growth.

Financial and Business Review:

SUMMARY OF OPERATING RESULTS	PKR MILLION		
	9M 2021	9M 2020	Change (%)
Gross Revenue	10,096	7,705	31%
Gross Profit	1,909	1,527	25%
Operating Profit	704	677	4%
Financial Cost (Net of Earned Carrying Charges)	(228)	(503)	-55%
Profit Before Tax	476	173	175%
Profit After Tax	371	90	312%
Earnings Per Share – Rupees	1.58	0.43	264%

The business operating environment remained challenging with record inflation and steep increase in commodity and raw material prices along with freight costs. The Company has managed to offset these challenges and maintain a relatively stable Gross Margin % through improvement in mix and saving initiatives across supply/value chain. The profit after tax has performed even better i.e. improvement of 312 % versus last year due to reduction in finance cost by 55% which resulted from reduction in rate of borrowing, increase in finance income on Subsidiary's Hire Purchase portfolio and effective management of working capital.

As a responsible organization, the Company continues to ensure strict compliance with COVID protocols for safety and wellbeing of all our stakeholders along with engagement with Federal and Provincial authorities for implementation of directives issued from time to time. Company vaccinated almost all of its employees at vaccination Centre set up by primary and secondary health care department of Punjab Government at company's manufacturing facility located at 9 KM Multan Road, Lahore.

Future Outlook:

Despite increase in inflation, the Pakistani economy is now on the path to a strong and sustained recovery as a result of which we are foreseeing the overall growth of economy in near future. Covid-19 vaccination has also given hope for a global economic recovery.

Domestically, the home appliances market recovery witnessed during the period under review was significant. By investing in new technologies, diversification and enlarging customer base and improving manufacturing efficiency we are assertive that the Company will continue its efforts to improve shareholder value Inshallah.

Due to the penetration of home appliances in the large population and rapid urbanization, we expect that the overall growth of the home appliance market will continue to improve in the long term. We plan to introduce new models, improve our dealer network to increase the penetration of our products among the masses. The company, with its brand, elaborate manufacturing plant, extensive nationwide national sales and after-sales service network, will benefit from increased market share, INSHALLAH.

Construction of New Factory and Relocation Plan

Appliances Manufacturing Plant is planned to move to a new purpose-built larger factory for which land has already been purchased and construction is already underway. Construction & relocation of the factory is expected to be completed during FY 2022 in phases.

Moreover, an international firm was hired to figure out the best use for the current premises and they have recommended to develop a real estate apartment project keeping in mind the prime location and the government's support for construction activity. Masters Plans for the same have been developed from 2 leading architectural firms. Accordingly, Lead Architect, Structure Consultant and MEP Consultant have also been hired to fast-track the project.

As the future prospects of the company are inextricably linked to the overall development of the country, the Company will continue to focus on exploiting all the opportunities available in the market. The Company promises to all its stakeholders that the Company is fully committed to creating value

Acknowledgement:

The Directors would like to express their deep appreciation to our shareholders who have consistently demonstrated their confidence in the Company and look forward to their continued support.

On behalf of the Board



Haroon Ahmad Khan

Chief Executive Officer
Lahore: 29th October 2021



Nadeem Mehmood Butt

Executive Director

ڈائریکٹر کی رپورٹ

بورڈ آف ڈائریکٹرز، ویوز سنگر پاکستان لمیٹڈ ("کمپنی") کو 30 ستمبر 2021 کو ختم ہونے والے 9 ماہ کے لئے کمپنی کے کنڈینسڈ غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے

اس عرصے کے دوران آپ کی کمپنی کی مجموعی آمدنی گزشتہ سال کے اسی عرصے کے مقابلے میں 31 فیصد بڑھ کر 7705 ملین روپے سے 10096 ملین روپے ہو گئی ہے اور مجموعی منافع 1909 ملین روپے رہی جو گزشتہ سال کی مدت کے مقابلے میں 25 فیصد زیادہ ہے۔ کمپنی کا خالص منافع 371 ملین روپے ہے جبکہ 30 ستمبر 2020 کو ختم ہونے والے نو ماہ کے عرصے میں 90 ملین روپے ریکارڈ کیا گیا تھا۔ فی حصص آمدنی گزشتہ سال کی اسی مدت کے دوران 0.43 روپے کے مقابلے میں 1.58 روپے رہی۔ کمپنی کی طرف سے دیکھی گئی ترقی کی وجہ لاک ڈاؤن میں نرمی، موسم گرما میں توسیع، ڈسپوز ایبل گھریلو آمدنی میں اضافہ اور زیادہ حجم میں اضافے کی وجہ سے بہتر لاگت جذب کرنا ہے۔

مالیاتی اور کاروباری جائزہ:

آپریٹنگ نتائج کا خلاصہ	پاک روپیہ ملین		تبدیلی (%)
	نوماء 2021	نوماء 2020	
مجموعی ریونیو	10,096	7,705	31%
مجموعی منافع	1,909	1,527	25%
آپریٹنگ منافع	704	677	4%
مالی لاگت (کماؤ گئے کیریئرنگ چارجز کا نیٹ)	(228)	(503)	-55%
قبل از ٹیکس منافع	476	173	175%
بعد از ٹیکس منافع	371	90	312%
فی حصص آمدنی - روپے میں	1.58	0.43	264%

کاروباری آپریٹنگ ماحول ریکارڈ افراط زر اور مال برداری کی لاگت کے ساتھ اجناس اور خام مال کی قیمتوں میں زبردست اضافے کے ساتھ چیلنج رہا۔ کمپنی ان چیلنجوں کو دور کرنے اور سپلائی/ ویلیو چین میں مکس اور بچت کے اقدامات میں بہتری کے ذریعے نسبتاً مستحکم مجموعی مارجن برقرار رکھنے میں کامیاب رہی ہے۔ بعد از ٹیکس منافع نے اس سے بھی بہتر کارکردگی کا مظاہرہ کیا ہے یعنی گزشتہ سال 312 فیصد بمقابلہ گزشتہ سال کی بہتری کی وجہ سے فنانس لاگت میں 55 فیصد کمی واقع ہوئی ہے جس کے نتیجے میں قرض لینے کی شرح میں کمی، ذیلی ادارے کے ہائر پریچیز پورٹ فولیو پر فنانس آمدنی میں اضافہ اور ورکنگ کپیٹل کا موثر انتظام ہوا ہے۔

ایک ذمہ دار ادارہ کی حیثیت سے کمپنی وقتاً فوقتاً جاری کردہ وفاقی اور صوبائی اداروں کی ہدایات پر عمل درآمد کے میں مشغول ہے اس کے ساتھ ساتھ ہمارے تمام اسٹیک ہولڈرز کی حفاظت اور فلاح و بہبود کے لئے ہم نے کوویڈ پروٹوکول کی سختی سے تعمیل کو یقینی بناتے رہتے ہیں۔ کمپنی نے 9 کے ایم ملتان روڈ، لاہور میں واقع کمپنی کی مینوفیکچرنگ سہولت میں حکومت پنجاب کے پرائمری اور سیکنڈری ہیلتھ کیئر ڈیپارٹمنٹ کے قائم کردہ ویکسینیشن سینٹر میں اپنے تقریباً تمام ملازمین کو ٹیکے لگوائے۔

مستقبل کا نقطہ نظر:

افراط زر میں اضافے کے باوجود پاکستانی معیشت اب مضبوط اور مستقل بحالی کی راہ پر گامزن ہے جس کے نتیجے میں ہم مستقبل قریب میں معیشت کی مجموعی ترقی کا اندازہ لگا رہے ہیں۔ کوویڈ-19 ویکسینیشن نے عالمی اقتصادی بحالی کی امید بھی دلائی ہے۔

ڈرامائی طور پر، زیر جائزہ مدت کے دوران گھریلو آلات کی مارکیٹ کی بحالی کا مشاہدہ ہم تھا۔ نئی ٹیکنالوجیز میں سرمایہ کاری، تنوع اور کسٹمر بیس کو بڑھانے اور مینوفیکچرنگ کی کارکردگی کو بہتر بنا کر ہم اس بات پر زور دے رہے ہیں کہ کمپنی شیئر ہولڈر ویلیو کو بہتر بنانے کے لئے اپنی کوششیں جاری رکھے گی انشا اللہ ہم بیس اور مینوفیکچرنگ کی کارکردگی کو بہتر بنانے کے لئے ہم اس بات پر زور دے رہے ہیں کہ کمپنی شیئر ہولڈر ویلیو کو بہتر بنانے کے لئے اپنی کوششیں جاری رکھے گی۔

بڑی آبادی میں گھریلو آلات کی رسائی اور تیزی سے آمد کی وجہ سے ہم توقع کرتے ہیں کہ ہوم ایپلائنس مارکیٹ کی مجموعی ترقی طویل مدت میں بہتر ہوتی رہے گی۔ ہم نئے ماڈل متعارف کرانے، عوام میں اپنی مصنوعات کی رسائی بڑھانے کے لئے اپنے ڈیلر نیٹ ورک کو بہتر بنانے کا ارادہ رکھتے ہیں۔ کمپنی اپنے برانڈ، وسیع مینوفیکچرنگ پلانٹ، وسیع ملک گیر قومی فروخت اور بعد از فروخت سروس نیٹ ورک کے ساتھ مارکیٹ شیئر میں اضافے سے فائدہ اٹھاتی رہے گی، انشا اللہ۔

نئی فیکٹری کی تعمیر اور ری لوکیشن پلان

اپلائنسز مینوفیکچرنگ پلانٹ کو ایک نئے تعمیر کردہ بڑی فیکٹری میں منتقل کرنے کا منصوبہ ہے جس کے لئے زمین پہلے ہی خریدی جا چکی ہے اور تعمیر پہلے ہی جاری ہے۔ توقع ہے کہ فیکٹری کی تعمیر اور منتقلی مالی سال 2022 کے دوران مرحلہ وار مکمل ہوگی۔

مزید برآں، موجودہ احاطے کے بہترین استعمال کے لئے ایک بین الاقوامی فرم کی خدمات حاصل کی گئیں ہیں اور انہوں نے بنیادی مقام اور تعمیراتی سرگرمی کے لئے حکومت کی حمایت کو مدنظر رکھتے ہوئے ایک رئیل اسٹیٹ اپارٹمنٹ پروجیکٹ تیار کرنے کی سفارش کی ہے۔ اس کے لئے ماسٹرز منصوبے دو معروف تعمیراتی فرموں سے تیار کرائے گئے ہیں۔ اسی مناسبت سے اس منصوبے کو تیز رفتار بنانے کے لیے لیڈ آرکیٹیکٹ، سٹرکچر کنسلٹنٹ اور ایم ای پی کنسلٹنٹ کی خدمات بھی حاصل کی گئی ہیں۔

چونکہ کمپنی کے مستقبل کے امکانات ملک کی مجموعی ترقی سے جڑے ہوئے ہیں، کمپنی مارکیٹ میں دستیاب تمام مواقع سے فائدہ اٹھانے پر اپنی توجہ مرکوز رکھے گی۔ کمپنی اپنے تمام اسٹیٹک ہولڈرز سے وعدہ کرتی ہے کہ کمپنی قدر بڑھانے کے لئے مکمل طور پر پرعزم ہے۔

اعتراف:

ڈائریکٹرز ہمارے شیئر ہولڈرز کی دل کی گہرائیوں سے تعریف کرنا چاہتے ہیں جنہوں نے کمپنی پر مسلسل اپنے اعتماد کا مظاہرہ کیا ہے اور ہم ان کی مسلسل حمایت کے منتظر ہیں۔

بورڈ کی جانب سے



ندیم محمود بٹ
ایگزیکٹو ڈائریکٹر



ہارون احمد خان
چیف ایگزیکٹو آفیسر
لاہور: 29 اکتوبر 2021ء

Waves Singer Pakistan Limited

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended 30 September, 20&1

Waves Singer Pakistan Limited

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

As at 30 September 2021

	Note	(Unaudited)	(Audited)	Note	(Unaudited)	(Audited)	
		30 September 2021	31 December 2020		30 September 2021	31 December 2020	
		(Rupees in '000)				(Rupees in '000)	
EQUITY AND LIABILITIES							
<u>Share capital and reserves</u>							
Authorised capital 300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000				
Issued, subscribed and paid up capital	5	2,814,062	1,876,041				
Share premium reserve		5,028,984	4,581,063				
Capital reserve		5,000	5,000				
Revenue reserve - unappropriated profit		2,050,195	1,660,149				
Surplus on revaluation of property, plant and equipment - net of tax		319,469	338,171				
		10,217,710	8,460,424				
<u>Non-current liabilities</u>							
Long term loans - secured	6	1,388,201	2,006,474				
Lease liabilities							
-Building under right of use - unsecured		203,327	201,930				
-Other assets under right of use - secured		66,666	63,804				
Employee retirement benefits		34,589	38,610				
Deferred income		8,343	20,872				
Deferred tax liability - net		291,547	296,874				
		1,992,673	2,628,564				
<u>Current liabilities</u>							
Trade and other payables		1,950,408	1,685,402				
Mark-up accrued on borrowings		161,244	178,416				
Short term borrowings - secured	7	3,718,229	3,954,952				
Loan from sponsors - unsecured	8	-	380,500				
Unpaid dividend		1,231	1,276				
Current portion of long term liabilities		983,338	577,894				
		6,814,451	6,778,440				
Contingencies and commitments	9						
		19,024,834	17,867,428				
		19,024,834	17,867,428			19,024,834	17,867,428
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	10	6,073,617	5,571,260				
Intangible assets and goodwill	11	2,890,123	2,917,290				
Trade debts		40,234	39,813				
Long term deposits		20,794	20,854				
		9,024,769	8,549,217				
<u>Current assets</u>							
Stores, spares and loose tools		57,650	33,763				
Stock-in-trade		3,347,713	2,963,045				
Trade debts							
- Retail		1,391,291	1,163,221				
- Whole Sales		4,798,043	4,721,495				
Advances, deposits, prepayments and other receivables		125,077	105,841				
Taxation - net	13	155,191	187,643				
Cash and bank balances	14	125,101	143,203				
		10,000,065	9,318,211				

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Nadeem Mehmood Butt
Director

Lahore



Haroon Ahmad Khan
Chief Executive Officer



Arslan Shahid Butt
Chief Financial Officer

Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2021

	For the three month period ended		For the nine month period ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Revenue	3,034,088	2,926,486	10,096,706	7,704,525
Sales tax and trade discount on invoices	(462,185)	(241,102)	(1,698,000)	(1,125,227)
Revenue - net	2,571,903	2,685,384	8,398,706	6,579,298
Cost of sales	(2,012,572)	(2,166,940)	(6,489,992)	(5,052,483)
Gross profit / (loss)	559,332	518,444	1,908,713	1,526,815
Marketing, selling and distribution costs	(248,269)	(263,905)	(769,594)	(675,404)
Administrative expenses	(130,159)	(126,601)	(382,643)	(340,404)
Other expenses	(57,178)	(5,929)	(95,466)	(15,728)
Other income	3,274	25,550	42,175	181,315
Profit from operations	126,999	147,559	704,186	676,594
Earned carrying charges	100,169	77,198	280,928	184,848
Finance cost	(158,008)	(170,733)	(508,655)	(688,341)
	(57,839)	(93,535)	(227,727)	(503,493)
Profit before taxation	69,161	54,024	476,459	173,101
Taxation	(16,307)	(15,617)	(105,114)	(82,898)
Profit for the period	52,853	38,407	371,345	90,203
		<i>Restated</i>		<i>Restated</i>
Earnings per share - basic and diluted (Rupees)	0.19	0.18	1.58	0.43

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Nadeem Mehmood Butt
Director



Haroon Ahmad Khan
Chief Executive Officer



Arslan Shahid Butt
Chief Financial Officer

Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2021

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Profit for the period	52,853	38,407	371,344	90,203
<u>Other comprehensive income for the period</u>				
<i>Items that will not be reclassified to profit or loss account:</i>	-	-	-	-
Total comprehensive income for the period	<u>52,853</u>	<u>38,407</u>	<u>371,344</u>	<u>90,203</u>


The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Nadeem Mehmood Butt
Director



Haroon Ahmad Khan
Chief Executive Officer



Arslan Shahid Butt
Chief Financial Officer

Waves Singer Pakistan Limited
Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)
For the three and nine month period ended 30 September 2021

	Capital reserves			Revenue reserve	Total	
	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	Unappropriated profits		
	Rupees in '000					
Balance at 01 January 2020	1,876,041	4,581,063	5,000	362,544	1,515,351	8,339,999
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	90,203	90,203
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	90,203	90,203
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(15,863)	15,863	-
Balance as at 30 September 2020 Un-audited	1,876,041	4,581,063	5,000	346,681	1,621,417	8,430,202
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	37,265	37,265
<u>Other comprehensive income for the period</u>						
Remeasurement on defined benefit obligation	-	-	-	-	(7,143)	(7,143)
	-	-	-	-	30,122	30,122
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(8,610)	8,610	-
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	-	100	-	100
	-	-	-	(8,510)	8,610	100
Balance as at 31 December 2020 audited	1,876,041	4,581,063	5,000	338,171	1,660,149	8,460,424
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	371,344	371,344
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	371,344	371,344
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(18,702)	18,702	-
<u>Transaction with owner of the Company</u>						
Issue of ordinary shares	938,021	469,010	-	-	-	1,407,031
Incremental cost on issuance of shares	-	(21,089)	-	-	-	(21,089)
	938,021	447,921	-	-	-	1,385,942
Balance as at 30 September 2021 un-audited	2,814,062	5,028,984	5,000	319,469	2,050,195	10,217,710

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Nadeem Mehmood Butt
Director
Lahore



Haroon Ahmad Khan
Chief Executive Officer



Arslan Shahid Butt
Chief Financial Officer

Waves Singer Pakistan Limited
Condensed Interim Consolidated Statement of Cash Flow (Un-audited)
For the nine month period ended 30 September 2021

	(Un-audited) 30 September 2021	(Un-audited) 30 September 2020
	-----Rupees in '000-----	
<u>Cash flows from operating activities</u>		
Profit before taxation	476,458	173,101
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	255,942	244,231
Amortisation of intangible assets	27,167	25,508
Finance cost	508,655	688,341
Gain on sale of property, plant and equipment	(503)	(8,742)
Amortisation of deferred income	(12,529)	(3,041)
Unrealised exchange Loss	-	2,591
Workers' Profit Participation Fund	14,530	-
Reversal of loss allowance against trade debts	-	(176,124)
	1,269,721	945,864
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(23,887)	(9,012)
Stock-in-trade	(384,668)	710,825
Trade debts and other receivables	(305,039)	(678,500)
Advances, deposits, prepayments and other receivables	(19,236)	(36,192)
<i>Increase in current liabilities:</i>		
Trade and other payables	265,006	(356,705)
	(467,823)	(369,584)
Cash used in operations	801,898	576,280
Income tax paid	(77,990)	(6,362)
Workers' Profit Participation Fund paid	(14,530)	-
Employee retirement benefits paid	(4,021)	(10,128)
Long term deposits - net	60	-
Net cash used in operating activities	705,417	559,790
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(765,297)	66,194
Proceeds from disposal of property, plant and equipment	7,502	23,566
Net cash generated from investing activities	(757,795)	89,760
<u>Cash flow from financing activities</u>		
Long term loans repaid	(212,829)	371,210
Loan from sponsors - unsecured	(380,500)	229,500
Proceeds from issue of right shares - net off transaction cost	1,385,942	-
Finance costs paid	(525,827)	(755,967)
Dividend paid	(45)	(153)
Short term finances availed - net	(63,005)	-
Lease rentals paid	4,259	(259,615)
Net cash generated from financing activities	207,994	(415,025)
Net increase in cash and cash equivalents	155,616	234,525
Cash and cash equivalents - at beginning of the period	(1,071,594)	(1,332,791)
Cash and cash equivalents - at end of the period	(915,978)	(1,098,266)

14

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Nadeem Mehmood Butt
Director



Haroon Ahmad Khan
Chief Executive Officer



Arslan Shahid Butt
Chief Financial Officer

Lahore

Waves Singer Pakistan Limited

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine month period ended 30 September 2021

1 Status and nature of business

The Group comprises of:

Holding Company

- *Waves Singer Pakistan Limited*

	2021	2020
	(Holding percentage)	

Subsidiary Companies

- Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited)	100	100
- Electronics Marketing Company (Private) Limited	100	100

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

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

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

Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited) - Subsidiary Company

Waves Builders and Developers (Private) Limited (WBDL) 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 real estate development.

Electronics Marketing Company (Private) Limited - Subsidiary Company

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

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 2021 and the related condensed interim Consolidated statement of profit or loss account, condensed interim Consolidated statement of comprehensive income, condensed interim Consolidated statement of changes in equity and condensed interim Consolidated statement of cash flow and notes to the financial information for the nine month period then ended.

2.3 These condensed interim Consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2020. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.4 Comparative Consolidated statement of financial position's numbers are extracted from the annual audited Consolidated financial statements of the Company for the year ended 31 December 2020, 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 and nine month period ended 30 September 2020.

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 2020.

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 2020. There are certain amendments and interpretations 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.

5 Share capital

5.1 Issued, subscribed and paid up capital

	(Un-audited) 30 September 2021	(Audited) 31 December 2020	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	--- Number of shares ---		--- Rupees in '000 ---	
Issued for cash	105,263,597	11,461,568	1,052,637	114,616
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	<u>281,406,089</u>	<u>187,604,060</u>	<u>2,814,062</u>	<u>1,876,041</u>

5.2 Movement of Issued, subscribed and paid-up capital

At beginning of the period / year	187,604,060	187,604,060	1,876,041	1,876,041
Ordinary shares issued during the period / year	93,802,029	-	938,021	-
At end of the period / year	<u>281,406,089</u>	<u>187,604,060</u>	<u>2,814,062</u>	<u>1,876,041</u>

5.3 During the period, the Company has issued 93,802,029 ordinary shares in the ratio of 1 right share for every 2 ordinary shares at the rate of Rs. 15 per share (including share premium of Rs. 5 per share). The same has been approved by Board of Directors ("the Board") in their meeting held on 19 March 2021. The primary purpose of the right issue was to finance the purchase of new property, construction of buildings at the said property and meeting the working capital requirements of the Company's operations and activities for effectively implementing its business plan to enhance the profitability of the Company.

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

	(Un-audited) 30 September 2021	(Audited) 31 December 2020	(Un-audited) 30 September 2021	(Audited) 31 December 2020
*Poseidon Synergies (Private) Limited <i>Chief Executive Officer and his spouse</i>	0.00%	5.69%	-	10,680,183
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	107,840,286	71,893,524
- Nighat Haroon Khan (Wife of CEO)	9.92%	10.99%	27,925,911	20,617,274
	<u>48.25%</u>	<u>55.00%</u>	<u>135,766,197</u>	<u>103,190,981</u>

* Owned by Chief Executive Officer and his wife.

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

6 Long term loans - secured

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(Rupees in '000)	
Banking Company	1,305,014	1,397,897
Non-banking Company	942,966	1,108,934
	2,247,980	2,506,831
Less: Deferred grant	-	(36,227)
Less: Current maturity presented under current liabilities	(859,780)	(464,130)
	<u>1,388,201</u>	<u>2,006,474</u>

6.1 There were no major changes in any of the 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 2020.

7 Short term borrowings

From banking companies - secured:

Running finance under mark-up arrangements		1,041,079	1,214,797
Finance against trust receipt	7.2	2,325,627	2,388,632
Short term borrowings under Murahaba arrangement		351,523	351,523
	7.1	3,718,229	3,954,952

7.1 There were no major changes in any of the facilities during the period other than explained in note 7.2. 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 2020.

7.2 This includes finance against trust receipt (FATR) facility and Istisna financing facility availed during the period from Samba Bank Limited and Al Baraka Bank Pakistan aggregating to Rs. 400.00 million each. These facilities are secured against charge over current and future assets of the Company and personal guarantees of the directors of the Company and carries mark-up rate of one month KIBOR + 2% per annum payable monthly in arrears and KIBOR + 2.5% per annum respectively. These borrowings are repayable by 31 January 2022 and 31 May 2022 respectively.

8 Loan from sponsors - unsecured

Loan obtained from Directors of the Company, Mr. Haroon Ahmad Khan and Mrs. Nighat Haroon amounting to Rs. 539.20 million and Rs. 139.63 million respectively has been adjusted to the extent of their proportionate entitlement in the ordinary shares issued as right shares as mentioned in note 5.3.

9 Contingencies and commitments

9.1 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 2020.

9.2 Commitments

The Company has the following commitments in respect of:

- (i) Commitments for the import of stock in trade outstanding at period end were for Rs. 120.54 million (2020: Rs. 185.47 million).
- (ii) Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were nil (2020: Rs. 2.16 million).

		(Un-audited) 30 September 2021	(Audited) 31 December 2020
	<i>Note</i>	(Rupees in '000)	
10 Property, plant and equipment			
Operating fixed assets	<i>10.1</i>	5,493,026	5,136,718
Right of-use asset	<i>10.2</i>	359,124	351,546
Capital work-in-progress	<i>10.3</i>	221,467	82,995
		<u>6,073,617</u>	<u>5,571,259</u>
10.1 Operating fixed assets			
Opening balance - as at 01 January		5,136,718	5,084,452
Additions / (deletion) during the period / year		566,630	325,896
Revaluation gain / (loss)		-	-
Transfers from right to use to owned assets		-	1,918
		<u>5,703,348</u>	<u>5,412,266</u>
Book value of property, plant and equipment disposed off during the period / year		(6,998)	(17,753)
Depreciation charged during the period / year		(203,324)	(257,795)
Closing balance		<u>5,493,026</u>	<u>5,136,718</u>
10.2 Right of-use asset			
Balance as at 01 January		351,546	574,009
Additions / (deletion) during the period / year		60,196	54,982
Transfers to owned assets		-	(1,918)
Book value of right of use assets disposed off during the period / year			(145,589)
Depreciation charge for the period / year		(52,618)	(129,938)
Closing balance		<u>359,124</u>	<u>351,546</u>
10.3 Capital work-in-progress			
Balance as at 01 January		82,995	46,204
Additions during the period / year		210,965	97,291
Transfers to operating fixed assets		(72,493)	(60,500)
Closing balance		<u>221,467</u>	<u>82,995</u>
Breakup of capital work in progress:			
- Building		1,246	26,019
- Plant and machinery		90,784	15,012
- Electric installation		1,163	6,964
and for civil works - Kasur Factory		128,275	35,000
		<u>221,467</u>	<u>82,995</u>
11 Intangible assets and goodwill			
Software		45,606	49,758
Brand value	<i>11.1</i>	1,582,147	1,582,147
Customer relationships	<i>11.1</i>	192,163	215,179
Goodwill	<i>11.1</i>	1,070,207	1,070,206
		<u>2,890,123</u>	<u>2,917,290</u>

11.1 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.

	(Un-audited)	(Un-audited)
	30 September 2021	30 September 2020
	(Rupees in '000)	
12 Sales - net		
<i>Gross sales:</i>		
- Local	10,179,458	7,746,587
- Export	15,996	19,993
Sales return	(98,749)	(62,055)
	<u>10,096,706</u>	<u>7,704,525</u>
Sales tax	(1,414,272)	(933,390)
Trade discounts	(283,729)	(191,836)
	<u>(1,698,000)</u>	<u>(1,125,226)</u>
	<u><u>8,398,705</u></u>	<u><u>6,579,299</u></u>

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.

	(Un-audited)	(Un-audited)
	30 September 2021	31 December 2020
	(Rupees in '000)	
14 Cash and cash equivalents		
Cash and bank balances	125,101	143,203
Short term running finance - secured	(1,041,079)	(1,214,797)
	<u>(915,978)</u>	<u>(1,071,594)</u>

15 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 2021	(Un-audited) 30 September 2020
Associated Undertakings				
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	23,292	21,435
Key management personnel	Remuneration	Remuneration	88,500	85,381
Shareholders and Directors				
CEO and his spouse	Chief Executive Officer	Loan from sponsors adjusted against right issue	678,831	-
Haroon Ahmed Khan	Chief Executive Officer	Issue of ordinary shares	539,201	-
Nighat Haroon Khan	Spouse of CEO	Issue of ordinary shares	139,630	-
Children of CEO	Children of CEO	Issue of ordinary shares	7,256	-
Directors	Employees	Issue of ordinary shares	1,570	-
		For the meetings	1,800	805
		Loan	-	229,500

16 Financial risk management and fair value of financial instruments

16.1 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 2020.

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

		30 September 2021					
		Carrying amount		Fair value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>Financial assets - amortised cost</u>							
		20,794	-	20,794	-	-	-
		6,189,334	-	6,189,334	-	-	-
		125,077	-	125,077	-	-	-
		125,101	-	125,101	-	-	-
	16.3	6,460,305	-	6,460,305	-	-	-
<u>Financial liabilities - amortised cost</u>							
		-	269,993	269,993	-	-	-
		-	2,371,539	2,371,539	-	-	-
		-	1,950,408	1,950,408	-	-	-
		-	34,589	34,589	-	-	-
		-	3,718,229	3,718,229	-	-	-
		-	161,244	161,244	-	-	-
	16.3	-	8,506,003	8,506,003	-	-	-

		31 December 2020					
		Carrying Amount			Fair value		
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>Financial assets - amortised cost</u>							
		57,617	-	57,617	-	-	-
		5,884,716	-	5,884,716	-	-	-
		6,678	-	6,678	-	-	-
		143,203	-	143,203	-	-	-
	16.3	<u>6,092,214</u>	<u>-</u>	<u>6,092,214</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - amortised cost</u>							
		-	358,454	358,454	-	-	-
		-	2,506,831	2,506,831	-	-	-
		-	1,269,883	1,269,883	-	-	-
		-	38,610	38,610	-	-	-
		-	3,954,952	3,954,952	-	-	-
		-	178,416	178,416	-	-	-
		-	380,500	380,500	-	-	-
	16.3	<u>-</u>	<u>8,687,646</u>	<u>8,687,646</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Non financial assets measured at fair value

Land, building and plant and machinery

Revalued Property, plant and equipment

Date of valuation

31 December 2019

Valuation approach and inputs used

The valuation model for land and building 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 valuation for plant and machinery is based on present operational condition and age of plant and machinery. The fair valuation of land, building and plant and machinery are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The 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.

17 Date of authorization

This condensed interim Consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 29 October 2021.

18 Corresponding figures

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

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



Nadeem Mehmood Butt
Director

Lahore



Haroon Ahmad Khan
Chief Executive Officer



Arslan Shahid Butt
Chief Financial Officer

Waves Singer Pakistan Limited

Condensed Interim Un Consolidated Financial Statements

For the Nine Months Ended 30 September, 2021

Waves Singer Pakistan Limited

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


As at 30 September 2021

		(Unaudited) 30 September 2021	(Audited) 31 December 2020		(Unaudited) 30 September 2021	(Audited) 31 December 2020
	Note	(Rupees in '000)			(Rupees in '000)	
EQUITY AND LIABILITIES						
<u>Share capital and reserves</u>						
Authorised capital 300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000			
Issued, subscribed and paid-up capital	5	2,814,062	1,876,041			
Share premium reserve		5,028,983	4,581,063			
Capital reserve		5,000	5,000			
Revenue reserve - unappropriated profit		2,186,910	1,939,444			
Surplus on revaluation of property, plant and equipment - net of tax		375,391	385,086			
		10,410,346	8,786,634			
<u>Non-current liabilities</u>						
Long term loans - <i>secured</i>	6	1,388,201	2,006,474			
Lease liabilities						
- <i>Building under right of use - unsecured</i>		24,292	25,885			
- <i>Other assets under right of use - secured</i>		50,138	41,377			
Employee retirement benefits		18,803	19,666			
Deferred income		8,343	20,872			
Deferred tax liability - <i>net</i>		235,577	223,915			
		1,725,355	2,338,189			
<u>Current liabilities</u>						
Trade and other payables		1,462,620	1,210,835			
Mark-up accrued on borrowings		161,244	178,416			
Short term borrowings - <i>secured</i>	7	3,718,229	3,954,952			
Loan from sponsors - <i>unsecured</i>	8	-	380,500			
Unpaid dividend		1,231	1,276			
Current portion of long term liabilities		946,203	540,759			
		6,289,527	6,266,738			
Contingencies and commitments	9					
		18,425,228	17,391,561		18,425,228	17,391,561
ASSETS						
<u>Non-current assets</u>						
Property, plant and equipment	10	5,392,590	4,869,032			
Intangible assets and goodwill		2,876,548	2,903,156			
Investment property		303,480	303,480			
Investment in subsidiaries		501,000	501,000			
Long term deposits		8,544	8,714			
		9,082,162	8,585,382			
<u>Current assets</u>						
Stores, spares and loose tools		47,650	33,763			
Stock-in-trade		2,798,624	2,432,213			
Trade debts	11	5,682,664	5,482,315			
Advances, deposits, prepayments and other receivables	12	536,393	576,274			
Taxation - <i>net</i>		208,538	187,395			
Cash and bank balances		69,199	94,219			
		9,343,067	8,806,179			


The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer

Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2021

	For the three month period ended		For the nine month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	----- (Rupees in '000) -----			
Revenue	2,406,044	2,361,509	8,023,405	6,309,353
Sales tax and trade discount on invoices	(390,916)	(287,427)	(1,512,180)	(1,129,699)
Revenue - net	2,015,128	2,074,082	6,511,225	5,179,654
Cost of sales	(1,587,475)	(1,626,035)	(5,085,548)	(3,897,392)
Gross profit	427,653	448,047	1,425,677	1,282,262
Marketing, selling and distribution costs	(129,910)	(138,369)	(377,283)	(349,477)
Administrative expenses	(88,962)	(83,963)	(255,955)	(225,371)
Other expenses	(21,505)	(4,971)	(52,990)	(15,728)
Other income	14,550	10,692	66,698	159,803
	(225,826)	(216,611)	(619,530)	(430,773)
Profit from operations	201,827	231,436	806,147	851,489
Finance costs	(163,081)	(169,793)	(498,984)	(685,773)
Profit before taxation	38,746	61,643	307,163	165,716
Taxation	(8,826)	(17,979)	(69,392)	(83,286)
Profit for the period	29,920	43,664	237,771	82,430
Earnings per share - basic and diluted (Rupees)	0.11	<i>Restated</i> 0.20	1.01	<i>Restated</i> 0.40

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

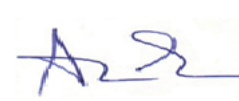
Lahore



Director



Chief Executive Officer



Chief Financial Officer

Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2021

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	----- (Rupees in '000) -----			
Profit for the period	29,920	43,664	237,771	82,430
<u>Other comprehensive income</u>				
Total comprehensive income for the period	<u>29,920</u>	<u>43,664</u>	<u>237,771</u>	<u>82,430</u>

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

Lahore



Director

Chief Executive Officer



Chief Financial Officer

Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2021

	Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserve	Total
		Share premium reserve	Other capital reserve	Surplus on revaluation of Property, plant and equipment	Unappropriate d profits	
----- (Rupees in '000) -----						
As at 01 January 2020	1,876,041	4,581,063	5,000	406,712	1,815,124	8,683,940
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	82,430	82,430
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	82,430	82,430
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(15,863)	15,863	-
Balance as at 30 September 2020 (un-audited)	1,876,041	4,581,063	5,000	390,849	1,913,417	8,766,370
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	27,407	27,407
Other comprehensive income for the period	-	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	(7,143)	(7,143)
	-	-	-	-	20,264	20,264
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(5,763)	5,763	-
Balance as at 31 December 2020	1,876,041	4,581,063	5,000	385,086	1,939,444	8,786,634
<u>Total comprehensive income for the period</u>						
Profit after taxation	-	-	-	-	237,771	237,771
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	237,771	237,771
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(9,695)	9,695	-
	-	-	-	(9,695)	247,466	237,771
<u>Transactions with owners of the Company</u>						
Issue of ordinary shares	938,021	469,010	-	-	-	1,407,030
Incremental cost on issuance of shares	-	(21,089)	-	-	-	(21,089)
	938,021	447,920	-	-	-	1,385,941
Balance as at 30 September 2021 (un-audited)	2,814,062	5,028,983	5,000	375,391	2,186,910	10,410,346

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.



Lahore

Director



Chief Executive Officer




Chief Financial Officer

Waves Singer Pakistan Limited
Condensed Interim Unconsolidated Statement of Cash Flow (Un-audited)
For the nine month period ended 30 June 2021

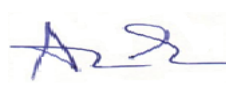
	30 September 2021	30 September 2020
	-----Rupees in '000-----	
<u>Cash flows from operating activities</u>		
Profit before taxation	307,163	165,716
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	208,495	217,221
Amortisation of intangible assets	10,466	24,803
Finance cost	498,984	685,773
Gain on sale of property, plant and equipment	(503)	(8,411)
Amortisation of deferred income	(10,466)	(3,041)
Unrealised exchange loss	6,731	2,591
Workers' Profit Participation Fund	14,530	8,303
Markup charged to subsidiary company	(24,529)	(141,994)
	1,010,870	950,961
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(13,887)	(9,012)
Stock-in-trade	(366,411)	459,664
Trade debts and other receivables	(200,349)	(613,260)
Advances, deposits, prepayments and other receivables	54,370	143,860
Increase in trade and other payables	245,054	(380,223)
	(281,222)	(398,971)
Cash generated / (used) in operations	729,648	551,990
Income tax (paid) / received	(78,909)	(22,593)
Workers' Profit Participation Fund paid	(14,530)	(32,313)
Employee retirement benefits paid	(863)	(7,835)
Long term deposits - net	170	(152)
Net cash generated / (used) in operating activities	635,516	489,097
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(652,672)	(145,469)
Proceeds from disposal of property, plant and equipment	2,365	22,097
Dividend received from subsidiary company	-	-
Net cash (used) / generated from investing activities	(650,307)	(123,372)
<u>Cash flow from financing activities</u>		
Proceeds from the issue of right shares - net off transaction cost and adjustment of loan from sponsors	1,005,441	229,500
Long term loans repaid	(222,624)	415,444
Finance costs paid	(516,156)	(753,399)
Dividend paid	(45)	(153)
Short term finances availed - net	(63,005)	-
Lease liabilities paid	(40,123)	(18,431)
Net cash generated from financing activities	163,488	(127,039)
Net increase in cash and cash equivalents	148,697	238,686
Cash and cash equivalents - at beginning of the period	(1,120,578)	(1,380,016)
Cash and cash equivalents - at end of the period	(971,881)	(1,141,330)

15

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


Lahore Chief Executive Officer


Director


Chief Financial Officer

Waves Singer Pakistan Limited

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the nine month period ended 30 September 2021

1 Status and nature of business

- 1.1** 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.

- 1.2** On 11 March 2020, Covid-19 (Coronavirus) was declared a pandemic by the World Health Organization. The spread of coronavirus as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has effected the overall economic environment of the country and production and sale volumes of the Company during the lock down period. However, as per relaxation given by Authorities, the Company resumed its operations on 11 May 2020 with all precautionary measures to prevent the pandemic spread. While no material effects on the Company's business and measurement of assets and liabilities have yet been identified at the date of these financial statements, the management will continue to monitor and evaluate them during the remainder of 2021 financial year.

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 2021 and the related condensed interim unconsolidated statement of profit or loss, 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 2020. 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 31 December 2020, whereas comparative unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 30 September 2020.

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 2020.

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 2020. There are certain amendments and interpretations 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.

5 Share capital

5.1 Issued, subscribed and paid-up capital

	(Un-audited) 30 September 2021	(Audited) 31 December 2020	(Un-audited) 30 September 2021	(Audited) 31 December 2020
<u>Fully paid-up ordinary shares</u> <u>of Rs. 10 each</u>	(Number of shares)		(Rupees in '000)	
Issued for cash	105,263,597	11,461,568	1,052,637	114,616
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	<u>281,406,089</u>	<u>187,604,060</u>	<u>2,814,062</u>	<u>1,876,041</u>

5.2 Movement of Issued, subscribed and paid-up capital

	(Un-audited) 30 September 2021	(Audited) 31 December 2020	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(Number of shares)		(Rupees in '000)	
At beginning of the period / year	187,604,060	187,604,060	1,876,041	1,876,041
Ordinary shares issued during the period / year	93,802,029	-	938,021	-
At end of the period / year	<u>281,406,089</u>	<u>187,604,060</u>	<u>2,814,062</u>	<u>1,876,041</u>

5.3 During the period, the Company has issued 93,802,029 ordinary shares in the ratio of 1 right share for every 2 ordinary shares at the rate of Rs. 15 per share (including share premium of Rs. 5 per share). The same has been approved by Board of Directors ("the Board") in their meeting held on 19 March 2021. The primary purpose of the right issue was to finance the purchase of new property, construction of buildings at the said property and meeting the working capital requirements of the Company's operations and activities for effectively implementing its business plan to enhance the profitability of the Company.

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

	(Un-audited) 30 September 2021 (Percentage held)	(Audited) 31 December 2020	(Un-audited) 30 September 2021 (Number of shares)	(Audited) 31 December 2020
Poseidon Synergies (Private) Limited	0.00%	5.69%	-	10,680,183
<i>Chief Executive Officer, his spouse and children</i>				
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	107,840,286	71,893,524
- Nighat Haroon Khan (Wife of CEO)	9.92%	10.99%	27,925,911	20,617,274
	48.25%	55.00%	135,766,197	103,190,981

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

	30 September 2021	31 December 2020
	(Rupees in '000)	
6 Long term loans - secured		
Banking Company	1,305,014	1,397,897
Non-banking Company	942,966	1,108,934
	2,247,980	2,506,831
Less: Deferred grant	-	(36,227)
Less: Current maturity presented under current liabilities	(859,780)	(464,130)
	1,388,201	2,006,474

6.1 There were no major changes in any of the 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 2020.

		(Un-audited) 30 September 2021	(Audited) 31 December 2020
7	Short term borrowings - secured		
	<i>Note</i>	(Rupees in '000)	
	<i>From banking companies - secured:</i>		
	Running finance under mark-up arrangements	1,041,079	1,214,797
	Finance against trust receipt	2,325,627	2,388,632
	Short term borrowings under Murahaba arrangement	351,523	351,523
	<i>7.1</i>	3,718,229	3,954,952

7.1 There were no major changes in any of the facilities during the period other than explained in note 7.2. 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 2020.

7.2 This includes finance against trust receipt (FATR) facility and Istisna financing facility availed during the period from Samba Bank Limited and Al Baraka Bank Pakistan aggregating to Rs. 400.00 million each. These facilities are secured against charge over current and future assets of the Company and personal guarantees of the directors of the Company and carries mark-up rate of one month KIBOR + 2% per annum payable monthly in arrears and KIBOR + 2.5% per annum respectively. These borrowings are repayable by 31 January 2022 and 31 May 2022 respectively.

8 **Loan from sponsors - unsecured**

Loan obtained from Directors of the Company, Mr. Haroon Ahmad Khan and Mrs. Nighat Haroon amounting to Rs. 539.20 million and Rs. 139.63 million respectively has been adjusted to the extent of their proportionate entitlement in the ordinary shares issued as right shares as mentioned in note 5.3.

9 **Contingencies and commitments**

9.1 **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 2020.

9.2 **Commitments**

The Company has the following commitments in respect of:

- (i) Commitments for the import of stock in trade outstanding at period end were for Rs. 238.44 million (31 December 2020: Rs. 185.47 million).
- (ii) Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were nil (31 December 2020: Rs. 2.16 million).

		(Un-audited) 30 September 2021	(Audited) 31 December 2020
10	Property, plant and equipment		
	<i>Note</i>	(Rupees in '000)	
	Operating fixed assets	5,010,125	4,634,915
	Right of use assets	160,998	151,122
	Capital work-in-progress	221,467	82,995
		5,392,590	4,869,032

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(Rupees in '000)	
10.1 Operating fixed assets		
Opening balance - as at 01 January	4,634,915	4,623,877
Additions during the period / year	540,382	233,265
Transfers from leased to owned assets	-	1,918
	<u>5,175,297</u>	<u>4,859,060</u>
Book value of property, plant and equipment disposed off during the period / year	(6,998)	(16,900)
Depreciation charged during the period / year	(158,175)	(207,245)
Closing balance	<u>5,010,125</u>	<u>4,634,915</u>
10.2 Right of-use asset		
Balance as at 01 January	151,122	299,393
Additions during the period / year	60,196	24,346
Transfers from leased to owned assets	-	(1,918)
	<u>211,318</u>	<u>321,821</u>
Book value of right of-use asset disposed off during the period / year	-	(87,366)
Depreciation charge for the period / year	(50,320)	(83,333)
Closing balance	<u>160,998</u>	<u>151,122</u>
10.3 Capital work-in-progress		
Balance as at 01 January	82,995	46,204
Additions during the period / year	210,965	97,291
Transfers to operating fixed assets	(72,493)	(60,500)
Closing balance	<u>221,468</u>	<u>82,995</u>
Breakup of capital work in progress:		
- Building	1,246	26,019
- Plant and machinery	90,784	15,012
- Electric installation	1,163	6,964
- Advance for purchase of land and for civil works - Kasur Factory	128,275	35,000
	<u>221,467</u>	<u>82,995</u>

11 Trade debts

This includes balance amounting to Rs. 753.96 million (31 December 2020: Rs. 760.80 million) receivable from Electronic Marketing Company (Private) Limited, wholly owned subsidiary of the Company.

12 Advances, deposits, prepayments and other receivables

This include balance amounting to Rs. 361.42 million (31 December 2020: Rs. 332.37 million) and Rs. 66.53 (31 December 2020: Rs. 157.88 million) receivable from Electronic Marketing Company (Private) Limited and Waves Builders and Developers (Private) Limited (formerly named as Waves Marketing Company (Private) Limited respectively), wholly owned subsidiaries of the Company 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.

	(Un-audited) 30 September 2021	(Un-audited) 30 September 2020
13 Net revenue	(Rupees in '000)	
Sales		
- local	8,106,158	6,347,171
- export	15,996	19,993
Sales return	(98,749)	(57,811)
	8,023,405	6,309,353
Sales tax	(1,152,464)	(906,277)
Trade discount	(359,716)	(223,422)
	(1,512,180)	(1,129,699)
	6,511,225	5,179,654

14 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 2021	(Audited) 31 December 2020
15 Cash and cash equivalents		
Cash and bank balances	69,199	94,219
Short term running finance - secured	(1,041,079)	(1,214,797)
	(971,880)	(1,120,578)

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 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 2021 (Rupees in '000)	(Un-audited) 30 September 2020
i. Subsidiary Company				
Waves Builders and Developers (Private) Limited (formerly named as Waves Marketing (Private) Limited)	Wholly owned subsidiary	Mark-up charged on receivable from subsidiary	-	111,531
Electronics Marketing Company (Private) Limited	Wholly owned subsidiary	Sale of inventory - gross	320,037	393,186
		Mark-up charged on receivable from subsidiary	24,529	30,600
ii. Associated Undertakings				
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	23,292	21,435
Key management personnel	Employees	Remuneration	85,366	83,381
Shareholders and Directors				
CEO and his spouse	Chief Executive Officer	Loan from sponsors adjusted against right issue	678,831	-
Haroon Ahmed Khan	Chief Executive Officer	Issue of ordinary shares	539,201	-
Nighat Haroon Khan	Spouse of CEO	Issue of ordinary shares	139,630	-
Children of CEO	Children of CEO	Issue of ordinary shares	7,256	-
Directors	Employees	Issue of ordinary shares	1,570	-
		Fee for meetings	1,800	805
		Loan	-	229,500

17 Financial risk management and fair value of financial instruments

17.1 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 2020.

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

		30 September 2021 (Unaudited)					
		Carrying amount			Fair value		
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>Financial assets - amortised cost</u>							
		8,544	-	8,544	-	-	-
		5,682,664	-	5,682,664	-	-	-
		536,393	-	536,393	-	-	-
		69,199	-	69,199	-	-	-
17.3		6,296,799	-	6,296,799	-	-	-
<u>Financial liabilities - amortised cost</u>							
		-	74,430	74,430	-	-	-
		-	2,334,404	2,334,404	-	-	-
		-	1,462,620	1,462,620	-	-	-
		-	18,803	18,803	-	-	-
		-	3,718,229	3,718,229	-	-	-
		-	161,244	161,244	-	-	-
17.3		-	7,769,730	7,769,730	-	-	-

		31 December 2020					
		Carrying amount		Fair value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>Financial assets - amortised cost</u>							
		30,366	-	30,366	-	-	-
		5,482,315	-	5,482,315	-	-	-
		496,938	-	496,938	-	-	-
		94,219	-	94,219	-	-	-
	17.3	<u>6,103,838</u>	<u>-</u>	<u>6,103,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - amortised cost</u>							
		-	2,506,831	2,506,831	-	-	-
		-	122,846	122,846	-	-	-
		-	19,666	19,666	-	-	-
		-	900,538	900,538	-	-	-
		-	178,416	178,416	-	-	-
		-	3,954,952	3,954,952	-	-	-
		-	380,500	380,500	-	-	-
	17.3	<u>-</u>	<u>8,063,749</u>	<u>8,063,749</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Non financial assets measured at fair value

Land, building and plant and machinery

<i>Revalued Property, plant and equipment</i>	Date of valuation	31 December 2019
<i>Investment property</i>	Date of valuation	31 December 2020

Valuation approach and inputs used

The valuation model for land and building 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 valuation for plant and machinery is based on present operational condition and age of plant and machinery. The fair valuation of land, building and plant and machinery are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The 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 of issue

These unconsolidated financial statements were authorised for issue by the Board of Directors in their meeting held on 29 October 2021.

18 Corresponding figures

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

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




Lahore

Director



Chief Executive Officer



Chief Financial Officer