



QUARTERLY REPORT | 30 SEPTEMBER 2024

WAVES HOME APPLIANCES LIMITED

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1. CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

- | | | |
|----|-------------------------------|-------------------------------|
| 1. | Mr. Tajammal Hussain Bokharee | Chairman/Independent Director |
| 2. | Mr. Moazzam Ahmad Khan | Non-Executive Director |
| 3. | Mr. Hamza Ahmad Khan | Non-Executive Director |
| 4. | Mr. Khurram Zahoor | Secretary |

HR & REMUNERATION COMMITTEE

- | | | |
|----|----------------------------|-------------------------------|
| 1. | Mr. Muhammad Zafar Hussain | Chairman/Independent Director |
| 2. | Mr. Hamza Ahmad Khan | Non-Executive Director |
| 3. | Mr. Moazzam Ahmad Khan | Non-Executive Director |
| 4. | Mr. Haroon Ahmad Khan | Executive Director |
| 5. | Mr. Khurram Zahoor | Secretary |

CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman

COMPANY SECRETARY

Mr. Khurram Zahoor

HEAD OF INTERNAL AUDIT

Mr. Waleed Afzal

LEGAL ADVISOR

Law Wings, Advocates & Solicitors

EXTERNAL AUDITORS

Rizwan and Company
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE

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

REGISTRATION NUMBER

CUIN 0020624

BANKERS

National Bank of Pakistan
Bank Al Falah Limited
JS Bank Limited

Habib Bank Limited
MCB Bank Limited

CONTACT INFORMATION

UAN: 042-111-31-32-33,
042-35415421-5, 042-35421502-4

Email: cs@waves.net.pk
Website: www.waves.net.pk

2. DIRECTORS' REPORT

The Board of Directors of Waves Home Appliances Limited (WAVESAPP or the Company), are pleased to present the Directors' report and reviewed financial statements of your Company for the period concluding on 30 September 2024. The key financial highlights from this period are provided herein:

	9 Months	
	30 Sep 24	30 Sep 23
	Rs. in '000	
Sales (Gross)	3,155,809	4,068,646
Sales (Net)	2,506,258	3,358,038
Gross Profit	685,857	825,707
Profit from Operations	419,016	488,520
Profit before Levis & Income Tax	117,989	139,941
Profit for the Period	68,416	97,825
Earnings Per Share – Basic and Diluted (Rupees)	0.26	0.37

Based on the financial results in view of the tough current economic conditions the Board of Directors do not recommend any pay-out to the shareholders of the Company. The variance in tope line is primarily due to the challenging economic and financial environment, where supply was constrained and demand was under pressure due to high inflationary situation.

Following the improvements in the economic conditions of the Country, the Company has received an intention for Strategic Alliance/JV from a foreign global player(s). Accordingly, the Company has initiated discussion to develop a comprehensive business model that covers among other things, provision of technical know-how, engineering personnel, use of their brand name by the Company in domestic as well as in export markets, management sharing structure and the amount of investment to be brought in. Formal agreement will be signed on finalisation of these discussions. The primary benefits to the Company 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 the Company 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 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

We extend our gratitude to all stakeholders, including our valued customers, suppliers, business partners, financial institutions, regulators, who have placed their trust in us. The Company's past achievements and current continuity is a testament to the unwavering commitment, hard work, and tremendous support from our management team and employees.

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 Financial Statements for the period ended 30 September 2024 are attached to this Report.

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

EQUITY AND LIABILITIES	Note	(Rupees in '000)			ASSETS	Note	(Rupees in '000)		
		(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
Share capital and reserves									
Share capital	3	2,678,853	2,678,853	2,678,853	Non-current assets	8	8,416,490	7,532,279	5,499,529
Capital reserves		3,690,235	3,690,236	3,695,868	Property, plant and equipment		2,763,860	2,788,355	2,825,919
Loan from sponsors	4	317,984	229,017	119,497	Intangible assets	9	85,006	135,007	-
Unappropriated profit		732,179	643,268	501,270	Investment property		12,003	12,002	20,527
Revaluation surplus		352,783	373,279	342,704	Long term deposits		16,092	16,092	16,092
		7,772,035	7,614,653	7,338,192	Employee retirement benefits		11,293,450	10,483,735	8,362,067
Non-current liabilities					Current assets				
Long term financings	5	3,240,896	766,333	789,415	Stores, spares and loose tools		24,742	28,109	2,860,801
Lease liabilities		12,088	20,504	81,932	Stock-in-trade		2,036,621	2,595,322	44,143
Employee retirement benefits		7,627	7,627	9,943	Trade debts		3,980,690	2,987,760	4,218,103
Due to holding company - long term		2,157,266	1,926,938	1,746,083	Advances, deposits, prepayments and other		447,017	775,934	492,350
Deferred tax liability - net		425,938	407,694	407,595	Short term investment		3,000	3,000	3,000
Deferred income		4,651	5,232	6,477	Advance income tax		331,985	419,082	388,394
		5,848,466	3,134,328	3,041,446	Cash and bank balances		5,284	5,453	5,629
					Non current assets held for sale		6,829,338	6,814,660	8,012,420
Current liabilities									1,470
Trade and other payables		2,336,414	2,245,887	1,780,733					
Accrued mark-up		414,490	516,548	284,937					
Short term borrowings	6	1,392,359	3,026,145	3,404,007					
Current portion of long term liabilities		327,696	707,277	523,203					
Provision for levies	11	31,328	24,735	3,439					
Income tax payable		-	28,822	-					
		4,502,287	6,549,414	5,996,319					
Contingencies and commitments	7								
		18,122,788	17,298,395	16,375,957					

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

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

	Note	Nine months ended		Three months ended	
		September 30, 2024	September 30, 2023 (Restated)	September 30, 2024	September 30, 2023 (Restated)
----- (Rupees in '000) -----					
Sales - net of sales return		3,155,809	4,068,646	800,636	1,025,188
Sales tax and trade discount on invoices		(649,552)	(710,608)	(148,466)	(140,702)
Sales - net	10	2,506,258	3,358,038	652,171	884,486
Cost of sales		(1,820,401)	(2,532,331)	(469,190)	(668,414)
Gross profit		685,857	825,707	182,981	216,072
Marketing, selling and distribution costs		(131,800)	(208,420)	(43,667)	(87,874)
Administrative expenses		(110,817)	(175,135)	(36,968)	(53,303)
Other expenses		(85,601)	(44,187)	(31,046)	(10,374)
Other income		61,377	90,555	15,277	75,282
		(266,841)	(337,187)	(96,404)	(76,269)
Profit from operations		419,016	488,520	86,577	139,803
Finance costs		(301,026)	(348,579)	(64,193)	(100,258)
Profit before levies and income tax		117,989	139,941	22,383	39,545
Levies	11	(31,328)	(33,580)	(8,152)	(8,844)
Profit before income tax		86,661	106,361	14,231	30,701
Income tax expense	12	(18,246)	(8,536)	(1,617)	12,263
Profit for the period		68,416	97,825	12,615	42,964
Earnings per share - basic and diluted (Rupees)		0.26	0.37	0.05	0.16

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Waves Home Appliances Limited
Condensed Interim 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>	
	<u>September 30, 2024</u>	<u>(Restated) September 30, 2023</u>	<u>September 30, 2024</u>	<u>(Restated) September 30, 2023</u>
	(Rupees in '000)			
Profit for the period	68,416	97,825	12,615	42,964
Other comprehensive income for the period				
<i>Items that will not be reclassified to profit or loss account:</i>	-	-	-	-
Total comprehensive income for the period	<u>68,416</u>	<u>97,825</u>	<u>12,615</u>	<u>42,964</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Director



 Chief Financial Officer

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

	Paid-up Share Capital	Capital Reserves	Loan from Sponsors	Revaluation Surplus	Unappropriated Profits	Total
(Rupees in 000)						
As at January 01, 2023	2,678,853	3,695,868	119,497	342,704	501,270	7,338,193
Other comprehensive income for the period						
Profit for the period	-	-	-	-	97,825	97,825
Surplus on revaluation of property	-	-	-	-	-	-
Transactions with owners of the Company						
Shares capital issuance expenses	-	(5,632)	-	-	-	(5,632)
Sponsors loan received/(paid) during the period	-	(5,632)	25,700	-	-	25,700
Balance at 30 September 2023 as restated	2,678,853	3,690,235	145,197	342,704	599,095	7,456,085
Total comprehensive income for the period						
Profit for the period	-	-	-	-	17,892	17,892
Surplus on revaluation of property	-	-	-	56,856	-	56,856
Surplus transferred to accumulated profits						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(26,280)	26,280	-
Transactions with owners of the Company						
Sponsors loan received/(paid) during the period	-	-	83,820	-	-	83,820
As at December 31, 2023 (Audited)	2,678,853	3,690,235	229,017	373,280	643,267	7,614,653
Total comprehensive income for the year						
Profit for the period	-	-	-	-	68,416	68,416
Surplus transferred to accumulated profits						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(19,353)	19,353	-
Transfer to retained earnings upon disposal of investment property	-	-	-	(1,143)	1,143	-
Transactions with owners of the Company						
Sponsors loan received/(paid) during the period	-	-	88,967	-	-	88,967
As at September 30, 2024	2,678,853	3,690,235	317,984	352,783	732,179	7,772,036

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer

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

	Note	Nine months ended	
		September 30, 2024	(Restated) September 30, 2023
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		117,989	139,941
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	8.1	121,870	187,558
Depreciation on right of use asset	8.2	2,674	-
Amortisation of intangible assets		24,495	25,325
Finance cost		165,058	348,579
Gain on sale of property, plant and equipment		(43,966)	(25,631)
Unrealised exchange gain		(1,641)	-
Finance cost charged by holding company		62,906	-
Unwinding of long term payable to holding company		73,062	-
Amortisation of deferred income		(581)	(581)
Allowance for expected credit losses		62,291	-
Credit balances written back		(12,753)	-
Cash flows from operating activities before working capital changes		571,405	675,190
Effect on cash flows due to working capital changes:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		3,367	4,517
Stock-in-trade		558,701	155,411
Trade debts		(1,055,221)	1,786,242
Advances, deposits, prepayments and other receivables		328,917	(659,296)
Increase / (decrease) in current liabilities			
Trade and other payables		174,327	137,849
Cash generated from working capital changes		10,092	1,424,723
Cash generated from operating activities		581,497	2,099,913
Income tax paid		33,541	(33,581)
Finance costs paid		(216,783)	(348,579)
Employee retirement benefits paid		-	(1,707)
Long term deposits - net		-	2,743
Net cash generated from operating activities		398,255	1,718,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures incurred during the period		(286,380)	(1,499,772)
Additions in property, plant and equipment		(50,080)	-
Proceeds from disposal of property, plant and equipment		98,654	35,838
Net cash used in investing activities		(237,807)	(1,463,934)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loans received / (repaid)		(32,038)	244,691
Amount due to holding company		0	193,481
Short term borrowing - net		639,419	(630,184)
Loan from sponsors		88,967	8,320
Capital reserves		-	(5,631)
Lease rentals - net		(8,416)	(5,451)
Net cash used in financing activities		687,933	(194,774)
Net increase in cash and cash equivalents		848,381	60,081
Cash and cash equivalents - at beginning of the period		(1,059,709)	(1,057,813)
Cash and cash equivalents - at end of the period	13	(211,328)	(997,732)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Waves Home Appliances Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the nine months period ended September 30, 2024

1 Status and nature of business

Waves Home Appliances Limited (formerly, Samin Textiles Limited) ("the Company") is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited company. The registered office of the Company is situated at 8.7 KM Hanjarwal Multan Road Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company was trading, import and export of textile products and pursuant to approval of scheme of arrangement, the principal line of business has been amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products. The Company is a subsidiary of Waves Corporation Limited (formerly Waves Singer Pakistan Limited), the ultimate parent Company.

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

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Mouza Mustafabad, 41-K.M., Ferozpur Road, Off 2-K.M. Rohi Nala Road, Tehsil & District Kasur

2 Basis of preparation

2.1 Statement of compliance

These condensed interim 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.

2.2 These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at September 30, 2024 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow and condensed notes to the financial information for the nine months period ended.

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

2.4 These condensed interim 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.

2.5 Comparative statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended December 31, 2023, whereas comparative 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 financial statement of the Company for the three and nine months period ended September 30, 2024.

2.6 Use of estimates and judgments

The preparation of condensed interim 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 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.

2.7 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim 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 3.8.

2.8 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:

	December 31, 2023		
	As previously reported	Adjustments	As restated
	(Rupees in '000)		
Statement of financial position			
Provision for levies	-	24,735	24,735
Income tax payable	53,557	(24,735)	28,822
	September 30, 2023		
	As previously reported	Adjustments	As restated
	(Rupees in '000)		
Statement of profit or loss			
Profit before levies and income tax	139,941	-	139,941
Levies	-	(33,580)	(33,580)
Profit before income tax	139,941	(33,580)	106,361
Income tax expense	(42,116)	33,580	(8,536)
Profit after income tax	97,825	-	97,825

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

3 Issued, subscribed and paid up capital

	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	Number of shares		(Rupees in '000)	
Issued for cash	11,879,111	11,879,111	118,791	118,791
Issued under scheme of arrangement	<u>256,006,196</u>	<u>256,006,196</u>	<u>2,560,062</u>	<u>2,560,062</u>
	<u>267,885,307</u>	<u>267,885,307</u>	<u>2,678,853</u>	<u>2,678,853</u>

3.1 No further shares were issued during the period.

4 LOAN FROM SPONSORS

These represent interest free loans from sponsoring directors of the Company to meet business requirements of the Company. These loan are designated interest free and are repayable at the discretion of the Company. Further, in accordance with Technical Release - 32 Accounting Directors' Loan issued by the Institute of Chartered Accountants of Pakistan, the loan has been classified as part of equity.

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		(Rupees '(000))	
5	Long term financings		
	Long term loans - Banking Companies	2,550,790	563,079
	Long term loans - Non-banking Companies	1,008,217	900,945
		<u>3,559,007</u>	<u>1,464,024</u>
	Current maturity presented under current liabilities	5.1 (318,111)	(697,691)
		<u>3,240,896</u>	<u>766,333</u>

5.1 This includes Rupees 329.70 million as overdue payable to financial institution as on reporting date.

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		(Rupees (000))	
5.2	Reconciliation of long term financing is as under:		
	Balance at beginning of the period / year	1,464,024	1,268,940
	Obtained during the period / year	-	328,625
	Effect of amount restructured	5.4 2,127,021	-
		<u>3,591,045</u>	<u>1,597,565</u>
	Repayment during the period / year	(32,038)	(133,541)
	Balance at the end of period / year	<u>3,559,007</u>	<u>1,464,024</u>

5.3 There were no major changes in the facilities during the period as those disclosed in the annual financial statements of the Company for the year ended December 31, 2023 except for restructuring of certain facilities as explained in note 6.4 below.

5.4 This represents the amount transferred to long term financing pursuant to restructuring arrangements as approved by a few lenders.

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
6	Short term borrowings		
	From banking companies - secured		
	Running finance under mark-up arrangements	216,614	1,065,162
	Finance against trust receipt	602,804	1,191,472
	Short term borrowings under 'Murahaba' arrangement	284,941	284,941
	Demand finance	-	69,511
	From others - unsecured		
	Short term borrowings under 'Musharaka' arrangement	-	127,059
	Loan from employees provident fund	288,000	288,000
		<u>1,392,359</u>	<u>3,026,145</u>

6.1 There were no major changes in any of the facilities during the period. All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements of the Company for the year ended December 31, 2023.

7 Contingencies and commitments

7.1 Contingencies

7.1.1 Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to absorb the impact of sales tax to the 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.

7.1.2 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.

7.2 Commitments

There are no material commitments to report as at reporting date (December 31, 2023: Nil).

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
8 Property, plant and equipment			
Operating fixed assets	8.1	3,215,047	3,341,525
Right of use asset	8.2	15,152	17,826
Capital work-in-progress	8.3	5,186,290	4,172,928
		<u>8,416,490</u>	<u>7,532,279</u>
8.1 Operating fixed assets			
Balance as at the beginning of period / year		3,341,525	2,111,736
Additions during the period / year		79	3,321
Transfers from capital work in progress		-	1,416,173
Revaluation surplus / (loss)		-	80,079
Transfer to investment property		-	(68,813)
Transfers from right to use to owned assets		-	33,330
		<u>3,341,604</u>	<u>3,575,826</u>
Book value of property, plant and equipment disposed off during the period		(4,687)	(11,317)
Depreciation charged during the period / year		(121,870)	(222,984)
Balance as at the end of period / year		<u>3,215,047</u>	<u>3,341,525</u>
8.2 Right of-use asset			
Balance as at the beginning of period / year		17,826	131,641
Additions during the period / year		-	1,976
Transfers to owned assets		-	(33,330)
Disposed off during the period / year		-	(69,092)
Depreciation charge for the period / year		(2,674)	(13,369)
Balance as at the end of period / year		<u>15,152</u>	<u>17,826</u>
8.3 Capital work-in-progress			
Balance as at the beginning of period / year		4,172,927	3,256,151
Additions during the period / year		1,013,363	2,332,949
Transfers to owned assets		-	(1,416,173)
Balance as at the end of period / year		<u>5,186,290</u>	<u>4,172,927</u>

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Breakup of capital work in progress:		
Land	903,555	903,554
Building / Civil works	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>5,186,290</u>	<u>4,172,928</u>
9 Intangible assets		
Software	11,527	12,976
Goodwill	1,070,207	1,070,207
Brand value	1,582,147	1,582,147
Customer relationships	99,979	123,025
	<u>2,763,860</u>	<u>2,788,355</u>
	(Un-audited) September 30, 2024	(Audited) September 30, 2023
	(Rupees in '000)	
10 Sales - net of sales return		
Gross sales		
Local sales	3,165,362	4,074,631
Sales return	(9,553)	(5,985)
	<u>3,155,809</u>	<u>4,068,646</u>
Sales tax	(447,284)	(618,217)
Trade discounts	(202,268)	(92,391)
	<u>(649,552)</u>	<u>(710,608)</u>
Sales - net of sales return	<u>2,506,257</u>	<u>3,358,038</u>
11 Levies		
Minimum tax	<u>31,328</u>	<u>33,580</u>
11.1 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)	
12 Income tax expense		
Current		
- for the period	-	-
- prior period	-	-
	<u>-</u>	<u>-</u>
Deferred	18,246	11,955
	<u>18,246</u>	<u>11,955</u>

(Un-audited)	(Audited)
September	December
30, 2024	31, 2023
(Rupees in '000)	

13 Cash and cash equivalents

Cash and bank balances	5,284	5,453
Short term running finance - secured	(216,614)	(1,065,162)
	<u>(211,330)</u>	<u>(1,059,709)</u>

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

<u>Nature of relationship</u>	<u>Nature of transactions</u>	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
		(Rupees in '000)	
Parent company			
Waves Corporation Limited	Mark up on payable	230,328	87,474
Associated company			
Waves Marketplace Limited	Sales of inventory from	334,483	199,691
	Rental income	900	-
Directors	Loan from sponsors	88,967	8,320
Employee's Provident Fund	Contribution for the period	15,495	18,133

15 Financial risk management and fair value of financial instruments

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.

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:

	September 30, 2024					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in '000						
Financial instruments						
Financial assets						
Security deposits	12,003	-	12,002	-	-	-
Trade debts	3,980,690	-	3,980,690	-	-	-
Deposits and other receivables	4,715	-	4,715	-	-	-
Due from related party	131,427	-	131,427	-	-	-
Cash and bank balances	5,284	-	5,284	-	-	-
	<u>4,134,119</u>	<u>-</u>	<u>4,134,118</u>	<u>-</u>	<u>-</u>	<u>-</u>

September 30, 2024						
Carrying amount			Fair value			
Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	
Rupees in '000						
Financial liabilities						
Long term loans - secured	- 3,559,006	3,559,006	-	-	-	-
Trade and other payables	- 886,739	886,739	-	-	-	-
Due to holding Company	- 2,157,266	2,157,266	-	-	-	-
Lease liabilities	- 20,511	20,511	-	-	-	-
Short term borrowings	- 1,392,359	1,392,359	-	-	-	-
Accrued mark-up	- 414,490	414,490	-	-	-	-
	- 8,430,372	8,430,372	-	-	-	-

December 31, 2023						
Carrying amount			Fair value			
Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	
Rupees in '000						
Financial assets						
Security deposits	12,003	12,003	-	-	-	-
Trade debts	2,987,760	2,987,760	-	-	-	-
Deposits and other receivables	10,129	10,129	-	-	-	-
Due from related party	541,895	541,894	-	-	-	-
Cash and bank balances	328	328	-	-	-	-
	3,552,115	3,552,114	-	-	-	-
Financial liabilities						
Long term loans - secured	- 1,464,024	1,464,024	-	-	-	-
Trade and other payables	- 1,241,328	1,241,328	-	-	-	-
Due to holding Company	- 1,926,938	1,926,938	-	-	-	-
Lease liabilities	- 28,927	28,927	-	-	-	-
Short term borrowings	- 516,548	516,548	-	-	-	-
Accrued markup on borrowings	- 3,026,145	3,026,145	-	-	-	-
	- 8,203,910	8,203,910	-	-	-	-

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

Non financial assets measured at fair value

Land and Building and plant and machinery

Revalued Property, plant and equipment

Date of valuation December 31, 2023

Investment property

Date of valuation December 31, 2023

16 Date of authorization

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

17 General

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


Chief Executive Officer


Director


Chief Financial Officer



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