

**HALF YEARLY | 30 JUNE**  
**REPORT 2024**

**WAVES CORPORATION LIMITED**

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# Waves Corporation Limited (WAVES)

## 1. CORPORATE INFORMATION

### BOARD OF DIRECTORS

|    |                               |                               |
|----|-------------------------------|-------------------------------|
| 1. | Mr. Muhammad Zafar Hussain    | Chairman/Independent Director |
| 2. | Mr. Tajammal Hussain Bokharee | Independent Director          |
| 3. | Mr. Haroon Ahmad Khan         | Chief Executive Officer       |
| 4. | Mr. Moazzam Ahmad Khan        | Non-Executive Director        |
| 5. | Mrs. Nighat Haroon Khan       | Non-Executive Director        |
| 6. | Mr. Hamza Ahmad Khan          | Executive Director            |
| 7. | Mr. Khalid Azeem              | Non-Executive Director        |

### AUDIT COMMITTEE

|    |                               |                               |
|----|-------------------------------|-------------------------------|
| 1. | Mr. Tajammal Hussain Bokharee | Chairman/Independent Director |
| 2. | Mr. Moazzam Ahmad Khan        | Member/Non-Executive Director |
| 3. | Mrs. Nighat Haroon Khan       | Member/Non-Executive Director |
| 4. | Mr. Ahmad Bilal Zulfiqar      | Secretary                     |

### HR & REMUNERATION COMMITTEE

|    |                            |                               |
|----|----------------------------|-------------------------------|
| 1. | Mr. Muhammad Zafar Hussain | Chairman/Independent Director |
| 2. | Mr. Khalid Azeem           | Member/Non-Executive Director |
| 3. | Mr. Moazzam Ahmad Khan     | Member/Non-Executive Director |
| 4. | Mr. Haroon Ahmad Khan      | Member/ Executive Director    |
| 5. | Mr. Ahmad Bilal Zulfiqar   | Secretary                     |

### CHIEF FINANCIAL OFFICER

Mr. Arslan Shahid Butt

### COMPANY SECRETARY

Mr. Ahmad Bilal Zulfiqar

### HEAD OF INTERNAL AUDITOR

Mr. Usman Khalid

### LEGAL ADVISOR

Law Wings Advocates & Solicitors

### EXTERNAL AUDITORS

Rizwan and Company  
Chartered Accountants

### SHARE REGISTRAR

Corplink (Private) Limited

### REGISTERED OFFICE/PLANT

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

### COMPANY REGISTRATION NO.

CUIN 0001286  
Email: [cs@waves.net.pk](mailto:cs@waves.net.pk)  
Website: [www.waves.net.pk](http://www.waves.net.pk)

## Waves Corporation Limited (WAVES)

### **BANKERS**

Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Al Falah Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
First Prudential Modaraba  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China

National Bank of Pakistan  
Pak Brunei Investment Company Limited  
Pak Libya Holding Company Limited  
Pak Oman Investment Company Limited  
Samba Bank Limited  
Silk Bank Limited  
Sindh Bank Limited  
The Bank of Khyber  
The Bank of Punjab

### **Contact Information:**

Registered Office:

042-35415421-5, 042-35421502-4

Email:

[cs@waves.net.pk](mailto:cs@waves.net.pk)

Web Site:

[www.waves.net.pk](http://www.waves.net.pk)

*\* Election of the Board of Directors and Committees were held during the year*

## 2. DIRECTORS' REPORT

### 2.1 OPERATING RESULTS

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On behalf of the Board of Directors of Waves Corporation Limited, previously Waves Singer Pakistan Limited (WAVES or the Company), we submit the Directors' Review Report on the condensed interim un-audited consolidated and standalone financial statements for the period ending on 30 June 2024.

Fitch's recent upgrade of Pakistan's rating reflects improved prospects for external funding, supported by a new USD 7 billion IMF Extended Fund Facility (EFF) and positive outcomes from previous IMF arrangements. The EFF is designed to address structural weaknesses in the tax system, energy sector, and state-owned enterprises, with a focus on increasing tax revenues. Recent policies have successfully narrowed the current account deficit and strengthened foreign exchange reserves. However, significant challenges remain, including over USD 22 billion in external debt maturities due in FY25 and ongoing political instability, which could jeopardize the program's success. Despite the positive developments, Fitch highlights ongoing risks related to the implementation of reforms and high levels of debt, with concerns that political instability and governance issues could undermine the sustainability of these reforms.

Pakistan's economic outlook is cautiously optimistic, with the IMF EFF expected to enhance external funding and support fiscal reforms. The government's ambitious reform agenda aims to improve the tax system, energy sector, and state-owned enterprises, boosting tax revenues and strengthening monetary policy. Although fiscal consolidation efforts show promise and recent policies have made progress in reducing the current account deficit and bolstering reserves, the risks associated with external debt and political instability remain significant. Continued efforts will be crucial to address these challenges and ensure long-term economic stability.

The government's ability to secure necessary funding and maintain reform momentum amidst these challenges will be crucial for sustaining economic stability. While reserves are recovering and fiscal consolidation efforts are underway, concerns about governance and political risks continue to pose potential threats to long-term economic progress.

The Company's subsidiary Waves Home Appliances Limited (WAVESAPP) continues to face challenges as the whole appliance industry is under pressure due to high interest rates and high inflation. However, WAVESAPP is continuing to devise strategies to cater for such challenges. Similarly, the wholly owned subsidiary Waves Marketplace Limited (WAVES Plus) also continues to face challenges owing to the tough economic and financial environment. It is expected that with the improving economic conditions

WAVESAPP, going forward, seeing improved economic conditions, is exploring a strategic alliance or joint venture with a global player. Discussions are underway to create a business model that includes technical expertise, engineering support, brand usage, management sharing, and investment. The partnership aims to provide WAVESAPP with advanced technology, improved product quality, lower production costs, and best practices.

This will enhance WAVESAPP's competitiveness both locally and internationally. The foreign partner will benefit from Pakistan's lower labor and freight costs, gaining a competitive edge in Middle Eastern, African, and European markets.

## Waves Corporation Limited (WAVES)

The financial highlights for the quarterly period ended are presented as hereunder:

### Consolidated Operating Results

|                             | 6 Months           |                    |
|-----------------------------|--------------------|--------------------|
|                             | 30 June 24         | 30 June 23         |
|                             | <u>Rs. in '000</u> | <u>Rs. in '000</u> |
| Gross Sales                 | 2,929,009          | 3,584,895          |
| Net Sales                   | 2,359,600          | 2,944,538          |
| Gross Profit                | 724,608            | 760,949            |
| Profit from Operations      | 401,967            | 370,064            |
| Profit after taxation       | 177,603            | 156,748            |
| Earnings Per Share (Rupees) | 0.63               | 0.56               |

### Standalone Results of the Company

The standalone results of the Company are given hereunder:

|                       | 6 Months           |                    |
|-----------------------|--------------------|--------------------|
|                       | 30 June 24         | 30 June 23         |
|                       | <u>Rs. in '000</u> | <u>Rs. in '000</u> |
| Other Income          | 168,163            | 106,081            |
| Profit after Taxation | 95,292             | 49,288             |
| Earnings Per Share    | 0.34               | 0.18               |


Based on the financial results in view of the tough current economic and political conditions the Board of Directors do not recommend any pay-out to the shareholders of the Company.

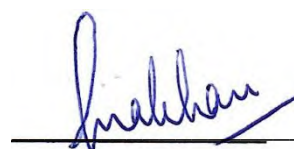
The Company was in the process of consolidating Waves Builders and Developers (Private) Limited with and into the Company is put on hold for time being as re-evaluation of the current real estate market is in the process. Similarly, the Company is in the process of resolving taxation and other related matters arising out of already sanctioned Scheme of Arrangement, which is taking some time due to financial and economic challenges faced by the Company and the Industry.

### ACKNOWLEDGEMENTS

We express our utmost gratitude to all our stakeholders, encompassing our esteemed customers, suppliers, business associates, financial institutions, and regulators, for their unwavering trust and support. We remain confident that our management and staff remain committed to meet any challenges coming ahead with steadfast dedication, diligence and full backing.

For and on behalf of the Board:

  
**Haroon Ahmad Khan**  
Chief Executive Officer  
Lahore

  
**Moazzam Ahmad Khan**  
Director

### **3. HALF YEARLY FINANCIAL STATEMENTS**

The Condensed Interim Consolidated Financial Statements and the Standalone Financial Statements for the period ended 30 June 2024 are attached to this Report.

#### **3.1 Consolidated Financial Statements**

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Waves Corporation Limited and its Subsidiaries  
Condensed Interim Consolidated Statement of Financial Position (Un-audited)  
As at 30 June 2024

|  |             | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 | (Audited)<br>01 January<br>2023 |
|--|-------------|---------------------------------|----------------------------------|---------------------------------|
| <b>EQUITY AND LIABILITIES</b>  | <i>Note</i> | ----- (Rupees in '000) -----    |                                  |                                 |
| <b>Share capital and reserves</b>  |             |                                 |                                  |                                 |
| Authorised capital 300,000,000<br>(2023: 300,000,000) ordinary shares of Rs. 10 each |             | <u>3,000,000</u>                | <u>3,000,000</u>                 | <u>3,000,000</u>                |
| Share Capital  | 6           | 2,814,062                       | 2,814,062                        | 2,814,062                       |
| Capital reserves   |             | 5,030,661                       | 5,030,661                        | 5,030,661                       |
| Loan from directors  |             | 343,184                         | 229,017                          | 119,497                         |
| Revaluation surplus  |             | 500,243                         | 550,280                          | 528,895                         |
| Unappropriated profit  |             | 1,211,806                       | 1,002,556                        | 753,581                         |
| <b>Equity attributable to owners of the company</b>                                  |             | <u>9,899,956</u>                | <u>9,626,576</u>                 | <u>9,246,696</u>                |
| <b>Non-controlling interest</b>  |             | <u>1,611,930</u>                | <u>1,593,540</u>                 | <u>1,548,470</u>                |
|  |             | <u>11,511,886</u>               | <u>11,220,116</u>                | <u>10,795,166</u>               |
| <b>Non-current liabilities</b>   |             |                                 |                                  |                                 |
| Long term loans - secured  |             | 734,288                         | 766,333                          | 789,415                         |
| Lease liabilities  |             | 26,256                          | 33,295                           | 100,227                         |
| Employee retirement benefits   |             | 19,232                          | 19,955                           | 29,646                          |
| Deferred tax liability - net   |             | 301,444                         | 284,817                          | 288,347                         |
| Deferred income  |             | 4,651                           | 5,232                            | 6,477                           |
|  |             | <u>1,085,871</u>                | <u>1,109,632</u>                 | <u>1,214,112</u>                |
| <b>Current liabilities</b>   |             |                                 |                                  |                                 |
| Trade and other payables   |             | 3,348,336                       | 3,517,348                        | 3,596,185                       |
| Accrued mark-up on borrowings  |             | 1,350,474                       | 819,660                          | 400,468                         |
| Short term borrowings  | 7           | 4,556,359                       | 4,780,395                        | 5,203,965                       |
| Current portion of long term liabilities   |             | 819,926                         | 713,811                          | 560,640                         |
|  |             | <u>10,075,094</u>               | <u>9,831,214</u>                 | <u>9,761,258</u>                |
| <b>Contingencies and commitments</b>   | 8           | -                               | -                                | -                               |
|  |             | <u>22,672,851</u>               | <u>22,160,962</u>                | <u>21,770,536</u>               |

|  |             | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 | (Audited)<br>01 January<br>2023 |
|--|-------------|---------------------------------|----------------------------------|---------------------------------|
| <b>ASSETS</b>  | <i>Note</i> | ----- (Rupees in '000) -----    |                                  |                                 |
| <b>Non-current assets</b>                                |             |                                 |                                  |                                 |
| Property, plant and equipment                            | 9           | 8,545,065                       | 8,113,460                        | 6,175,686                       |
| Intangible assets  | 10          | 2,781,275                       | 2,798,912                        | 2,838,198                       |
| Investment property                                      |             | -                               | 17,421                           | -                               |
| Long term deposits and receivables                       |             | 48,246                          | 47,766                           | 56,619                          |
| Employee retirement benefits                             |             | 16,092                          | 16,092                           | 16,092                          |
|  |             | <u>11,390,678</u>               | <u>10,993,651</u>                | <u>9,086,595</u>                |
| <b>Current assets</b>                                    |             |                                 |                                  |                                 |
| Stores, spares and loose tools                           |             | 26,463                          | 28,110                           | 44,143                          |
| Stock-in-trade   |             | 5,721,476                       | 6,071,464                        | 5,993,442                       |
| Trade debts  |             |                                 |                                  |                                 |
| - Retail   |             | 1,372,182                       | 1,205,919                        | 1,456,386                       |
| - Whole Sales  |             | 3,269,660                       | 2,987,759                        | 4,218,103                       |
| Advances, deposits, prepayments<br>and other receivables |             | 583,443                         | 486,997                          | 531,820                         |
| Taxation - net   |             | 252,044                         | 327,188                          | 325,705                         |
| Cash and bank balances                                   | 11          | 56,904                          | 59,874                           | 114,342                         |
|  |             | <u>11,282,173</u>               | <u>11,167,311</u>                | <u>12,683,941</u>               |
|  |             | <u>22,672,851</u>               | <u>22,160,962</u>                | <u>21,770,536</u>               |

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer




Waves Corporation Limited and its Subsidiaries  
Condensed Interim Consolidated Statement of Profit or Loss Account (Un-audited)  
For the six months period ended 30 June 2024

|   |    | Six months ended |                 | Three months ended |                 |
|---|----|------------------|-----------------|--------------------|-----------------|
|   |    | (Restated)       |                 | (Restated)         |                 |
|   |    | 30 June<br>2024  | 30 June<br>2023 | 30 June<br>2024    | 30 June<br>2023 |
| Note ----- (Rupees in '000) -----               |    |                  |                 |                    |                 |
| Sales - net of sales return                     |    | 2,929,009        | 3,584,895       | 1,535,278          | 1,949,018       |
| Sales tax and trade discount on invoices        |    | (569,409)        | (640,357)       | (240,113)          | (346,446)       |
| Sales - net                                     | 12 | 2,359,600        | 2,944,538       | 1,295,164          | 1,602,572       |
| Cost of sales                                   |    | (1,634,992)      | (2,183,589)     | (848,145)          | (1,184,361)     |
| <b>Gross profit</b>                             |    | <b>724,608</b>   | <b>760,949</b>  | <b>447,019</b>     | <b>418,211</b>  |
| Marketing, selling and distribution costs       |    | (293,910)        | (345,855)       | (158,479)          | (159,235)       |
| Administrative expenses                         |    | (159,082)        | (219,691)       | (66,640)           | (91,606)        |
| Other expenses                                  |    | (65,298)         | (50,360)        | (59,678)           | (48,609)        |
| Other income                                    |    | 195,649          | 225,021         | 89,167             | 93,759          |
|   |    | (322,641)        | (390,885)       | (195,630)          | (205,691)       |
| <b>Profit from operations</b>                   |    | <b>401,967</b>   | <b>370,064</b>  | <b>251,389</b>     | <b>212,520</b>  |
| Finance cost                                    |    | (153,337)        | (161,145)       | (80,245)           | (31,183)        |
| <b>Profit before levies and income tax</b>      |    | <b>248,630</b>   | <b>208,919</b>  | <b>171,144</b>     | <b>181,337</b>  |
| Levies  | 13 | (54,398)         | (33,535)        | (13,458)           | (24,201)        |
| <b>Profit before income tax</b>                 |    | <b>194,232</b>   | <b>175,384</b>  | <b>157,686</b>     | <b>157,136</b>  |
| Income tax expense                              | 14 | (16,629)         | (18,636)        | (11,193)           | (13,373)        |
| <b>Profit for the period</b>                    |    | <b>177,603</b>   | <b>156,748</b>  | <b>146,493</b>     | <b>143,763</b>  |
| <b>Attributable to:</b>                         |    |                  |                 |                    |                 |
| Owners of the Group                             |    | 159,213          | 138,444         | 134,730            | 128,307         |
| Non-controlling interests                       |    | 18,390           | 18,304          | 11,763             | 15,456          |
|   |    | <b>177,603</b>   | <b>156,748</b>  | <b>146,493</b>     | <b>143,763</b>  |
| Earnings per share - basic and diluted (Rupees) |    | <b>0.63</b>      | <b>0.56</b>     | <b>0.52</b>        | <b>0.51</b>     |

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer


Waves Corporation Limited and its Subsidiaries  
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)  
For the six months period ended 30 June 2024

|   | <u>Six months ended</u>      |         | <u>Three months ended</u> |         |
|---|------------------------------|---------|---------------------------|---------|
|   | <b>30 June</b>               | 30 June | <b>30 June</b>            | 30 June |
|   | <b>2024</b>                  | 2023    | <b>2024</b>               | 2023    |
|   | ----- (Rupees in '000) ----- |         |                           |         |
| <b>Profit for the period</b>  | <b>194,232</b>               | 175,384 | <b>157,686</b>            | 157,136 |
| <b><u>Other comprehensive income for the period</u></b>               |                              |         |                           |         |
| <i>Items that will not be reclassified to profit or loss account:</i> | -                            | -       | -                         | -       |
| <b>Total comprehensive income for the period</b>                      | <b>194,232</b>               | 175,384 | <b>157,686</b>            | 157,136 |

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

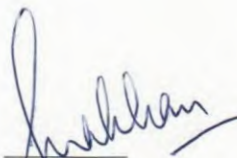



Waves Corporation Limited and its Subsidiaries  
Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)  
As at 30 June 2024

| Share Capital              | Capital reserves |                     |                     | Revenue reserve        |           | Total     | Non controlling interest | Total |
|----------------------------|------------------|---------------------|---------------------|------------------------|-----------|-----------|--------------------------|-------|
|                            | Capital reserves | Loan from Directors | Revaluation Surplus | Unappropriated profits |           |           |                          |       |
| ----- Rupees in '000 ----- |                  |                     |                     |                        |           |           |                          |       |
| 2,814,062                  | 5,030,661        | 119,497             | 528,895             | 753,581                | 9,246,696 | 1,548,470 | 10,795,166               |       |
| -                          | -                | -                   | -                   | 138,444                | 138,444   | 18,304    | 156,748                  |       |
| -                          | -                | -                   | -                   | -                      | -         | -         | -                        |       |
| -                          | -                | -                   | -                   | 138,444                | 138,444   | 18,304    | 156,748                  |       |
| -                          | -                | -                   | (15,338)            | 15,338                 | -         | -         | -                        |       |
| 2,814,062                  | 5,030,661        | 119,497             | 513,557             | 907,363                | 9,385,140 | 1,566,774 | 10,951,914               |       |
| -                          | -                | -                   | -                   | 88,248                 | 88,248    | 11,785    | 100,033                  |       |
| -                          | -                | -                   | 47,861              | 47,861                 | 47,861    | 16,420    | 64,281                   |       |
| -                          | -                | -                   | 47,861              | 88,248                 | 136,109   | 28,205    | 164,314                  |       |
| -                          | -                | -                   | (11,138)            | 11,138                 | -         | -         | -                        |       |
| -                          | -                | -                   | -                   | (4,193)                | (4,193)   | (1,439)   | (5,632)                  |       |
| -                          | -                | 109,520             | -                   | -                      | 109,520   | -         | 109,520                  |       |
| 2,814,062                  | 5,030,661        | 229,017             | 550,280             | 1,002,556              | 9,626,576 | 1,593,540 | 11,220,116               |       |
| -                          | -                | -                   | -                   | 159,213                | 159,213   | 18,390    | 177,603                  |       |
| -                          | -                | -                   | -                   | -                      | -         | -         | -                        |       |
| -                          | -                | -                   | -                   | 159,213                | 159,213   | 18,390    | 177,603                  |       |
| -                          | -                | -                   | (12,902)            | 12,902                 | -         | -         | -                        |       |
| -                          | -                | -                   | (37,135)            | 37,135                 | -         | -         | -                        |       |
| -                          | -                | 114,167             | -                   | -                      | 114,167   | -         | 114,167                  |       |
| 2,814,062                  | 5,030,661        | 343,184             | 500,243             | 1,211,806              | 9,899,956 | 1,611,930 | 11,511,886               |       |

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

Waves Corporation Limited and its Subsidiaries  
Condensed Interim Consolidated Statement of Cash Flow (Un-audited)  
For the six months period ended 30 June 2024

|  |     | Six months ended                |                                 |
|--|-----|---------------------------------|---------------------------------|
|  |     | (Un-audited)<br>30 June<br>2024 | (Un-audited)<br>30 June<br>2023 |
|  |     | ----- (Rupees in '000) -----    |                                 |
| <b><u>Cash flows from operating activities</u></b>               |     |                                 |                                 |
| Profit before taxation   |     | 232,001                         | 208,919                         |
| <i>Adjustments for non-cash and other items:</i>                 |     |                                 |                                 |
| Depreciation on property, plant and equipment                    | 9.1 | 125,307                         | 149,427                         |
| Amortisation of intangible assets                                |     | 17,637                          | 17,733                          |
| Finance cost   |     | 153,337                         | 161,145                         |
| Gain on sale of property, plant and equipment                    |     | (39,328)                        | (11,073)                        |
| Amortisation of deferred income                                  |     | (581)                           | (581)                           |
|  |     | <u>488,373</u>                  | <u>525,569</u>                  |
| <b><u>Effect on cash flow due to working capital changes</u></b> |     |                                 |                                 |
| <i>(Increase) / decrease in current assets:</i>                  |     |                                 |                                 |
| Stores, spares and loose tools                                   |     | 1,647                           | 3,887                           |
| Stock-in-trade   |     | 528,818                         | 181,778                         |
| Trade debts and other receivables                                |     | (448,644)                       | 806,951                         |
| Advances, deposits, prepayments and other receivables            |     | (96,446)                        | (5,005)                         |
| <i>Increase in current liabilities:</i>                          |     |                                 |                                 |
| Trade and other payables   |     | (169,012)                       | (136,503)                       |
|  |     | <u>(183,638)</u>                | <u>851,108</u>                  |
| <b>Cash used in operations</b>                                   |     | <u>304,735</u>                  | <u>1,376,677</u>                |
| Income tax received / (paid)                                     |     | 37,373                          | 351                             |
| Employee retirement benefits paid                                |     | (724)                           | (2,008)                         |
| <b>Net cash used in operating activities</b>                     |     | <u>341,384</u>                  | <u>1,375,020</u>                |
| <b><u>Cash flow from investing activities</u></b>                |     |                                 |                                 |
| Capital expenditure -net   |     | (185,722)                       | (969,312)                       |
| Proceeds from disposal of property, plant and equipment          |     | 151,905                         | 13,540                          |
| <b>Net cash generated from investing activities</b>              |     | <u>(33,816)</u>                 | <u>(955,773)</u>                |
| <b><u>Cash flow from financing activities</u></b>                |     |                                 |                                 |
| Long term loan received/ (repaid)                                |     | 74,070                          | (66,656)                        |
| Loan from sponsors received/ (repaid)                            |     | 114,167                         | 25,700                          |
| Finance costs paid   |     | (267,700)                       | (161,145)                       |
| Short term borrowing - net                                       |     | (147,727)                       | (458,610)                       |
| Lease rentals paid   |     | (7,039)                         | (2,184)                         |
| <b>Net cash generated from financing activities</b>              |     | <u>(234,230)</u>                | <u>(662,897)</u>                |
| <b>Net increase in cash and cash equivalents</b>                 |     | <u>73,339</u>                   | <u>(243,649)</u>                |
| <b>Cash and cash equivalents - at beginning of the period</b>    |     | <u>(2,729,241)</u>              | <u>(2,749,056)</u>              |
| <b>Cash and cash equivalents - at end of the period</b>          | 11  | <u>(2,655,902)</u>              | <u>(2,992,705)</u>              |

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



Chief Executive Officer



Director



Chief Financial Officer



Waves Corporation Limited and its Subsidiaries  
Notes to the Condensed Interim Consolidated Financial Information (Un-audited)  
For the six months period ended 30 June 2024

**1 Status and nature of business**

The Group comprises of:

**Holding Company**

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

**2024                      2023**  
**(Holding percentage)**

**Subsidiary Companies**

|   |               |               |
|---|---------------|---------------|
| <b>- Waves Home Appliances Limited</b><br>(formerly, <i>Samin Textiles Limited</i> )                                | <b>74.56</b>  | <b>74.56</b>  |
| <b>- Waves Marketplace Limited</b><br>(formerly, <i>Electronics Marketing Company (Private) Limited</i> )           | <b>100.00</b> | <b>100.00</b> |
| <b>- Waves Builders &amp; Developers (Private) Limited</b><br>(formerly, <i>Waves Marketing (Private) Limited</i> ) | <b>100.00</b> | <b>100.00</b> |

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

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

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

**Waves Marketplace Limited**

(formerly, *Electronics Marketing Company (Private) Limited*) - Subsidiary Company

Waves Marketplace Limited (formerly, Electronics Marketing Company (Private) Limited) 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 was to carry out distribution / wholesales / retail business of all kinds of electronic appliances, its components and accessories, etc.

**Waves Builders and Developers (Private) Limited**

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

Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited) 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 9-KM Hanjarwal, Multan Road, Lahore. The principal activity of the company was to sale, distribution and marketing of consumer appliances being a trading concern. The MOA/AOA was changed to undertake real estate business, however the board of WBDPL and WCL have decided to merge WBDPL with and into WCL, subject to completion of necessary corporate legal formalities.

**Waves Home Appliances Limited**

(formerly *Samin Textiles Limited*)- Subsidiary Company

Waves Home Appliances Limited (WHAL) (formerly as Samin Textiles Limited) was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 9-KM Hanjarwal, Multan Road, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company previously was trading, import and export of textile products. Consequent to approval of scheme of arrangement, the principal line of business shall be amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.



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

The Honourable Lahore High Court (the Court) through its Order dated 27 May 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from the Holding Company and amalgamation of the same into the subsidiary Company, WHAL.

## **2 Basis of preparation**

### **Statement of compliance**

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

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

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

- 2.2 These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 30 June 2024 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 six months 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 2023. 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 2023, 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 six months period ended 30 June 2024.

## **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 2023.

## **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 2023.



**5 Adoption of application Guidance on Accounting for Minimum Taxes and Final Taxes under International Accounting Standard 12, Income taxes.**

The Company has classified its current income tax to the extent of income tax based on revenue i.e. final tax under the Section of 113 the Income Tax Ordinance, 2001 to levies as explained in International Financial Reporting Interpretation Committee (IFRIC) 21 "Levies" pursuant to "IAS 12 Application Guidance on Accounting for minimum and final taxes" issued by the Institute of Chartered Accountants of Pakistan clarifying that levies whose calculation use data such as gross amount of revenues, assets and liabilities do not meet the definition of income taxes provided in International Accounting Standard 12, Income taxes i.e. not within the scope International Accounting Standard 12, Income taxes rather are within the scope of International Accounting Standard 37, Provision, contingent liabilities and contingent assets".

The Company has adopted to designate the amount calculated on taxable income using notified tax rate as an income tax within the scope of International Accounting Standard 12, Income taxes and recognises it as current income tax expense. Any excess over the amount designated as income tax is recognised as a levy falling under the scope of IFRIC 21 / Provision, contingent liabilities and contingent assets. The respective changes have been explained in note 13 and 14 to these financial statements.

The change has been corrected by restating each of affected financial statements line items for the prior periods and the comparative information has been restated, as follows:

|                                       | <b>As at June 30, 2023</b>   |             |             |
|---------------------------------------|------------------------------|-------------|-------------|
|                                       | Previously reported          | Adjustments | As restated |
|                                       | ----- (Rupees in '000) ----- |             |             |
| <b>Statement of changes in equity</b> |                              |             |             |
| Unappropriated profits                | 895,100                      | (12,263)    | 907,363     |

|                                     | <b>June 30, 2023</b>         |             |             |
|-------------------------------------|------------------------------|-------------|-------------|
|                                     | Previously reported          | Adjustments | As restated |
|                                     | ----- (Rupees in '000) ----- |             |             |
| <b>Statement of profit or loss</b>  |                              |             |             |
| Profit before levies and income tax | 208,919                      | -           | 208,919     |
| Levies                              | -                            | (33,535)    | (33,535)    |
| Profit before income tax            | 208,919                      | (33,535)    | 175,384     |
| Income tax expense                  | (39,908)                     | 21,272      | (18,636)    |
| Profit after income tax             | 169,011                      | (12,263)    | 156,748     |

There was no impact of Statement of financial position, statement of Comprehensive Income, Statement of cash flows.

## 6 Issued, subscribed and paid up capital

|  | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 |
|--|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
|  | ----- Number of shares -----    |                                  | ----- (Rupees in '000) -----    |                                  |
| Issued for cash                          | 105,263,597                     | 105,263,597                      | 1,052,636                       | 1,052,636                        |
| Issued for consideration other than cash | 703,733                         | 703,733                          | 7,037                           | 7,037                            |
| Issued as paid bonus shares              | 78,988,759                      | 78,988,759                       | 789,888                         | 789,888                          |
| Issued under scheme of amalgamation      | 96,450,000                      | 96,450,000                       | 964,500                         | 964,500                          |
|  | <u>281,406,089</u>              | <u>281,406,089</u>               | <u>2,814,061</u>                | <u>2,814,061</u>                 |

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

|   | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 |
|---|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
|   | ----- Percentage held -----     |                                  | ----- Number of shares -----    |                                  |
| <i>Chief Executive Officer and his spouse</i> |                                 |                                  |                                 |                                  |
| - Haroon Ahmad Khan (CEO)                     | 38.32%                          | 38.32%                           | 107,840,286                     | 107,840,286                      |
| - Nighat Haroon Khan (Wife of CEO)            | 10.00%                          | 9.92%                            | 28,132,411                      | 27,925,911                       |
|   | <u>48.32%</u>                   | <u>48.25%</u>                    | <u>135,972,697</u>              | <u>135,766,197</u>               |

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

|  |      | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 |
|--|------|---------------------------------|----------------------------------|
|  | Note | ----- (Rupees in '000) -----    |                                  |
| <b>7 Short term borrowings</b>                     |      |                                 |                                  |
| <i>from banking companies - secured:</i>           |      |                                 |                                  |
| Running finance under mark-up arrangements         | 7.1  | 2,712,806                       | 2,789,115                        |
| Finance against trust receipt                      | 7.1  | 1,190,612                       | 1,191,472                        |
| Short term borrowings under 'Murahaba' arrangement |      | 284,941                         | 284,941                          |
| Demand Finance                                     | 7.1  | -                               | 69,511                           |
|  |      | <u>4,188,359</u>                | <u>4,335,039</u>                 |
| from Fintech companies                             |      | 30,000                          | 30,297                           |
| <i>from others - unsecured</i>                     |      |                                 |                                  |
| Short term borrowings under Musharaka arrangement  |      | -                               | 127,059                          |
| Loan against shares                                |      | 50,000                          |                                  |
| Loan from employees provident fund                 |      | 288,000                         | 288,000                          |
|  |      | <u>4,556,359</u>                | <u>4,780,395</u>                 |

7.1 This includes amount of bridge finance facility under markup arrangement availed from National Bank of Pakistan amounting to Rs.1,500 million during the period (2023: Rs. 1,500 million). This facility is secured against 1st charge over land & building with 25% margin and carry markup from 19.25% per annum, payable quarterly in arrears.

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

## 8 Contingencies and commitments

### 8.1 Contingencies

There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2023.

### 8.2 Commitments

The Company has the following commitments in respect of:

- Commitments for the import of stock in trade outstanding at period end were for Rs. Nill (31 December 2023: Rs. Nill).
- Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were Rs. Nill (31 December 2023: Rs. Nill).



|  |      | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 |
|--|------|---------------------------------|----------------------------------|
|  | Note | ----- (Rupees in '000) -----    |                                  |
| <b>9 Property, plant and equipment</b>   |      |                                 |                                  |
| Operating fixed assets   | 9.1  | 3,651,800                       | 3,885,356                        |
| Right of-use asset   | 9.2  | 49,868                          | 55,176                           |
| Capital work-in-progress   | 9.3  | 4,843,397                       | 4,172,928                        |
|  |      | <u>8,545,065</u>                | <u>8,113,460</u>                 |
| <b>9.1 Operating fixed assets</b>  |      |                                 |                                  |
| Opening balance - as at 01 January   |      | 3,885,356                       | 2,699,641                        |
| Additions during the period / year   |      | 79                              | 8,459                            |
| Transfers from capital work in progress  |      |                                 | 1,416,173                        |
| Revaluation gain / (loss)  |      | -                               | 80,078                           |
| Transfers from investment property   |      | -                               | (17,250)                         |
| Transfers from right to use to owned assets  |      | -                               | 33,330                           |
|  |      | <u>3,885,435</u>                | <u>4,220,431</u>                 |
| Book value of property, plant and equipment<br>disposed off during the period / year |      | (113,636)                       | (12,088)                         |
| Depreciation charged during the period / year  |      | (119,999)                       | (322,987)                        |
| <b>Closing balance</b>   |      | <u>3,651,800</u>                | <u>3,885,356</u>                 |
| <b>9.2 Right of-use asset</b>  |      |                                 |                                  |
| Balance as at 01 January   |      | 55,176                          | 161,105                          |
| Additions during the period / year   |      | -                               | 1,976                            |
| Transfers to owned assets  |      | -                               | (33,330)                         |
| Book value of property, plant and equipment<br>disposed off during the period / year |      | -                               | (69,092)                         |
| Depreciation charge for the period / year  |      | (5,308)                         | (5,483)                          |
| <b>Closing balance</b>   |      | <u>49,868</u>                   | <u>55,176</u>                    |
| <b>9.3 Capital work-in-progress</b>  |      |                                 |                                  |
| Freehold land  |      | 903,554                         | 903,554                          |
| Civil work / Factory Building  |      | 1,522,545                       | 1,142,150                        |
| Plant and machinery  |      | 591,490                         | 732,161                          |
| Plant and machinery-in transit   |      | 122,726                         | 122,726                          |
| Electric installation  |      | 1,445                           | 1,359                            |
| Borrowing costs  |      | 1,701,639                       | 1,270,978                        |
|  |      | <u>4,843,397</u>                | <u>4,172,928</u>                 |
|  |      | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 |
|  |      | ----- (Rupees in '000) -----    |                                  |
| <b>10 Intangible assets and goodwill</b>   |      |                                 |                                  |
| Software   |      | 21,260                          | 23,533                           |
| Goodwill   |      | 1,070,207                       | 1,070,207                        |
| Brand value  |      | 1,582,147                       | 1,582,147                        |
| Customer relationships   |      | 107,661                         | 123,025                          |
|  |      | <u>2,781,275</u>                | <u>2,798,912</u>                 |
|  |      | (Un-audited)<br>30 June<br>2024 | (Audited)<br>31 December<br>2023 |
|  |      | ----- (Rupees in '000) -----    |                                  |
| <b>11 Cash and cash equivalents</b>  |      |                                 |                                  |
| Cash and bank balances   |      | 56,904                          | 59,874                           |
| Short term running finance - secured   |      | (2,712,806)                     | (2,789,115)                      |
|  |      | <u>(2,655,902)</u>              | <u>(2,729,241)</u>               |

|                       | (Un-audited)<br>30 June<br>2024 | (Un-audited)<br>30 June<br>2023 |
|-----------------------|---------------------------------|---------------------------------|
|                       | ----- (Rupees in '000) -----    |                                 |
| <b>12 Sales - net</b> |                                 |                                 |
| Gross sales:          |                                 |                                 |
| - Local               | 2,937,441                       | 3,588,376                       |
| Sales return          | (8,432)                         | (3,481)                         |
|                       | <u>2,929,009</u>                | <u>3,584,895</u>                |
| Sales tax             | (446,819)                       | (546,301)                       |
| Trade discounts       | (122,590)                       | (94,056)                        |
|                       | <u>(569,409)</u>                | <u>(640,357)</u>                |
|                       | <u>2,359,600</u>                | <u>2,944,538</u>                |
|                       | (Un-audited)<br>30 June<br>2024 | (Un-audited)<br>30 June<br>2023 |
|                       | ----- (Rupees in '000) -----    |                                 |
| <b>13 Levies</b>      |                                 |                                 |
| Minimum tax           | <u>(54,398)</u>                 | <u>(33,535)</u>                 |

13.1 This represents minimum tax on sale of goods under Section 113 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets.

|                              | (Un-audited)<br>30 June<br>2024 | (Un-audited)<br>30 June<br>2023 |
|------------------------------|---------------------------------|---------------------------------|
|                              | ----- (Rupees in '000) -----    |                                 |
| <b>14 Income tax expense</b> |                                 |                                 |
| Current                      |                                 |                                 |
| - for the period             | -                               | -                               |
| - prior period               | -                               | -                               |
|                              | <u>-</u>                        | <u>-</u>                        |
| Deferred                     | (16,629)                        | (18,636)                        |
|                              | <u>(16,629)</u>                 | <u>(18,636)</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)<br>30 June<br>2024 | (Un-audited)<br>30 June<br>2023 |
|------------------------------|---------------------------------|-----------------------------|---------------------------------|---------------------------------|
| ----- (Rupees in '000) ----- |                                 |                             |                                 |                                 |
| Employee's Provident Fund    | Post employee contribution plan | Contribution for the period | 5,715                           | 6,473                           |
| Directors                    | Employees                       | Loan from sponsors          | 114,167                         | 25,700                          |
| Key management personnel     | Remuneration                    | Remuneration                | 29,854                          | 38,903                          |



## 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 2023.

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 June 2024                          |                                |            |            |         |         |
|--|--|---------------------------------------|--------------------------------|------------|------------|---------|---------|
|  |  | Carrying amount                       |                                |            | Fair value |         |         |
|  |  | Financial assets<br>at amortized cost | Other financial<br>liabilities | Total      | Level 1    | Level 2 | Level 3 |
| Note   |  | Rupees in '000                        |                                |            |            |         |         |
| Financial instruments                                      |  |                                       |                                |            |            |         |         |
| 30 June 2024 - (Un-audited)                                |  |                                       |                                |            |            |         |         |
| Financial assets - not measured at fair value              |  |                                       |                                |            |            |         |         |
| Trade debts  |  | 4,641,842                             | -                              | 4,641,842  | -          | -       | -       |
| Security deposits  |  | 16,092                                | -                              | 16,092     | -          | -       | -       |
| Other receivables  |  | 583,443                               | -                              | 583,443    | -          | -       | -       |
| Cash & Bank Balances                                       |  | 56,904                                | -                              | 56,904     | -          | -       | -       |
| 16.3   |  | 5,298,282                             | -                              | 5,298,282  | -          | -       | -       |
| Financial liabilities - not measured at fair value         |  |                                       |                                |            |            |         |         |
| Long term loans - secured                                  |  | -                                     | 1,554,214                      | 1,554,214  | -          | -       | -       |
| Liabilities against assets subject to finance lease        |  | -                                     | 26,256                         | 26,256     | -          | -       | -       |
| Trade and other payables                                   |  | -                                     | 3,348,336                      | 3,348,336  | -          | -       | -       |
| Employee retirement benefit                                |  | -                                     | 19,232                         | 19,232     | -          | -       | -       |
| Short term borrowings                                      |  | -                                     | 4,556,359                      | 4,556,359  | -          | -       | -       |
| Mark-up accrued on short term finances and long term loans |  | -                                     | 1,350,474                      | 1,350,474  | -          | -       | -       |
| 16.3   |  | -                                     | 10,854,870                     | 10,854,870 | -          | -       | -       |

This condensed interim Consolidated financial information has been approved by the

| This condensed interim Consolidated financial information has been approved by the |      | 31 December 2023                      |                                |            |            |         |         |
|--|------|---------------------------------------|--------------------------------|------------|------------|---------|---------|
|  |      | Carrying Amount                       |                                |            | Fair value |         |         |
|  |      | Financial assets at<br>amortized cost | Other financial<br>liabilities | Total      | Level 1    | Level 2 | Level 3 |
|  | Note | ----- Rupees in '000 -----            |                                |            |            |         |         |
| <b>Financial instruments</b>   |      |                                       |                                |            |            |         |         |
| <b><u>31 December 2023</u></b>   |      |                                       |                                |            |            |         |         |
| <b><u>Financial assets - not measured at fair value</u></b>                        |      |                                       |                                |            |            |         |         |
| Security deposits  |      | 16,092                                | -                              | 16,092     | -          | -       | -       |
| Trade debts  |      | 4,193,678                             | -                              | 4,193,678  | -          | -       | -       |
| Other receivables  |      | 486,997                               | -                              | 486,997    | -          | -       | -       |
| Bank balances  |      | 59,874                                | -                              | 59,874     | -          | -       | -       |
|  | 16.3 | 4,756,641                             | -                              | 4,756,641  | -          | -       | -       |
| <b><u>Financial liabilities - not measured at fair value</u></b>                   |      |                                       |                                |            |            |         |         |
| Long term loans - secured  |      | -                                     | 1,480,144                      | 1,480,144  | -          | -       | -       |
| Lease liabilities  |      | -                                     | 33,295                         | 33,295     | -          | -       | -       |
| Trade and other payables   |      | -                                     | 3,517,348                      | 3,517,348  | -          | -       | -       |
| Employee retirement benefit  |      | -                                     | 19,955                         | 19,955     | -          | -       | -       |
| Short term borrowings  |      | -                                     | 4,780,395                      | 4,780,395  | -          | -       | -       |
| Mark-up accrued on short<br>term finances and long term loans                      |      | -                                     | 819,660                        | 819,660    | -          | -       | -       |
|  | 16.3 | -                                     | 10,650,797                     | 10,650,797 | -          | -       | -       |

16.3 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 2023

Investment property

Date of valuation

31 December 2023

**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.



**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 August 2024.

**18 General**

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

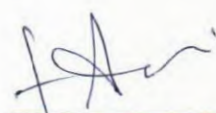
Figures have been rounded off to nearest thousand unless stated otherwise.



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

## 3.2 Standalone Financial Statements

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**WAVES CORPORATION  
LIMITED  
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
JUNE 30, 2024**



## Independent Auditor's Review Report

### To the members of Waves Corporation Limited report on review of interim financial statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Waves Corporation Limited (the Company) as at June 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2024.

#### Scope of Review

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

#### Conclusion

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

#### Emphasis of matter

As fully explained in note 2 and note 12.1.2 to these condensed interim financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of home appliance business by the parent company to the Company, legal and procedural formalities including registration / updation of the name of the subsidiary company with the relevant departments / utility companies could not be completed till the date of issuance of report. Due to certain impediments of such routing of the transactions, the impact of non-compliance if any, cannot be ascertained at this point of time. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's report is Imran Bashir.

Lahore: **30 AUG 2024**  
UDIN: RR202410140pxMX6YUBn



**Rizwan & Company**  
Chartered Accountants



Waves Corporation Limited  
Condensed Interim Unconsolidated Statement of Financial Position (Un-audited)  
As at June 30, 2024

|  |      | (Un-audited)<br>June 30,<br>2024 | (Audited)<br>December 31,<br>2023 | (Audited)<br>January 01,<br>2023 |
|--|------|----------------------------------|-----------------------------------|----------------------------------|
|  | Note | Rupees in ('000)                 |                                   |                                  |
| EQUITY AND LIABILITIES                   |      |                                  |                                   |                                  |
| Share capital and reserves               |      |                                  |                                   |                                  |
| Share capital                            | 9    | 2,814,062                        | 2,814,062                         | 2,814,062                        |
| Capital reserves                         | 10   | 5,030,661                        | 5,030,661                         | 5,030,661                        |
| Unappropriated profit                    |      | 486,641                          | 355,357                           | 207,171                          |
| Revaluation surplus                      |      | 115,475                          | 151,467                           | 151,467                          |
|  |      | 8,446,839                        | 8,351,547                         | 8,203,361                        |
| Non-current liabilities                  |      |                                  |                                   |                                  |
| Long term financing                      |      | -                                | -                                 | -                                |
| Current liabilities                      |      |                                  |                                   |                                  |
| Trade and other payables                 |      | 544,860                          | 586,524                           | 324,358                          |
| Accrued mark-up on borrowings            |      | 508,841                          | 301,267                           | 114,084                          |
| Short term borrowings                    | 11   | 1,730,097                        | 1,723,953                         | 1,725,000                        |
| Current portion of long term liabilities |      | -                                | -                                 | 31,815                           |
| Unclaimed dividend                       |      | 1,179                            | 1,179                             | 1,179                            |
| Provision for levies                     |      | 21,250                           | 1,732                             | -                                |
|  |      | 2,806,227                        | 2,614,655                         | 2,196,436                        |
|  |      | 11,253,066                       | 10,966,202                        | 10,399,797                       |

Contingencies and commitments 12

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

|   |      | (Un-audited)<br>June 30,<br>2024 | (Audited)<br>December 31,<br>2023 | (Audited)<br>January 01,<br>2023 |
|---|------|----------------------------------|-----------------------------------|----------------------------------|
|   | Note | Rupees in ('000)                 |                                   |                                  |
| <b>ASSETS</b>                           |      |                                  |                                   |                                  |
| <b>Non-current assets</b>               |      |                                  |                                   |                                  |
| Property                                |      | -                                | -                                 | 10,000                           |
| Investment property                     | 13   | 190,000                          | 250,000                           | 300,480                          |
| Investment in subsidiaries              | 14   | 5,270,481                        | 5,270,481                         | 5,270,481                        |
| Long term receivables                   | 15   | 2,000,000                        | 1,926,938                         | 1,746,083                        |
| Deferred tax asset                      |      | -                                | -                                 | 8,891                            |
|   |      | 7,460,481                        | 7,447,419                         | 7,335,935                        |
| <b>Current assets</b>                   |      |                                  |                                   |                                  |
| Inventories                             | 16   | 3,304,872                        | 3,126,042                         | 2,705,294                        |
| Advances and deposits                   | 17   | 423,493                          | 370,879                           | 338,577                          |
| Accrued profit on long term receivables |      | 47,413                           | -                                 | -                                |
| Cash and bank balances                  |      | 16,807                           | 21,862                            | 19,991                           |
|   |      | 3,792,585                        | 3,518,783                         | 3,063,862                        |
|   |      | 11,253,066                       | 10,966,202                        | 10,399,797                       |

**Waves Corporation Limited**

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

**For the six months period ended June 30, 2024**

|   | Note | Six months period ended |                  | Three months period ended |                  |
|---|------|-------------------------|------------------|---------------------------|------------------|
|   |      | (Restated)              |                  | (Restated)                |                  |
|   |      | June 30,<br>2024        | June 30,<br>2023 | June 30,<br>2024          | June 30,<br>2023 |
|   |      | Rupees in ('000)        |                  | Rupees in ('000)          |                  |
| Other income                                    |      | 168,163                 | 106,081          | 100,067                   | 83,951           |
| Administrative expenses                         |      | (22,313)                | (31,684)         | (10,027)                  | (15,163)         |
| Other expenses                                  |      | (2,296)                 | -                | (1,180)                   | -                |
| <b>Operating profit</b>                         |      | <b>143,554</b>          | <b>74,397</b>    | <b>90,040</b>             | <b>68,788</b>    |
| Finance costs                                   |      | (28,744)                | (25,109)         | (15,118)                  | (11,096)         |
| <b>Profit before levies and income tax</b>      |      | <b>114,809</b>          | <b>49,288</b>    | <b>74,922</b>             | <b>57,692</b>    |
| Levies  | 18   | (19,518)                |                  | 684                       |                  |
| <b>Profit before income tax</b>                 |      | <b>95,292</b>           | <b>49,288</b>    | <b>75,606</b>             | <b>57,692</b>    |
| Income tax expense                              |      | -                       | -                | -                         | -                |
| <b>Profit after taxation</b>                    |      | <b>95,292</b>           | <b>49,288</b>    | <b>75,606</b>             | <b>57,692</b>    |
| Earnings per share - basic and diluted (Rupees) |      | <b>0.34</b>             | <b>0.18</b>      | <b>0.27</b>               | <b>0.21</b>      |

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.

*WV*



**Chief Executive**



**Director**



**Chief Financial Officer**


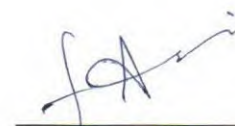


**Waves Corporation Limited****Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)****For the six months period ended June 30, 2024**

|  | <b>Six months period ended</b> |   | <b>Three months period ended</b> |   |
|--|--------------------------------|---|----------------------------------|---|
|  | <b>June 30,<br/>2024</b>       | <b>(Restated)<br/>June 30,<br/>2023</b> | <b>June 30,<br/>2024</b>         | <b>(Restated)<br/>June 30,<br/>2023</b> |
|  | <b>Rupees in ('000)</b>        |   | <b>Rupees in ('000)</b>          |   |
| <b>Profit after taxation</b>                                   | <b>95,292</b>                  | <b>49,288</b>                           | <b>75,606</b>                    | <b>57,692</b>                           |
| <b>Other comprehensive income for the period</b>               |                                |   |                                  |   |
| Items that will not be reclassified to profit or loss account: | -                              | -                                       | -                                | -                                       |
| Items that may be reclassified to profit or loss account:      | -                              | -                                       | -                                | -                                       |
| <b>Total comprehensive income for the period</b>               | <b>95,292</b>                  | <b>49,288</b>                           | <b>75,606</b>                    | <b>57,692</b>                           |

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.

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\_\_\_\_\_  
**Chief Executive**  
\_\_\_\_\_  
**Director**  
\_\_\_\_\_  
**Chief Financial Officer**

**Waves Corporation Limited**  
**Condensed Interim Unconsolidated Statement of Changes in Equity ((Un-audited)**  
**For the six months period ended June 30, 2024**

**As at January 01, 2023**

**Total comprehensive income / (loss) for the period**

Profit after taxation

Other comprehensive income / (loss) for the period

As at 30 June, 2023 - Restated

**Total comprehensive income / (loss) for the period**

Profit after taxation

Other comprehensive income / (loss) for the period

**As at December 31, 2023 (Audited)**

**Total comprehensive income / (loss) for the period**

Profit after taxation

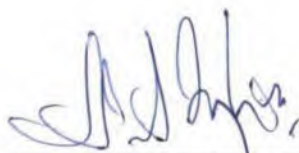
Other comprehensive income / (loss) for the period

Transfer to retained earnings upon disposal of investment property

**Balance as at June 30, 2024**

| Share Capital     |                  |                     | Revenue Reserve        | Total     |
|-------------------|------------------|---------------------|------------------------|-----------|
|                   | Capital Reserves | Revaluation Surplus | Unappropriated profits |           |
| (Rupees in '000') |                  |                     |                        |           |
| 2,814,062         | 5,030,661        | 151,467             | 207,171                | 8,203,361 |
| -                 | -                | -                   | 49,288                 | 49,288    |
| -                 | -                | -                   | -                      | -         |
| -                 | -                | -                   | 49,288                 | 49,288    |
| 2,814,062         | 5,030,661        | 151,467             | 256,459                | 8,252,649 |
| -                 | -                | -                   | 98,898                 | 98,898    |
| -                 | -                | -                   | -                      | -         |
| -                 | -                | -                   | 98,898                 | 98,898    |
| 2,814,062         | 5,030,661        | 151,467             | 355,357                | 8,351,547 |
| -                 | -                | -                   | 95,292                 | 95,292    |
| -                 | -                | -                   | -                      | -         |
| -                 | -                | -                   | 95,292                 | 95,292    |
| -                 | -                | (35,992)            | 35,992                 | -         |
| 2,814,062         | 5,030,661        | 115,475             | 486,641                | 8,446,839 |

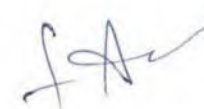
The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer



**Waves Corporation Limited**  
**Condensed Interim Unconsolidated Statement of Cash Flow (Un-audited)**  
**For the six months period ended June 30, 2024**

|  |      | (Un-audited)<br>June 30,<br>2024 | (Un-audited)<br>(Restated)<br>June 30,<br>2023 |
|--|------|----------------------------------|--|
|  | Note | Rupees in ('000)                 |  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                       |      |                                  |  |
| Profit before taxation   |      | 114,809                          | 49,288   |
| <b>Adjustment for non-cash charges / items:</b>                  |      |                                  |  |
| Finance costs  |      | 28,745                           | 25,109   |
| Mark up income on amount due from subsidiary                     |      | (46,230)                         | 16,653   |
| Unwinding of long term receivables to subsidiary                 |      | (73,061)                         | 87,474   |
| Return on long term receivables                                  |      | (47,413)                         | -  |
|  |      | (23,150)                         | 178,524  |
| <b>Effect on cash flows due to working capital changes:</b>      |      |                                  |  |
| <b>(Increase) / decrease in current assets:</b>                  |      |                                  |  |
| Advances, deposits, prepayments and other receivables            |      | (6,385)                          | (468,897)                                      |
| <b>Increase in current liabilities:</b>                          |      |                                  |  |
| Trade and other payables   |      | 18,336                           | 784,001  |
| <b>Cash (used in) / generated from working capital changes</b>   |      | 11,951                           | 315,104  |
| <b>Cash (used in) / generated from operating activities</b>      |      | (11,199)                         | 493,628  |
| Income tax paid  |      | -                                | 19,429   |
| Long term deposits - net   |      | -                                | (232,785)                                      |
| <b>Net cash (used in) / generated from operating activities</b>  |      | (11,199)                         | 280,272  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                       |      |                                  |  |
| Capital expenditure incurred                                     |      | -                                | (187,482)                                      |
| <b>Net cash generated from / (used in) investing activities</b>  |      | -                                | (187,482)                                      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                       |      |                                  |  |
| Long term receivables  |      |                                  |  |
| Long term loans repaid   |      | -                                | (14,421)                                       |
| <b>Net cash generated from / (used in) financing activities</b>  |      | -                                | (14,421)                                       |
| <b>Net increase in cash and cash equivalents</b>                 |      | (11,199)                         | 78,369   |
| <b>Cash and cash equivalents used at beginning of the period</b> |      | (1,702,091)                      | (1,705,009)                                    |
| <b>Cash and cash equivalents - at end of the period</b>          | 19   | (1,713,290)                      | (1,626,640)                                    |

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer



## Waves Corporation Limited

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

For the six months period ended June 30, 2024

**1 Status and nature of business**

Waves Corporation Limited (formerly Waves Singer Pakistan Limited) (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. Consequent to approval of scheme of arrangement, the principal line of business has been amended which includes managing its investment in subsidiaries, which are principally engaged in manufacturing and assembly of domestic consumer appliances along with retailing and trading the same and real estate development. 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** As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honorable Lahore High Court, Lahore on May 27, 2022, the Company transferred its manufacturing undertaking to its subsidiary Company, i.e. Waves Home Appliances Limited with effect from effective date, i.e. September 01, 2021.

After transfer of manufacturing undertaking, certain bills, invoices and contracts relating to the company's business activities continued in the name of the Company due to non-completion of legal and procedural formalities. Consequently, the Company reported all such transactions in its sales tax returns on account of utilities, supplies, imports, local stores and spares to subsidiary company, i.e. Waves Home Appliances Limited. The above stated transactions have been recorded to absorb the impact of Sales Tax Input available in sales tax records of the Company, that could have been lost in absence of any legitimate sales tax output available to the Company. The summary of the transactions has been given hereunder:

**For Six Months  
Ended June 30,  
2024**

**Rupees in "000"**

|           |                |
|-----------|----------------|
| Sales     | <b>417,982</b> |
| Purchases | <b>219,511</b> |

**3 Separate financial statements**

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

| Name of subsidiary companies  | 2024<br>(Direct holding percentage) | 2023   |
|---|-------------------------------------|--------|
| - <b>Waves Builders and Developers (Private) Limited</b><br>(formerly, Waves Marketing (Private) Limited) | 100%                                | 100%   |
| - <b>Waves Marketplace Limited</b><br>(formerly, Electronics Marketing Company (Private) Limited)         | 100%                                | 100%   |
| - <b>Waves Home Appliances Limited</b><br>(formerly, Samin Textiles Limited)                              | 74.56%                              | 74.56% |





## **4 Basis of preparation**

### **4.1 Statement of compliance**

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 International Accounting Standard 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 4.2** These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at June 30, 2024 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 six months period then ended.
- 4.3** 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.
- 4.4** 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 December 31, 2023. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 4.5** Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2023, 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 and six months period ended June 30, 2023.

## **5 Basis of measurement**

These unconsolidated interim financial statements have been prepared under the historical cost convention except for investment property which are stated at fair value less impairment losses.

## **6 Functional and presentation currency**

These unconsolidated interim financial statements are presented in Pakistani Rupee which is also the Company's functional and presentation currency and have been rounded off to the nearest thousand.

## **7 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 December 31, 2023.



## 8 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 December 31, 2023 except for the note 8.1

### 8.1 Adoption of application Guidance on Accounting for Minimum Taxes and Final Taxes under International Accounting Standard 12, Income taxes.

The Company has classified its current income tax to the extent of income tax based on revenue i.e., final tax under the Section of 113 the Income Tax Ordinance, 2001 to levies as explained in International Financial Reporting Interpretation Committee (IFRIC) 21 "Levies" pursuant to "IAS 12 Application Guidance on Accounting for minimum and final taxes" issued by the Institute of Chartered Accountants of Pakistan clarifying that levies whose calculation use data such as gross amount of revenues, assets and liabilities do not meet the definition of income taxes provided in International Accounting Standard 12, Income taxes i.e., not within the scope International Accounting Standard 12, Income taxes rather are within the scope of International Accounting Standard 37, Provision, contingent liabilities and contingent assets".

The Company has adopted to designate the amount calculated on taxable income using notified tax rate as an income tax within the scope of International Accounting Standard 12, Income taxes and recognises it as current income tax expense. Any excess over the amount designated as income tax is recognised as a levy falling under the scope of IFRIC 21 / Provision, contingent liabilities and contingent assets.

The change has no impact on the financial statements of the Company owing to application of normal taxation in the corresponding period ended on June 30, 2022 whereas impact on the financial statements of the Company owing to application of normal taxation in the corresponding period ended on June 30, 2023 is as under:

|  | December 31, 2023      |             |             |
|--|------------------------|-------------|-------------|
|  | As previously reported | Adjustments | As restated |
|  | Rupees                 |             |             |
| <b>Statement of financial position</b> |                        |             |             |
| Provision for levies                   | -                      | 1,732       | 1,732       |
| Income tax payable                     | 1,732                  | (1,732)     | -           |
|  |                        |             |             |
|  | June 30, 2023          |             |             |
|  | As previously reported | Adjustments | As restated |
|  | Rupees                 |             |             |
| <b>Statement of profit or loss</b>     |                        |             |             |
| Profit before levies and income tax    | 49,288                 | -           | 49,288      |
| Levies                                 | -                      | (1,732)     | (1,732)     |
| Profit before income tax               | 49,288                 | (1,732)     | 47,556      |
| Income tax expense                     | (1,732)                | 1,732       | -           |
| Profit after income tax                | 47,556                 | -           | 47,556      |

There was no impact of statement of Comprehensive Income, Statement of cash flows and Statement of changes in equity.

|                                     | (Un-audited)<br>June 30,<br>2024<br>(Number of shares) | (Audited)<br>December 31,<br>2023 | (Un-audited)<br>June 30,<br>2024<br>(Rupees in '000) | (Audited)<br>December 31,<br>2023 |
|-------------------------------------|--|-----------------------------------|--|-----------------------------------|
|                                     |  |                                   |  |                                   |
| <b>9 SHARE CAPITAL</b>              |  |                                   |  |                                   |
| <b>9.1 Authorised share capital</b> | <b>300,000,000</b>                                     | 300,000,000                       | <b>3,000,000</b>                                     | 3,000,000                         |

**9.1.1** The authorized share capital stands at Rupees 3,000 million divided into 300,000,000 shares of Rupees 10 each, according to the Memorandum and Articles of Association the Company.



|  |  | <b>Waves Corporation Limited</b>  |  |
|--|--|-----------------------------------|--|
|  | (Un-audited)<br>June 30,<br>2024<br>(Number of shares) | (Audited)<br>December 31,<br>2023 | (Un-audited)<br>June 30,<br>2024<br>(Rupees in '000) |
|  |  |                                   | (Audited)<br>December 31,<br>2023                    |

## 9.2 Issued, subscribed and paid-up capital

Fully paid-up ordinary shares of Rupees 10 each:

|  |                    |                    |                  |                  |
|--|--------------------|--------------------|------------------|------------------|
| Issued for cash                          | 105,263,597        | 105,263,597        | 1,052,637        | 1,052,637        |
| 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>281,406,089</u> | <u>2,814,062</u> | <u>2,814,062</u> |

## 9.3 No further shares were issued during the period.

|                            | Note | (Un-audited)<br>June 30,<br>2024<br>(Rupees in '000) | (Audited)<br>December 31,<br>2023 |
|----------------------------|------|--|-----------------------------------|
| <b>10 CAPITAL RESERVES</b> |      |  |                                   |
| Share premium              |      | 5,025,661  | 5,025,661                         |
| Other capital reserve      |      | 5,000  | 5,000                             |
|                            |      | <u>5,030,661</u>                                     | <u>5,030,661</u>                  |

## 11 SHORT TERM BORROWINGS

*From banking companies - secured:*

|  |      |           |           |
|--|------|-----------|-----------|
| Running finance under mark-up arrangements | 11.2 | 1,680,097 | 1,723,953 |
|--|------|-----------|-----------|

*From non -banking companies:*

|                |      |                  |                  |
|----------------|------|------------------|------------------|
| Demand finance | 11.3 | 50,000           | -                |
|                |      | <u>1,730,097</u> | <u>1,723,953</u> |

**11.1** There were no major changes in any of the facilities during the period other than explained in note 11.3. 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 December 31, 2023.

**11.2** The running finance includes balance of Rupees 1,500 million under the Bilateral Bridge Finance Facility obtained from the National Bank of Pakistan, which has become overdue as of June 30, 2024.

**11.3** During the period, the Company has obtained financing facility of Rupees 50.00 million from Dawood Equities Limited against pledge of 10.00 million ordinary shares of the Waves Home Appliances Limited owned by the sponsor of the Company. The facility carries markup rate of 31% per annum and having expiry of three months.

*WV*



## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

12.1.1 There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended December 31, 2023.

12.1.2 Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to pass on the impact of sales tax to subsidiary company is in line with the Scheme sanctioned by the Honorable Court. Therefore, there will be no non-compliance at this point of time, however, at any stage if there will be negative inference; then the same will be dealt accordingly.

### 12.2 Commitments

There has been no significant changes in commitments as reported in the annual audited financial statements of the Company for the year ended December 31, 2023 except for aggregate utilised credit limit which is increased from Rupees 1.047 million to Rupees 44.903 million.

|                                | (Un-audited)<br>June 30,<br>2024<br>(Rupees in '000) | (Audited)<br>December 31,<br>2023 |
|--------------------------------|--|-----------------------------------|
| <b>Note</b>                    |  |                                   |
| <b>13 INVESTMENT PROPERTY</b>  |  |                                   |
| Opening balance                | 250,000  | 300,480                           |
| Disposed off during the period | (60,000)   | -                                 |
|                                | <u>190,000</u>                                       | <u>300,480</u>                    |
| Fair value adjustments         | -  | (50,480)                          |
| Closing balance                | <u>190,000</u>                                       | <u>250,000</u>                    |

## 14 INVESTMENT IN SUBSIDIARIES

### **Waves Marketplace limited**

50,000,000 (2023: 50,000,000) fully paid ordinary shares of Rupees 10 each  
Equity held: 100% (2023: 100%)  
Chief Executive Officer - Moazzam Ahmad Khan

500,000 500,000

### **Waves Builders and Developers (Private) Limited**

100,000 (2023: 100,000) fully paid ordinary shares of Rupees 10 each  
Equity held: 100% (2023: 100%)  
Chief Executive Officer - Moazzam Ahmad Khan

14.1 1,000 1,000

### **Waves Home Appliance Limited**

199,724,956 (2023: 199,724,956) fully paid ordinary shares of Rupees 10 each  
Equity held: 74.56% (2023: 74.56%)  
Chief Executive Officer - Haroon Ahmad Khan

4,769,481 4,769,481

5,270,481 5,270,481

14.1 During the period under review; the board of directors of the Company and its subsidiary company, i.e. Waves Builders and Developers (Private) Limited in their meetings held on April 05, 2024 have decided to amalgamate the subsidiary company with the Company under the provisions of Section 284 (1) of the Companies Act, 2017. As per Scheme; all assets, liabilities and obligations comprising the subsidiary



company shall stand amalgamated with, transferred to, vested in and be assumed by parent company with effect from effective date. The Company is in the process of filing of Scheme and Amalgamation Waves Builders and Developers (Private) Limited into the Company with Securities and Exchange Commission of Pakistan.

|                                      |      | (Un-audited)<br>June 30,<br>2024 | (Audited)<br>December 31,<br>2023 |
|--------------------------------------|------|----------------------------------|-----------------------------------|
|                                      | Note | (Rupees in '000)                 |                                   |
| <b>15 LONG TERM RECEIVABLES</b>      |      |                                  |                                   |
| Receivable from a subsidiary company |      | 2,000,000                        | 1,926,938                         |
| Less: Current portion                |      | -                                | -                                 |
|                                      |      | <u>2,000,000</u>                 | <u>1,926,938</u>                  |

#### 15.1 Movement of long term receivable

|  |      |                  |                  |
|--|------|------------------|------------------|
| Balance at the beginning of the period / year      |      | 1,926,938        | 1,746,083        |
| Unwinding of long term receivables from subsidiary | 15.2 | 73,062           | 180,855          |
| Balance at the end of the year                     |      | <u>2,000,000</u> | <u>1,926,938</u> |

- 15.2** This represents unwinding of loan discounted at average borrowing rate of 9.87% per annum and has been accounted for as part of consideration paid under the Scheme of Arrangement. During the period under review, the shareholders of the Company in their meeting held on April 29, 2024 has extended recovery of long term receivables for a period of two years, i.e. May 27, 2026 subject to chargeability of interest rate of 0.1% above average borrowing costs of the Company.

|  |      | (Un-audited)<br>June 30, | (Audited)<br>December 31, |
|--|------|--------------------------|---------------------------|
|  | Note | (Rupees in '000)         |                           |
| <b>16 INVENTORIES</b>                  |      |                          |                           |
| <b>16.1 Under developed properties</b> |      |                          |                           |
| Balance at the beginning of the period |      | 3,126,042                | 2,705,294                 |
| Add: Costs incurred during the period  |      | 178,830                  | 420,748                   |
|  |      | <u>3,304,872</u>         | <u>3,126,042</u>          |

#### 17 ADVANCES AND DEPOSITS

This includes balance amounting to Rupees 423.493 million (December 31, 2023: Rupees 370.879 million receivable from Waves Marketplace Limited (formerly, Electronics Marketing Company (Private) Limited), wholly owned subsidiary of the Company. This balance is unsecured and receivable on demand. Markup is being calculated and charged on outstanding balance at an average borrowing cost of the Company.

|                         |  | (Un-audited)<br>June 30,<br>2024 | (Un-audited)<br>December 31,<br>2023 |
|-------------------------|--|----------------------------------|--------------------------------------|
|                         |  | (Rupees in '000)                 |                                      |
| <b>18 LEVIES</b>        |  |                                  |                                      |
| Alternate corporate tax |  | 19,518                           | -                                    |

- 18.1** Current period's provision for levies has been charged on the basis of alternate corporate tax on accounting profit under Section 113C of the Income Tax Ordinance 2001 as fully explained in note 8.1.

**19 CASH AND CASH EQUIVALENTS**

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Cash and bank balances | 16,807             | 21,862             |
| Short term borrowings  | (1,730,097)        | (1,723,953)        |
|                        | <u>(1,713,290)</u> | <u>(1,702,091)</u> |

**20 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)<br>June 30,<br>2024 | (Un-audited)<br>June 30,<br>2023 |
|-------------------------------|----------------------------|---|----------------------------------|----------------------------------|
| <b>Subsidiary companies</b>   |                            |   |                                  |                                  |
| Waves Marketplace Limited     | Wholly owned subsidiary    | Mark-up charged on receivable from subsidiary   | 46,229                           | 16,653                           |
|                               |                            | Rental income                                   | 1,460                            | -                                |
| Waves Home Appliances Limited | Partially owned subsidiary | Notional interest on receivable from subsidiary | 73,062                           | 87,474                           |
|                               |                            | Markup income                                   | 47,413                           | -                                |





**21 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

- 21.1** 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 December 31, 2023.
- 21.2** 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:

|                              |      | June 30, 2024                      |                             |           |            |         |         |
|------------------------------|------|------------------------------------|-----------------------------|-----------|------------|---------|---------|
|                              |      | Carrying amount                    |                             |           | Fair value |         |         |
|                              |      | Financial assets at amortized cost | Other financial liabilities | Total     | Level 1    | Level 2 | Level 3 |
| Note                         |      | Rupees in '000'                    |                             |           |            |         |         |
| <b>Financial instruments</b> |      |                                    |                             |           |            |         |         |
| <b>Financial assets</b>      |      |                                    |                             |           |            |         |         |
|                              | 15   | 2,000,000                          | -                           | 2,000,000 | -          | -       | -       |
|                              |      | 423,493                            | -                           | 423,493   | -          | -       | -       |
|                              |      | 47,413                             | -                           | 47,413    |            |         |         |
|                              |      | 16,807                             | -                           | 16,807    | -          | -       | -       |
|                              | 21.3 | 2,487,713                          | -                           | 2,487,713 | -          | -       | -       |
| <b>Financial liabilities</b> |      |                                    |                             |           |            |         |         |
|                              |      | -                                  | 29,756                      | 29,756    | -          | -       | -       |
|                              |      | -                                  | 508,841                     | 508,841   | -          | -       | -       |
|                              | 11   | -                                  | 1,730,097                   | 1,730,097 | -          | -       | -       |
|                              |      | -                                  | 1,179                       | 1,179     |            |         |         |
|                              |      | -                                  | 2,269,873                   | 2,269,873 | -          | -       | -       |
| <b>December 31, 2023</b>     |      |                                    |                             |           |            |         |         |
|                              |      | Carrying amount                    |                             |           | Fair value |         |         |
|                              |      | Financial assets at amortized cost | Other financial liabilities | Total     | Level 1    | Level 2 | Level 3 |
| Note                         |      | Rupees in '000'                    |                             |           |            |         |         |
| <b>Financial assets</b>      |      |                                    |                             |           |            |         |         |
|                              | 15   | 1,926,938                          | -                           | 1,926,938 | -          | -       | -       |
|                              |      | 370,879                            | -                           | 370,879   | -          | -       | -       |
|                              |      | 21,862                             | -                           | 21,862    | -          | -       | -       |
|                              |      | 2,319,679                          | -                           | 2,319,679 | -          | -       | -       |
| <b>Financial liabilities</b> |      |                                    |                             |           |            |         |         |
|                              |      | -                                  | 33,269                      | 33,269    | -          | -       | -       |
|                              |      | -                                  | 301,267                     | 301,267   | -          | -       | -       |
|                              | 11   | -                                  | 1,723,953                   | 1,723,953 | -          | -       | -       |
|                              |      | -                                  | 1,179                       | 1,179     | -          | -       | -       |
|                              |      | -                                  | 2,059,668                   | 2,059,668 | -          | -       | -       |

- 21.3** 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 asset measured at fair value**

Investment property      Date of valuation      31 December, 2023

**Valuation approach and inputs used**

The valuation model is based on price per square metre. In determining the valuation for investment property 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 investment property 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.


**22 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 ~~August 26, 2024~~.

**29 AUG 2024****23 GENERAL**

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


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



Chief Executive



Director



Chief Financial Officer





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