

# **Waves Singer Pakistan Limited**

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## **9 Months Report**

Nine Months Ended 30 September, 2020

**Waves Singer Pakistan Limited**  
**Directors Report to the Shareholders**  
**For the Nine Months Ended 30<sup>th</sup> September 2020**

The Board of Directors of your Company are pleased to present their report together with the un-audited condensed Interim Consolidated Financial Statements of the Company for the Nine (09) Months period ended September 30<sup>th</sup>, 2020. During the period under review, your company achieved Gross Sales of Rs. 7,705 Million compared to Rs. 9,278 Million in the corresponding period of last year. The reason for this decrease was that your Company's operations and sales during the first two quarters were disrupted due to COVID-19 induced lockdown.

However, Alhamdulillah since lifting of the lockdown your Company has witnessed significant increase in demand of its product due to the backlog generated during the lockdown coupled with extended summer season. Resultantly during 3<sup>rd</sup> quarter of 2020 your company achieved Gross Sales of Rs. 2,926 Million compared to Rs. 2,126 Million in the corresponding period of last year registering an increase of Rs. 800 Million (38%). Another reason is that Waves as a brand and its tagline "ہاں ہی کا ہے" continues to have a strong recall value in the market resulting in persistent volumetric sales growth even in difficult economic circumstances.

**Key Financial Indicators:**

Key Financial Indicators for the 9M 2020 compared to that of 9M 2019 are summarized below:

Summary of operating results	PKR Million		Percentage Change (%)
	9M 2020	9M 2019	
Gross Revenue	7,705	9,278	-17
Gross Profit	1,527	1,981	-23
Operating Profit	677	837	-19
Financial Cost (Net of Earned Carrying Charges)	(503)	(408)	23
Profit After Tax	90	313	-71
Earnings Per Share – Rupees	0.48	1.67	-71

**Financial Performance Analysis:**

Gross profit achieved in Nine (09) months of 2020 amounted to Rs. 1,527 Million as compared to Rs. 1,981 Million for 9M 2019 resulting in a decrease of 23%. The reasons for reduced margins is increase in input costs as a result of Pak Rupee depreciation, rise in products prices and sustained inflation as a result of which your Company couldn't pass on the full effect of the increase in cost which is now being passed on in later months of the year.

Operating profit for Nine (09) months of 2020 is Rs. 677 Million compared to Rs. 837 Million for the corresponding period of 2019 representing decrease of 19%.

Profit after tax stands at Rs. 90 Million compared to Rs. 313 Million for the corresponding period of 2019 representing a decrease of 71%. Reduction in profit for the period is due to the volumetric reduction in sales on account of operational lock down during the 2<sup>nd</sup> quarter. The Company recorded EPS of Rs. 0.48 as compared to Rs. 1.67 for the corresponding period of previous year.

The operating results of your Company reflect high level of trust posed by our valued customers on the company's products, concerted efforts of management and increased level of employees' commitment and dedication to achieve the desired results.

**Future Outlook:**

The macro economic situation is continuously improving as a result of fiscal and monetary measures taken by the Federal Government and State Bank of Pakistan like interest rate reduction. Leaving aside the temporary slowdown due to current economic condition in the country, in the long run an overall growth in the home appliances market shall continue to improve. Current account deficit has been drastically dropped. Impact of COVID 19 is dropping down significantly and country economy is expected to revive in near future. As a result of this, we expect to introduce new models and improve our dealership network to raise our products penetration among the masses.

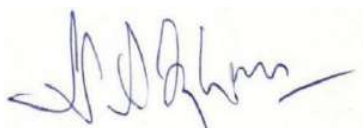
Your company is cognizant of the challenges ahead and will strive to continue to deliver creditable results, for the benefit of all the stakeholders. The company shall stand to benefit from an enhanced market share, based on inherent strengths which are its unique brand, elaborates manufacturing facility, country-wide Sales and After Sales Service Network INSHA'ALLAH.

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

**Acknowledgement:**

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

On behalf of the Board



**Haroon Ahmad Khan**  
Chief Executive Officer  
Lahore: 28th October 2020

کمپنی کے ڈائریکٹرز ۳۰ ستمبر ۲۰۲۰ کو ختم ہونے والی تیسری سہ ماہی کے اختتام پر نو ماہ کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکے ساتھ ہی اس دورانیہ کے غیر آڈٹ شدہ نو ماہ کے وسط مدتی مجموعی مالیاتی گوشوارہ بھی منسلک ہیں۔ زیر نظر مدت کے دوران آپکی کمپنی نے 7,705 ملین روپے کا کل منافع کمایا جب کہ گزشتہ اسی مدت کا کل منافع 9,278 ملین روپے تھا۔ اس کمی کی بنیادی وجہ کمپنی کے اپریشن اور سیلز میں پہلی دو سہ ماہی کے دوران کووڈ 19 اور تالا بندی کی وجہ سے تعطل تھا۔

تاہم، الحمدولہ تالا بندی کے اختتام کے بعد آپ کی کمپنی نے طلب میں اہم اضافہ مشاہدہ کیا جس کی وجہ بقایا طلب اور موسم گرما میں توسیع تھا۔ جس کی وجہ سے 2020 کی تیسری سہ ماہی میں آپ کی کمپنی نے 2,926 ملین روپے کی کل سیلز کی جو کہ گزشتہ سال اسی مدت میں 2,126 ملین روپے تھی جو کہ 800 [38 فیصد] ملین روپے کا اضافہ ظاہر کرتی ہے۔ اس کی ایک اور وجہ یہ ہے کہ ویوز کا برینڈ اور اس کی ٹیگ لائن "نام ہی کافی ہے" کا مارکیٹ میں مستقل طور پر یاد رکھا جانا ہے جس کے نتیجے میں مشکل معاشی حالات میں بھی فروخت کی مقدار میں مستقل اضافہ ہے۔

### کلیدی مالیاتی اشاریے

۲۰۲۰ کے پہلے نو ماہ کے کلیدی مالیاتی اشاریہ ۲۰۱۹ کے پہلے نو ماہ کے کلیدی مالیاتی اشاریہ کے مقابل مندرجہ ذیل رہے۔

	پاکستانی روپیہ ملین میں		
	پہلے نو ماہ ۲۰۲۰	پہلے نو ماہ ۲۰۱۹	فی صد (%)
(پاکستانی روپیہ ہزار میں) آپریٹنگ نتائج کا خلاصہ			
مجموعی ریوینیو	7,705	9,278	17% منفی
مجموعی منافع	1,527	1,981	23% منفی
آپریٹنگ منافع	677	837	19% منفی
مالیاتی لاگت (کمائے گئے کیری انگ چارجز کو منہا کرنے کے بعد)	(503)	(408)	23%
منافع بعد از ٹیکس	90	313	71% منفی
فی حصص آمدنی - روپیہ میں	0.48	1.67	71% منفی

### مالیاتی کارکردگی کا جائزہ

۲۰۲۰ کے پہلے نو ماہ میں حاصل ہونے والا مجموعی منافع 1,527 ملین روپے رہا جبکہ سال ۲۰۱۹ کے پہلے نو ماہ میں حاصل ہونے والا مجموعی منافع 1,981 ملین روپے تھا جس کے نتیجے میں 23% کمی ہوئی۔ جس کمی کی بنیادی وجہ ان پٹ لاگت میں اضافہ جس کی وجہ روپے کی قدر میں کمی تھی، اشیاء کی قیمت میں اضافہ اور پائیدار افراط زر تھا جس کے مکمل اثرات آپ کی کمپنی قیمت میں اضافہ کے ذریعہ منتقل نہ کرسکی جو کہ اب سال کے بقایا مہینوں میں منتقل کی جائے گی۔

۲۰۲۰ کے پہلے نو ماہ میں حاصل ہونے والا آپریٹنگ منافع 677 ملین روپے رہا جبکہ گزشتہ سال ۲۰۱۹ کے پہلے نو ماہ میں حاصل ہونے والا آپریٹنگ منافع 837 ملین روپے تھا جو کہ 19% کمی کو ظاہر کرتا ہے۔

۲۰۲۰ کے پہلے نو ماہ میں حاصل ہونے والا بعد از ٹیکس منافع 90 ملین روپے رہا جبکہ سال ۲۰۱۹ کے پہلے نو ماہ میں حاصل ہونے والا بعد از ٹیکس منافع 313 ملین روپے تھا جو کہ 71% کمی کو ظاہر کرتا ہے۔ اس مدت میں کمی کی بنیادی

وجہ سبب میں تعدات کے مطابق کمی تھی جو کہ پہلی دو سہ ماہی کے دوران اپریشنز میں تالا بندی کی وجہ سے تھا۔ فی حصص آمدنی 0.48 روپے رہی جو کہ کزشتہ سال کی اس مدت میں 1.67 روپے تھی۔

آپ کی کمپنی کے آپریٹنگ نتائج کمپنی کی مصنوعات پر ہمارے قابل قدر گاہکوں کی طرف سے پیش کردہ اعتماد کی اعلیٰ سطح کی عکاسی کرتی ہے، مینجمنٹ کی مشترکہ کوششوں اور ملازمین کے عزم اور بڑھتی ہوئی سطح کے مطلوبہ نتائج حاصل کرنے کے لئے وقف ہے۔

### مستقبل کی توقعات

وفاقی حکومت اور سٹیٹ بینک آف پاکستان کی جانب سے سود کی شرح میں کمی، مالی اور مالیاتی اقدامات کی وجہ سے میکرو اقتصادی صورتحال مسلسل بہتر ہوتی ہے۔ ملک میں موجودہ اقتصادی حالت کی بنیادی وجہ جو کہ عارضی تالا بندی تھی کو ایک طرف رکھ کر دیکھا جائے تو طویل مدت میں گھریلو ایپلائینسز مارکیٹ میں مجموعی ترقی دیکھی جارہی ہے۔ کووڈ 19 کا اثر نمایاں طور پر کم ہو رہا ہے اور ملک کی معیشت مستقبل قریب میں بحال ہونے کی توقع ہے۔ جس کے نتیجے میں، ہم نئے ماڈلز متعارف کرانے اور عوام کے درمیان ہماری مصنوعات کو پھیلانے کے لئے اپنے ڈیلرشپ نیٹ ورک کو بہتر بنانے کی امید رکھتے ہیں۔

آپ کی کمپنی مستقبل کے چیلنجوں سے آگاہ ہے اور تمام اسٹیک ہولڈرز کے فائدہ اور بہتر نتائج فراہم کرنے کے لئے اپنی کوششیں جاری رکھے گی۔ کمپنی مارکیٹ میں اپنے حصے میں اضافہ کے لئے جدوجہد جاری رکھے گی، جو کہ اس کے منفرد برانڈ، پر مشتمل ہے مزید یہ کہ مینوفیکچرنگ کی سہولیات، ملک بھر میں فروخت اور سبیلز سروس نیٹ ورک اس کی بنیاد بنیں گی، انشاء اللہ۔

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

### اعتراف

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

بورڈ کی وساطت سے



ہارون احمد خان  
چیف ایگزیکٹو آفیسر  
لاہور: ۲۸ اکتوبر ۲۰۲۰

# **Waves Singer Pakistan Limited**

Condensed Interim Consolidated Financial Statements

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For the Nine Months Ended 30 September, 20&\$

# Waves Singer Pakistan Limited

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

As at 30 September 2020

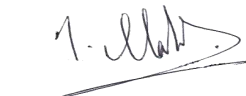
		(Unaudited) 30 September 2020	(Audited) 31 December 2019		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	(Rupees in '000)			(Rupees in '000)	
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>		
<u>Share capital and reserves</u>				<u>Non-current assets</u>		
Authorised capital 300,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each		<u>3,000,000</u>	<u>2,000,000</u>	Property, plant and equipment	8	5,383,816
				Intangible assets and goodwill	9	2,920,766
Issued, subscribed and paid up capital	5	1,876,041	1,876,041	Employee retirement benefits - obligation		3,388
Share premium reserve		4,581,063	4,581,063	Trade debts- long term		12,956
Capital reserve		5,000	5,000	Long term deposits		26,540
Revenue reserve - unappropriated profit		1,621,416	1,515,351			<u>8,347,466</u>
Surplus on revaluation of property, plant and equipment - net of tax		346,682	362,544			8,693,209
		<u>8,430,202</u>	<u>8,339,999</u>			
<u>Non-current liabilities</u>				<u>Current assets</u>		
Long term loans - secured		2,341,677	1,417,271	Stores, spares and loose tools		46,720
Lease liabilities				Stock-in-trade		2,942,639
-Assets under right of use - secured		79,893	39,238	Trade debts		
-Building under right of use - unsecured		98,156	398,425	- Retail		1,108,520
Employee retirement benefits - obligation		31,083	41,211	-Whole Sales		3,992,267
Deferred tax liability - net		247,601	280,170	Advances, deposits, prepayments and other receivables		181,738
Deferred income		16,932	15,574	Taxation - net		126,838
		<u>2,815,342</u>	<u>2,191,889</u>	Cash and bank balances	10	275,651
						<u>8,674,372</u>
<u>Current liabilities</u>						8,483,007
Trade and other payables		1,510,399	1,864,513			
Mark-up accrued on borrowings		148,940	216,566			
Short term borrowings - secured	6	3,582,990	4,113,581			
Unpaid dividend		1,304	1,457			
Loan from sponsors		229,500	-			
Current portion of long term liabilities		303,162	448,211			
		<u>5,776,295</u>	<u>6,644,328</u>			
<b>Contingencies and commitments</b>	7					
		<u>17,021,838</u>	<u>17,176,216</u>			<u>17,021,838</u>
						<u>17,176,216</u>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Lahore

Chief Executive Officer



Director



Chief Financial Officer

# Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2020

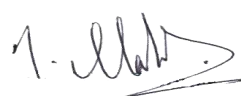
	For the three month period ended		For the nine month period ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	Note ----- (Rupees in '000) ----- (Rupees in '000) -----			
Sales - net of sales return	2,926,486	2,125,717	7,704,525	9,277,535
Sales tax and trade discount on invoices	(241,102)	(309,107)	(1,125,227)	(2,036,390)
Sales - net	11 2,685,384	1,816,610	6,579,298	7,241,145
Cost of sales	(2,166,940)	(1,276,384)	(5,052,483)	(5,259,683)
<b>Gross profit</b>	<b>518,444</b>	540,226	<b>1,526,815</b>	1,981,462
Marketing, selling and distribution costs	(263,905)	(206,576)	(675,404)	(752,734)
Administrative expenses	(126,601)	(104,567)	(340,404)	(335,430)
Other expenses	(5,929)	(10,136)	(15,728)	(72,347)
Other income	25,550	2,543	181,315	15,958
<b>Profit from operations</b>	<b>147,560</b>	221,490	<b>676,594</b>	836,909
Earned carrying charges	77,198	54,044	184,848	135,713
Finance cost	(170,733)	(201,859)	(688,341)	(544,173)
	(93,535)	(147,815)	(503,493)	(408,460)
<b>Profit before taxation</b>	<b>54,025</b>	73,675	<b>173,101</b>	428,449
Taxation	12 (15,617)	(14,849)	(82,898)	(115,491)
<b>Profit for the period</b>	<b>38,408</b>	58,826	<b>90,203</b>	312,958
Earnings per share - basic and diluted (Rupees)	<b>0.20</b>	<b>0.31</b>	<b>0.48</b>	<b>1.67</b>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

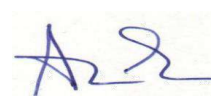


Lahore

Chief Executive Officer



Director



Chief Financial Officer



# Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2020

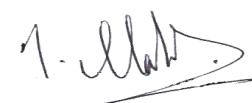
	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Profit for the period</b>	<b>38,408</b>	58,826	<b>90,203</b>	312,958
<b><u>Other comprehensive income for the period</u></b>				
<i>Items that will not be reclassified to profit or loss account:</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>38,408</u></b>	<u>58,826</u>	<b><u>90,203</u></b>	<u>312,958</u>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore



Chief Executive Officer



Director



Chief Financial Officer

Waves Singer Pakistan Limited  
Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)  
For the three and nine month period ended 30 September 2020

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserve	Total
		Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	Unappropriated profits	
----- Rupees in '000 -----						
Balance at 01 January 2019	1,631,340	4,825,764	5,000	117,395	1,809,626	8,389,125
<b>Impact of change in accounting policy</b>					(475,203)	(475,203)
Adjusted Balance as at 01 January 2019	<b>1,631,340</b>	<b>4,825,764</b>	<b>5,000</b>	<b>117,395</b>	<b>1,334,423</b>	<b>7,913,922</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	312,958	312,958
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	312,958	312,958
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(65)	65	-
<b><u>Transactions with owners of the Company</u></b>						
Final dividend for the year ended 31 December 2018 @ Rs. 1.25 per share	-	-	-	-	(203,917)	(203,917)
Shares issued as fully paid bonus shares	244,701	(244,701)				
<b>Balance as at 30 September 2019 (un-audited)</b>	<b>1,876,041</b>	<b>4,581,063</b>	<b>5,000</b>	<b>117,330</b>	<b>1,443,529</b>	<b>8,022,963</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	65,342	65,342
Surplus on revaluation	-	-	-	355,409	-	355,409
related deferred tax on revaluation surplus	-	-	-	(101,012)	-	(101,012)
Other comprehensive income for the period	-	-	-	-	(2,070)	(2,070)
	-	-	-	254,397	63,272	317,669
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(3,540)	3,540	-
Transfer against sale of building - net of tax	-	-	-	(5,010)	5,010	-
Effect of change in tax rate	-	-	-	(633)	-	(633)
<b>Balance as at 31 December 2019 audited</b>	<b>1,876,041</b>	<b>4,581,063</b>	<b>5,000</b>	<b>362,544</b>	<b>1,515,351</b>	<b>8,339,999</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	90,203	90,203
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	90,203	90,203
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(15,863)	15,863	-
<b>Balance as at 30 September 2020 (un-audited)</b>	<b>1,876,041</b>	<b>4,581,063</b>	<b>5,000</b>	<b>346,682</b>	<b>1,621,416</b>	<b>8,430,202</b>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

  
Lahore Chief Executive Officer

  
Director

  
Chief Financial Officer


Waves Singer Pakistan Limited  
Condensed Interim Consolidated Statement of Cash Flow (Un-audited)  
For the nine month period ended 30 September 2020

	(Un-audited) 30 Sep 2020	(Un-audited) 30 Sep 2019
	-----Rupees in '000-----	
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	173,101	428,449
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	244,231	188,734
Amortisation of intangible assets	25,508	29,699
Finance cost	688,341	544,173
Gain on sale of property, plant and equipment	(8,742)	(1,242)
Amortisation of deferred income	(3,041)	(5,187)
Unrealised exchange Loss	2,591	37,909
Workers' Profit Participation Fund	-	27,123
Reversal of loss allowance against trade debts	(176,124)	(1,210)
Provision for employee retirement benefits	-	7,885
	<b>945,865</b>	<b>1,256,333</b>
<b><u>Effect on cash flow due to working capital changes</u></b>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(9,012)	(17,482)
Stock-in-trade	710,825	(198,258)
Trade debts and other receivables	(678,500)	(1,011,174)
Advances, deposits, prepayments and other receivables	(36,192)	(84,036)
<i>Increase in current liabilities:</i>		
Trade and other payables	(356,705)	(240,730)
	<b>(369,585)</b>	<b>(1,551,680)</b>
<b>Cash used in operations</b>	<b>576,280</b>	<b>(295,347)</b>
Income tax received / (paid)	(6,362)	(121,461)
Workers' Profit Participation Fund paid	-	(27,644)
Employee retirement benefits paid	(10,128)	(2,175)
Long term deposits - net	-	(3,803)
<b>Net cash used in operating activities</b>	<b>559,790</b>	<b>(450,430)</b>
<b><u>Cash flow from investing activities</u></b>		
Capital expenditure -net	66,194	(288,095)
Proceeds from disposal of property, plant and equipment	23,566	6,124
<b>Net cash generated from investing activities</b>	<b>89,760</b>	<b>(281,971)</b>
<b><u>Cash flow from financing activities</u></b>		
Proceeds from borrowings	371,210	1,425,794
Loan from sponsors	229,500	
Finance costs paid	(755,967)	(458,500)
Dividend paid	(153)	(201,393)
Lease rentals paid	(259,615)	(76,654)
<b>Net cash generated from financing activities</b>	<b>(415,025)</b>	<b>689,247</b>
<b>Net increase in cash and cash equivalents</b>	<b>234,525</b>	<b>(43,154)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>(1,332,791)</b>	<b>(1,424,619)</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>(1,098,266)</b>	<b>(1,467,773)</b>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

  
\_\_\_\_\_  
Lahore Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

# Waves Singer Pakistan Limited

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

For the nine month period ended 30 September 2020

### 1 Status and nature of business

The Group comprises of:

#### Holding Company

- Waves Singer Pakistan Limited

	2020	2019
	(Holding percentage)	

#### Subsidiary Companies

- Waves Marketing (Private) Limited

	100	100
--	-----	-----

- Electronics Marketing Company (Private) Limited

	100	100
--	-----	-----

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

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

- 9-K.M, Hanjarwal, Multan Road, Lahore.

- Dina Nath, Mouza Rakh Serai Cheenba, Tehsil Pattoki, District Kasur.

#### Waves Marketing (Private) Limited - Subsidiary Company

Waves Marketing (Private) Limited (WMPL) is a private limited company which was incorporated on 10 April 2017 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the company is located at 15/3 A Model Town, Lahore. The principal activity of the company is the sale, distribution and marketing of consumer appliances being a trading concern.

#### Electronics Marketing Company (Private) Limited - Subsidiary Company

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

### 2 Basis of preparation

#### Statement of compliance

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

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

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

2.2 These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 30 September 2020 and the related condensed interim consolidated statement of profit or loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flow and notes to the financial information for the nine month period then ended.

**2.3** These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2019. 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 2019, whereas comparative Consolidated statement of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim Consolidated financial statement of the Company for the three and nine month period ended 30 September 2019.

### **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 2019.

### **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 2019.

## 5 Issued, subscribed and paid up capital

	(Un-audited) 30 September 2020	(Audited) 31 December 2019	(Un-audited) 30 September 2020	(Audited) 31 December 2019
	--- Number of shares ---		--- Rupees in '000 ---	
Issued for cash	11,461,568	11,461,568	114,616	114,616
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	<b>187,604,060</b>	<b>187,604,060</b>	<b>1,876,041</b>	<b>1,876,041</b>

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

	(Un-audited) 30 September 2020	(Audited) 31 December 2019	(Un-audited) 30 September 2020	(Audited) 31 December 2019
Poseidon Synergies (Private) Limited <i>Chief Executive Officer and his spouse and children</i>	6.00%	6.00%	11,253,183	11,253,183
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	71,893,524	71,893,524
- Nighat Haroon Khan (Wife of CEO)	10.99%	15.64%	29,346,274	29,346,274
- Dependent children of CEO	1.82%	1.66%	3,140,650	3,107,875
	<b>57.13%</b>	<b>61.62%</b>	<b>115,633,631</b>	<b>115,600,856</b>

### 5.2 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 Company.

	(Un-audited) 30 September 2020	(Audited) 31 December 2019
	(Rupees in '000)	

## 6 Short term borrowings - secured

From banking companies - secured:

Running finance under mark-up arrangements	1,373,917	1,496,360
Finance against trust receipt	1,797,692	1,873,765
Cash finance	60,859	463,455
Short term borrowings under 'Murahaba' arrangement	350,523	280,001
	<b>3,582,990</b>	<b>4,113,581</b>

## 7 Contingencies and commitments

### 7.1 Contingencies

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 2019, whereas comparative

### 7.2 Commitments

The Company has the following commitments in respect of:

- (i) Commitments for the import of stock in trade outstanding at period end were for Rs. 412.01 million (2019: Rs. 319.39 million).
- (ii) Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were nil (31 December 2019: Rs. 1.09 million).

		(Un-audited) 30 September 2020	(Audited) 31 December 2019
	<i>Note</i>	(Rupees in '000)	
<b>8</b>	<b>Property, plant and equipment</b>		
	Operating fixed assets	8.1 <b>5,017,112</b>	5,084,452
	Right of-use asset	8.2 <b>259,426</b>	574,009
	Capital work-in-progress	8.3 <b>107,278</b>	46,204
		<b>5,383,816</b>	<b>5,704,665</b>
<b>8.1</b>	<b>Operating fixed assets</b>		
	Opening balance - as at 01 January	<b>5,084,452</b>	4,620,065
	Additions / (deletion) during the period / year	<b>125,013</b>	334,058
	Revaluation gain / (loss)	-	340,347
	Transfers from right to use to owned assets	-	11,591
		<b>5,209,465</b>	5,306,062
	Book value of property, plant and equipment disposed off during the period / year	<b>(13,688)</b>	(17,010)
	Depreciation charged during the period / year	<b>(178,665)</b>	(204,600)
	<b>Closing balance</b>	<b>5,017,112</b>	<b>5,084,452</b>
<b>8.2</b>	<b>Right of-use asset</b>		
	Balance as at 01 January	<b>574,009</b>	548,893
	Additions / (deletion) during the period / year	<b>(247,833)</b>	146,172
	Revaluation gain / (loss)	-	15,062
	Transfers to owned assets	<b>(1,184)</b>	(11,591)
	Depreciation charge for the period / year	<b>(65,566)</b>	(124,527)
	<b>Closing balance</b>	<b>259,426</b>	<b>574,009</b>
<b>8.3</b>	<b>Capital work-in-progress</b>		
	Building	<b>46,204</b>	4,851
	Plant and machinery	<b>61,074</b>	35,845
	Electric installation	-	5,508
		<b>107,278</b>	<b>46,204</b>
<b>9</b>	<b>Intangible assets and goodwill</b>		
	Software	<b>37,514</b>	47,996
	Brand value	9.1 <b>1,582,147</b>	1,070,206
	Customer relationships	9.1 <b>222,891</b>	1,582,147
	Goodwill	9.1 <b>1,078,214</b>	245,925
		<b>2,920,766</b>	<b>2,946,274</b>

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

	(Un-audited) 30 September 2020	(Audited) 31 December 2019
<b>10 Cash and cash equivalents</b>	<b>(Rupees in '000)</b>	
Cash and bank balances	275,651	163,569
Short term running finance - secured	<u>(1,373,917)</u>	<u>(1,496,360)</u>
	<u><b>(1,098,266)</b></u>	<u><b>(1,332,791)</b></u>

	(Un-audited) 30 September 2020	(Un-audited) 30 September 2019
<b>11 Sales - net</b>	<b>(Rupees in '000)</b>	
<i>Gross sales:</i>		
- Local	7,746,587	9,259,375
- Export	19,993	18,160
Sales return	<u>(62,055)</u>	<u>(87,081)</u>
	<u><b>7,704,525</b></u>	<u><b>9,190,454</b></u>
Sales tax	<u><b>(933,390)</b></u>	<u><b>(997,998)</b></u>
Trade discounts	<u><b>(191,836)</b></u>	<u><b>(951,310)</b></u>
	<u><b>(1,125,227)</b></u>	<u><b>(1,949,308)</b></u>
	<u><b>6,579,298</b></u>	<u><b>7,241,146</b></u>

**12 Taxation**

The Company has opted for group taxation and the Group falls under the normal tax regime. Provision for taxation has been calculated as group taxation.



**13 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)	(Un-audited)
			30 September 2020	30 September 2019
<b>Associated Undertakings</b>				
Poseidon Synergies (Private) Limited	Shareholding and common directorship	Repayment of loan during the period	-	35,000
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	<b>21,435</b>	19,498
		Loan received during the period	-	44,000
		Repayment of loan during the period	-	22,000
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	-	1,149
Directors	Director	Fee for meetings	<b>805</b>	784
		Loan	<b>229,500</b>	-
Key management personnel	Remuneration	Remuneration	<b>85,381</b>	85,381

## 14 Financial risk management and fair value of financial instruments

14.1 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 2019.

14.2 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 2020					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i> ----- Rupees in '000 -----						
<b>Financial instruments</b>						
<b><u>30 September 20 - (Un-audited)</u></b>						
<b><u>Financial assets - not measured at fair value</u></b>						
Security deposits	26,540	-	26,540	-	-	-
Trade debts	5,100,786	-	5,100,786	-	-	-
Other receivables	181,738	-	181,737	-	-	-
Cash & Bank Balances	275,651	-	275,650	-	-	-
14.3	<u>6,757,836</u>	<u>-</u>	<u>6,757,834</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>						
Liabilities against assets subject to finance lease	-	247,742	247,742	-	-	-
Long term loans - secured	-	2,940,146	2,940,146	-	-	-
Trade and other payables	-	1,510,399	1,510,399	-	-	-
Employee retirement benefit	-	31,083	31,083	-	-	-
Short term borrowings - secured and unsecured	-	3,217,990	3,217,990	-	-	-
Mark-up accrued on short term finances and long term loans	-	148,940	148,940	-	-	-
14.3	<u>-</u>	<u>8,096,300</u>	<u>8,096,300</u>	<u>-</u>	<u>-</u>	<u>-</u>

		31 December 2019					
		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					
<b>Financial instruments</b>							
<b><u>31 December 2019</u></b>							
<b><u>Financial assets - not measured at fair value</u></b>							
		55,414	-	55,414	-	-	-
		4,246,625	-	4,246,625	-	-	-
		300	-	300	-	-	-
		163,568	-	163,568	-	-	-
	14.3	<u>4,465,908</u>	<u>-</u>	<u>4,465,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>							
		-	565,226	565,226	-	-	-
		-	1,732,271	1,732,271	-	-	-
		-	1,490,828	1,490,828	-	-	-
		-	41,211	41,211	-	-	-
		-	4,113,581	4,113,581	-	-	-
		-	216,566	216,566	-	-	-
	14.3	<u>-</u>	<u>8,159,683</u>	<u>8,159,683</u>	<u>-</u>	<u>-</u>	<u>-</u>

14.3 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-Dec-19

*Investment property*

Date of valuation

31-Dec-19

**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.

**15 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 28 October, 2020.

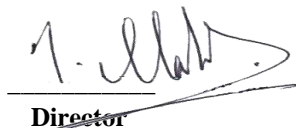
**16 General**

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.



**Lahore** Chief Executive Officer



Director



Chief Financial Officer

# **Waves Singer Pakistan Limited**

Condensed Interim Un Consolidated Financial Statements

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For the Nine Months Ended 30 September, 2020

Waves Singer Pakistan Limited

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

As at 30 September 2020

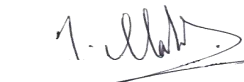
		(Unaudited) 30 September 2020	(Audited) 31 December 2019		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	(Rupees in '000)			(Rupees in '000)	
<b>EQUITY AND LIABILITIES</b>						
<u>Share capital and reserves</u>						
Authorised capital 300,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each		<u>3,000,000</u>	<u>2,000,000</u>			
Issued, subscribed and paid up capital	5	1,876,041	1,876,041			
Share premium reserve		4,581,063	4,581,063			
Capital reserve		5,000	5,000			
Revenue reserve - unappropriated profit		1,913,417	1,815,124			
Surplus on revaluation of property, plant and equipment - net of tax		390,850	406,712			
		<u>8,766,370</u>	<u>8,683,940</u>			
<u>Non-current liabilities</u>						
Long term loans - secured		2,341,676	1,417,271			
Lease liabilities						
-Assets under right of use - secured		63,233	38,256			
-Building under right of use - unsecured		98,156	141,564			
Employee retirement benefits - obligation		15,253	23,088			
Deferred tax liability - net		261,835	247,943			
Deferred income		16,932	15,575			
		<u>2,797,085</u>	<u>1,883,697</u>			
<u>Current liabilities</u>						
Trade and other payables		1,002,561	1,404,203			
Mark-up accrued on borrowings		148,940	216,566			
Short term borrowings - secured	6	3,582,990	4,113,581			
Unpaid dividend		1,304	1,457			
Loan from sponsors		229,500	-			
Current portion of long term liabilities		303,162	403,976			
		<u>5,268,457</u>	<u>6,139,783</u>			
<b>Contingencies and commitments</b>	7					
		<u>16,831,912</u>	<u>16,707,420</u>		<u>16,831,912</u>	<u>16,707,420</u>
<b>ASSETS</b>						
<u>Non-current assets</u>						
Property, plant and equipment	8	4,888,433	4,969,474			
Intangible assets and goodwill	9	2,912,758	2,937,561			
Investment property		220,500	220,500			
Investment in subsidiaries		501,000	501,000			
Employee retirement benefits - obligation		3,388	3,388			
Long term deposits		8,713	8,561			
		<u>8,534,792</u>	<u>8,640,484</u>			
<u>Current assets</u>						
Stores, spares and loose tools		46,720	37,708			
Stock-in-trade		2,481,321	2,940,985			
Trade debts		3,995,048	3,239,794			
Advances, deposits, prepayments and other receivables		1,136,698	1,280,558			
Taxation - net		404,746	451,547			
Cash and bank balances	10	232,587	116,344			
		<u>8,297,120</u>	<u>8,066,936</u>			

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

Lahore



Chief Executive Officer



Director



Chief Financial Officer

# Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2020

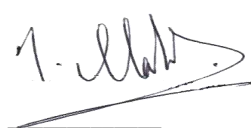
	For the three month period ended		For the nine month period ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	Note ----- (Rupees in '000) ----- (Rupees in '000) -----			
Sales - net of sales return	2,361,509	1,615,939	6,309,353	8,943,738
Sales tax and trade discount on invoices	(287,427)	(316,622)	(1,129,699)	(3,121,958)
Sales - net	2,074,082	1,299,317	5,179,654	5,821,780
Cost of sales	(1,626,035)	(838,173)	(3,897,392)	(5,241,652)
<b>Gross profit</b>	<b>448,047</b>	461,144	<b>1,282,262</b>	580,128
Marketing, selling and distribution costs	(138,369)	(100,992)	(349,477)	(156,967)
Administrative expenses	(83,963)	(68,253)	(225,371)	(105,462)
Other expenses	(4,971)	(9,630)	(15,728)	(71,841)
Other income	10,692	103,432	159,803	633,910
<b>Profit from operations</b>	<b>231,436</b>	385,701	<b>851,489</b>	879,768
Finance cost	(169,793)	(195,569)	(685,773)	(534,139)
<b>Profit before taxation</b>	<b>61,643</b>	190,132	<b>165,716</b>	345,629
Taxation	(17,979)	(40,965)	(83,286)	(83,695)
<b>Profit for the period</b>	<b>43,664</b>	149,167	<b>82,430</b>	261,934
Earnings per share - basic and diluted (Rupees)	<b>0.23</b>	<b>0.80</b>	<b>0.44</b>	<b>1.40</b>

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.



Lahore

Chief Executive Officer



Director



Chief Financial Officer

# Waves Singer Pakistan Limited

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

For the three and nine month period ended 30 September 2020

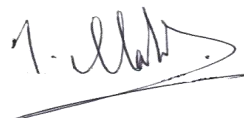
	<u>For the three month period ended</u>		<u>For the six month period ended</u>	
	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Profit for the period</b>	<b>43,664</b>	149,167	<b>82,430</b>	261,934
<b><u>Other comprehensive income for the period</u></b>				
<i>Items that will not be reclassified to profit or loss account:</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>43,664</u></b>	<u>149,167</u>	<b><u>82,430</u></b>	<u>261,934</u>

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.



Lahore

Chief Executive Officer



Director



Chief Financial Officer

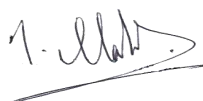



Waves Singer Pakistan Limited  
 Condensed Interim Un-Consolidated Statement of Changes In Equity (Un-audited)  
 For the three and nine month period ended 30 September 2020

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserve	Total
		Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	Unappropriated profits	
----- Rupees in '000 -----						
Balance as at 01 January 2019	1,631,340	4,825,764	5,000	158,525	1,754,670	8,375,299
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	261,934	261,934
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	261,934	261,934
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(65)	65	-
<b><u>Transactions with owners of the Company</u></b>						
Final dividend for the year ended 31 December 2018 @ Rs. 1.25 per share	-	-	-	-	(203,917)	(203,917)
Shares issued as fully paid bonus shares @ 15%	244,701	(244,701)	-	-	-	-
<b>Balance as at 30 September 2019 (un-audited)</b>	<b>1,876,041</b>	<b>4,581,063</b>	<b>5,000</b>	<b>158,460</b>	<b>1,812,752</b>	<b>8,433,316</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	(1,849)	(1,849)
Surplus on revaluation	-	-	-	355,409	-	355,409
related deferred tax on revaluation surplus	-	-	-	(100,866)	-	(100,866)
Other comprehensive income for the period	-	-	-	-	(2,070)	(2,070)
	-	-	-	254,543	(3,919)	250,624
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(42)	42	-
Transfer against sale of building - net of tax	-	-	-	(6,249)	6,249	-
<b>Balance as at 31 December 2019 audited</b>	<b>1,876,041</b>	<b>4,581,063</b>	<b>5,000</b>	<b>406,712</b>	<b>1,815,124</b>	<b>8,683,940</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	82,430	82,430
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	82,430	82,430
<b><u>Surplus transferred to accumulated profits</u></b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(15,863)	15,863	-
<b>Balance as at 30 September 2020 (un-audited)</b>	<b>1,876,041</b>	<b>4,581,063</b>	<b>5,000</b>	<b>390,850</b>	<b>1,913,417</b>	<b>8,766,370</b>

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

  
 Lahore Chief Executive Officer

  
 Director

  
 Chief Financial Officer

Waves Singer Pakistan Limited  
 Condensed Interim Unconsolidated Statement of Cash Flow (Un-audited)  
 For the nine month period ended 30 September 2020

	(Un-audited) 30 Sep 2020	(Un-audited) 30 Sep 2019
	-----Rupees in '000-----	
<u>Cash flows from operating activities</u>		
Profit before taxation	165,716	345,628
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	217,221	164,621
Amortisation of intangible assets	24,803	6,659
Finance cost	685,773	534,139
Gain on sale of property, plant and equipment	(8,411)	(1,242)
Amortisation of deferred income	(3,041)	(7,781)
Unrealised exchange Loss	2,591	38,519
Workers' Profit Participation Fund	8,303	30,933
Provision for employee retirement benefits	-	6,385
Mark up charged to subsidiary company	(141,994)	(258,457)
Dividend income from subsidiary company	-	(360,000)
	950,961	499,404
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(9,012)	(17,482)
Stock-in-trade	459,664	291,141
Trade debts and other receivables	(613,260)	(1,033,712)
Advances, deposits, prepayments and other receivables	143,860	(310,823)
<i>Increase in current liabilities:</i>		
Trade and other payables	(380,223)	(208,795)
	(398,971)	(1,279,671)
<b>Cash used in operations</b>	<b>551,990</b>	<b>(780,267)</b>
Income tax paid	(22,593)	(72,291)
Workers' Profit Participation Fund paid	(32,313)	(27,751)
Employee retirement benefits paid	(7,835)	(1,925)
Long term deposits - net	(152)	(12,161)
<b>Net cash used in operating activities</b>	<b>489,097</b>	<b>(894,395)</b>
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(145,469)	(179,666)
Proceeds from disposal of property, plant and equipment	22,097	6,124
Dividend received from subsidiary company	-	360,000
<b>Net cash generated from investing activities</b>	<b>(123,372)</b>	<b>186,458</b>
<u>Cash flow from financing activities</u>		
Proceeds from borrowings	415,444	1,425,794
Loan from sponsors	229,500	-
Finance costs paid	(753,399)	(418,500)
Dividend paid	(153)	(201,393)
Lease rentals paid	(18,431)	(76,654)
<b>Net cash generated from financing activities</b>	<b>(127,039)</b>	<b>729,247</b>
<b>Net increase in cash and cash equivalents</b>	<b>238,686</b>	<b>21,310</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>(1,380,016)</b>	<b>(1,439,206)</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>(1,141,330)</b>	<b>(1,417,896)</b>

Note

10

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

Lahore

Chief Executive Officer

Director

Chief Financial Officer

# Waves Singer Pakistan Limited

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

For the nine month period ended 30 September 2020

### 1 Status and nature of business

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. The Company is principally engaged in the manufacturing and assembly of domestic consumer appliances along with retailing and trading of the same and other light engineering products. The registered office of the company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

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

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

- 1.1** Previously, the Company used to sell products through its subsidiary company to avail the benefit of extra tax under Rule 59 of Sales Tax Special Procedures Rule, 2007. Through SRO. 694(I)/2019 the electronic products are now taxable at retail price under third schedule. Resultantly w.e.f. 01 July 2019, the Company has started to transact directly with the dealers in light of new dealership agreements signed by the Company and the channel of subsidiary company has been eliminated. Accordingly the comparative figures on the statement of profit or loss are not comparable.

### 2 Basis of preparation

#### Statement of compliance

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

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

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

- 2.2** These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 30 September 2020 and the related condensed interim unconsolidated statement of profit or loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flow and notes to the financial information for the nine month period then ended.
- 2.3** These condensed interim unconsolidated financial statements 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 2019. 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 unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 31 December 2019, whereas comparative unconsolidated statement of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statement of the Company for the three and nine months period ended 30 September 2019.

### 3 Use of estimates and judgments

The preparation of condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2019.

### 4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2019.

### 5 Issued, subscribed and paid up capital

	(Un-audited) 30 September 2020	(Audited) 31 December 2019	(Un-audited) 30 September 2020	(Audited) 31 December 2019
	- - - Number of shares - - -		- - - Rupees in '000 - - -	
Issued for cash	11,461,568	11,461,568	114,616	114,616
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	<b>187,604,060</b>	187,604,060	<b>1,876,041</b>	1,876,041

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

	(Un-audited) 30 September 2020	(Audited) 31 December 2019	(Un-audited) 30 September 2020	(Audited) 31 December 2019
Poseidon Synergies (Private) Limited <i>Chief Executive Officer and his spouse and children</i>	6.00%	6.00%	11,253,183	11,253,183
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	71,893,524	71,893,524
- Nighat Haroon Khan (Wife of CEO)	10.99%	15.64%	29,346,274	29,346,274
- Dependent children of CEO	1.82%	1.66%	3,140,650	3,107,875
	<b>57.13%</b>	61.62%	<b>115,633,631</b>	115,600,856

#### 5.2 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 Company.

	(Un-audited) 30 September 2020	(Audited) 31 December 2019
	(Rupees in '000)	

### 6 Short term borrowings

From banking companies - secured:

Running finance under mark-up arrangements	1,373,917	1,496,360
Finance against trust receipt	1,797,692	1,873,765
Cash finance	60,859	463,455
Short term borrowings under 'Murahaba' arrangement	350,523	280,001
	<b>3,582,990</b>	4,113,581

## 7 Contingencies and commitments

### 7.1 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 2019.

### 7.2 Commitments

The Company has the following commitments in respect of:

- (i) Commitments for the import of stock in trade outstanding at period end were for Rs. 412.01 million (2019: Rs. 319.39 million).
- (ii) Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were nil (31 December 2019: Rs. 1.09 million).

	<i>Note</i>	(Un-audited) 30 September 2020	(Audited) 31 December 2019
		(Rupees in '000)	
<b>8 Property, plant and equipment</b>			
Operating fixed assets	8.1	4,541,014	4,623,877
Right of use asset	8.2	240,141	299,393
Capital work-in-progress	8.3	107,278	46,204
		<b>4,888,433</b>	<b>4,969,474</b>
<b>8.1 Operating fixed assets</b>			
Opening balance - as at 01 January		4,623,877	4,181,407
Additions / (deletion) during the period / year		83,828	319,555
Revaluation gain / (loss)		-	340,347
Transfer to investment property		-	(50,000)
Transfers from right to use to owned assets		-	11,591
		<b>4,707,705</b>	<b>4,802,900</b>
Book value of property, plant and equipment disposed off during the period / year		(13,688)	(14,283)
Depreciation charged during the period / year		(153,003)	(164,740)
<b>Closing balance</b>		<b>4,541,014</b>	<b>4,623,877</b>
<b>8.2 Right of-use asset</b>			
Balance as at 01 January		299,393	252,887
Additions / (deletion) during the period / year		6,150	105,486
Revaluation gain / (loss)		-	15,062
Transfers to owned assets		(1,184)	(11,591)
Depreciation charge for the period / year		(64,218)	(62,451)
<b>Closing balance</b>		<b>240,141</b>	<b>299,393</b>
<b>8.3 Capital work-in-progress</b>			
Balance as at 01 January		46,204	33,507
Additions / (deletion) during the period / year		61,074	266,959
Transfers to owned assets		-	(254,262)
<b>Closing balance</b>		<b>107,278</b>	<b>46,204</b>
Breakup of capital work in progress:			
Building		28,405	4,851
Plant and machinery		72,600	35,845
Electric installation		6,273	5,508
		<b>107,278</b>	<b>46,204</b>

		(Un-audited) 30 September 2020	(Audited) 31 December 2019
	<i>Note</i>	(Rupees in '000)	
<b>9 Intangible assets and goodwill</b>			
Software		37,514	39,289
Brand value	9.1	1,582,147	1,582,147
Customer relationships	9.1	222,891	245,919
Goodwill	9.1	1,070,206	1,070,206
		<u>2,912,758</u>	<u>2,937,561</u>

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

		(Un-audited) 30 September 2020	(Audited) 31 December 2019
		(Rupees in '000)	
<b>10 Cash and cash equivalents</b>			
Cash and bank balances		232,587	116,344
Short term running finance - secured		(1,373,917)	(1,496,360)
		<u>(1,141,330)</u>	<u>(1,380,016)</u>

		(Un-audited) 30 September 2020	(Un-audited) 30 September 2019
		(Rupees in '000)	
<b>11 Sales - net</b>			
<i>Gross sales:</i>			
- Local		6,347,171	8,925,578
- Export		19,993	18,160
Sales return		(57,811)	(24,847)
		<u>6,309,353</u>	8,918,891
Sales tax		(906,277)	(997,998)
Trade discounts		(223,422)	(2,099,114)
		<u>(1,129,699)</u>	(3,097,112)
		<u>5,179,654</u>	<u>5,821,779</u>

## 12 Taxation

The Company has opted for group taxation and the Group falls under the normal tax regime. Provision for taxation has been calculated as group taxation.

### 13 Transactions with related parties

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

Name of the Company	Relationship	Nature of transactions	(Un-audited) 30 September 2020	(Un-audited) 30 September 2019
<b>i. Subsidiary Company</b>				
Waves Marketing (Private) Limited	Wholly owned subsidiary	Sale of inventory - gross	-	4,334,704
		Expenses incurred / paid on behalf of subsidiary	-	383,973
		Dividend income	-	360,000
		Mark-up charged on receivable from subsidiary	<b>111,531</b>	108,392
Electronics Marketing Company (Private) Limited	Wholly owned subsidiary	Sale of inventory - gross	<b>393,186</b>	771,604
		Expenses incurred / paid on behalf of subsidiary	-	50,198
		Mark-up charged on receivable from subsidiary	<b>30,600</b>	126,902
<b>ii. Associated Undertakings</b>				
Poseidon Synergies (Private) Limited	Shareholding and common directorship	Repayment of loan during the period	-	35,000
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	<b>21,435</b>	19,498
		Loan received during the period	-	44,000
		Repayment of loan during the period	-	22,000
Employee's Gratuity Fund	Post employee benefit plan	Contribution for the period	-	1,149
Directors	Director	Fee for meetings	<b>805</b>	784
		Loan	<b>229,500</b>	-
Key management personnel	Remuneration	Remuneration	<b>83,381</b>	83,381

## 14 Financial risk management and fair value of financial instruments

14.1 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 2019.

14.2 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 2020					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>	----- Rupees in '000 -----					
<b>Financial instruments</b>						
<b><u>30 September 20 - (Un-audited)</u></b>						
<b><u>Financial assets - not measured at fair value</u></b>						
Security deposits	8,713	-	8,713	-	-	-
Trade debts	3,995,048	-	3,995,048	-	-	-
Other receivables	1,136,698	-	1,136,698	-	-	-
Cash & Bank Balances	232,587	-	232,587	-	-	-
14.3	<u>5,373,046</u>	<u>-</u>	<u>5,373,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>						
Liabilities against assets subject to finance lease	-	231,082	231,082	-	-	-
Long term loans - secured	-	2,575,145	2,575,145	-	-	-
Trade and other payables	-	1,002,561	1,002,561	-	-	-
Employee retirement benefit	-	15,253	15,253	-	-	-
Short term borrowings - secured and unsecured	-	3,582,990	3,582,990	-	-	-
Mark-up accrued on short term finances and long term loans	-	148,940	148,940	-	-	-
14.3	<u>-</u>	<u>7,555,971</u>	<u>7,555,971</u>	<u>-</u>	<u>-</u>	<u>-</u>



		31 December 2019					
		Fair value					
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	Rupees in '000					
<b>Financial instruments</b>							
<b>31 December 2019</b>							
<b><u>Financial assets - not measured at fair value</u></b>							
Security deposits		27,535	-	27,535	-	-	-
Trade debts		3,239,794	-	3,239,794	-	-	-
Other receivables		1,171,427	-	1,171,427	-	-	-
Bank balances		116,344	-	116,344	-	-	-
	14.3	<u>4,555,100</u>	<u>-</u>	<u>4,555,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities - not measured at fair value</u></b>							
Liabilities against assets subject to finance lease		-	263,148	263,148	-	-	-
Long term loans - secured		-	1,732,271	1,732,271	-	-	-
Trade and other payables		-	1,196,130	1,196,130	-	-	-
Employee retirement benefit		-	23,088	23,088	-	-	-
Short term borrowings - secured and unsecured		-	4,113,581	4,113,581	-	-	-
Mark-up accrued on short term finances and long term loans		-	216,566	216,566	-	-	-
	14.3	<u>-</u>	<u>7,544,784</u>	<u>7,544,784</u>	<u>-</u>	<u>-</u>	<u>-</u>

14.3 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 and plant and machinery

Revalued Property, plant and equipment

Date of valuation

31-Dec-19

Investment property

Date of valuation

31-Dec-19

**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.


## 15 Date of authorization

This condensed interim Un-Consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 28 October, 2020.

## 16 General

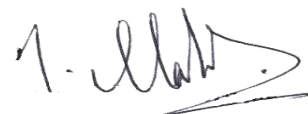
Corresponding figures have been re-arranged and re-classified where necessary, for the purpose of comparison and better presentation as per reporting framework.

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

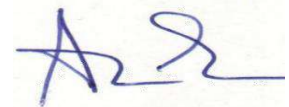


Lahore

Chief Executive Officer



Director



Chief Financial Officer