

Waves Singer Pakistan Limited

Quarterly Report

Three Months Ended 31 March, 2021

Corporate Information

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

- | | | |
|----|----------------------------|-------------------------------|
| 1. | Mr. Muhammad Zafar Hussain | Chairman/Independent Director |
| 2. | Mr. Moazzam Ahmad Khan | Member/Non-Executive Director |
| 3. | Mrs. Nighat Haroon Khan | Member/Non-Executive Director |
| 4. | Mr. Nadeem Mehmood Butt | Member/Executive Director |
| 5. | Mr. Wasif Ali Rana | Secretary of Audit Committee |

HR & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Arslan Shahid Butt

COMPANY SECRETARY

Mr. Wasif Ali Rana

HEAD OF INTERNAL AUDITOR

Mr. Usman Khalid

LEGAL ADVISOR

Law Wings Advocates & Solicitors

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE/PLANT

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

COMPANY REGISTRATION NO.

CUIN 0001286

Bankers:

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

Contact Information:

Registered Office: 042-35415421-5, 042-35421502-4

Web Site: <http://www.wavessinger.com/>

Waves Singer Pakistan Limited
Directors Report to the Shareholders
For the Three Months Ended 31th March 2021

The directors of your company are pleased to present the financial information of the Company for the three (03) Months period ended March 31st, 2021. During the period under review, your company achieved Gross Sales of Rs. 3,090 Million and Net Profit of Rs. 103 Million compared to Net Sales of Rs. 2,503 Million and Net Profit of Rs. 6 Million achieved during the corresponding quarter last year.

The country has recovered from first and second wave faster than anticipated, consequent to which your Company has experienced an uptick in demand of its products. Moreover, exchange rate appreciation, stable monetary policy and sustained increase in foreign remittances has provided much needed impetus required for economic recovery. Now with summers fast approaching, your Company is planning for further increase in demand of its products – especially after a slow period during 2020 due to Covid induced lockdowns also keeping in view the uncertainties arising from Covid-19 third wave.

Key Financial Indicators

The highlights of the Company's performance for the first quarter and its comparison with the corresponding period of last year is given below:

Summary of operating results (PKR 000)	PKR Million		
	1 st Quarter <u>2021</u>	1 st Quarter <u>2020</u>	<u>Change</u>
Net Sales	3,090	2,503	587
Gross Profit	584	523	61
Operating Profit	219	269	(49)
Financial Cost (Net of Earned Carrying Charges)	(80)	(260)	180
Profit Before Tax	139	9	130
Profit After Tax	104	7	97
Earnings Per Share – Rupees	0.55	0.03	0.52

Financial Performance Analysis

Gross profit achieved in Three (03) months of 2021 amounted to Rs. 584 Million as compared to Rs. 523 Million for 3M 2020.

Profit before tax for Three (03) months of 2021 is Rs. 139 Million compared to Rs. 8 Million for the corresponding period of 2020.

The Company recorded EPS of Rs. 0.55 as compared to Rs. 0.03 for the corresponding period of previous year.

Future Outlook:

Your company is cognizant of the challenges ahead and will strive to continue to deliver credible results, for the benefit of all the stake holders, based on its inherent strengths which are its unique brands, elaborate manufacturing facility, country-wide Sales and After Sales Service Network etc.

To achieve sustainable sector growth and attract domestic investment, it is of immense importance that future GOP revenue and monetary policies are consistent and supportive to this important sector. The management team remains committed and resilient to respond to the challenges in the market by increasing capabilities and by bringing operational efficiency to make our business sustainable and profitable.

Your Company is also planning to relocate to a new purpose-built larger factory for which land has already been purchased and construction is expected to be started in the coming month. First phase of construction & relocation is expected to be completed by end of 2021.

Your company has already announced a Right Issue of Rs. 1,407 Million which will be utilized to finance the said relocation along with injection of permanent working capital to support higher business requirements going forward.


An international firm was hired to figure out the best use for the current premises and they have recommended to develop a real estate apartment project keeping in mind the prime location and the government's support for construction activity. Preparation of master plan by two leading architectural firms is in process on a fast track. Ground-breaking along with start of marketing of the real estate project is aligned with shifting of partial operations after obtaining all regulatory approvals.

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

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 April 2021

کمپنی کے ڈائریکٹرز ۳۱ مارچ ۲۰۲۱ کو ختم ہونے والی پہلی سہ ماہی کے اختتام پر تین ماہ کی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں جسکے ساتھ ہی اس دورانیہ کے غیر آڈٹ شدہ تین ماہ کے وسط مدتی مجموعی مالیاتی گوشوارہ بھی منسلک ہیں۔ زیر نظر مدت کے دوران آپکی کمپنی نے 3,090 ملین روپے کی کل سیلز کی جبکہ 103 ملین روپے کا کل منافع کمایا جب کہ گزشتہ سال اسی مدت کی کل سیلز 2,503 ملین روپے اور کل منافع 6 ملین روپے تھا۔

ملک توقع سے زیادہ تیزی سے پہلی اور دوسری لہر سے سنبھل گیا ہے، جس کے نتیجے میں آپ کی کمپنی نے اپنی مصنوعات کی مانگ میں اضافہ کا تجربہ کیا ہے۔ مزید برآں شرح تبادلہ میں اضافے، مستحکم مالیاتی پالیسی اور غیر ملکی ترسیلات زر میں مسلسل اضافے نے معاشی بحالی کے لئے درکار انتہائی ضروری حوصلہ افزائی فراہم کی ہے۔ اب موسم گرما تیزی سے قریب آنے کے ساتھ، آپ کی کمپنی اپنی مصنوعات کی مانگ میں مزید اضافے کی منصوبہ بندی کر رہی ہے - خاص طور پر 2020 کے دوران سست مدت کے بعد کوویڈ کی وجہ سے لاک ڈاؤن کی وجہ سے بھی اور کوویڈ-19 کی تیسری لہر سے پیدا ہونے والی غیر یقینی صورتحال کو مدنظر رکھتے ہوئے۔

کلیدی مالیاتی اشاریے

۲۰۲۱ کی پہلے سہ ماہی کے کلیدی مالیاتی اشاریہ پچھلے سال کی پہلی سہ ماہی کے کلیدی مالیاتی اشاریہ کے مقابل مندرجہ ذیل رہے۔

(پاکستانی روپیہ ہزار میں) آپریٹنگ نتائج کا خلاصہ	پاکستانی روپیہ ملین میں		تبدیلی
	پہلی سہ ماہی ۲۰۲۱	پہلی سہ ماہی ۲۰۲۰	
خالص سیلز	3,090	2,503	587
مجموعی منافع	584	523	61
آپریٹنگ منافع	219	269	(49)
مالیاتی لاگت (کمائے گئے کیری انگ چارجز کو منہا کرنے کے بعد)	(80)	(260)	180
منافع قبل از ٹیکس	139	9	130
منافع بعد از ٹیکس	104	7	97
فی حصص آمدنی - روپیہ میں	0.55	0.03	0.52

مالیاتی کارکردگی کا جائزہ

۲۰۲۱ کے پہلے تین ماہ میں حاصل ہونے والا مجموعی منافع 584 ملین روپے رہا جبکہ سال ۲۰۲۰ کے پہلے تین ماہ میں حاصل ہونے والا مجموعی منافع 523 ملین روپے تھا۔

۲۰۲۱ کے پہلے تین ماہ میں حاصل ہونے والا قبل از ٹیکس منافع 139 ملین روپے رہا جبکہ سال ۲۰۲۰ کے پہلے تین ماہ میں حاصل ہونے والا قبل از ٹیکس منافع 8 ملین روپے تھا۔

فی حصص آمدنی 0.55 روپے رہی جو کہ گزشتہ سال کی اس مدت میں 0.03 روپے تھی۔

مستقبل کی توقعات

آپ کی کمپنی آنے والے چیلنجوں سے واقف ہے اور اپنے تمام حصص داروں کے فائدے کے لئے قابل کریڈٹ نتائج کی فراہمی جاری رکھنے کی کوشش کرے گی، اس کی فطری مضبوطی کی بنیاد پر جو اس کے منفرد برانڈز ہیں، وسیع مینوفیکچرنگ سہولت، ملک بھر میں سیلز اور آفٹر سیلز سروس نیٹ ورک وغیرہ۔

پائیدار شعبے کی ترقی کے حصول اور گھریلو سرمایہ کاری کو راغب کرنے کے لئے یہ بے حد اہمیت کا حامل ہے کہ مستقبل میں جی او پی کی آمدنی اور مالیاتی پالیسیاں اس اہم شعبے کے لئے مستقل اور معاون ہوں۔ مینجمنٹ ٹیم صلاحیتوں میں اضافہ کر کے اور ہمارے کاروبار کو پائیدار اور منافع بخش بنانے کے لئے آپریشنل کارکردگی لاکر مارکیٹ میں چیلنجوں کا جواب دینے کے لئے پرعزم اور پر امید ہے۔

آپ کی کمپنی ایک نئے مقاصد کے لئے تعمیر کردہ بڑی فیکٹری میں منتقل ہونے کا بھی منصوبہ بنا رہی ہے جس کے لئے زمین پہلے ہی خریدی جا چکی ہے اور توقع ہے کہ آنے والے مہینے میں تعمیر شروع کر دی جائے گی۔ توقع ہے کہ تعمیر کا پہلا مرحلہ اور منتقلی ۲۰۲۱ کے آخر تک مکمل ہو جائے گی۔

آپ کی کمپنی پہلے ہی 1407 ملین روپے کے رائٹ ایشو کا اعلان کر چکی ہے جسے آگے بڑھتے ہوئے اعلیٰ کاروباری تقاضوں کی معاونت کے لئے مستقل ورکنگ کیپیٹل کے انجکشن کے ساتھ مذکورہ منتقلی کی مالی معاونت کے لئے استعمال کیا جائے گا۔

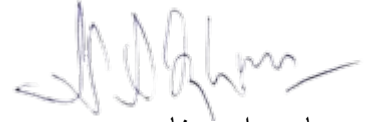
موجودہ احاطے کے لئے بہترین استعمال کا پتہ لگانے کے لئے ایک بین الاقوامی فرم کی خدمات حاصل کی گئیں اور انہوں نے اہم مقام اور تعمیراتی سرگرمی کے لئے حکومت کی حمایت کو مدنظر رکھتے ہوئے ایک رئیل اسٹیٹ اپارٹمنٹ پروجیکٹ تیار کرنے کی سفارش کی ہے۔ دو معروف آرکیٹیکچرل فرموں کے ذریعہ ماسٹر پلان کی تیاری تیز رفتاری سے جاری ہے۔ رئیل اسٹیٹ پروجیکٹ کی مارکیٹنگ کے آغاز کے ساتھ ساتھ گراؤنڈ بریکنگ تمام ریگولیٹری منظوریوں حاصل کرنے کے بعد جزوی کارروائیوں کی منتقلی کے ساتھ ہم آہنگ ہے۔

چونکہ کمپنی کے امکانات ملک کی مجموعی ترقی سے جڑے ہوئے ہیں، ویوز سنگر پاکستان مارکیٹ میں دستیاب تمام مواقع سے فائدہ اٹھانے کے لئے اپنی توجہ جاری رکھے گا اور تمام اسٹیک ہولڈرز کے لئے قدر پیدا کرنے کے لئے مکمل طور پر پرعزم 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 اپریل ۲۰۲۱

Waves Singer Pakistan Limited

Condensed Interim Consolidated Financial Statements

For the Three Months Ended 31 March, 20&1

Waves Singer Pakistan Limited

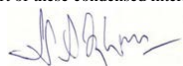
Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at 31 March 2021

		(Unaudited) 31 March 2021	(Audited) 31 December 2020			(Unaudited) 31 March 2021	(Audited) 31 December 2020
	Note	(Rupees in '000)			Note	(Rupees in '000)	
EQUITY AND LIABILITIES				ASSETS			
<u>Share capital and reserves</u>				<u>Non-current assets</u>			
Authorised capital 300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000	Property, plant and equipment	8	5,826,904	5,571,260
Issued, subscribed and paid up capital	5	1,876,041	1,876,041	Intangible assets and goodwill	9	2,909,713	2,917,290
Share premium reserve		4,581,063	4,581,063	Trade debts- long term		41,517	39,813
Capital reserve		5,000	5,000	Long term deposits		21,766	20,854
Revenue reserve - unappropriated profit		1,769,999	1,660,149			8,799,900	8,549,217
Surplus on revaluation of property, plant and equipment - net of tax		331,937	338,171				
		8,564,040	8,460,424				
<u>Non-current liabilities</u>				<u>Current assets</u>			
Long term loans - secured		1,746,846	2,006,474	Stores, spares and loose tools		37,739	33,763
Lease liabilities				Stock-in-trade		3,185,514	2,963,045
-Assets under right of use - secured		199,728	201,930	Trade debts			
-Building under right of use - unsecured		59,209	63,804	- Retail		1,343,502	1,163,221
Employee retirement benefits - obligation		38,071	38,610	- Whole Sales		4,664,661	4,721,495
Deferred tax liability - net		299,817	296,874	Advances, deposits, prepayments and other receivables		109,046	105,841
Deferred income		20,544	20,872	Taxation - net	11	188,566	187,643
		2,364,216	2,628,564	Cash and bank balances	12	123,635	143,203
						9,652,663	9,318,211
<u>Current liabilities</u>							
Trade and other payables		1,811,082	1,685,402				
Mark-up accrued on borrowings		164,707	178,416				
Short term borrowings - secured	6	4,153,629	3,954,952				
Loan from sponsors - unsecured		617,500	380,500				
Unpaid dividend		1,276	1,276				
Current portion of long term liabilities		776,113	577,894				
		7,524,307	6,778,440				
<u>Contingencies and commitments</u>							
	7						
		18,452,563	17,867,428			18,452,563	17,867,428

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 month period ended 31 March 2021

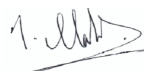
	For the three month period ended	
	31 March 2021	31 March 2020
	<i>Note</i> ----- (Rupees in '000) -----	
Sales - net of sales return	3,090,904	2,503,128
Sales tax and trade discount on invoices	(450,448)	(392,298)
Sales - net	2,640,456	2,110,830
Cost of sales	(2,056,212)	(1,587,622)
Gross profit	584,244	523,208
Marketing, selling and distribution costs	(237,991)	(216,590)
Administrative expenses	(123,752)	(116,669)
Other expenses	(17,847)	(958)
Other income	14,521	80,121
Profit from operations	219,175	269,111
Earned carrying charges	81,669	54,321
Finance cost	(161,842)	(314,542)
Profit before taxation	139,002	8,890
Taxation	(35,386)	(2,379)
Profit for the period	103,616	6,511
Earnings per share - basic and diluted (<i>Rupees</i>)	0.55	0.03

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 month period ended 31 March 2021

	<u>For the three month period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>----- (Rupees in '000) -----</u>	
Profit for the period	103,616	6,511
<u>Other comprehensive income for the period</u>		
<i>Items that will not be reclassified to profit or loss account:</i>	-	-
Total comprehensive income for the period	<u>103,616</u>	<u>6,511</u>

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

Lahore



Chief Executive Officer



Director



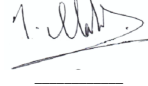
Chief Financial Officer

Waves Singer Pakistan Limited
 Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)
 For the three month period ended 31 March 2021

	Capital reserves			Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building		Unappropriated profits
- Rupees in '000 -						
Balance at 01 January 2020	1,876,041	4,581,063	5,000	362,544	1,515,351	8,339,999
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	6,511	6,511
Other comprehensive income for the period	-	-	-	-	-	-
					6,511	6,511
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(2,788)	2,788	-
Balance as at 31 March 2020 (un-audited)	1,876,041	4,581,063	5,000	359,756	1,524,650	8,346,510
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	120,957	120,957
Other comprehensive income for the period	-	-	-	-	(7,143)	(7,143)
					113,814	113,814
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(21,685)	21,685	-
Effect of change in tax rate	-	-	-	100	-	100
Balance as at 31 December 2020 audited	1,876,041	4,581,063	5,000	338,171	1,660,149	8,460,424
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	103,616	103,616
Other comprehensive income for the period	-	-	-	-	-	-
					103,616	103,616
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(6,234)	6,234	-
Balance as at 31 March 2021	1,876,041	4,581,063	5,000	331,937	1,769,999	8,564,040

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 three month period ended 31 March 2021

	(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
	-----Rupees in '000-----	
<u>Cash flows from operating activities</u>		
Profit before taxation	139,002	8,890
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	91,427	92,719
Amortisation of intangible assets	7,578	10,122
Finance cost	161,842	314,542
Amortisation of deferred income	(328)	(1,528)
	399,521	424,745
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(3,976)	(7,698)
Stock-in-trade	(222,469)	(242,117)
Trade debts and other receivables	(125,152)	(374,133)
Advances, deposits, prepayments and other receivables	(3,205)	(15,242)
<i>Increase in current liabilities:</i>		
Trade and other payables	125,680	44,353
	(229,121)	(594,837)
Cash used in operations	170,400	(170,092)
Income tax received / (paid)	(33,365)	(37,567)
Workers' Profit Participation Fund paid	-	-
Employee retirement benefits paid	(539)	(163)
Long term deposits - net	(912)	-
Net cash used in operating activities	135,584	(207,822)
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(347,072)	(47,054)
Proceeds from disposal of property, plant and equipment	-	-
Net cash generated from investing activities	(347,072)	(47,054)
<u>Cash flow from financing activities</u>		
Proceeds from borrowings	(50,049)	4,352
Loan from sponsors	237,000	-
Finance costs paid	(175,551)	(260,450)
Short term borrowing - net	-	394,247
Lease rentals paid	(6,797)	(18,949)
Net cash generated from financing activities	4,603	119,200
Net increase in cash and cash equivalents	(206,885)	(135,676)
Cash and cash equivalents - at beginning of the period	(1,071,594)	(1,332,791)
Cash and cash equivalents - at end of the period	(1,278,479)	(1,468,467)

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 three month period ended 31 March 2021

1 Status and nature of business

The Group comprises of:

Holding Company

- *Waves Singer Pakistan Limited*

	2021	2020
	(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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.

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

- 2.2** These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 31 March 2021 and the related condensed interim consolidated statement of profit or loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flow and notes to the financial information for the three month period then ended.
- 2.3** These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2020. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.4** Comparative consolidated statement of financial position's numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 31 December 2020, whereas comparative Consolidated statement of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim Consolidated financial statement of the Company for the three month period ended 31 March 2020.

3 Use of estimates and judgments

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

In preparing these condensed interim consolidated financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2020.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2020.

5 Issued, subscribed and paid up capital

	(Un-audited) 31 March 2021	(Audited) 31 December 2020	(Un-audited) 31 March 2021	(Audited) 31 December 2020
	--- 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
	187,604,060	187,604,060	1,876,041	1,876,041

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

	(Un-audited) 31 March 2021	(Audited) 31 December 2020	(Un-audited) 31 March 2021	(Audited) 31 December 2020
<i>Chief Executive Officer and his spouse</i>				
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	71,893,524	71,893,524
- Nighat Haroon Khan (Wife of CEO)	9.92%	10.99%	18,617,274	20,617,274
	48.25%	49.31%	90,510,798	92,510,798

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 Holding Company.

	(Un-audited) 31 March 2021	(Audited) 31 December 2020
Note	(Rupees in '000)	

6 Short term borrowings - secured

From banking companies - secured:

Running finance under mark-up arrangements	6.1	1,402,114	1,214,797
Finance against trust receipt	6.1	2,399,992	2,388,632
Short term borrowings under 'Murahaba' arrangement	6.1	351,523	351,523
		4,153,629	3,954,952

6.1 There were no major changes in any of the facilities during the period. All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements of the Company for the year ended 31 December 2020.

7 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 2020.

7.2 Commitments

The Company has the following commitments in respect of:

- Commitments for the import of stock in trade outstanding at period end were for Rs. 466.39 million (2020: Rs. 124.89 million).
- Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were nil Rs. .947 million (31 December 2020: Rs. .79 million).

		(Un-audited) 31 March 2021	(Audited) 31 December 2020
	<i>Note</i>	(Rupees in '000)	
8	Property, plant and equipment		
	Operating fixed assets	8.1 5,427,738	5,136,718
	Right of-use asset	8.2 330,048	351,546
	Capital work-in-progress	8.3 69,118	82,995
		5,826,904	5,571,259
8.1	Operating fixed assets		
	Opening balance - as at 01 January	5,136,718	5,084,452
	Additions / (deletion) during the period / year	361,100	325,896
	Transfers from right to use to owned assets	-	1,918
		5,497,818	5,412,266
	Book value of property, plant and equipment disposed off during the period / year	(151)	(17,753)
	Depreciation charged during the period / year	(69,929)	(257,795)
	Closing balance	5,427,738	5,136,718
8.2	Right of-use asset		
	Balance as at 01 January	351,546	574,009
	Additions / (deletion) during the period / year	-	54,982
	Transfers to owned assets	-	(1,918)
	Book value of property, plant and equipment disposed off during the period / year	-	(145,589)
	Depreciation charge for the period / year	(21,498)	(129,938)
	Closing balance	330,048	351,546
8.3	Capital work-in-progress		
	Building	33,790	26,019
	Plant and machinery	27,915	15,012
	Electric installation	7,413	6,964
	Advance against purchase of land	-	35,000
		69,118	82,995
9	Intangible assets and goodwill		
	Software	49,832	49,758
	Goodwill	9.1 1,070,207	1,070,207
	Brand value	9.1 1,582,147	1,582,147
	Customer relationships	9.1 207,527	215,179
		2,909,713	2,917,291

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) 31 March 2021	(Un-audited) 31 March 2020
	(Rupees in '000)	
10 Sales - net		
<i>Gross sales:</i>		
- Local	3,090,776	2,503,268
- Export	15,996	-
Sales return	(15,869)	(139)
	<u>3,090,904</u>	<u>2,503,129</u>
Sales tax	<u>(316,282)</u>	<u>(269,669)</u>
Trade discounts	<u>(134,166)</u>	<u>(122,629)</u>
	<u>(450,448)</u>	<u>(392,298)</u>
	<u><u>2,640,456</u></u>	<u><u>2,110,831</u></u>

11 Taxation

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

	(Un-audited) 31 March 2021	(Audited) 31 December 2020
	(Rupees in '000)	
12 Cash and cash equivalents		
Cash and bank balances	123,635	163,569
Short term running finance - secured	(1,402,114)	(1,496,360)
	<u>(1,278,479)</u>	<u>(1,332,791)</u>

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) 31 March 2021	(Un-audited) 31 March 2020
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	7,519	7,233
Directors	Employees	Loan from sponsors	237,000	-
		Meeting fee	240	135
Key management personnel	Remuneration	Remuneration	44,112	41,292

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 2020.

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:

		31 March 2021					
		Carrying amount		Fair value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>31 March 2021 - (Un-audited)</u>							
<u>Financial assets - not measured at fair value</u>							
Security deposits		21,766	-	21,766	-	-	-
Trade debts		6,008,164	-	6,008,164	-	-	-
Other receivables		109,046	-	109,046	-	-	-
Cash & Bank Balances		123,635	-	123,635	-	-	-
14.3		<u>7,435,731</u>	<u>-</u>	<u>7,435,731</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
Liabilities against assets subject to finance lease		-	258,937	258,937	-	-	-
Long term loans - secured		-	2,522,960	2,522,960	-	-	-
Loan from sponsors - unsecured		-	617,500	617,500	-	-	-
Trade and other payables		-	1,811,082	1,811,082	-	-	-
Employee retirement benefit		-	38,071	38,071	-	-	-
Short term borrowings - secured		-	4,153,629	4,153,629	-	-	-
Mark-up accrued on short term finances and long term loans		-	164,707	164,707	-	-	-
14.3		<u>-</u>	<u>9,566,886</u>	<u>9,566,886</u>	<u>-</u>	<u>-</u>	<u>-</u>

		31 December 2020					
		Carrying Amount		Fair value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>31 December 2020</u>							
<u>Financial assets - not measured at fair value</u>							
		20,854	-	20,854	-	-	-
		6,008,164	-	6,008,164	-	-	-
		109,046	-	109,046	-	-	-
		143,203	-	143,203	-	-	-
	14.3	<u>6,281,266</u>	<u>-</u>	<u>6,281,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
		-	258,937	258,937	-	-	-
		-	2,584,368	2,584,368	-	-	-
		-	380,500	380,500	-	-	-
		-	1,685,402	1,685,402	-	-	-
		-	38,610	38,610	-	-	-
		-	3,954,952	3,954,952	-	-	-
		-	178,416	178,416	-	-	-
	14.3	<u>-</u>	<u>9,081,185</u>	<u>9,081,185</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

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 April, 2021.

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



Director



Chief Financial Officer

Waves Singer Pakistan Limited

Condensed Interim Un Consolidated Financial Statements

For the Three Months Ended 31 March, 2021

Waves Singer Pakistan Limited

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

As at 31 March 2021

		(Unaudited) 31 March 2021	(Audited) 31 December 2020		(Unaudited) 31 March 2021	(Audited) 31 December 2020
	Note	(Rupees in '000)			(Rupees in '000)	
EQUITY AND LIABILITIES				ASSETS		
<u>Share capital and reserves</u>				<u>Non-current assets</u>		
Authorised capital 300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each		<u>3,000,000</u>	3,000,000	Property, plant and equipment	8	5,138,132
Issued, subscribed and paid up capital	5	1,876,041	1,876,041	Intangible assets and goodwill	9	2,894,488
Share premium reserve		4,581,063	4,581,063	Investment property		303,480
Capital reserve		5,000	5,000	Investment in subsidiaries		501,000
Revenue reserve - unappropriated profit		2,037,549	1,939,444	Long term deposits		8,863
Surplus on revaluation of property, plant and equipment - <i>net of tax</i>		<u>379,711</u>	385,086			<u>8,845,963</u>
		<u>8,879,364</u>	8,786,634			8,585,382
<u>Non-current liabilities</u>				<u>Current assets</u>		
Long term loans - <i>secured</i>		1,746,846	2,006,474	Stores, spares and loose tools		37,739
Lease liabilities				Stock-in-trade		2,600,732
-Assets under right of use - <i>secured</i>		26,074	25,885	Trade debts		5,649,678
-Building under right of use - <i>unsecured</i>		40,254	41,377	Advances, deposits, prepayments and other receivables		599,026
Employee retirement benefits - obligation		21,791	19,666	Taxation - <i>net</i>	11	184,002
Deferred tax liability - <i>net</i>		210,915	223,915	Cash and bank balances	12	56,309
Deferred income		<u>20,544</u>	20,872			<u>9,127,486</u>
		<u>2,066,424</u>	2,338,189			8,806,179
<u>Current liabilities</u>						
Trade and other payables		1,351,571	1,210,835			
Mark-up accrued on borrowings		164,707	178,416			
Short term borrowings - <i>secured</i>	6	4,153,629	3,954,952			
Loan from sponsors - <i>unsecured</i>		617,500	380,500			
Unpaid dividend		1,276	1,276			
Current portion of long term liabilities		<u>738,978</u>	540,759			
		<u>7,027,661</u>	6,266,738			
Contingencies and commitments	7					
		<u>17,973,449</u>	17,391,561			
		<u>17,973,449</u>	17,391,561			

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 month period ended 31 March 2021


	Note	For the three month period ended	
		31 Mar 2021	31 Mar 2020
		----- (Rupees in '000) -----	
Sales - net of sales return		2,591,870	1,890,549
Sales tax and trade discount on invoices		(498,552)	(353,943)
Sales - net	10	2,093,318	1,536,606
Cost of sales		(1,632,888)	(1,153,090)
Gross profit		460,430	383,516
Marketing, selling and distribution costs		(114,484)	(104,588)
Administrative expenses		(84,336)	(78,350)
Other expenses		(7,702)	(958)
Other income		24,669	62,927
Profit from operations		278,578	262,547
Finance cost		(160,688)	(245,110)
Profit before taxation		117,889	17,437
Taxation		(25,160)	(1,971)
Profit for the period		92,730	15,466
Earnings per share - basic and diluted (<i>Rupees</i>)		0.49	0.08

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 month period ended 31 March 2021

	<u>For the three month period ended</u>	
	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>
	<u>----- (Rupees in '000) -----</u>	
Profit for the period	92,730	15,466
<u>Other comprehensive income for the period</u>		
<i>Items that will not be reclassified to profit or loss account:</i>	-	-
Total comprehensive income for the period	<u>92,730</u>	<u>15,466</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 month period ended 31 March 2021

	Capital reserves			Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building		Unappropriated profits
----- Rupees in '000 -----						
Balance as at 01 January 2020	1,876,041	4,581,063	5,000	406,712	1,815,124	8,683,940
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	15,466	15,466
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	15,466	15,466
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to Deferred tax liability - net	-	-	-	(2,784)	2,784	-
Balance as at 31 March 2020 (un-audited)	1,876,041	4,581,063	5,000	403,928	1,833,374	8,699,406
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	94,371	94,371
Other comprehensive income for the period	-	-	-	-	(7,143)	(7,143)
	-	-	-	-	87,228	87,228
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(18,842)	18,842	-
Balance as at 31 December 2020 audited	1,876,041	4,581,063	5,000	385,086	1,939,444	8,786,634
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	92,730	92,730
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	92,730	92,730
<u>Surplus transferred to accumulated profits</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(5,375)	5,375	-
Balance as at 31 March 2021 (un-audited)	1,876,041	4,581,063	5,000	379,711	2,037,549	8,879,364

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 three month period ended 31 March 2021

	(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
	-----Rupees in '000-----	
<u>Cash flows from operating activities</u>		
Profit before taxation	117,889	17,437
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	76,592	68,214
Amortisation of intangible assets	8,668	9,883
Finance cost	160,688	245,110
Amortisation of deferred income	(328)	(1,529)
	363,510	339,115
<i>(Increase) / decrease in current assets:</i>		
Deferred tax liability - net	(3,976)	(7,698)
Stock-in-trade	(168,519)	(143,089)
Trade debts and other receivables	(167,363)	(356,017)
Advances, deposits, prepayments and other receivables	(22,752)	(266,973)
<i>Increase in current liabilities:</i>		
Trade and other payables	173,049	220,075
	(189,561)	(553,702)
Cash used in operations	173,949	(214,587)
Income tax paid	(34,767)	(63,904)
Workers' Profit Participation Fund paid	(32,313)	-
Employee retirement benefits paid	2,125	(578)
Long term deposits - net	(149)	(389)
Net cash used in operating activities	108,845	(279,458)
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(345,692)	(25,888)
Net cash generated from investing activities	(345,692)	(25,888)
<u>Cash flow from financing activities</u>		
Proceeds from borrowings	(50,049)	393,174
Loan from sponsors - unsecured	237,000	-
Finance costs paid	(174,397)	(179,273)
Lease rentals paid	(934)	5,730
Net cash generated from financing activities	11,619	219,631
Net increase in cash and cash equivalents	(225,227)	(85,715)
Cash and cash equivalents - at beginning of the period	(1,120,578)	(1,380,016)
Cash and cash equivalents - at end of the period	(1,345,805)	(1,465,731)

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 three month period ended 31 March 2021

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 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.

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.

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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017; and

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

2.2 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2021 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 three 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 2020. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.4 Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 31 December 2020, whereas comparative unconsolidated statement of profit or loss 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 31 March 2020.

3 Use of estimates and judgments

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

In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2020.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2020.

5 Issued, subscribed and paid up capital

	(Un-audited) 31 March 2021	(Audited) 31 December 2020	(Un-audited) 31 March 2021	(Audited) 31 December 2020
	- - - 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
	187,604,060	187,604,060	1,876,041	1,876,041

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

	(Un-audited) 31 March 2021	(Audited) 31 December 2020	(Un-audited) 31 March 2021	(Audited) 31 December 2020
Poseidon Synergies (Private) Limited <i>Chief Executive Officer and his spouse</i>	-	5.69%	-	10,680,183
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	71,893,524	71,893,524
- Nighat Haroon Khan (Wife of CEO)	9.92%	10.99%	18,617,274	20,617,274
	48.25%	55.00%	90,510,798	103,190,981

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) 31 March 2021	(Audited) 31 December 2020
	(Rupees in '000)	
6 Short term borrowings		
<i>From banking companies - secured:</i>		
Running finance under mark-up arrangements	1,402,114	1,214,797
Finance against trust receipt	2,399,992	2,388,632
Short term borrowings under 'Murahaba' arrangement	351,523	351,523
	4,153,629	3,954,952

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 2020.

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. 466.39 million (2020: Rs. 124.89 million).
- (ii) Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were Rs. .947 million (31 December 2020: Rs. .79 million).

		(Un-audited) 31 March 2021	(Audited) 31 December 2020
	<i>Note</i>	(Rupees in '000)	
8 Property, plant and equipment			
Operating fixed assets	8.1	4,938,623	4,634,915
Right of use asset	8.2	130,391	151,122
Capital work-in-progress	8.3	69,118	82,995
		<u>5,138,132</u>	<u>4,869,032</u>
8.1 Operating fixed assets			
Opening balance - as at 01 January		4,634,915	4,623,877
Additions / (deletion) during the period / year		359,720	233,265
Transfers from right to use to owned assets		-	1,918
		<u>4,994,635</u>	<u>4,859,060</u>
Book value of property, plant and equipment disposed off during the period / year		(151)	(16,900)
Depreciation charged during the period / year		(55,860)	(207,245)
Closing balance		<u>4,938,623</u>	<u>4,634,915</u>
8.2 Right of-use asset			
Balance as at 01 January		151,122	299,393
Additions / (deletion) during the period / year		-	24,346
Transfers to owned assets		-	(1,918)
Disposed off during the period / year		-	(87,366)
Depreciation charge for the period / year		(20,731)	(83,333)
Closing balance		<u>130,391</u>	<u>151,122</u>
8.3 Capital work-in-progress			
Balance as at 01 January		82,995	46,204
Additions / (deletion) during the period / year		21,123	97,291
Transfers to owned assets		(35,000)	(60,500)
Closing balance		<u>69,118</u>	<u>82,995</u>
Breakup of capital work in progress:			
Building		33,790	26,019
Plant and machinery		27,915	15,012
Electric installation		7,413	6,964
Development of new factory land		-	35,000
		<u>69,118</u>	<u>82,995</u>

		(Un-audited) 31 March 2021	(Audited) 31 December 2020
	<i>Note</i>	(Rupees in '000)	
9 Intangible assets and goodwill			
Software		34,607	35,623
Brand value	9.1	1,582,147	1,070,207
Customer relationships	9.1	207,527	1,582,147
Goodwill	9.1	1,070,207	215,179
		<u>2,894,488</u>	<u>2,903,156</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) 31 March 2021	(Un-audited) 31 March 2020
		(Rupees in '000)	
10 Sales - net			
<i>Gross sales:</i>			
- Local		2,590,145	1,890,689
- Export		15,996	
Sales return		(14,271)	(139)
		<u>2,591,870</u>	<u>1,890,550</u>
Sales tax		(340,924)	(235,720)
Trade discounts		(157,628)	(118,222)
		<u>(498,552)</u>	<u>(353,942)</u>
		<u>2,093,318</u>	<u>1,536,608</u>

11 Taxation

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

		(Un-audited) 31 March 2021	(Audited) 31 December 2020
		(Rupees in '000)	
12 Cash and cash equivalents			
Cash and bank balances		56,309	94,219
Short term running finance - secured		(1,402,114)	(1,214,797)
		<u>(1,345,805)</u>	<u>(1,120,578)</u>

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) 31 March 2021	(Un-audited) 31 March 2020
i. Subsidiary Company				
Electronics Marketing Company (Private) Limited	Wholly owned subsidiary	Sale of inventory - gross	204,918	105,431
		Mark-up charged on receivable from subsidiary	10,154	10,000
ii. Associated Undertakings				
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	7,519	7,233
Directors	Director	Loan from sponsors	237,000	-
		Fee for meetings	240	135
Key management personnel	Remuneration	Remuneration	44,112	41,292

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 2020.

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:

	31 March 2021					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>	----- Rupees in '000 -----					
Financial instruments						
<u>31 March 21 - (Un-audited)</u>						
<u>Financial assets - not measured at fair value</u>						
Security deposits	8,863	-	8,863	-	-	-
Trade debts	5,649,678	-	5,649,678	-	-	-
Other receivables	599,026	-	599,026	-	-	-
Cash & Bank Balances	56,309	-	56,309	-	-	-
14.3	6,313,876	-	6,313,876	-	-	-
<u>Financial liabilities - not measured at fair value</u>						
Liabilities against assets subject to finance lease	-	66,328	66,328	-	-	-
Long term loans - secured	-	2,485,824	2,485,824	-	-	-
Trade and other payables	-	1,351,571	1,351,571	-	-	-
Employee retirement benefit	-	21,791	21,791	-	-	-
Short term borrowings - secured and unsecured	-	4,153,629	4,153,629	-	-	-
Mark-up accrued on short term finances and long term loans	-	164,707	164,707	-	-	-
14.3	-	8,243,850	8,243,850	-	-	-

		31 December 2020					
		Fair value					
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		Rupees in '000					
Financial instruments							
<u>31 December 2020</u>							
<u>Financial assets - not measured at fair value</u>							
		8,714	-	8,714	-	-	-
		5,482,315	-	5,482,315	-	-	-
		576,274	-	576,274	-	-	-
		94,219	-	94,219	-	-	-
	14.3	<u>6,161,522</u>	<u>-</u>	<u>6,161,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
		-	67,262	67,262	-	-	-
		-	2,547,233	2,547,233	-	-	-
		-	1,210,835	1,210,835	-	-	-
		-	19,666	19,666	-	-	-
		-	3,954,952	3,954,952	-	-	-
		-	178,416	178,416	-	-	-
	14.3	<u>-</u>	<u>7,978,364</u>	<u>7,978,364</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 April, 2021.

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



Director



Chief Financial Officer