



QUARTERLY | **30 SEPTEMBER**
REPORT | **2024**

WAVES CORPORATION LIMITED

Waves Corporation Limited (WAVES)

Contents

1.	CORPORATE INFORMATION	3
2.	DIRECTORS' REPORT	5
2.1	OPERATING RESULTS.....	5
3.	HALF YEARLY FINANCIAL STATEMENTS	7
3.1	Consolidated Financial Statements.....	7
3.2	Standalone Financial Statements.....	8

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
Website: 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:

Email:

Web Site:

042-35415421-5, 042-35421502-4

cs@waves.net.pk

www.waves.net.pk

Waves Corporation Limited (WAVES)

2. DIRECTORS' REPORT

2.1 OPERATING RESULTS

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 September 2024.

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

Consolidated Operating Results

	9 Months	
	30 Sep 24	30 Sep 23
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Gross Sales	3,825,391	5,017,679
Net Sales	3,092,911	4,179,651
Gross Profit	978,689	1,106,712
Profit from Operations	502,128	471,878
Profit after taxation	281,845	199,930
Earnings Per Share (Rupees)	1.00	0.71

Standalone Results of the Company

The standalone results of the Company are given hereunder:

	9 Months	
	30 Sep 24	30 Sep 23
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Other Income	298,168	137,595
Profit after Taxation	179,413	29,170
Earnings Per Share	0.64	0.10

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.

WAVESAPP being the subsidiary of the Company has received an intention for Strategic Alliance/JV from a foreign global player(s). Accordingly, WAVESAPP has initiated discussion to develop among others a comprehensive technical, business and management structure etc. Formal agreement will be signed on finalisation of these discussions. The primary benefits to WAVESAPP from this alliance will be access to advanced technology, expertise and know-how to enhance its product quality, cut down production costs, and implement technical and operational best practices, along with the ability to procure cheaper materials. This will give WAVESAPP competitive edge in local as well as international markets. The foreign partner, taking benefit of cheaper labour and freight cost savings from Pakistan will have competitive edge in Middle Eastern, African and European markets. The strategic alliance / JV with a foreign player will also open opportunities for the WAVES retail market operations through its subsidiary Waves Marketplace Limited, wherein its network can be leveraged for faster and more efficient supply chain with co-

Waves Corporation Limited (WAVES)

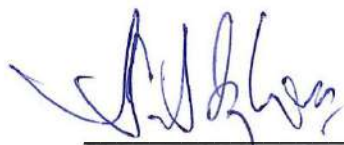
branding opportunities. In addition, any enhanced collaboration with foreign players may also revive the Company's real estate.

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. QUARTERLY FINANCIAL STATEMENTS


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

3.1 Consolidated Financial Statements

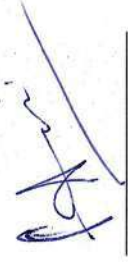
Waves Corporation Limited and its Subsidiaries
Condensed Interim Consolidated Statement of Financial Position (Un-audited)
As at 30 September 2024

EQUITY AND LIABILITIES	Note	(Rupees in '000)		Note	(Rupees in '000)		
		(Un-audited) September 30, 2024	(Audited) December 31, 2023		(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Audited) January 01, 2023
Share capital and reserves							
Authorised capital 300,000,000 (2023: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000			3,000,000	
Share Capital	6	2,814,062	2,814,062	Property, plant and equipment	10	8,817,240	6,175,686
Capital reserves		5,030,661	5,030,661	Intangible assets	10	2,773,193	2,838,198
Loan from directors		317,984	229,017	Investment property		-	17,421
Revaluation surplus		493,792	550,280	Long term deposits and receivables		48,016	56,619
Unappropriated profit		1,313,023	1,002,556	Employee retirement benefits		16,092	16,092
Equity attributable to owners of the company		9,969,521	9,626,576			11,654,541	9,086,595
Non-controlling interest		1,621,406	1,593,540				
		11,590,927	11,220,116				
Non-current liabilities				Current assets			
Long term loans - secured		3,488,547	766,333	Stores, spares and loose tools		24,742	44,143
Lease liabilities		18,726	33,295	Stock-in-trade		5,750,737	5,993,442
Employee retirement benefits		19,067	19,955	Trade debts			
Deferred tax liability - net		295,684	284,817	- Retail		1,337,963	1,456,386
Deferred income		4,651	5,232	- Whole Sales		3,639,871	4,218,103
		3,826,675	1,109,632	Advances, deposits, prepayments and other receivables		568,428	531,820
				Taxation - net		218,197	325,705
Current liabilities				Cash and bank balances	12	67,972	114,342
Trade and other payables	7	3,582,937	3,517,348			11,607,910	12,683,941
Accrued mark-up on borrowings		956,522	819,660				
Short term borrowings	8	2,972,359	4,780,395				
Current portion of long term liabilities		333,031	713,811				
		7,844,848	9,831,214				
Contingencies and commitments	9						
		23,262,451	22,160,962			23,262,451	21,770,536

The annexed notes 1 to 19 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 nine months period ended 30 September 2024

	Note	Nine months ended		Three months ended	
		September 30, 2024	(Restated) September 30, 2023	September 30, 2024	(Restated) September 30, 2023
----- (Rupees in '000) -----					
Sales - net of sales return		3,825,391	5,017,679	896,382	1,432,784
Sales tax and trade discount on invoices		(732,480)	(838,028)	(163,071)	(197,671)
Sales - net	13	3,092,911	4,179,651	733,311	1,235,113
Cost of sales		(2,114,222)	(3,072,939)	(479,230)	(889,350)
Gross profit		978,689	1,106,712	254,081	345,763
Marketing, selling and distribution costs		(428,224)	(521,901)	(134,314)	(176,046)
Administrative expenses		(237,999)	(355,819)	(78,917)	(136,128)
Other expenses		(102,349)	(65,143)	(37,051)	(14,783)
Other income		292,012	308,029	96,363	83,008
		(476,561)	(634,834)	(153,919)	(243,949)
Profit from operations		502,128	471,878	100,162	101,814
Finance cost		(126,585)	(217,197)	26,752	(56,052)
Profit before levies and income tax		375,544	254,681	126,914	45,762
Levies	14	(75,454)	(63,287)	(21,056)	(29,752)
Profit before income tax		300,090	191,394	105,858	16,010
Income tax expense	15	(18,246)	8,536	(1,617)	27,172
Profit for the period		281,845	199,930	104,241	43,182
Attributable to:					
Owners of the Group		253,979	175,092	94,766	36,648
Non-controlling interests		27,866	24,838	9,476	6,534
		281,845	199,930	104,241	43,182
Earnings per share - basic and diluted (Rupees)		1.00	0.71	0.37	0.15

The annexed notes 1 to 19 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 nine months period ended 30 September 2024

	Nine months ended		Three months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----			
Profit for the period	300,090	191,394	105,858	16,010
<u>Other comprehensive income for the period</u>				
<i>Items that will not be reclassified to profit or loss account:</i>	-	-	-	-
Total comprehensive income for the period	300,090	191,394	105,858	16,010

The annexed notes 1 to 19 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)
For the nine months period ended 30 September 2024

Share Capital	Capital reserves			Revenue reserve	Total	Non controlling interest	Total	
	Capital reserves	Loan from Directors	Revaluation Surplus	Unappropriated profits				
----- Rupees in '000 -----								
As at 01 January 2023	2,814,062	5,030,661	119,497	528,895	753,581	9,246,696	1,548,470	10,795,166
<u>Total comprehensive income for the period</u>								
Profit for the period	-	-	-	-	175,092	175,092	24,838	199,930
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	175,092	175,092	24,838	199,930
<u>Surplus transferred to accumulated profits</u>								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(15,338)	15,338	-	-	-
Balance at 30 September 2023 (restated)	2,814,062	5,030,661	119,497	513,557	944,011	9,421,788	1,573,308	10,995,096
<u>Total comprehensive income for the period</u>								
Profit for the period	-	-	-	-	51,600	51,600	5,251	56,851
Other comprehensive income	-	-	-	47,861	47,861	47,861	16,420	64,281
	-	-	-	47,861	51,600	99,461	21,671	121,132
<u>Surplus transferred to accumulated profits</u>								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(11,138)	11,138	-	-	-
<u>Transaction with owners of the Company</u>								
Shares capital issuance expenses	-	-	-	-	(4,193)	(4,193)	(1,439)	(5,632)
Sponsors loans obtained during the year	-	-	109,520	-	-	109,520	-	109,520
As at 31 December 2023 (Audited)	2,814,062	5,030,661	229,017	550,280	1,002,556	9,626,576	1,593,540	11,220,116
<u>Total comprehensive income for the period</u>								
Profit for the period	-	-	-	-	253,979	253,979	27,866	281,845
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	253,979	253,979	27,866	281,845
<u>Surplus transferred to accumulated profits</u>								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(19,353)	19,353	-	-	-
Transfer to retained earnings upon disposal of investment properties	-	-	-	(37,135)	37,135	-	-	-
<u>Transactions with owners of the company</u>								
Sponsors loans obtained during the period	-	-	88,967	-	-	88,967	-	88,967
Balance as at 30 September 2024	2,814,062	5,030,661	317,984	493,792	1,313,023	9,969,521	1,621,406	11,590,927

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


Chief Executive Officer


Director


Chief Financial Officer

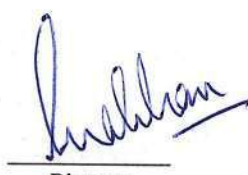
Waves Corporation Limited and its Subsidiaries
Condensed Interim Consolidated Statement of Cash Flow (Un-audited)
For the nine months period ended 30 September 2024

		Nine months ended	
		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
		----- (Rupees in '000) -----	
<u>Cash flows from operating activities</u>			
Profit before taxation		375,544	254,681
<i>Adjustments for non-cash and other items:</i>			
Depreciation on property, plant and equipment	10.1	194,973	246,579
Amortisation of intangible assets		25,719	26,170
Finance cost		126,585	217,197
Loss on sale of shares		-	-
Gain on sale of property, plant and equipment		(44,026)	(25,631)
Amortisation of deferred income		(581)	(581)
		<u>678,213</u>	<u>718,415</u>
<u>Effect on cash flow due to working capital changes</u>			
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		3,368	4,517
Stock-in-trade		584,356	238,282
Trade debts and other receivables		(784,406)	1,387,437
Advances, deposits, prepayments and other receivables		(81,431)	29,907
<i>Increase in current liabilities:</i>			
Trade and other payables		84,994	193,524
		<u>(193,119)</u>	<u>1,853,667</u>
Cash used in operations		485,094	2,572,082
Income tax received / (paid)		26,159	(37,366)
Employee retirement benefits paid		(889)	(2,768)
Net cash used in operating activities		510,363	2,531,948
<u>Cash flow from investing activities</u>			
Capital expenditure -net		(261,173)	(1,807,496)
Proceeds from disposal of property, plant and equipment		158,714	35,838
Net cash generated from investing activities		(102,459)	(1,771,658)
<u>Cash flow from financing activities</u>			
Long term loan received/ (repaid)		(33,237)	212,099
Loan from sponsors received/ (repaid)		88,967	8,320
Finance costs paid		(237,685)	(217,197)
Short term borrowing - net		869,217	(630,184)
Lease rentals paid		(14,569)	(8,798)
Net cash generated from financing activities		672,693	(635,760)
Net increase in cash and cash equivalents		1,080,598	124,531
Cash and cash equivalents - at beginning of the period		(2,729,241)	(2,749,056)
Cash and cash equivalents - at end of the period	12	(1,648,642)	(2,624,525)

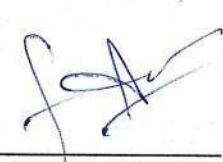
The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



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 nine months period ended 30 September 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

- **Waves Home Appliances Limited**
(formerly, *Samin Textiles Limited*)

74.56 74.56

- **Waves Marketplace Limited**
(formerly, *Electronics Marketing Company (Private) Limited*)

100.00 100.00

- **Waves Builders & Developers (Private) Limited**
(formerly, *Waves Marketing (Private) Limited*)

100.00 100.00

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 September 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 nine 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 nine months period ended 30 September 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:

	As at September 30, 2023		
	Previously reported	Adjustments	As restated
	----- (Rupees in '000) -----		
Statement of changes in equity			
Unappropriated profits	974,930	30,919	944,011

	For the period ended September 30, 2023		
	Previously reported	Adjustments	As restated
	----- (Rupees in '000) -----		
Statement of profit or loss			
Profit before levies and income tax	208,919	45,762	254,681
Levies	-	(63,287)	(63,287)
Profit before income tax	208,919	(17,525)	191,394
Income tax expense	(39,908)	48,444	8,536
Profit after income tax	169,011	30,919	199,930

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) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 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) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 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) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Note	3,582,937	3,517,348

7 Trade and other payables

7.1 The above includes advance received against sale of shares of Waves Home Appliances Limited.

8 Short term borrowings

from banking companies - secured:

Running finance under mark-up arrangements	8.1	1,716,614	2,789,115
Finance against trust receipt	8.1	602,804	1,191,472
Short term borrowings under 'Murahaba' arrangement		284,941	284,941
Demand Finance	8.1	-	69,511
		<u>2,604,359</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>2,972,359</u>	<u>4,780,395</u>

8.1 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.

8.2 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.

9 Contingencies and commitments

9.1 Contingencies

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

9.2 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. Nil (31 December 2023: Rs. Nil).
- Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were Rs. Nil (31 December 2023: Rs. Nil).

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
10 Property, plant and equipment			
Operating fixed assets	10.1	3,581,093	3,885,356
Right of-use asset	10.2	49,858	55,176
Capital work-in-progress	10.3	5,186,289	4,172,928
		<u>8,817,240</u>	<u>8,113,460</u>
10.1 Operating fixed assets			
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 disposed off during the period / year		(114,688)	(12,088)
Depreciation charged during the period / year		(189,654)	(322,987)
Closing balance		<u>3,581,093</u>	<u>3,885,356</u>
10.2 Right of-use asset			
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 disposed off during the period / year		-	(69,092)
Depreciation charge for the period / year		(5,318)	(5,483)
Closing balance		<u>49,858</u>	<u>55,176</u>
10.3 Capital work-in-progress			
Freehold land		903,554	903,554
Civil work / Factory Building		1,555,244	1,142,150
Plant and machinery		596,448	732,161
Plant and machinery-in transit		122,726	122,726
Electric installation		1,445	1,359
Borrowing costs		2,006,872	1,270,978
		<u>5,186,289</u>	<u>4,172,928</u>
		(Un-audited)	(Audited)
		September	December
		30, 2024	31, 2023
----- (Rupees in '000) -----			
11 Intangible assets and goodwill			
Software		20,860	23,533
Goodwill		1,070,207	1,070,207
Brand value		1,582,147	1,582,147
Customer relationships		99,979	123,025
		<u>2,773,193</u>	<u>2,798,912</u>
		(Un-audited)	(Audited)
		September	December
		30, 2024	31, 2023
----- (Rupees in '000) -----			
12 Cash and cash equivalents			
Cash and bank balances		67,972	59,874
Short term running finance - secured		(1,716,614)	(2,789,115)
		<u>(1,648,642)</u>	<u>(2,729,241)</u>

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- (Rupees in '000) -----	
13 Sales - net		
Gross sales:		
- Local	3,834,944	5,023,664
Sales return	(9,553)	(5,985)
	3,825,391	5,017,679
Sales tax	(549,444)	(762,568)
Trade discounts	(183,036)	(75,460)
	(732,480)	(838,028)
	3,092,911	4,179,651
	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- (Rupees in '000) -----	
14 Levies		
Minimum tax	(75,454)	(63,287)

14.1 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) September 30, 2024	(Un-audited) September 30, 2023
	----- (Rupees in '000) -----	
15 Income tax expense		
Current		
- for the period	-	-
- prior period	-	-
Deferred	(18,246)	8,536
	(18,246)	8,536

16 Transactions with related parties

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

Name of the Company	Relationship	Nature of transactions	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
			----- (Rupees in '000) -----	
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	17,245	18,133
Directors	Employees	Loan from sponsors	88,967	8,320
		Meeting fee	-	200

17 Financial risk management and fair value of financial instruments

17.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 31 December 2023.

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

	30 September 2024					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>	----- Rupees in '000 -----					
Financial instruments						
<u>30 September 2024 - (Un-audited)</u>						
<u>Financial assets - not measured at fair value</u>						
Trade debts	4,977,834	-	4,977,834	-	-	-
Security deposits	16,092	-	16,092	-	-	-
Other receivables	568,428	-	568,428	-	-	-
Cash & Bank Balances	67,972	-	67,972	-	-	-
17.3	<u>5,630,326</u>	<u>-</u>	<u>5,630,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>						
Long term loans - secured	-	3,821,577	3,821,577	-	-	-
Liabilities against assets subject to finance lease	-	18,726	18,726	-	-	-
Trade and other payables	-	3,582,937	3,582,937	-	-	-
Employee retirement benefit	-	19,067	19,067	-	-	-
Short term borrowings	-	2,972,359	2,972,359	-	-	-
Mark-up accrued on short term finances and long term loans	-	956,522	956,522	-	-	-
17.3	<u>-</u>	<u>11,371,188</u>	<u>11,371,188</u>	<u>-</u>	<u>-</u>	<u>-</u>

This condensed interim Consolidated financial information has been approved by the		31 December 2023					
		Carrying Amount			Fair value		
	Note	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		Rupees in '000					
Financial instruments							
31 December 2023							
<u>Financial assets - not measured at fair value</u>							
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	-	-	-
	17.3	<u>4,756,641</u>	<u>-</u>	<u>4,756,641</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
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 term finances and long term loans		-	819,660	819,660	-	-	-
	17.3	<u>-</u>	<u>10,650,797</u>	<u>10,650,797</u>	<u>-</u>	<u>-</u>	<u>-</u>

17.3 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.

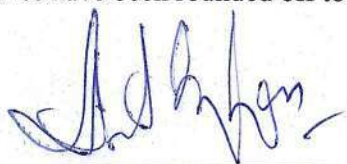
18 Date of authorization

This condensed interim Consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 29 October 2024.

19 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

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Audited) January 01, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Audited) January 01, 2023
EQUITY AND LIABILITIES						
Share capital and reserves						
Share capital	2,814,062	2,814,062	2,814,062	190,000	-	10,000
Capital reserves	5,030,661	5,030,661	5,030,661	5,270,481	250,000	300,480
Unappropriated profit	570,762	355,357	207,171	5,270,481	5,270,481	5,270,481
Revaluation surplus	115,475	151,467	151,467	2,157,266	1,926,938	1,746,083
	8,530,960	8,351,547	8,203,361	7,617,747	7,447,419	7,335,935
Non-current liabilities						
Long term financing	247,651	-	-	-	-	-
Current liabilities						
Trade and other payables	568,159	586,524	324,358	3,389,671	3,126,042	2,705,294
Accrued mark-up on borrowings	540,501	301,267	114,084	438,445	370,879	338,577
Short term borrowings	1,550,000	1,723,953	1,725,000	31,067	21,862	19,991
Current portion of long term liabilities	-	-	31,815	3,859,183	3,518,783	3,063,862
Unclaimed dividend	1,179	1,179	1,179	-	-	-
Provision for levies	38,479	1,732	-	-	-	-
	2,698,317	2,614,655	2,196,436	11,476,929	10,966,202	10,399,797
Contingencies and commitments						

Note (Rupees in '000)

ASSETS

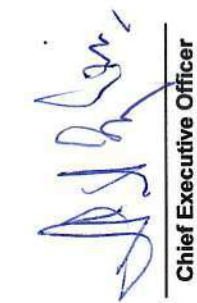
Non-current assets

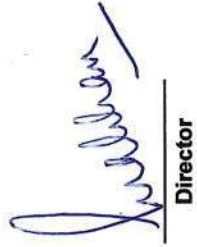
Property	14	10,000
Investment property	15	300,480
Investment in subsidiaries	16	5,270,481
Long term receivable		1,746,083
Deferred tax asset		8,891
		7,335,935

Current assets

Inventories	17	2,705,294
Advances and deposits	18	338,577
Cash and bank balances		19,991
		3,063,862

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Waves Corporation Limited
Condensed Interim Unconsolidated Statement of Profit or Loss Account (Un-audited)
For the nine months period ended September 30, 2024

	Nine months ended		Three months ended	
	September 30, 2024	(Restated) September 30, 2023	September 30, 2024	(Restated) September 30, 2023
	----- Rupees in ('000) -----			
Note				
Other income	298,168	137,595	130,005	31,514
Administrative expenses	(34,523)	(64,407)	(12,210)	(32,723)
Other expenses	(4,323)	-	(2,027)	-
Operating profit	259,322	73,188	115,768	(1,209)
Finance costs	(43,161)	(40,769)	(14,417)	(15,660)
Profit before levies and income tax	216,161	32,420	101,351	(16,869)
Levies	19 (36,747)	(3,250)	(17,229)	(3,250)
Profit before income tax	179,413	29,170	84,121	(20,119)
Income tax expense	-	-	-	-
Profit after taxation	179,413	29,170	84,121	(20,119)
Earnings per share - basic and diluted (Rupees)	0.64	0.10	0.30	(0.07)

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

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

	<u>Nine months ended</u>		<u>Three months ended</u>	
	September 30, 2024	(Restated) September 30, 2023	September 30, 2024	(Restated) September 30, 2023
	----- Rupees in ('000) -----			
Profit after taxation	179,413	29,170	84,121	(20,119)
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss account:	-	-	-	-
Total comprehensive income for the period	179,413	29,170	84,121	(20,119)

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

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

	Share Capital	Capital Reserves	Revaluation Surplus	Revenue Reserve		Total
				Unappropriated profits		
(Rupees in '000')						
As at January 01, 2023	2,814,062	5,030,661	151,467	207,171		8,203,361
Total comprehensive income / (loss) for the period						
Profit after taxation	-	-	-	33,629		33,629
Other comprehensive income / (loss) for the period	-	-	-	-		-
As at 30 September, 2023 - Restated	2,814,062	5,030,661	151,467	240,800		8,236,990
Total comprehensive income / (loss) for the period						
Profit after taxation	-	-	-	114,558		114,558
Other comprehensive income / (loss) for the period	-	-	-	-		-
As at December 31, 2023 (Audited)	2,814,062	5,030,661	151,467	355,357		8,351,547
Total comprehensive income / (loss) for the period						
Profit after taxation	-	-	-	179,414		179,414
Other comprehensive income / (loss) for the period	-	-	-	-		-
Transfer to retained earnings upon disposal of investment property						
Balance as at September 30, 2024	2,814,062	5,030,661	115,475	570,762	35,992	8,530,961

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer

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

	(Un-audited) September 30, 2024	(Un-audited) (Restated) September 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	216,161	32,420
Adjustment for non-cash charges / items:		
Finance costs	43,161	40,769
Mark up income on amount due from subsidiaries	(223,136)	-
Unwinding of long term receivables to subsidiary	(73,062)	-
	<u>(36,876)</u>	<u>73,188</u>
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Advances, deposits, prepayments and other receivables	155,571	(71,993)
Increase in current liabilities:		
Trade and other payables	(18,366)	561,528
Cash (used in) / generated from working capital changes	<u>137,205</u>	<u>489,535</u>
Cash (used in) / generated from operating activities	<u>100,329</u>	<u>562,723</u>
Income tax paid	-	(18,608)
Long term deposits - net	(157,266)	(193,478)
Net cash (used in) / generated from operating activities	<u>(56,937)</u>	<u>350,637</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Long term receivables		-
(Addition) / disposal of property	60,000	-
Capital expenditure incurred	-	(298,496)
Net cash generated from / (used in) investing activities	<u>60,000</u>	<u>(298,496)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowing - net	180,096	-
Long term loans repaid	-	(31,815)
Net cash generated from / (used in) financing activities	<u>180,096</u>	<u>(31,815)</u>
Net increase in cash and cash equivalents	<u>183,158</u>	<u>20,326</u>
Cash and cash equivalents used at beginning of the period	<u>(1,702,091)</u>	<u>(1,705,009)</u>
Cash and cash equivalents - at end of the period	<u>(1,518,933)</u>	<u>(1,684,683)</u>


Note

Rupees in ('000)

20

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Waves Corporation Limited
Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the nine months period ended September 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.

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 (Direct holding percentage)	2023
- Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited)	100%	100%
- Waves Marketplace Limited (formerly, Electronics Marketing Company (Private) Limited)	100%	100%
- Waves Home Appliances Limited (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 September 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 nine 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 nine months period ended September 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 September 30, 2022 whereas impact on the financial statements of the Company owing to application of normal taxation in the corresponding period ended on September 30, 2023 is as under:

	December 31, 2023		
	As previously reported	Adjustments	As restated
	Rupees		
Statement of financial position			
Provision for levies	-	1,732	1,732
Income tax payable	1,732	(1,732)	-
	September 30, 2023		
Statement of profit or loss			
Profit before levies and income tax	32,420	-	32,420
Levies	-	(1,732)	(1,732)
Profit before income tax	32,420	(1,732)	30,688
Income tax expense	(1,732)	1,732	-
Profit after income tax	30,688	-	30,688

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

	(Un-audited) September 30, 2024 (Number of shares)	(Audited) December 31, 2023	(Un-audited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
9 SHARE CAPITAL				
9.1 Authorised share capital	300,000,000	300,000,000	3,000,000	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.

	(Un-audited) September 30, 2024 (Number of shares)	(Audited) December 31, 2023	(Un-audited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 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
	281,406,089	281,406,089	2,814,062	2,814,062

9.3 No further shares were issued during the period.

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
10 CAPITAL RESERVES			
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 TRADE AND OTHER PAYABLES		<u>568,159</u>	<u>586,524</u>
11.1	The above includes advance received against sale of shares of Waves Home Appliances Limited.		
12 SHORT TERM BORROWINGS			
<i>From banking companies - secured:</i>			
Running finance under mark-up arrangements	12.2	1,500,000	1,723,953
<i>From non -banking companies:</i>			
Demand finance	12.3	50,000	-
		<u>1,550,000</u>	<u>1,723,953</u>
12.1	There were no major changes in any of the facilities during the period other than explained in note 12.3. 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.		
12.2	The running finance includes balance of Rupees 1,500 million under the Bilateral Bridge Finance Facility obtained from the National Bank of Pakistan.		
12.3	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.		

13 CONTINGENCIES AND COMMITMENTS**13.1 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.

13.2 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) September 30, 2024	(Audited) December 31, 2023
Note	(Rupees in '000)	
14 INVESTMENT PROPERTY		
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>
15 INVESTMENT IN SUBSIDIARIES		
<i>Waves Marketplace limited</i>		
50,000,000 (2023: 50,000,000) fully paid ordinary shares of Rupees 10 each	500,000	500,000
Equity held: 100% (2023: 100%)		
Chief Executive Officer - Moazzam Ahmad Khan		
<i>Waves Builders and Developers (Private) Limited</i>		
100,000 (2023: 100,000) fully paid ordinary shares of Rupees 10 each	1,000	1,000
Equity held: 100% (2023: 100%)		
Chief Executive Officer - Moazzam Ahmad Khan		
<i>Waves Home Appliance Limited</i>		
199,724,956 (2023: 199,724,956) fully paid ordinary shares of Rupees 10 each	4,769,481	4,769,481
Equity held: 74.56% (2023: 74.56%)		
Chief Executive Officer - Haroon Ahmad Khan		
	<u>5,270,481</u>	<u>5,270,481</u>

15.1 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) September 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in '000)	
16 LONG TERM RECEIVABLE			
Receivable from a subsidiary company		2,157,266	1,926,938
Less: Short term adjustment		-	-
		<u>2,157,266</u>	<u>1,926,938</u>
16.1 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	16.2	73,062	180,855
Accrued markup on long term receivable		157,266	
Balance at the end of the year		<u>2,157,266</u>	<u>1,926,938</u>
16.2			
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) September	(Audited) December
	Note	(Rupees in '000)	
17 INVENTORIES			
17.1 Under developed properties			
Balance at the beginning of the period		3,126,042	2,705,294
Add: Costs incurred during the period		263,629	420,748
		<u>3,389,671</u>	<u>3,126,042</u>
18 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) September 30, 2024	(Un-audited) December 31, 2023
		(Rupees in '000)	
19 LEVIES			
Alternate corporate tax		<u>36,747</u>	-
19.1			
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.			

	(Un-audited) September 30, 2024	(Un-audited) December 31, 2023
	(Rupees in '000)	
20 CASH AND CASH EQUIVALENTS		
Cash and bank balances	31,067	21,862
Short term borrowings	(1,550,000)	(1,723,953)
	<u>(1,518,933)</u>	<u>(1,702,091)</u>

21 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) September 30, 2024	(Un-audited) September 30, 2023
Subsidiary companies				
Waves Marketplace Limited	Wholly owned subsidiary	Mark-up charged on receivable from subsidiary	65,871	-
		Rental income	1,970	-
Waves Home Appliances Limited	Partially owned subsidiary	Notional interest on receivable from subsidiary	73,062	135,642
		Markup income	157,266	-

- 22.3 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.

23 **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 October 29, 2024.

24 **GENERAL**

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

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



Chief Executive Officer



Director



Chief Financial Officer



WAVES CORPORATION LIMITED
9-KM, MULTAN ROAD
LAHORE
Ph: 042-35415421-5
UAN: +92(42)111-31-32-33
Email: cs@waves.net.pk | www.waves.net.pk

