

ANNUAL REPORT

2023

WAVES HOME APPLIANCES LIMITED

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Waves Home Appliances Limited (WAVESAPP)

1. CORPORATE INFORMATION

BOARD OF DIRECTORS*

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

AUDIT COMMITTEE*

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

HR & REMUNERATION COMMITTEE*

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman

COMPANY SECRETARY

Mr. Khurram Zahoor

HEAD OF INTERNAL AUDITOR

Mr. Waleed Afzal

LEGAL ADVISOR

Law Wings, Advocates & Solicitors

EXTERNAL AUDITORS

Rizwan and Company
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE

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

REGISTRATION NUMBER

CUIN 0020624

BANKERS

National Bank of Pakistan
Bank Al Falah Limited
JS Bank Limited

Habib Bank Limited
MCB Bank Limited

CONTACT INFORMATION

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

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

* Election of the Board of Directors and Committees reformation was held on 25 November 2023

2. CHAIRMAN REVIEW

2.1 Message from Chairman

We are pleased to present Annual Audited Financial Statements for the year ended 31 December 2023 on behalf of the Board of Directors of Waves Home Appliances Limited (WAVESAPP or the Company). These are the second Audited Financial Statements after the sanction of the Scheme of Arrangement by and between Waves Corporation Limited (WAVES or the Holding Company) and the Company, duly sanctioned by the honorable Lahore High Court, Lahore (the Court) on 27 May 2022. Through the Scheme the home appliances business of WAVES was acquired by the Company and resultantly became a subsidiary of WAVES.

The Board is responsible for overall management of the Company and to carry out its fiduciary duties with a sense of objective judgment in the best interest of the Company and its stakeholders

The Board has seven (7) directors including two (2) nonexecutive, two (2) independent including one (1) female director and two (2) executive directors. The Directors have rich and varied experience in the fields of business, finance, banking and regulations. The Board provides strategic direction as well as guidance to the Management.

The Board evaluated its own performance and its committees in order to facilitate and enable the Board members to play an effective role as a coordinated team for the ongoing success of the Company. During the year election of directors were held and the directors were appointed. The Board has well-diversified and experienced members with core competencies, knowledge and skills relevant to the Company's business. WAVESAPP follows the best practices relating to corporate governance and other related regulatory requirements. The Board held meetings during the period to review and approve periodic financial statements, annual business plan/budgets including capital expenditures, status of remaining formalities pursuant to the sanction of Scheme in respect, approving related party transactions, approving bank borrowings and other matters requiring Board attention. The Board provides strategic direction as well as guidance to the Management.

Over the years, WAVES brand leadership has strived to adapt a transparent and conducive business environment, by demonstrating respect and fairness in all our efforts and the adaptability of WAVES brand to face the macro and micro-economic challenges during the year 2023. We expect this effort to continue in the coming years.

We would like to conclude by extending our gratitude and thanks to the Directors for their energy, knowledge, advice, and earnest contributions towards the betterment of the Company and maintain their momentum in future in the best interest of the Company and its shareholders.



Chairman

Waves Home Appliances Limited (WAVESAPP)

3. DIRECTORS' REPORT

On behalf of the Board of Directors of Waves Home Appliances Limited (WAVESAPP or the Company), we are pleased to present the Directors' Report together with Audited Financial Statements of the Company for the year ended 31 December 2023, together with the Auditors' reports thereon.

3.1 Operating Results

Following are the Key Performance Indicators (KPI) of separate financials of Waves Home Appliances Limited during the year ended 31 December 2023:

	FY 23	Re-stated FY 22
	Rs. in 000'	Rs. in 000'
Gross Revenue	5,061,929	8,956,449
Net Revenue	4,176,119	7,422,503
Gross Profit	1,037,052	1,454,318
Operating Profit	516,431	678,459
Profit before Tax	142,711	129,129
Profit for the period	115,717	13,127
Earnings per share	0.43	0.05

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

3.2 Financial Analysis

The Gross Profit for the year is 24.8% whereas in the previous year was 19.6%, which has shown improvements due to substantial increase in the market prices. The sales have reduced as compared to the previous year because of tough economic and financial challenges. The operating profit as a percentage of sales has increased to 12% as compared to 9% in the previous period. The overall net profit margin has substantially increased as compared to the previous year mainly due to better working capital management, costs optimization, better gross profit margins.

On the financial position, overall equity has increased to PKR 7,615 million from PKR 7,338 million. The total non-current assets have increased from PKR 8,362 million to PKR 10,484 million. The non-current liabilities have remained at the same level, however, there had been slight increase in the current liabilities by 3%.

In the corresponding year, the present value of payable to holding company was erroneously recorded from the Effective Date of merger instead of Sanction of the Scheme. Similarly, the minimum tax was erroneously recognized on the basis of group level taxation instead on proportionate basis. These errors have been corrected for the previous period to provide more transparent information to the users of the financial statements.

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Owing to the tough economic and financial challenges the Board had requested the holding company to defer the principal repayment of PKR 2.0 billion for a further period of 2 years from the expiry of its current term on 17 May 2024. This payable of PKR 2.0 billion was created pursuant to the sanction of Scheme of Arrangement by the honorable Lahore High Court, Lahore for demerger of home appliances business from the holding company to the company. Upon extension of principal payment, will provide leverage to the company to divert its cash flows towards the enhancement of its operations. The return/profit payable to the holding company shall be based on the average borrowing cost of the holding company. The principal/return shall be paid/settled with the holding company in a manner to be discussed and agreed with the Board of Directors of both Holding Company and the Company.

3.3 Overview

Principle Activities and Development

The principal line of business of the Company shall include to carry on the business of designing, manufacturing, processing, assembling, distribution, trading, repairing, reconditioning, importing, exporting, buying or dealing in all kinds of domestic consumer appliances and other light engineering products. The Company carries a legacy of the WAVES brand (Naam he kafi hai) for almost half a century and the SINGER brand's presence in the country for over 100 years. "WAVES" is a leading brand in the market of home appliances and is one of the most recognizable brands in Pakistan. It is the market leader in deep freezers with over 5 decades of experience

The Company is listed on Pakistan Stock Exchange Limited (PSX) and has recently changed the symbol of the Company Waves Home Appliances Limited from "WHALE" to "WAVESAPP". This change is required since the home appliances business of WAVES brand was transferred from Waves Corporation Limited to Waves Home Appliances Limited. The term "APP" refers to the word "Appliances" appearing in the Company's business. The appliances include Deep Freezers, Visa Coolers, Refrigerators, Air Conditioners, Washing Machines, Microwaves, Water Dispenser etc.

The appliances' manufacturing plant will be moved to a new purpose-built larger factory for which land has already been purchased and construction is already underway. Progress on the construction of the new factory is continuing but at a slower pace owing to the economic and financial challenges. However, upon completion it will be the one of the state-of-the-art factory for home appliances products.

The Company is operating a nationwide set-up of warehouses in cities such as Karachi, Lahore, Gujranwala, Peshawar, Multan, etc., large network of dealers, after-sales service centers and service workshops. The Company's sales infrastructure is comparable to any other leading Home Appliance Company operating within Pakistan.

"WAVES" is a leading brand of the Company in the market of home appliances and is one of the most recognizable brands in Pakistan. It is the market leader in deep freezers with over 5 decades of experience. Waves is the only appliances manufacturer that is exclusively engaged in the manufacture of home appliances, with no other business interests on its balance sheet with the status of a publicly listed company. With the completion of under construction state of the art, brand new manufacturing facility the company will offer enhanced quality and process efficiency. Waves is the only appliances manufacturer in Pakistan with an associated sales network (WavesPlus) that operates 120 outlets nationwide through a group company. WAVES has captured considerable

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market share in the corporate segment producing products for corporate clients such as Coca-Cola, Pepsi, etc. holding a market share of approx. 80%.

Economic Analysis

Pakistan encountered an imminent economic challenge, attributed to insufficient macroeconomic management, escalating global commodity prices, tightening global monetary policies, devastating flooding in 2022, and political instability. In the backdrop of soaring inflation and waning confidence, coupled with critically low reserves, the International Monetary Fund (IMF) sanctioned a new Stand-By Arrangement (SBA) program in July 2023. The resolute execution of the program, including sustained fiscal discipline, adjustments in energy tariffs, and the maintenance of high policy rates, facilitated fresh official external inflows early in the fiscal year. Consequently, there was a relaxation of import control measures and a marginal improvement in confidence levels. However, although the recovery has been broad-based, it remains in its early stages and insufficient to alleviate poverty, with growth projected to reach only 1.8 percent in FY24 (Source: World Bank).

Following the General Elections on 8th February, the new government assumes office with anticipation of implementing a dynamic strategy and vision to rejuvenate the economy and build upon the progress achieved in the past six months. Recent measures have successfully restored market confidence, resulting in an upsurge in economic activity. Notably, GDP growth rebounded to 2.1% recently, following two consecutive quarters of negative growth. This growth was widespread, with the agriculture sector recording a 5% expansion and manufacturing activity showing a 2.5% increase recently. The removal of import bans and other restrictions has alleviated supply constraints, further stimulating economic activity. Recent data indicates a robust performance in the manufacturing sector, with large-scale manufacturing witnessing rise over previous period. The anticipated GDP growth is projected to reach approximately 3%, driven by heightened manufacturing output and increased crop production, particularly cotton. (Source: Ministry of Finance, Pakistan).

A clearly defined, ambitious, and credible economic reform agenda is imperative to diminish uncertainty and instill confidence. Despite this, risks persist, and critical policy barriers to sustainable economic advancement remain challengeable. There's a deficiency in policy reserves and debt levels remain high and foreign exchange reserves are tightly constrained. Without substantial structural reforms, the current policy framework suggests subdued growth prospects, characterized by persistently low investment, ongoing external imbalances necessitating continued management measures. Absent significant reforms, meaningful poverty alleviation is unlikely in the foreseeable future. A more robust medium-term recovery necessitates the implementation of substantial reforms.

Industry Overview

The agriculture sector in Pakistan is experiencing stronger growth compared to the previous year, contributing to improved food security and employment prospects. Favorable climatic conditions have facilitated timely wheat sowing for the Rabi season 2023-24, aiming for a production target of 32.12 million tons. Farm tractor production and sales have surged significantly, indicating positive momentum in the agricultural machinery sector. The Large-Scale Manufacturing (LSM) sector exhibited a slight increase, with positive growth observed in 12 out of 22 sectors. Inflation remains high but is anticipated to decrease in the coming months, with relief measures such as the Ramzan Relief package in place to support the vulnerable segments of society. Despite improved revenue growth and a surplus in the primary balance, fiscal pressures persist due to higher interest payments, resulting in a fiscal deficit of 2.3% of GDP. The trade balance has improved, leading to

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a narrowing of the Current Account deficit, supported by an increase in exports and foreign investment inflows. Workers' remittances have decreased slightly, but a significant year-on-year increase was observed in January 2024. The Monetary Policy Committee (MPC) has maintained the policy rate at 22.0%, anticipating a decline in inflation in the upcoming months. Overall, positive trends are noted in key economic indicators, with expectations of further momentum in the coming year, contingent on the continued implementation of prudent economic policies.

Future Outlook / Growth Strategy

The specter of economic instability is waning as concerted efforts to rejuvenate various sectors gain traction. Encouragingly, the real sector is witnessing significant growth, eliciting a favorable market reaction and indications of recovery. Both the stability of the Pakistani Rupee (PKR) and the sustained positive performance of the Pakistan Stock Exchange (PSX) reflect a conducive atmosphere for economic activity. While the overall pace of expansion may be gradual, notable enhancements in key economic indicators bode well for an optimistic GDP outlook in FY2024

Since the manufacturing of home appliances is a technology-intensive business and requires technical know-how and R&D comparable with that of the global players, local companies must either heavily invest in developing such R&D and technical teams or alternatively join hands with one of the global players already looking to enter the country. The time lag in these two options clearly pushes all the local companies to join hands with the foreign players or face stiff competition. To position the Company for becoming a part of the network of the Global Player, the Company has completed corporate reorganization creating a dedicated listed company involved solely in the manufacturing and sales of domestic appliances under the WAVES brand name.

Waves Home Appliances strives to stay at the cutting edge of ERP solutions. We have recently transitioned to SAP B1, a leading ERP system that ensures data transparency and operating efficiency. We have also secured the ISO 9001:2015, 14001:2015, and 45001:2018 certifications upholding high standards of quality for our products, safeguarding the health and safety of our workers, and complying with the international norms of environmental protection. We are also a supplier of The Coca-Cola Company and successfully achieved a green-rating in SGP (Supplier Guiding Principles and Human Rights Policy Assessment). In addition to these, we are continuously engaged in the upskilling and professional training of our labor force and company management. As the next step, the Company is at an advanced stage of modernizing and expanding its manufacturing facility by relocating to a larger area allowing all infrastructural and expansion requirements.

The anticipated inflation trend for the upcoming month indicates a decline, attributed to improved crop yields and consistent commodity supply. Additionally, favorable conditions for input resources are expected to bolster Rabi crop production. Despite a slowdown in specific sectors, industrial activity remained positive. Despite the implementation of restrictive monetary and fiscal policies, optimism prevails due to improved cyclical conditions in Pakistan's export markets, supporting a steady economic recovery. Stabilization measures promoting business confidence, along with exchange rate stability, contribute to a positive economic outlook for Pakistan despite prevailing challenges. Going forward as the economy strengthens, the operations of the Company will improve and all the returns accruing to the Company will in turn form part of the returns to its shareholders.

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3.4 Risks, Uncertainties and Mitigations

Your Company recognizes that risk is an integral part of business and is committed to managing the risks proactively and efficiently. Your Company periodically assesses risks, in the internal and external environment and incorporates risk mitigation plans in its strategy and business/operational plans. Every risk is carefully looked into, as in some of the cases post-analysis it may lead to a new business opportunity.

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels from top to bottom across the enterprise. These levels form the strategic defense cover of the Company's risk management. Your Company's Risk Management Committee monitors and reviews the risk mitigation plan

Key Business Risks	Mitigants
Operational excellence – These are risks associated with internal factors, administrative and operational procedures like employee turnover, supply chain disruption, IT system shutdowns or control failures.	<ul style="list-style-type: none">• Your Company has initiated vendor rationalization, emphasis on in-house manufacturing and scorecard evaluation of vendors has been put in place.• Your Company has put in place a quality and process improvement program across the Company, including strategic vendors, during the period with progress being tracked at regular Management reviews.
Branding/Innovation Risk – Risk that applies to innovative areas of your business such as product research and to cope up with latest market trends and product innovation.	<ul style="list-style-type: none">• Your Company has put in place a centralized marketing structure during the period, thereby strengthening its consumer insight process and filling up competency gaps in the concerned function.• Company's research and development department has been strengthened and is continuously looking into and implementing product innovation strategies.
Organization Excellence – Ability to attract and retain the right talent may lead to your Company's inability to achieve organization's goals.	<ul style="list-style-type: none">• Your Company has put in place Succession Planning framework mapping career development and progression opportunities for suitable employees and thereby ensuring talent retention
Liquidity Risk- is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset	<ul style="list-style-type: none">• Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines

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	available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans
Credit Risk- Credit risk represents the risk of a loss if the counterparties fail to perform as contracted.	<ul style="list-style-type: none"> The risk is mitigated by applying individual credit limits and by securing the majority of trade debts against bank guarantees and inland letter of credit. The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks of reasonably high credit ratings as approved by the Board of Directors.
Price Risk- with new entrants in the market, there is a likelihood of price competition which might squeeze margins.	<ul style="list-style-type: none"> The Company is constantly sourcing competitive suppliers, improving its technology, efficiency and productivity. Also, since it has in-house capability to develop products with fast turnaround time, that by itself obviates possibilities of competition affecting the Company.
Competitive Risk- Increasing entrants making their way into the plastic industry.	<ul style="list-style-type: none"> The Company's diversified product line and unique dealer plus retail sale structure and technical expertise makes it adequately prepared to face these challenges.
Regulatory Risk- Imposition/enhancement of duties, taxes, levies and other conditions may adversely affect the operations.	<ul style="list-style-type: none"> New levies go across the board, so we stay competitive

3.5 Environment, Health & Safety (EHS)

We are committed to achieve excellence in health, safety, and the environment across our business. We prioritize the safety of our employees and work hard to provide a positive environment, good health, and safety culture, particularly at our manufacturing facilities while vigilantly fulfilling our environmental duties and responsibilities. Our Company gives importance to the occupational safety and health of our workers. We maintain a safe working environment and takes responsibility for the health and wellbeing of our staff and stakeholders. The company actively trains all employees to ensure their safety at both the workplace and beyond. Besides, our manufacturing, distribution, and retail operations have developed SOPs that seek to reduce the risk of accidents.

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3.6 Corporate Social Responsibilities

We believe in commitment to operating ethically and responsibly, taking into account its impact on society and environment. We embrace social responsibility as one of our core values and it is shared by every member of the group.

Sustainable and responsible development is not only binding by local laws on corporate entities, but it is more about moral obligation which needs to be followed and practiced with the best spirit. We strongly believe that improving its environmental and social performance is inevitable for its financial success. The Company always emphasizes a culture of excellence, good governance, transparency, integrity, and accountability. WAVESAPP has been consistently running diverse CSR initiatives each fulfilling in achieving our goals towards our CSR vision such as Investment in Human Assets, Learning and Development of its Human Assets.

3.7 Investment in Human Capital

The Company believes in attracting the best talent in the marketplace and giving them the skills and opportunities, they need to become high-achievers.

Human Assets

The Company treats its people as its most important asset. We are always on the lookout to recruit, train and promote the best human resource talent available. Besides attractive remuneration packages, our corporate culture is designed to boost employee performance. Our succession planning framework proactively guides our recruitment and promotion activities.

Learning & Organizational Development

Our workforce regularly undergoes training in their respective functional areas. The Singer Retail Academy is instrumental in taking the employees through a comprehensive workforce training calendar. We also conduct workshops to make our employees aware of new developments in the field to remain abreast of the changing market landscape.

3.8 Adequacy of Internal Control

The internal control framework has been effectively implemented through an in-house Internal Audit function established by the Board which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company, and the shareholders' wealth at all levels within the Company.

The Internal Audit function has carried out its duties under the charter defined by the Audit Committee. The Audit Committee has reviewed material Internal Audit findings, took appropriate action or brought the matters to the Board's attention where required. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

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3.9 Best Practices of Corporate Governance

Our Code of Conduct lists Ethics as one of our core values, therefore the Company has a zero-tolerance policy towards any form of discrimination and harassment. Similarly, honesty and open communication is also expected on the reporting front, we care how we get results.

We believe it is essential for everyone associated with Waves Corporation Limited to embrace this culture and live by the highest standards of integrity and accountability. The Board of directors adopted the Code of Conduct for Directors and employees and the same has been circulated to board members and employees in terms of requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The code of conduct is also placed on the Company's website.

Directors' Statement as of 31 December 2023

The Directors of the Company, are pleased to state that:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- b) Proper books of account have been maintained by the Company;
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements;
- d) The accounting estimates are based on reasonable and prudent judgment;
- e) International Accounting Standards (IAS) and IFRS, as applicable in Pakistan, have been followed in the preparation of financial statements;
- f) The system of internal control is sound in design and has been effectively implemented and monitored;
- g) There are no significant doubts upon the Company's ability to continue as a going concern; and
- h) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- i) There are no significant doubts upon the company's ability to continue as a going concern.
- j) Statement of pattern of Shareholding has been included as part of this Annual Report.
- k) There has been no material departure from the best practices of corporate governance.

Statement of Compliance

The Company adheres to the best practices of governance. The Company has already issued its annual Statement of Compliance with the Code of Corporate Governance as stipulated in listed Companies (Code of Corporate Governance) Regulations 2019 along with its annual audited accounts for the year ended 31 December 2023 which has also been reviewed and certified by the Auditors of the Company.

Meetings and Activities during the Year

During the year, four (4) meetings of the Board of Directors were held, which were presided over by the Chairman. The Chief Financial Officer and Company Secretary also attended the meetings to the extent required.

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No	Name	Status	Meeting Attended
1	Mr. Haroon Ahmad Khan	CEO / Director	4
2	Mr. Moazzam Ahmad Khan	Non-Executive Director	4
3	Mrs. Nighat Haroon Khan	Non-Executive Director	4
4	Mr. Hamza Ahmad Khan	Non-Executive Director	4
5	Mr. Tajammal Hussain Bokharee	Independent / Non-Executive Director	4
6	Mr. Khalid Azim	Executive Director	4
7	Mr. Zafar Hussain	Independent / Non-Executive Director	4

Audit Committee

An Audit Committee of the Board has been in existence which comprises three (3) members. The Audit Committee has adopted its Terms of Reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019. During the period under review, four (4) meetings were held.

No	Name	Status	Attended during the year
1	Mr. Tajammal Hussain Bokharee	Independent / Non-Executive Director	4
2	Mr. Moazzam Ahmad Khan*	Non-Executive Director	4
3	Mr. Hamza Ahmad Khan*	Non-Executive Director	4

Human Resource and Remuneration Committee

The Company has formed a Human Resource and Remuneration Committee that comprised of four (4) members. The Committee has adopted its Terms of Reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019. During the period under review one (1) meeting was held.

No	Name	Status	Attended during the year
1	Mr. Tajammal Hussain Bokharee	Independent / Non-Executive Director	1
2	Mr. Moazzam Ahmad Khan*	Non-Executive Director	1
3	Mr. Hamza Ahmad Khan*	Non-Executive Director	1
4	Mr. Haroon Ahmad Khan	CEO / Director	1

Evaluation of the Board's Performance

Annual evaluation of Board's performance is a critical process for ensuring the effectiveness and accountability of corporate governance. WAVESAPP has a formal and effective mechanism to put in place for an Annual Evaluation of the Board's own performance, members of the Board, and of its committees in accordance with the requirement of the Code of Corporate Governance.

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This evaluation involves assessing the performance of individual Board members as well as the collective performance of the Board as a whole. The Board actively participates in all major decisions of the Company including approval of capital expenditure budgets, investments, related party transactions and appointment of key personnel etc.

Review of CEO's Performance

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values which includes financial targets, strategic goals, operational efficiency, leadership effectiveness and stakeholder relations, organization building, succession planning and corporate success.

Election of Directors

The existing Board of Directors were elected on 25 November 2023 comprising of seven (7) Directors including one (1) Female non-executive Director, two (2) Independent Directors, one of them is Chairman of the Board also, two (2) non-executive Directors and two (2) executive Directors including Chief Executive Director. Detailed composition as per the Listed Companies (Code of Corporate Governance) Regulations, 2019, is given in "Statement of Compliance" annexed to the Annual Report

Notice of Annual General Meeting

The notice of Annual General Meeting (AGM) is attached which is being sent to the members and to comply with the provisions of section 229 and section 233 of the Companies Act, 2017

Pattern of Shareholding

The total number of the Company's shareholders as of 31 December 2023 were 5,385 in numbers. The Pattern of Shareholding of the Company along with a pattern of shareholding of certain classes of shareholders as well as the statement of purchase and sale of shares by Directors, executives, and their spouses including minor children during the year ended is shown in the shareholding section of this report.

Directors' Remuneration

The Board of Directors has duly approved the policy and procedure for remuneration of the Directors for attendance of Board and Committee meetings.

The remuneration is determined by the level of responsibility and expertise, to attract and retain the best talent while ensuring that their independence is not compromised in any manner. Its main features include that Independent Directors are entitled to meeting fees as remuneration for attending meetings of the Board of Directors and other committees of the Board. Details of the remuneration paid to Directors during the period is given in the periodic Financial Statements.

Investor Relations & Website

We want our investors, shareholders, and customers to be well informed about us and our operations so we can continue to build lasting and mutually beneficial relationships. We are

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determined to service our Shareholders and Stakeholders by delivering material information as soon as the same are available for circulation. As a practice, we will publish all material communiqués on the official website of the company on www.waves.net.pk.

3.10 External Auditors

The previous auditors M/s. RSM Avais Hyder (Chartered Accountants) tendered their resignation due to their internal reasons. During the year M/s Rizwan & Company (Chartered Accountants), an independent member firm of DFK International were appointed to fill the casual vacancy arising. They are also a QCR rated by ICAP and registered with Audit Oversight Board. The present Auditors being eligible for reappointment at the forthcoming Annual General Meeting

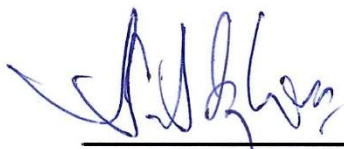
The Audit Committee has recommended the reappointment of M/s. Rizwan and Company (Chartered Accountants) as Statutory Auditors of the company for the year ending 31 December 2024, at a fee to be mutually agreed upon. The Board has endorsed this recommendation.

3.11 Acknowledgements

We would like to thank all our stakeholders, especially our valued customers, suppliers, business partners, financial institutions, regulators, who have positioned their trust in us. The Company's accomplishments and present standing could not have been possible without the unwavering commitment, hard work, immense support, and efforts of our management team and other employees who deserve a full compliment. We are confident that the team will continue to grow and constantly deliver on the expectations of all stakeholders. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, and the management of the Pakistan Stock Exchange for their continued support and cooperation.

We would also like to extend our sincerest gratitude to our shareholders for the confidence and trust they have reposed in us and for their unwavering support.

For and on behalf of the Board:



Haroon Ahmad Khan
Chief Executive Officer
Lahore



Moazzam Ahmad Khan
Director

4. CORPORATE VALUE STATEMENTS

4.1 Corporate Values

Vision & Mission

Vision Statement

- To be an innovative company that is driven by modern ideas, committed to constantly strive for surpassing customer expectations in Quality and Value for Money and to be a leading company engaged in home appliances and light engineering business in Pakistan.

Mission Statement

- To inspire the Customers and Consumer with our innovative products & designs through R&D, improve the standard of life by offering high-quality products and services at affordable prices and create and reshape the Future.

Core Values



Waves Home Appliances Limited (WAVESAPP)

Code of Conduct

WHALE has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of Company's affairs with the outside world.

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to. Waves Group endeavors for implementation of similar code in other companies that it controls.

RESPECT, HONESTY AND INTEGRITY

Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The Company is committed to comply and take all reasonable actions for compliance with all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

FULL AND FAIR DISCLOSURE

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

PREVENT CONFLICT OF INTEREST

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board and will be disclosed to the shareholders.

TRADING IN COMPANY SHARES

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws. This also includes shares of the companies that are directly/indirectly controlled by the Company.

Waves Home Appliances Limited (WAVESAPP)

INSIDE INFORMATION

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or “inside” Directors and employees becoming aware of information which might be price sensitive with respect to the Company’s shares have to make sure that such information is treated strictly confidential and not disclosed to any colleagues or to third parties other than on a strict need-to know basis. Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the Management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the Company Secretary and/or the Chief Financial Officer.

MEDIA RELATIONS AND DISCLOSURES

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in Quarterly and Annual Reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of “insider trading” on the stock market.

COMPETITION AND FAIR DEALING

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee are expected to deal fairly with Company’s customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code. Bribes, kickbacks and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the Company’s books of accounts.

EQUAL EMPLOYMENT OPPORTUNITY

The Company believes in providing equal opportunity to everyone around. The Company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor.

WORK ENVIRONMENT

All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

Waves Home Appliances Limited (WAVESAPP)

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

PROTECT HEALTH, SAFETY AND SECURITY

The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws. Employees and directors should avoid violence and threatening behavior and report to work in fair condition to perform their duties.

RECORD KEEPING

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books.

No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason. Records must always be retained or destroyed according to the Company's record retention policies.

PROTECTION OF PRIVACY AND CONFIDENTIALITY

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the Company's assets (processes, data, designs, etc.) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the Company to recover the damages and losses sustained.

PROTECTION & PROPER USE OF COMPANY ASSETS / DATA

Each director and employee are expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only. The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited. Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

GIFT RECEIVING

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company. However, this does not preclude giving or receiving gifts or entertainment, which are customary and proper in the circumstances, provided that no obligation could be or be perceived to be, expected in connection with the gifts or entertainment.

Waves Home Appliances Limited (WAVESAPP)

COMMUNICATION

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns.

The Company strongly believes in a clean desk policy and expects its employees to adhere to it not only for neatness but also security purposes.

EMPLOYEE RETENTION

High quality employee's attraction and retention is very important. The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee training programs are arranged regularly.

INTERNET USE / INFORMATION TECHNOLOGY

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time and remain the property of the Company.

Disclosure or dissemination of confidential or proprietary information regarding the Company, its products or its customers outside the official communication structures is strictly prohibited.

COMPLIANCE WITH BUSINESS TRAVEL POLICIES

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from Management.

COMPLIANCE

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation.

Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code. Any person meeting with difficulties in the application of this code should refer to the Management.

Waves Home Appliances Limited (WAVESAPP)

4.2 Corporate Objectives & Strategies

Objectives	Strategies
Enhance shareholders' Returns	To manage business in an efficient manner with a constant focus on the topline and bottom-line performance of the Company
Become Price-Competitive	Improve production efficiency through both technological upgrades and optimal resource utilization
Broaden the Product Portfolio	Enter into strategic trading relationships with global brands to improve standing in segments where product standing is weak
Exceed Customer Expectations	Invest in customer-centric initiatives to improve geographical touch-points and after-sales services
Create a Pro-Growth, Learning Organization	Promote employee training & development and ethical business
Knowledge Management	Promote tacit and explicit knowledge within the Group to effectively create, gather, store and re-use knowledge as an asset for ultimate Group benefits

Waves Home Appliances Limited (WAVESAPP)

5. HISTORY OF WAVES HOME APPLIANCES LIMITED

5.1 Brief History and Holding Company

Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE or the Company) is listed on Pakistan Stock Exchange Limited (PSX). The principal line of business was trading, import and export of textile products. Consequent to the approval of the Scheme of Arrangement (the Scheme) by and between the Company and Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES) home appliances business of WAVES was acquired with effect from 31 August 2021 by the Company, under the sanction order of the honorable Lahore High Court, Lahore on 27 May 2022). As per the Scheme the Company shall be a subsidiary company of WAVES.

Waves Corporation (WAVES or Holding company) history has its legacy from the Singer's brand where Singer's history dates back to 1850, when Isaac Merritt Singer manufactured the first ever sewing machine in Boston, USA. I. M Singer & Company was duly incorporated during the same year. The name changed to Singer Manufacturing Company during 1853 when the factory of the Company was also relocated to New York, USA. Singer established its presence in the Indian sub-continent during 1877. Over the years, and after the independence of Pakistan, Singer continued its business of sewing machines in the country, but also started dealing in domestic consumer appliances, besides manufacturing and assembling light engineering products. In 1985, Singer became a public listed company. Later with global restructuring of Singer, the local Singer company was sold out to professional team having expertise in home appliances and light engineering businesses. Under Singer brand the Holding company manufactured variety of consumer appliances including refrigerators, air conditioners, LED TVs, washing machines, microwave ovens, in addition to its more traditional offerings of sewing machines, water heaters and gas ovens etc. In addition, it had an extensive retail network in Pakistan that covered mostly small towns and metropolitan cities of the country.



Later the Holding company acquired WAVES brand through a merger sanctioned by the honorable high court, wherein Cool Industries (Private) Limited (owner of Waves brand) and Link Well (Private) Limited were merged with and into the Company and the name of the Company was changed from Singer Pakistan Limited to Waves Singer Pakistan Limited. With the growth in business, the management of Holding Company felt prudent to demerge home appliances business into a separate entity Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE), while retaining the real estate development business and retail shop network for consumer appliances and other consumer goods.

The Holding company was in discussion with Singer International since year 2021 in respect of relinquishment of Singer brand. During the year 2023, the deal with the Singer International was not conclusive. Efforts are still in pipeline for re-negotiation of royalty to Singer International. However, in order to avoid legal complication, the Holding company halted the use of Singer brand and its related production. Accordingly, the name of the Holding company was also changed to exclude the word "Singer" from the name of the Company.

WAVES brand of consumer appliances was established by Cool Industries (Private) Limited in 1971 by a family of entrepreneurs from Lahore. Within a span of four decades, the Company became a household brand in the country. The history of the company is filled with many milestones. Back in 1976, it started the production of refrigerators. By 2002, the company had become the sole producer of Split Air Conditioners in Pakistan. The company started producing Microwaves in 2003, under an agreement with GALANZ, a Chinese company. The product take-off was impressive, thanks to product durability. The



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production of Washing Machines started in 2004, when Waves pioneered single-tub and double-tub washing machines in this market. The company continued its growth path until 2015, when a tough competitive landscape and succession issues within the sponsors family created many bottlenecks in the smooth operations of the company. Subsequently, WAVES was acquired by the sponsors of Waves Corporation Limited (formerly Waves Singer Pakistan Limited).

The Holding company has two other subsidiary companies i.e., Electronic Marketing Company Limited which is a pioneer retail of retail sales offering cash and installment sales to our treasured customers to shop with convenience at our 141 nationwide spread outlets in rural and urban areas of Pakistan; and Waves Builders and Developers (Private) Limited, which is formed to undertake real estate projects.

Restructuring of the Company

During the year, effective from 01 September 2021 Waves Home Appliances Limited (WHALE or the Company) and Waves Corporation Pakistan Limited, formerly Waves Singer Pakistan Limited (WAVES) completed a Scheme of Arrangement as follows:

1. Carving out / separation of home appliances business from WAVES by transferring certain assets, liabilities, obligations, contracts and undertakings and amalgamating the same with and into WHALE as of the effective date 01 September 2021 against allotment and issue of WHALE shares to WAVES and its shareholders.
2. The Honorable Lahore High Court (the Court) through its Order dated 27 May 2022 which was issued on 22 June 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from the WAVES and amalgamation of the same into the subsidiary WHALE.

As consideration for the transfer of the home appliances business, WHALE shall issue a total of 256,006,196 shares as follows:

1. 199,724,956 shares shall be issued and allotted to WAVES.
2. Remaining 56,281,240 shares of WHALE shall to be issued and allotted to shareholders of the WAVES in the ratio of 20 shares for every 100 shares of the WAVES.
3. Rs. 2 billion in cash is payable to the WAVES by WHALE; no additional compensation shall be applicable against this amount if the said amount is settled by the WHALE within 2 years of sanction of this scheme. However, if the said amount is still wholly or partially outstanding at the end of 2 years of the sanction of scheme, then a profit/mark-up shall be payable on outstanding amount on a quarterly basis in arrears at such profit/mark-up rate as determined by the Board(s) of Directors of each of the Company at the relevant time, provided such profit/mark-up rate shall not be less than the rate prescribed under applicable laws

As part of the arrangement hereunder, subsequent to the Scheme completion date, but prior to the issuance/allotment of WHALE Shares to WAVES and its shareholders, share capital of WHALE is consolidated from every 225 shares to 100 shares i.e., total paid up capital from 26,728,000 to 11,879,111 shares. The WAVES Group expects several benefits after this scheme of arrangement including the synergies of operations, allowing them to become leading suppliers / service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities and a more

Waves Home Appliances Limited (WAVESAPP)

focused business and customer base. At the same time, as a consequence of the arrangement, WHALE has become a subsidiary of the Company and this will allow the management of each Company to focus on the business segment, resulting in better performance of the same. Further, this will enable WAVES to oversee, supervise and control the business / direction of WHALE, while the management of WHALE can operate and manage the business of WHALE on a regular / day-to-day basis. The shares have been issued to WAVES and the shareholders of WAVES.

Holding Company

Pursuant to the Scheme, Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVE) has now become a holding company of WHALE. Currently the new shares issuance pursuant to the Scheme are in process of issuance for which necessary notices of book closures has already been issued by WAVES.

The registered office of WAVES is located at 9-KM Multan Road, Lahore. The registered office of the Company is being shifted to the Registered Office of the Holding Company.

6. PRODUCT, QUALITY MANAGEMENT AND DISTRIBUTION

6.1 Products

Waves Branded Product Range



نام ہی کافی ہے

Waves Brand

- Deep Freezers
- Visi Coolers
- Refrigerators
- Air Conditioners
- Washing Machines
- Microwaves
- Water Dispensers
- Water Heaters
- Instant Geysers
- Cooking Ranges



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6.2 Quality Management

Waves standardized manufacturing processes and rigorous quality control management procedures are followed to achieve consistency in product performance and enhance customer satisfaction. The Company recognizes the importance of Quality Management System as an integrated function; combined with Innovation, Research & Development and Information Technology. The Company complies with the International Standard ISO 9001:2015 accredited by IAF & UKAS.

The Company has developed extensive In-house Quality Checks and Controls to assure complete risk coverage from the Designing to the Customer usage. The controls encompass the processes of Design & Development, Material Ordering & Receiving, Initial Material Inspection, Manufacturing and Product Testing to End User.

6.3 Geographical Presence & Distribution



Waves Home Appliances Limited (WAVESAPP)

7. OTHER INFORMATION

7.1 PATTERN OF SHAREHOLDING

THE COMPANIES ACT, 2017
Form 34
Section 227(2)(f)
PATTERN OF SHAREHOLDING

1.1 Name of the Company: Waves Home Appliances Limited

2.1 Pattern of holding of shares held by the shareholders as at: **31 December 2023**

-----Shareholdings-----

2.2 No. of Shareholders	From	To	Total Shares Held
1,139	1	100	68,085
1,933	101	500	558,502
756	501	1,000	612,655
1,050	1,001	5,000	2,609,685
206	5,001	10,000	1,571,955
83	10,001	15,000	1,030,379
43	15,001	20,000	799,033
38	20,001	25,000	893,716
15	25,001	30,000	423,389
9	30,001	35,000	291,404
7	35,001	40,000	267,721
8	40,001	45,000	342,465
13	45,001	50,000	639,714
4	50,001	55,000	210,588
8	55,001	60,000	467,318
1	60,001	65,000	60,139
4	65,001	70,000	276,300
6	70,001	75,000	441,155
3	75,001	80,000	233,350
4	80,001	85,000	333,683
1	90,001	95,000	91,000
2	95,001	100,000	198,702
1	105,001	110,000	107,865
2	120,001	125,000	245,800
1	125,001	130,000	129,538
1	130,001	135,000	133,777
2	135,001	140,000	280,000
1	140,001	145,000	145,000
2	170,001	175,000	346,222
2	180,001	185,000	366,150
1	185,001	190,000	189,100
1	190,001	195,000	193,700
1	195,001	200,000	200,000
1	200,001	205,000	200,202
2	220,001	225,000	444,444

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1	235,001	240,000	239,700
1	255,001	260,000	260,000
1	260,001	265,000	264,500
1	295,001	300,000	300,000
1	305,001	310,000	306,500
1	315,001	320,000	315,500
1	330,001	350,000	335,000
1	335,001	340,000	338,072
2	340,001	345,000	683,631
2	355,001	360,000	716,793
1	395,001	400,000	400,000
1	420,001	425,000	425,000
1	475,001	480,000	478,331
1	480,001	485,000	482,643
1	485,001	490,000	486,696
1	495,001	500,000	497,500
1	605,001	610,000	606,222
1	630,001	635,000	634,738
1	650,001	655,000	651,663
1	690,001	695,000	692,272
1	710,001	715,000	713,261
1	720,001	725,000	724,456
1	755,001	760,000	758,431
1	905,001	910,000	909,500
1	1,195,001	1,200,000	1,200,000
1	1,310,001	1,315,000	1,312,000
1	1,500,001	1,505,000	1,502,204
1	4,120,001	4,125,001	4,124,277
1	7,400,001	7,405,001	7,401,000
1	8,045,001	8,050,001	8,050,000
1	17,670,001	17,675,001	17,672,281
1	199,000,001	199,005,001	199,000,500

5,385

267,885,307

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WAVES HOME APPLIANCES LIMITED Categories of Shareholding required under Code of Corporate Governance (CCG) As at 31 December 2023

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	31,886,390	11.9030%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)*	199,724,956	74.5561%
2.3.3 NIT and ICP	10	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	713,296	0.2663%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	175,850	0.0656%
2.3.7 Shareholders holding 10% or more	199,724,956	74.5561%
2.3.8 General Public		
a. Local	26,069,283	9.7315%
b. Foreign	322	0.0001%
2.3.9 Others (to be specified)		
1 - Pension Funds	5,686	0.0021%
2 - Joint Stock Companies	9,432,940	1.4404%
3 - Leasing Companies	5,100	0.0019%
4 – Others	47,324	0.0177%
* Waves Corporation Limited		
Shareholders holding more than 5% of the capital	Shares	%age
1 Mr. Haroon Ahmad Khan	26,208,977	9.7837%
2 Waves Corporation Limited (Holding Company)	199,724,956	74.5561%

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WAVES HOME APPLIANCES LIMITED

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their Spouses and minor children during FY 2023

No	Name	Status	Opening Balance ¹	Sale / Gift Out	Purchase / Gift In	Closing Balance
1	Mr. Haroon Khan	Director	26,208,977	-	-	26,208,977
2	Mr. Moazzam Khan	Director	218,141	217,141	-	1,000
3	Mrs. Nighat Haroon	Director	5,626,703	-	-	5,626,703
4	Mr. Hamza Ahmad Khan	Director	49,048	-	-	49,048
5	Mr. Tajammal Hussain Bokharee	Director	100	-	-	100
6	Mr. Khalid Azim	Director	222	-	-	222
7	Mr. Muhammad Zafar Hussain	Director	340	-	-	340
8	Mr. Muhammad Usman	CFO	-	-	-	-
9	Mr. Khurram Zahoor	CS	-	-	-	-

Waves Home Appliances Limited (WAVESAPP)

8. INDEPENDENT AUDITOR REVIEW REPORT

Independent Auditor's Review Report

To the Members of Waves Home Appliances Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of M/S Waves Home Appliances Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions, with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Reference Paragraph	Description
9	As required under clause 19 (1)(i) of the regulations, it is encouraged that by June 30, 2022; all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. However, out of 7 directors; only 4 have completed their Training from the approved institutions under Directors Training Program.

Lahore:

UDIN CR202310140BcLqTI2g7:

Rizwan & Company
Chartered Accountants
Engagement Partner: Imran Bashir

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9. STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of the Company: Waves Home Appliances Limited
Year ended: December 31, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following:

- a. Male: Six (6)
- b. Female: One (1)

2. The composition of the Board is as follows:

Category	Number	Name
Independent Directors*	2	Mr. Muhammad Zafar Hussain Mr. Tajammal Hussain Bokharee
Non-Executive Directors (Excluding Female Director)	2	Mr. Moazzam Ahmad Khan Mr. Hamza Ahmad Khan
Executive Director	2	Mr. Haroon Ahmad Khan Mr. Khalid Azeem
Female director (Non-Executive Directors)	1	Mrs. Nighat Haroon Khan

**Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company (7) adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.33) for independent directors has not been rounded up.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

Waves Home Appliances Limited (WAVESAPP)

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Four out of seven directors have already attended the Directors' Training Program (DTP). The Company is in the process of arranging formal DTP training for remaining directors including two directors who have time to complete Directors Training Program within period of one year from the date of their appointments, i.e. February 10, 2024. However, the directors have been provided with periodic in-house training to apprise them with the changes in laws, rules and regulations along with their duties and responsibilities etc., to keep them updated.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following committees comprising of members given below:

a) Audit Committee

Mr. Tajammal Hussain Bokharee	Member and Chairman
Mr. Moazzam Ahmad Khan	Member
Mr. Hamza Ahmad Khan	Member

b) HR and Remuneration Committee

Mr. Muhammad Zafar Hussain	Member and Chairman
Mr. Hamza Ahmad Khan	Member
Mr. Moazzam Ahmad Khan	Member
Mr. Haroon Ahmad Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees are as follows:

Name of Committees	Frequency of meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function that is suitably staffed with qualified and experienced personnel who are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent

Waves Home Appliances Limited (WAVESAPP)

and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with.
19. Explanations for non-compliance with the requirements other than of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 are as follows:
 - a) The management is taking steps to arrange training for the remaining directors under Directors Training Program. However, the directors have been provided with periodic in-house training to apprise them with the changes in laws, rules and regulations along with their duties and responsibilities etc., to keep them updated. The Company is committed to comply with this requirement and is planning to arrange the Directors' Training Program as per requirements of the Regulations.

On behalf of the Board of Directors



Muhammad Zafar Hussain
Chairman

Lahore

10. NOTICE OF ANNUAL GENERAL MEETING

WAVES HOME APPLIANCES LIMITED

Notice is hereby given that the Annual General Meeting (AGM) of the shareholders of Waves Home Appliances Limited (WAVESAPP or the Company) will be held on Monday 29 April 2024 at 11:30 A.M. at the Registered Office, 9-Km Multan Road, Lahore (Waves Factory Premises) physically as well electronically to transact the following businesses:

Ordinary Businesses

1. To receive, consider and adopt audited financial statements of the Company for the year ended 31 December 2023, together with the Directors' Report and Auditors Report thereon.

As required under section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:



<https://waves.net.pk/whal-financials/>

2. To appoint Statutory Auditors of the Company for the year ending 31 December 2024 and to fix their remuneration. The Board and Audit Committee have recommended the name of M/s Rizwan and Company, Chartered Accountants, Lahore (an Independent Member Firm of DFK International) being the retiring auditors, for re-appointment as Auditors of the Company.

Special Business

3. To consider and if deemed fit pass the following special resolutions with or without modifications:

“Resolved that the transactions carried out by the Company with Waves Corporation Limited, Waves Marketplace Limited, Waves Builders and Developers (Private) Limited and Employees' Pension/Gratuity/Provident Fund (as the case may be), during the financial year 31 December 2023 as given in the related party note of the Annual Audited Financial Statements of the Company for the year ended 31 December 2023, be and hereby are approved.”

“Resolved further that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on case-to-case basis during the financial year 31 December 2024. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval”

By the order of the Board

Khurram Zahoor
Company Secretary

08 April 2024
Lahore

Waves Home Appliances Limited (WAVESAPP)

Notes:

1. The share transfer Books of the Company will remain closed from 22 April 2024 to 29 April 2024 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore at the close of business on 21 April 2024 will be treated in time for the purposes of entitlement to the transferees.
2. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. Instrument appointing Proxy must be deposited at the Head Office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is available at the Company's website i.e., www.waves.net.pk However, in case of electronic attendance, the relevant procedure given in the precedent paragraph may be followed.
3. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan:

a. For attending the meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b. For appointment proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company
4. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
 5. Voting procedure for special business

Concerning the special business to be transacted at the AGM, it is hereby notified that pursuant to the requirements of Companies (Postal Ballot) Regulations, 2018 (the Postal Ballot Regulations), the members will be allowed to exercise their right to vote in accordance with the conditions mentioned in the said regulations. Accordingly, the Company shall provide its members with the following options for voting:

Electronic Voting:

Waves Home Appliances Limited (WAVESAPP)

- a. Detail of the E-Voting facility will be shared through email with those members of the Company who have valid cell numbers/e-mail addresses available in the Register of Members of the Company by the end of business on 21 April 2024 by Corplink (Private) Limited being the E-Voting service provider.
- b. The identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.
- c. Members shall cast vote online from 26 April 2024 9.00 a.m. till 28 April 2024 at 05:00 p.m. Voting shall close on 28 April 2024 at 05:00 p.m. Once the vote on the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently.

Voting through Postal Ballot:

- a. The Members may fill and sign the ballot paper, which for convenience of the members is annexed to this notice and the same is also available on the Company's website (www.waves.net.pk) for download
- b. Thereafter, the members must ensure that the duly filled and signed Ballot Paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's Registered Office, 9-KM, Multan Road, Lahore, (WAVES Factory Premises) or email at cs@waves.net.pk, at least one day before the date of AGM i.e., on 28 April 2024 before 05:00 p.m. A postal ballot received after this time shall not be considered for voting. The signature on the Ballot Paper should match with the signature on the CNIC

Scrutinizer

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Rizwan & Co, Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations

6. The shareholders of the Company interested to participate in the general meeting through video link are requested to send their particulars (as given below) along with a valid copy of their CNIC (both sides)/passport, attested copy of the board resolution / power of attorney (in case of corporate shareholders) through email at cs@waves.net.pk (or through post/courier) with the subject similar to "Registration for AGM 31 December 2023 of WAVESAPP" at least 48 hours before the holding of the general meeting. The original signed documents are required to be sent to the Company separately through courier or post, for record purposes.

Name of Shareholder	CNIC No.	Folio No.	Cell/WhatsApp No.	Email Address
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** Where applicable, please also give the above particulars of proxy-holder or nominee of shareholder*

The video link and login credential will be shared with only those members whose emails, containing all the required particulars are received well within time. This notice of video link shall also cover providing vide link facility to the members holding 10% or more shareholding (in aggregate) in the Company, residing at a geographical location.

Waves Home Appliances Limited (WAVESAPP)

7. Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 07 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to Head Office address of the Company at least 07 (seven) days before the date of general meeting.

<i>I/We _____ of _____, being member(s) of Waves Home Appliances Limited holder of _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.</i>

8. The Company will electronically transmit the Annual Accounts 2024 including proxy form through email to Shareholders whose email addresses are available with the Company's Share Registrar based on the consent. In those cases, where email addresses are not available with the Company's Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.
9. In compliance with the requirements of Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace his/her physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 that is, 30 May 2017. Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.
10. Any shareholder who requires the copy of the annual accounts in the hard copy, may write (or send email) to the Company Secretary, who shall provide the same without any costs to the shareholders.
11. For any query / clarification / information, the shareholders may contact the Company at email cs@waves.net.pk and/or the Share Registrar of the Company at email akbar@corplink.com.pk.

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Statement of Material Facts in respect of the Special Businesses

Agenda Item No. 3 – Approval of Related Party Transactions during the Financial Year ended 31 December 2023 and to authorize the Board to approve Related Party Transactions during the Financial Year ended 31 December 2024

The Company has undertaken related party transactions with the following entities which includes holding and associated companies/undertakings.

- a. Waves Corporation Limited, a holding Company (WAVES)
- b. Waves Marketplace Limited (WMPL)
- c. Waves Builders and Developers (Private) Limited (WBDL)
- d. Employee's Provident Fund/Employees' Pension Fund/Employees' Gratuity Fund (as the case may be)

All the transactions with related parties during financial year are entered into by the Company in the ordinary course of business and at arm's length basis, under the policy of the Company for related party transactions. All transactions entered into with related parties require the approval and recommendation of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions are placed before the Board of Directors for approval. All transactions with the related parties are disclosed in the relevant note of the audited financial statements for the year ended 31 December 2023. The transactions with WAVES include transactions which are arising out of the implementation process of the Scheme and results in inter-company balances appearing in the financial statements, till such time the implementation process pursuant to the Scheme is fully complete. The nature of these relationships is also disclosed in the notes to the financial statements.

The Company shall be conducting transactions with the related parties during the year ending 31 December 2024 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. The transactions with WAVES may include transactions which are arising out of the implementation process of the Scheme and results in inter-company balances appearing in the financial statements, till such time the implementation process pursuant to the Scheme is fully complete.

In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties from time-to-time on case-to-case basis for the year ending 31 December 2024, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.

Interest of Directors

The Company has only one class of members. The effect of resolutions on the interests of directors of the Company does not differ from the effect of interest of other members except stated herein and the Directors are interested in the resolution only to the extent of their common directorship in such related parties and that the directors of the Company and the related parties performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per the

Waves Home Appliances Limited (WAVESAPP)

respective policies of the Company and the related parties, therefore may be regarded as interested to that extent in the resolutions.

Material Information

All material information in respect of the special business including MOA/AOA, , SECP's notification regarding annual accounts, financial statements, related party transactions and record, minutes of the previous general meetings, shareholding of directors of Company and related parties along with their interest (if any), Scheme of Arrangement sanctioned by honorable Lahore High Court, Lahore, information on extract of the related party note separately copied and placed for the information of the shareholders, Statement of Material Facts and other necessary documents in respect of the notice of AGM are kept at the registered office of the Company and shall be available for inspection from the date of this notice till the conclusion of the AGM and also placed to the extent required on the Company's website www.waves.net.pk.

Proxy Form

The Proxy Form is attached with the notice of Notice of Annual General Meeting.

Postal Ballot Form

The Postal Ballot Form is attached with the notice of Notice of Annual General Meeting.

Waves Home Appliances Limited (WAVESAPP)

**WAVES HOME APPLIANCES LIMITED
FORM OF PROXY**

The Company Secretary
Waves Home Appliances Limited
9 KM, Multan Road, **Lahore**

I/ We _____
of _____
being a member of **Waves Home Appliances Limited** hereby appoint
of _____
or failing him _____
of _____
as my proxy in my absence to attend, speak and vote for me on my behalf at the Annual General Meeting of the Company to be held on Monday, 29 April 2024 at 11:30 AM and at any adjournment thereof.

As witness my / our hand this _____ day of _____.

**Rs. 50/-
Revenue
Stamp**

Witness No.1

Name : _____
Address : _____
CNIC No.: _____

Signature of Member(s)

Witness No. 2

Name : _____
Address : _____
CNIC No.: _____

(Name in Block letters)

Folio No. _____
Participant ID No. _____
No. of shares _____
Account No. in CDC _____

Important:

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.
2. A Member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. Members are requested:
 - (a) To affix Revenue Stamp of Rs. 50/- at the place indicated above.
 - (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) To write down their Folio Numbers.
4. This form of proxy, duly completed and signed across a Rs. 50/- revenue stamp, must be deposited/sent at the Company's Registered Office not less than 48 hours before the time for holding the meeting or may be sent through the email as given in this notice followed by courier/post to the Company's registered office.

Waves Home Appliances Limited (WAVESAPP)

WAVES HOME APPLIANCES LIMITED BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of Waves Home Appliances Limited (WAVESAPP or the Company) to be held on Monday, 29 April 2024 at 11:30 a.m. at the Registered Office of the Company. The designated email address for Chairman at which the duly filled in ballot paper can be sent at cs@waves.net.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held (shall be taken as of book closure in notice)	
CNIC, NICOP/Passport No. (for foreigner) (Copy to be attached)	
Additional Information ((In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

Special Business: Resolution 3

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the relevant box below or may write "Approve" or "Disapprove"

"Resolved that the transactions carried out by the Company with Waves Corporation Limited, Waves Marketplace Limited, Waves Builders and Developers (Private) Limited and Employees' Pension/Gratuity/Provident Fund (as the case may be), during the financial year 31 December 2023 as given in the related party note of the Annual Audited Financial Statements of the Company for the year ended 31 December 2023, be and hereby are approved."

"Resolved further that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on case-to-case basis during the financial year 31 December 2024. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval"

No.	Resolution Information	I/We approve Resolution	I/We disapprove the Resolution
1	Special Business: Resolution 3	For:	Against:

Signature of Shareholder
Number of shares held
Place and Date

Notes:

1. Dully filled postal ballot should be sent to Chairman of the Company, at 9-KM, Multan Road, Lahore (Waves Factory Office) along with the copy of CNIC, NICOP/Passport (for foreigner). The form should reach 48 hours before the meeting. The Signature on the postal ballot should match with the signatures on the CNIC, NICOP/Passport.
2. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten, expired identification copy shall be rejected.

Waves Home Appliances Limited (WAVESAPP)

11. PAST YEARS FINANCIAL POSITION AND PERFORMANCE

(Rs. in '000)

Financial Position	2023	2022	2021
Equity and Liabilities			
Share Capital and Reserves	7,614,653	7,338,192	7,323,780
Non-Current Liabilities	3,134,328	3,041,446	2,811,144
Current Liabilities	6,549,414	5,996,319	6,096,625
	17,298,395	16,375,957	16,231,549
Assets			
Non-Current Assets	10,483,736	8,362,067	6,093,036
Current Assets	6,814,660	8,013,890	10,138,513
	17,298,395	16,375,957	16,231,549

(Rs. in '000)

Financial Performance	2023	2022	2021
Gross Revenue	5,061,929	8,956,449	2,425,840
Net Revenue	4,176,119	7,422,503	2,083,523
Gross Profit	1,037,052	1,454,318	501,633
Net Profit	115,717	13,127	36,496
Earnings per Share	0.43	0.05	0.20

Note:

The above financial position and financial results are presented for the results after the sanction of Scheme of Arrangement of transfer of home appliances business from Holding company to the subsidiary company w.e.f. 31 August 2021. The financial performance for the year 2021 represents only four months, whereas the remaining months are in the holding company. For better look at the results of year 2021, consolidated financial statements of the holding company should be considered which are available at the website www.waves.net.pk

12. ANNUAL FINANCIAL STATEMENTS

The annual audited financial statements for the year ended 31 December 2023 are attached to this Report

**WAVES HOME APPLIANCES
LIMITED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

Independent Auditor's Report

To the members of **Waves Home Appliances Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Waves Home Appliances Limited** (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Revenue Recognition</p> <p>Refer to note 4.12 to the financial statements. The Company's revenue is principally generated from manufacturing and assembly of home appliances along with retailing and trading.</p> <p>We identified recognition of revenue (against sale of goods) as a key audit matter because revenue is one of the key performance indicators of the Company which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> - Assessed the design, implementation and operating effectiveness of the key internal controls over the Company's systems which govern the revenue recognition. - Inspected sales contracts with customers on a sample basis to understand and assess the terms and conditions therein which may affect the recognition of revenue; - Compared revenue transactions recorded during the current year on sample basis with invoices, sale contracts and goods delivery notes to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies. - Compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue had been

recognized in the appropriate accounting period.

2. Impairment of intangible assets

Refer to note 21 to the financial statements and the accounting policy in note 4.18 to the financial statements.

As at December 31, 2023, the Company's intangible assets were Rupees 2,788.355 million. In accordance with International Accounting Standard 36 "Impairment of Assets", the Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired.

Where an impairment indicator is identified for any asset, an impairment test is performed by the Company based on estimate of the value-in-use of that asset.

The calculation of value-in-use required the management to make significant estimates and judgements.

We considered this matter as key audit matter due to the significant value of intangible assets and due to significance of judgements / estimates used by the management in determining their value in use.

3. First year audit

We have been engaged to perform the audit of the Company for the first time i.e. for the year ended December 31, 2023. Initial audit engagement involves a number of considerations not associated with recurring audits.

Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include gaining an initial understanding of the Company and its business including its control environment and information systems sufficient to make audit risk assessment and develop the audit strategy and plan, obtaining sufficient appropriate audit evidence regarding the opening balances including the selection and application of accounting principles.

4. Contingencies

Refer to note 19 to the financial statements various tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. Also, there are major litigations in the name of former company "Samin Textile Limited"

The tax contingencies require the management of the Company to make judgements and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the

Our audit procedures included the following:

- Assessed the methodology used by management to estimate value-in-use of each asset.
- Assessed the assumptions used in discounted cash flow projections for calculation of the value-in-use of assets, evaluating the reasonableness of key assumptions and discount rates based on our knowledge of the business and industry and by comparing the assumptions to historical results and published market and industry data.
- Performed sensitivity analysis in consideration of the potential impact of reasonably possible changes in assumptions and discount rates and considering managements process for approving these estimates.
- Involving our internal valuation specialists to assist us in accessing the significant estimates, assumptions and judgements applied in the valuation of intangible assets and goodwill, including discount rate, growth rate, terminal value and attrition rate, with reference to available market information.

We performed various procedures to obtain sufficient appropriate audit evidence regarding opening balances including the following:

- We evaluated the key accounting position and audit matters from prior years;
- We assessed the overall control environment of the Company including communication with members of those charged with governance and other key executives; and
- We evaluated whether accounting policies reflected in the opening balances have been consistently applied in the current years' financial statements and whether changes in the accounting policies have been appropriately accounted for and adequately presented and disclosed in accordance with applicable financial reporting framework.

Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:

- Obtained and reviewed detail of the pending matters and discussed the same with the Company's management.
- Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the

managements judgements and estimates in relation to such contingencies may be complex and can significantly impact the financial statements.

For such reason we have considered tax contingencies as a key audit matter.

issues involved.

- Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies.
- Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters.
- Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.

Emphasis of matter

As fully explained in note 2 and note 20.1.1 to these financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of home appliance business by the parent company to the Company, legal and procedural formalities including registration / updation of the name of the subsidiary company with the relevant departments / utility companies could not be completed till the date of issuance of report. Due to certain impediments of such routing of the transactions; the impact of non-compliance, if any, cannot be ascertained at this point of time.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The financial statements for the Company for the year ended December 31, 2022 were audited by another firm of chartered accountants who expressed unmodified opinion on those financial statements on May 06, 2023.

The Engagement partner on the audit resulting in this independent auditors' report is **Mr. Imran Bashir**.

Lahore:

UDIN: AR202310140UhVfKkzsP


Rizwan & Company
Chartered Accountants

Waves Home Appliances Limited
Statement of financial position
As at December 31, 2023

	2023	(Restated) 2022	(Restated) 2021	Note	2023	(Restated) 2022	(Restated) 2021
	(Rupees in '000)				(Rupees in '000)		
Equity and liabilities							
Share capital and reserves							
Share capital	2,678,853	2,678,853	118,791	5	7,532,279	5,499,529	3,218,819
Shares to be issued under scheme	-	-	2,560,062		2,788,355	2,825,919	2,865,672
Capital reserves	3,690,236	3,695,868	3,717,879	6	135,007	-	-
Loan from sponsors	229,017	119,497	115,300	7	12,003	20,527	8,545
Revaluation surplus	373,279	342,704	368,984	8	16,092	16,092	-
Unappropriated profit	643,268	501,270	442,764		10,483,736	8,362,067	6,093,036
	7,614,653	7,338,192	7,323,780				
Non-current liabilities							
Long term financings	766,333	789,415	763,176	9	2,595,322	2,860,801	3,626,538
Due to holding Company	1,926,938	1,746,083	1,582,202	10	28,109	44,143	45,723
Lease liabilities	20,504	81,932	56,293	11	2,987,760	4,218,103	6,361,763
Employee retirement benefits	7,627	9,943	14,020	12	775,934	492,350	99,287
Deferred tax liability - net	407,694	407,595	387,814	13	3,000	3,000	3,000
Deferred income	5,232	6,477	7,639	14	419,082	388,394	-
	3,134,328	3,041,446	2,811,144		5,453	5,629	732
					6,814,660	8,012,420	10,137,043
Current liabilities							
Trade and other payables	2,245,887	1,780,733	1,815,289	15	-	1,470	1,470
Accrued markup on borrowings	516,548	284,937	129,808	16			
Short term borrowings	3,026,145	3,404,007	3,913,544	17			
Current portion of long term liabilities	707,277	523,203	232,013	18			
Income tax payable	53,557	3,439	5,971				
	6,549,414	5,996,319	6,096,625				
	17,298,395	16,375,957	16,231,549		17,298,395	16,375,957	16,231,549
Contingencies and commitments							
				19			

The annexed notes from 1 to 51 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

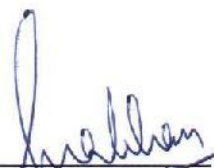
Waves Home Appliances Limited
Statement of profit or loss
For the year ended December 31, 2023

		2023	(Restated) 2022
	Note	(Rupees in '000)	
Revenue - net of sales return		5,061,929	8,956,449
Less: Sales tax and trade discount on invoices		(885,810)	(1,533,946)
		<u>4,176,119</u>	<u>7,422,503</u>
Cost of sales	32	<u>(3,139,067)</u>	(5,968,185)
Gross profit		1,037,052	1,454,318
Marketing, selling and distribution costs	33	(264,686)	(416,689)
Administrative and general expenses	34	(220,592)	(317,683)
Other operating expenses	35	(108,623)	(87,231)
Other income	36	73,280	45,744
Operating profit		<u>516,431</u>	<u>678,459</u>
Finance costs	37	<u>(373,720)</u>	(549,330)
Profit before taxation		142,711	129,129
Income tax expense	38	(26,994)	(116,001)
Profit after taxation		<u>115,717</u>	<u>13,127</u>
Profit per share - basic and diluted (Rupees)	39	<u>0.43</u>	<u>0.05</u>

The annexed notes from 1 to 51 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Waves Home Appliances Limited
Statement of comprehensive income
For the year ended December 31, 2023

	2023	(Restated) 2022
Note	(Rupees in '000)	
Profit after taxation	115,717	13,127
Other comprehensive income		
Items that will never be reclassified to profit or loss account:		
- Surplus on revaluation of property, plant and equipment	80,079	-
- Related deferred tax on surplus	(23,223)	-
- Actuarial gain / (loss) on employee retirement benefits	-	19,099
12.5	56,856	19,099
Items that may be reclassified to profit and loss account:		
	-	-
Total comprehensive income for the year	172,573	32,226

The annexed notes from 1 to 51 form an integral part of these financial statements.

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Chief Executive



Director



Chief Financial Officer

Waves Home Appliances Limited
Statement of changes in equity
For the year ended December 31, 2023

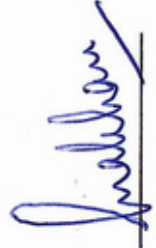
	Share capital	Share to be issued under Scheme	Capital reserves (Note 6)	Capital reserves		Revenue Reserve	Total
				Capital reserves (Note 6)	Loan from sponsors		
Balance as at December 31, 2021 - as reported	118,791	2,560,062	3,527,195	115,300	368,984	375,924	7,066,256
Effect of correction of error	-	-	190,684	-	-	66,840	257,524
Balance as at December 31, 2021 - as restated	118,791	2,560,062	3,717,879	115,300	368,984	442,764	7,323,780
Profit for the year	-	-	-	-	-	13,127	13,127
Other comprehensive income	-	-	-	-	-	19,099	19,099
Total comprehensive income for the year	-	-	-	-	-	32,226	32,226
Effect of incremental depreciation on revaluation surplus - net of tax	-	-	-	-	(26,280)	26,280	-
Transactions with owners of the Company							
Shares capital issued under scheme of arrangement	2,560,062	(2,560,062)	-	-	-	-	-
Shares capital issuance expenses	-	-	(22,011)	-	-	-	(22,011)
Loan received during the year - net	-	-	-	4,197	-	-	4,197
	2,560,062	(2,560,062)	(22,011)	4,197	-	-	(17,814)
Balance as at December 31, 2022	2,678,853	-	3,695,868	119,497	342,704	501,270	7,338,193
Profit for the year	-	-	-	-	-	115,717	115,717
Other comprehensive income	-	-	-	-	-	56,856	56,856
Total comprehensive income for the year	-	-	-	-	-	115,717	115,717
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	(26,280)	26,280	-
Transactions with owners of the Company							
Loan received during the year - net	-	-	-	109,520	-	-	109,520
Shares capital issuance expenses	-	-	(5,632)	-	-	-	(5,632)
	-	-	(5,632)	109,520	-	-	103,888
Balance as at December 31, 2023	2,678,853	-	3,690,235	229,017	373,279	643,268	7,614,653

The annexed notes from 1 to 51 form an integral part of these financial statements.

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Chief Executive



Director



Chief Financial Officer

Waves Home Appliances Limited
Statement of cash flows
For the year ended December 31, 2023

	Note	2023	(Restated) 2022
(Rupees in '000)			
Cash flows from operating activities			
Profit before taxation		142,711	129,129
Adjustments for non-cash charges/items:			
Depreciation on property, plant and equipment	20.1.6	236,353	252,998
Amortisation of intangible asset	21.3	37,564	39,753
Finance costs	37	373,720	549,331
Gain on sale of property, plant and equipment	36	(28,478)	(14,023)
Fair value gain in investment property	36	(33,614)	-
Allowance for expected credit loss	26.1	60,441	-
Allowance for doubtful receivables	35	5,757	-
Effect of termination of lease		(1,349)	-
Amortisation of deferred income	14.1	(1,244)	(4,956)
Unrealised exchange loss	35	22,867	-
Credit balance written back	36	(618)	-
Provision for employee retirement benefits		-	1,429
Profit before working capital changes		814,111	953,660
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stock-in-trade	24	265,479	765,737
Stores, spares and loose tools	25	16,034	1,580
Trade receivables	26	1,169,902	2,143,660
Advances, deposits, prepayments and other receivables	27	(289,341)	35,889
Increase / (decrease) in current liabilities:			
Increase / (decrease) in trade and other payables	15	465,154	(427,378)
		1,627,228	2,519,488
Cash generated from operations		2,441,339	3,473,148
Income tax paid		(126,908)	(98,752)
Lease rentals paid	11	(95,521)	(60,706)
Finance costs paid		(141,865)	(226,518)
Employee retirement benefits paid		(2,316)	(9,675)
Net cash generated from operating activities		2,074,729	3,077,497
Cash flows from investing activities			
Addition in property, plant and equipment	20	(1,942,438)	(2,410,423)
Addition in investment property		(101,393)	-
Long term deposits	23	8,524	(11,981)
Proceeds from disposal of property, plant and equipment		39,291	23,734
Net cash used in investing activities		(1,996,015)	(2,398,670)
Cash flows from financing activities			
Long term financings	9	195,084	328,227
Due to holding Company		-	(226,807)
Short term borrowings	17	(379,581)	(827,416)
Shares capital issuance expense		(5,632)	(22,011)
Loan from Sponsors	7	109,520	4,197
Net cash used in financing activities		(80,610)	(743,810)
Net decrease in cash and cash equivalents		(1,896)	(64,983)
Cash and cash equivalents at beginning of the year		(1,057,813)	(992,830)
Cash and cash equivalents at end of the year	30	(1,059,709)	(1,057,813)

The annexed notes from 1 to 51 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Waves Home Appliances Limited
Notes to the financial statements
For the year ended December 31, 2023

1 Legal status and nature of business

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

1.2 The Company is a subsidiary of Waves Corporation Limited (formerly Waves Singer Pakistan Limited), the ultimate parent Company. Geographical locations of the manufacturing facilities of the Company are located at:

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

2 As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honorable Lahore High Court, Lahore on May 27, 2022, all home appliance business has been transferred to the Company from its Holding Company "Waves Corporation Limited", with effect from effective date, i.e. September 01, 2021. After transfer of home appliance business, certain bills, invoices and contracts relating to the Company's business activities continued in the name of its parent company i.e. Waves Corporation Limited owing to non-completion of legal and procedural formalities. Consequently, the Holding Company routed transactions in its sales tax returns on account of input on utilities, supplies, imports, local stores and spares to the Company and consequent output tax on revenue whereas all transactions were actually being recorded in the books of the Company. The above stated transactions have been recorded to absorb the impact of Sales Tax Input available in sales tax records of the Holding Company, that could have been lost in absence of any legitimate sales tax output available to the Holding Company. The summary of the transactions has been given hereunder:

	2023 (Rupees in '000)
Sales	4,176,119
Purchases	2,367,440
Others	149,055

As at reporting date, the Holding company has transferred all transactions pertaining to advance income tax, advance against imports and sales tax payable appearing in the books of holding company with effects from January 01, 2022 to the Company as these amounts should have been transferred to the Company pursuant to the scheme of arrangement as stated in note -2 upon transfer of Home appliances business.

3 Basis of preparation

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employee retirement benefits and lease liabilities which are stated at present value.

3.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan 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.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.3 The Group operated un-funded Gratuity and a Funded Pension Scheme for its eligible executives and managers (Formerly Singer Pakistan Limited) other than field staff, which was terminated by the Management on August 31, 2018. At that point in time, independent actuarial valuations were conducted and the liabilities determined against Gratuity and Pension Scheme, which were frozen.

For Gratuity, the actuarial valuation determined that it is payable to 59 employees, whose total liability was equal to Rupees 29.825 million. Out of this, an amount of Rupees 14.037 million was related to the employees of the Company, whereas Rupees 15.789 million were related to Waves Marketplace Limited. As of the date of reporting, total Gratuity payable in the Company stands as Rupees 7.627 million (for 09 employees). This balance of Rupees 7.627 million shall be paid upon separation of the eligible employees from the Company. The management of the Company is of the view that yearly Actuarial Valuation is not required as the total gratuity amount is already determined and fixed and there will be no change, except for any discounting of liability factor.

For Pension Scheme; the actuarial valuation determined that total 29 employees are entitled to Pension Scheme with a maximum liability of Rupees 600,000 per month with a discounted present value of Rupees 69.34 million. Accordingly, the Company provided funds to Pension Scheme whose fair value of the assets amounted to Rupees 79.28 million, making it excess funded. Since the Pension Scheme was frozen, therefore the current monthly liability against the fully funded plan assets stands at Rupees 0.587 million as compared to Rupees 0.600 million determined in year 2018. This monthly liability will continue to reduce with the passage of time. The last Actuarial Valuation was conducted in previous year 2022 through which Pension obligations stood at Rupees 47.480 million, whereas plan assets were Rupees 63.572 million.

The management of the Company is of the view that yearly Actuarial Valuation is not required as the total monthly amount to be paid as Pension is already determined and the related Plan Assets are fully funded and are managed independently by the management of Pension Scheme. The only change can be through discounting of the liability which is linked to interest rates. There will be no incremental change in the per month payment and there will be no impact of any demographic or salary changes. The Company does not bear the financial risk associated with the Pension Plan including investment risk and longevity risk. However, the management of the Company will continue monitor the Pension Scheme periodically and any deficit or surplus amount shall be accounted for by the Company .

3.4 Functional and presentation currency

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

3.5 Use of estimates and judgments

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are relevant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
- Residual value, market values and useful lives of property, plant and equipment	4.1
- Useful lives of intangible assets	4.3
- Measurement and recognition of Investment property	4.4
- Provision for employee retirement benefit plans	4.5
- Stores, spares and loose tools	4.6

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- Stock in trade and stores and spares and loose tools	4.7
- Provisions	4.10
- Provision for warranty obligation	4.11
- Taxation	4.14
- Impairment of financial and non-financial assets	4.18

3.6 Standards, interpretations and amendments to published approved accounting and reporting standards which became effective during the year

There were certain amendments to accounting and reporting standards which became effective on the Company for the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements except for the following:

- Amendment in IAS 1 "Presentation of financial statements" (IAS 1) and IFRS Practice Statement 2: This amendment provides guidance and examples to help entities apply material judgements in order to determine the accounting policy information which should be disclosed. This amendment aims to help entities in providing accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment only had an impact on the Company's disclosure of accounting policies, but not on the measurement, recognition or presentation of any item in these financial statements.

3.7 Revised and amended standards and interpretation that are not yet effective and not early adopted by the Company

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2023. These standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.8 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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4 Material accounting policies information

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2) from January 01, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

- After the adoption of this standard, and application of 'predecessor method' as prescribed under this standard, there is no material impact on these financial statements. As envisaged by the scheme of arrangement approved by the Honorable Lahore High Court, the books of accounts of WCL and WHAL shall be updated to record the necessary fair value accounting entries in accordance with the applicable accounting standards and applicable laws. Fair value adjustments are only required for assets and liabilities which under the applicable accounting standards are required to be measured at fair values.

4.1 Property, plant and equipment

4.1.1 Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for the land which is stated at revalued amount less impairment loss, if any, and buildings and plant and machinery which are stated at the revalued amounts less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of an asset.

Land, buildings and plant and machinery are revalued by professionally qualified valuer with sufficient regularity (every three to five years unless earlier required) to ensure that the net carrying amount does not differ materially from the fair value (market value). In case of revalued assets, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset.

Increase in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation is charged to the statement of profit or loss applying the straight-line method whereby the depreciable amount of an asset is depreciated over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use and up to the month of disposal. The rates of depreciation are stated in note 21 to these financial statements.

The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Normal repairs and maintenance are charged to the statement of profit or loss as and when incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. Gains and losses on disposal of assets are taken to the statement of profit or loss. When revalued assets are sold, the amount included in surplus on revaluation of property, plant and equipment is transferred to retained earnings.

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4.1.2 Capital work in progress

It is stated at cost less impairment losses, if any. It includes expenditure incurred and advances made in respect of assets in the course of their construction and installation. These cost are transferred to relevant assets category as and when assets are available for intended use.

4.2 Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

4.3 Intangible assets and goodwill

4.3.1 Goodwill

Goodwill arising on the acquisition of business represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Goodwill is initially recognized at cost which is determined as the excess of the cost of business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is annually tested for impairment.

4.3.2 Other Intangible asset

Other intangible assets, including customer relationship, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets such as brand value that have infinite lives are measured at cost less accumulated impairment losses, if any.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives and is generally recognised in profit or loss. The rates of amortization are stated in note 22 to these financial statements.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gain or loss from derecognition of intangible assets is recognised in the statement of profit or loss.

The Company assesses at each reporting date whether there are any indications that the intangible assets may be impaired. If such indications exists then the recoverable amount is determined. (Refer note 5.18 for impairment of non-financial assets).

4.4 Investment property

Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property. These are not held for use in the production or supply of goods or

Handwritten mark

services or for administrative purposes. The Company's business model i.e. the Company's intentions regarding the use of property is the primary criterion for classification as an investment property.

Investment property is initially measured at cost (including the transaction costs). However when an owner occupied property carried at fair value becomes an investment property because its use has changed, the transfer to the investment property is at fair value on the date of transfer and any balance of surplus on the revaluation of the related assets, on the date of such a transfer continues to be maintained in the surplus account on revaluation of property, plant and equipment. Upon disposal, any surplus previously recorded in the revaluation surplus account is directly transferred to retained earnings and the transfer is not made through the statement of profit or loss. However any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the unconsolidated statement of profit or loss.

The transfer to investment property is made when, and only when, there is a change in use, evidenced by the end of owner occupation. In case of dual purpose properties, the same is classified as investment property, only if the portion could be sold or leased out separately under finance lease.

Subsequent to initial recognition, the Company measures the investment property at fair value at each reporting date and any subsequent change in fair value is recognized in the statement of profit or loss (i.e. in case where the owner occupied property carried at fair value becomes an investment property, the fair value gain to be recognized in the statement of profit or loss would be the difference between the fair value at the time of initial classification as investment property and fair value at the time of subsequent remeasurement). The revaluation of investment properties are carried out by independent professionally qualified valuers on the basis of active market price.

4.5 Employee retirement and other service benefits

4.5.1 Defined benefit plans

The Company operates a funded defined benefit pension scheme for the eligible executives and managers and a funded gratuity scheme for all of its eligible employees (old Singer Pakistan Limited's employees) other than field staff. Provisions / contributions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out annually under the Projected Unit Credit Method.

Amount recognised in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets, if any. All actuarial gains and losses are recognised in 'Other Comprehensive Income' as they occur. Past service cost resulting from the changes to defined benefit plan is immediately recognised in the statement of profit or loss. Current service cost together with net interest cost are also charged to the statement of profit or loss.

Calculation of gratuity and pension require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

4.5.2 Defined contribution plan

The Company operates a recognised provident fund scheme covering all eligible employees. The Company and employees make equal monthly contributions to the fund.

4.6 Stores, spares and loose tools

These are valued at lower of cost determined on first-in-first-out basis and impairment losses if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date less any impairment losses.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimates. These are based on their future usability. Provision is made for any excess of carrying value over the estimated net realizable value and is recognised in the statement of profit or loss.

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4.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost determined on first-in-first-out basis and net realisable value except for stock in transit which is stated at invoice value plus other charges incurred thereon up to the reporting date. Cost in relation to work in process and manufactured finished goods represent direct cost of materials, direct wages and appropriate allocation of manufacturing overheads. Cost of goods purchased for resale comprises of purchase price, import duties, taxes (other than those subsequently recoverable by the entity from tax authorities) and other directly attributable cost wherever applicable.

Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to be incurred to make the sale.

The management continuously reviews its inventory for existence of any items which may have become obsolete. Provision is made for slow moving inventory based on management's estimation. These are based on historical experience and are continuously reviewed.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, and deposits held with banks having original maturities of three months or less and where these are held for the purpose of meeting short term cash commitments rather than for investments or other purposes. Short term running finance facilities availed by the Company are also included as part of cash and cash equivalents for the purpose of cash flow statement.

4.9 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycles of business if longer). If not, they are classified as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.10 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

4.11 Warranty obligations

The Company accounts for its warranty obligations based on historical trends when the underlying products or services are sold.

4.12 Revenue recognition

4.12.1 Sale of goods

Revenue represents the fair value of consideration received or receivable for sale of goods, net of sales tax, sales returns and related discounts. Revenue is recognized when or as performance obligation is satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or point in time.

4.12.2 Other income

- Income on investments and profit and loss sharing bank accounts are recognised on accrual basis using the

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effective interest rate method.

- Rental income from investment property is recognized as other income on a straight-line basis over the term of lease.
- Dividend income and entitlement of bonus shares are recognised when the right to receive is established

4.13 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

4.14 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity / surplus on revaluation of fixed assets or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred taxation

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

4.15 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

Finance cost are accounted for on an accrual basis and are included in accrued finance cost to the extent of the remaining amount unpaid.



4.16 Financial instruments

4.16.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4.16.2 Classification and subsequent measurement

4.16.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI), fair value through statement of profit or loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, trade debts and other receivables.

b) Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

c) Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.



These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

d) Fair value through statement of profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss. The Company has no such investments at the reporting date.

e) Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

4.16.2.2 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Company's financial liabilities comprise trade and other payables, long and short term borrowings, amount due to Holding Company, lease liabilities, accrued markup and dividend payable.

4.16.3 Derecognition

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

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b) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

4.17 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the financial statements only when the Company has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.18 Impairment

a) Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowance required on an annual basis. Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

b) Non - Financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.19 Foreign currency transactions and translation

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit or loss.

Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences are generally included in the statement of profit or loss.

4.20 Dividends and appropriations to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved. Transfer between reserves approved subsequent to the reporting date is considered as non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

4.21 Earnings per share

As required under International Accounting Standard 33 "Earnings Per Share", basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.



4.22 Deferred income

a) Grant in aid

Grant in aid represents the amount received from the World Bank under a project to phase out the Ozone Depleting Substances (ODS) by acquiring asset (production facility) which manufactures such products which are free from such substances. This grant is classified as deferred income and is being amortized over the useful life of such asset.

b) Government grant

The Company recognizes the benefit of a government loan at a below-market rate of interest as Government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received and is presented as deferred grant. The recognition of government grants in profit or loss is done on a systematic basis over the periods in which the expenses for which the grants are intended to compensate.

4.23 Leases

- At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.
- The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any. The right of use assets is depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or cost of the right of use asset reflects that the Company will exercise a purchase option.
- In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 21 of the financial statements."
- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.
- The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
- When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 11 to these financial statements for disclosure of lease liability.

Short term leases and leases of low value assets

The Company has elected not to recognize right of use assets and liabilities for some leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

4.24 Correction of Error

In corresponding year, the Company did not recognize present value of payable to holding company under International Financial Reporting Standard 9 from the date of Sanction of the Scheme by the Honorable Lahore High Court, Lahore rather the Company erroneously recognised it from the date of effective date. Moreover, amortization of deferred income amounting to Rupees 18.834 million was not recongized in the financials year 2021 and 2022. Further, tax credit under minimum tax was erroneously recognised on the basis of group level in the Company rather than recognising the same on proportionate level. These errors have now been corrected retrospectively under the provisions of International Accounting Standard 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Had these errors not been corrected; profit after taxation for the year would have been increased by Rupees 156.092 million whereas unappropriated profit would have been increased by Rupees 156.092 million. Cumulative effect of correction of errors are being presented hereunder:

Description	As at December 31, 2022 (Rupees in '000)		
	As reported	As re-stated	Re-statement
Effect on statement of Financial Position			
Accumulated profit	470,176	501,270	(31,094)
Amount due to holding Company	1,721,338	1,746,083	(24,745)
Capital reserves	3,527,195	3,717,879	(190,684)
Deferred taxation	456,083	407,595	48,488
Deferred income	-	7,639	(7,639)
Due to holding Company	1,721,338	1,746,083	(24,745)
Effect on statement of profit or loss			
Administrative and general expenses	307,745	317,683	(9,938)
Finance costs	381,647	549,330	(167,683)
Other operating expenses	256,189	87,231	168,958
Income tax expense	88,909	116,001	(27,092)
Effect on statement of other comprehensive income			
There was no effect on statement of other comprehensive income.			
Effect on statement of Changes in Equity			
Opening unappropriated profit	375,924	442,764	(66,840)
Net profit for the year	48,873	13,127	35,746
Effect on statement of cash flows			
Finance costs paid	550,615	549,330	1,284
Effect earning per share			
Earning per share - basic and diluted (Rupees)	0.18	0.05	0.13

4.25 Restated figures also include effect of reclassification of items of assets, liabilities and expenses.

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	2023	2022	2023	(Restated) 2022
	(Number of shares)		(Rupees in '000)	
5 Share capital				
5.1 Authorized share capital	<u>425,000,000</u>	425,000,000	<u>4,250,000</u>	4,250,000
5.2 Issued, subscribed and paid-up capital				
Fully paid-up ordinary shares of Rupees 10 each				
Issued for consideration in cash	11,879,111	11,879,111	118,791	118,791
Issued under Scheme of arrangements	256,006,196	256,006,196	2,560,062	2,560,062
Balance as at December 31	<u>267,885,307</u>	267,885,307	<u>2,678,853</u>	2,678,853
5.3 Reconciliation of ordinary shares				
Balance as at January 01	267,885,307	11,879,111	2,678,853	118,791
Shares issued under scheme of arrangements	-	256,006,196	-	2,560,062
Balance as at December 31	<u>267,885,307</u>	267,885,307	<u>2,678,853</u>	2,678,853
5.4 Ordinary shares of the Company held by parent company as at year end are as follows:				

	2023	2022	2023	(Restated) 2022
	(Percentage held)		(Number of shares)	
Waves Corporation Limited (Holding Company)	<u>74.5561%</u>	74.5561%	<u>199,724,956</u>	199,724,956

	Note	2023	(Restated) 2022
		(Rupees in '000)	
6 Capital reserves			
Capital redemption reserve	6.1	148,489	148,489
Share premium reserve	6.2	3,614,359	3,619,991
Merger reserve	6.3	(72,612)	(72,612)
		<u>3,690,236</u>	<u>3,695,868</u>

6.1 Capital redemption reserve

Pursuant to Scheme of Arrangement as approved by Honorable Lahore High Court, Lahore through its Order dated May 27, 2022, effective September 01, 2021 the issued share capital of the Company shall be consolidated to 2.25 shares and the share capital of the Company will reduce from every 225 shares to 100 shares i.e. number of existing paid-up shares (prior to issuances of shares to WCL) will reduce from 26,728,000 to 11,879,111 ordinary shares of Rupees 10 each. The resultant amount has been transferred to 'Capital redemption reserve'.

6.2 Share premium reserve

Pursuant to Scheme of Arrangement between Waves Corporation Limited and the Company as approved by Honorable Lahore High Court, Lahore through its order dated May 27, 2022; the Company has allotted 199,724,956 shares of Rupees 10 each to Waves Corporation Limited and 56,281,240 ordinary shares of Rupees 10 each to the shareholders of Waves Corporation Limited at the rate of Rupees 24.24 per share. The excess of market value over the face value of the shares at the effective date amounting to Rupees 3,642 million has been recognised as share premium. Share premium may be utilized by the Company only for the purpose specified in Section 81 of the Companies Act, 2017. During the year, the Company has utilised share premium amount to the extent of Rupees 5.632 million (2022: Rupees 22.011 million) in accordance with the provisions of Section 81 of the Companies Act, 2017.

Two

6.3 Merger reserve

Pursuance to Scheme of Arrangement; the WCL has transferred its entire home appliance business to the Company in the year 2021. Net assets acquired under scheme of arrangement were stated at their earning values under applicable accounting standards and applicable laws based on sanction of scheme by the Honorable Lahore High Court. These have been recognized in accordance with the 'Predecessor Accounting' method as prescribed under the ICAP Accounting Standard for Common Control Transactions notified under S.R.O. 53(I)/2022 dated January 12, 2022. Difference between carrying value of net assets acquired and consideration paid has been recognized as merger reserve.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
7	Loan from sponsors		
	Loan from sponsors	229,017	119,497
7.2	Reconciliation of loan from sponsors is as under:		
	Balance at beginning of the year	119,497	115,300
	Obtained during the year	151,473	4,917
		270,970	120,217
	Repayment during the year	(41,953)	(720)
	Balance at the end of year	229,017	119,497

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

	(Restated)	
	2023	2022
		(Rupees in '000)
8	Revaluation surplus	
	Surplus on revaluation at beginning of the year	457,685
	Revaluation surplus recognized during the year	80,079
	Surplus on revaluation recognized during the year transfer to unappropriated profit in respect of:	
	- Incremental depreciation on revalued assets	(26,281)
	- Related deferred tax liability	(10,734)
		(37,015)
	Surplus on revaluation as at the end of the year	500,749
	Related deferred tax liabilities on revaluation at the beginning of the year	114,982
	- Effect of revaluation surplus recognised during the year	23,223
	- Incremental depreciation on revalued assets	(10,734)
		12,488
	Deferred tax at the end of the year	127,470
		373,278
		457,685
		125,716
		-
		(10,734)
		(10,734)
		114,982
		342,703

8.1 This represents amount of surplus - net of deferred tax transferred from WCL under the scheme of arrangement. This includes balance of revaluation surplus of land amounting to Rupees 55.65 million (2022: Rupees 55.65 million), building on freehold land amounting to Rupees 9.81 million (2022: Rupees 7.53 million) and plant and machinery of Rupees 307.814 million (2022: Rupees 279.52 million).

8.2 The Company has revalued its building on freehold land and plant and machinery during the financial year and latest revaluation was carried out as on December 31, 2023. The latest revaluation was conducted by M/S Unicorn International Surveyors. Assets were revalued on the basis of depreciated market values. The most significant input into this valuation approach is price per square foot for buildings, present operational condition and age of plant and machinery.

Note	2023 (Rupees in '000)	2022 (Rupees in '000)
9.2	563,079	284,422
9.3	900,945	984,518
	1,464,024	1,268,940
18	(697,691)	(479,525)
	766,333	789,415

	1,268,940	940,713
	328,625	522,700
	1,597,565	1,463,413
	(133,541)	(194,473)
	1,464,024	1,268,940

9 Long term financings

Long term loans - Banking Companies
Long term loans - Non-banking Companies

Less: Current maturity including overdue amounts presented under current liabilities

9.1 Reconciliation of long term financing is as under:

Balance at beginning of the year
Obtained during the year
Repayment during the year
Balance at the end of year

9.2 Long term finances utilized under mark-up arrangements from banking companies are composed of:

(Restated)

Bank Name	Facility	2023	2022	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
Sindh Bank Limited	Term Finance	161,958	161,958	3 Months KIBOR plus 3% per annum, payable quarterly	Balance was payable in two equal instalments payable on March 16, 2023 and September 16, 2023. During the year, the Bank has deferred the facility and now facility is payable on two equal instalments payable on March 15, 2024 and September 15, 2024.	This facility along with short term running finance facility is secured by way of first joint pari passu charge over all present and future fixed assets including but not restricted to land, building and plant & machinery of the Company to the extent of Rupees 1,116.378 million. This facility has been obtained to meet long term working capital requirements of the Company.
The Bank of Khyber	SBP Salary Refinance Scheme	-	47,464	3% SBP spread 0% plus BoK spread rate 3% per annum, payable quarterly.	This balance became due on December 31, 2022 and was paid during the year.	This facility was secured by way of ranking charge to the extent of Rupees 264 million over present and future fixed assets of the Company.

TR

(Restated)

Bank Name	Facility	2023	2022	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
Dubai Islamic Bank Limited	Term Finance	75,000	75,000	3 Months KIBOR plus 2% per annum, payable quarterly.	Balance payable in three quarterly instalments starting from January 2024 and ending on October 2024.	This facility is secured by way of first pari passu charge of Rs. 524 million on present and future fixed assets of the Company with 25% margin and Cross corporate guarantees of group concerns of the Company, i.e Electronic Marketing Company (Private) Limited and Waves Marketing (Private) Limited.
Bank Alfalah Limited	Term Finance	326,120	-	1 Month KIBOR plus 2.25% per annum, payable monthly.	Balance payable on monthly basis in 30 equal instalments starting from September 28, 2023 and ending on March 28, 2026	This facility is secured by way of first joint pari passu charge over present and future fixed assets for Rupees 440 million including Land, Building and Machinery. (land located at Ferozpur Road, Lahore whereas machinery installed at Multan Road, Lahore on the property owned by parent company). First joint pari passu charge of Rupees 934 million over current assets of the Company, personal guarantees of sponsoring directors of the Company, cross corporate guarantee of parent company and post dated cheques for the repayment of monthly installments.
		563,079	284,422			

9.3 Long term finances utilized under mark-up arrangements from non banking companies are composed of:

(Restated)

Bank Name	Facility	2023	2022	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
Pak Brunei Investment Company Limited	Term Finance	59,375	82,813	1 Month KIBOR plus 3% per annum, payable quarterly starting from the effective restructuring date till Nov 30, 2023. After this markup payments shall be made on monthly basis.	Principal payable in twelve equal monthly instalments started from February 2022 and ending on January 2024.	This facility is secured by way of constructive equitable mortgage of Rupees 79.166 million, first pari passu hypothecation charge over all moveable fixed assets, including plant and machinery of the Company, first pari passu mortgage charge over all immovable fixed assets, including land and building, joint pari passu ranking hypothecation charge and ranking mortgage charge over all moveable and immovable fixed assets, including plant and machinery of the Company, post dated cheques of all installments and personal guarantees of three sponsoring directors of the Company. This facility has been obtained to meet long term working capital requirements and balance sheet re-profiling of the Company.

TW

(Restated)

Bank Name	Facility	2023	2022	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
(Rupees in '000)						
AWWAL Modaraba (A subsidiary of Pak Brunei Investment Company Limited)	Syndicated Musharikah Facility	209,070	222,705	3 Month KIBOR plus 2.5% per annum, with floor of 10% and cap of 30%.	Principal payable in monthly installments started from January 20, 2022 and ending on December 20, 2027.	This facility is secured against title of musharakah assets to be transferred to agents name, ranking charge on all present and future fixed assets of the Company including land and building with 25% margin over facility amount, ranking charge on all present and future current and moveable fixed assets of the Company with 25% margin over facility amount, post dated cheques of all instalments and personnel guarantees of two sponsoring directors of the Company. This facility has been obtained to meet long term working capital requirements and balance sheet re-profiling of the Company.
Pak Oman Investment Company Limited	Term Finance	187,500	225,000	3 Months KIBOR plus 2.5% per annum, payable quarterly.	Balance payable in quarterly installments starting from December 06, 2024 and ending on March 06, 2027.	This facility is secured by way of joint pari passu charge of Rupees 375 million on fixed assets of the Company including land, building, plant and machinery and personal guarantees of two sponsoring directors of the Company. This facility has been obtained to meet long term working capital requirements and CAPEX for shifting of existing manufacturing unit to new place.
Pak Libya Investment Company Limited	Term Finance	195,000	204,000	6 Months KIBOR plus 2.5% per annum, payable quarterly.	Balance payable in 31 quarterly installments starting from January 05, 2025 (Restructuring date) and ending on January 04, 2028.	This facility is secured by way of first pari passu charge on all present and future fixed assets of the Company to the extent of Rupees 400 million, equitable mortgage over land and building to the extent of Rupees 400 million and personnel guarantee of main sponsoring director of the Company. This facility has been obtained to finance the expansion of production facility.
Pak Libya Investment Company Limited	Term Finance	250,000	250,000	3 KIBOR plus 2.75% per annum, payable quarterly.	Payable in 16 equal quarterly installments started from February 17, 2024 and ending on November 17, 2027.	This facility is secured by way of pari passu charge of Rupees 334 million on all present and future fixed assets of the Company including land and building, corporate guarantees of Waves Corporation Limited and Waves Builder and Developers Limited and personal guarantees of three sponsoring directors of the Company.

900,945

984,518

TW

9.5 The financing facilities (funded and unfunded) obtained from Sindh Bank Limited are secured against collateral at group level. The financing facilities of the Company and its parent company are secured against first exclusive charge over fixed assets of Rupees 300 million including first exclusive equitable mortgage charge, token registered mortgage over shop located at Shaheen Tower, Karachi, showrooms located at Zaib-un-nisa Street Sadar, Karachi, over shop located at Suleman Centre, Dawood Pota Road, Karachi, over shop located at Nawab Manzil, Shahrah-e-Liaqat Karachi (having aggregate market value of these properties of Rupees 310.00 million and Forced Sale Value is Rupees 263.700 million), personal guarantee of Mr. Haroon Ahmed Khan (Chief Executive), Cross Corporate guarantees of parent company M/s Waves Corporation Limited.

9.4 As per financing arrangements, the Company is required to comply with certain financial covenants and other conditions imposed by the providers of finance. *Two*

	Note	(Restated)	
		2023	2022
(Rupees in '000)			
10 Due to holding Company			
Balance as at January 01		1,746,083	1,582,202
Notional interest on amount due to holding Company	37	180,855	163,881
Carrying value		<u>1,926,938</u>	<u>1,746,083</u>

10.1 This represents interest free amount discounted at the borrowing rate of 9.87% per annum applicable on the date of transaction and has been classified in equity as a 'contribution from Holding Company' - net of tax.

10.2 As per scheme of arrangement, the Company is liable to pay Rupees 2,000 million to WCL within two years of the sanction of the scheme. However, if the said amount is still wholly or partially payable, then WCL is also subject to pay profit / markup on the outstanding amount on a quarterly basis in arrears and such rate shall be decided by the BOD of the Company and should not be less than the prescribed rate as per applicable laws. The Company has requested the board of the parent company to allow it extension in time for a period of five years for payment of amount.

The board of directors of the parent company has agreed to extend the time for repayment of the amount as requested by the Company subject to approval of the shareholders of the parent company. As there is no intention of the Company to repay the amount in next 12 months nor the parent company demand the amount; therefore, the amount has been classified as long term liability.

	Note	(Restated)	
		2023	2022
(Rupees in '000)			
11 Lease liabilities			
Building under right of use - unsecured	11.1	-	71,037
Vehicles under right of use - secured	11.2	28,927	53,411
		28,927	124,448
Less: Current maturity of liabilities for vehicles	18	(8,423)	(13,165)
Less: Current maturity of liabilities recognized for buildings		-	(29,350)
		<u>20,504</u>	<u>81,932</u>

The future minimum lease payments and their present values to which the Company is committed under various lease arrangements are as follows:

11.1 Building under right of use - unsecured

	2023			2022 - (Restated)		
	Minimum lease payments	Future finance charges	Present value of minimum lease payments	Minimum lease payments	Future finance charges	Present value of minimum lease payments
(Rupees in '000)						
Not later than one year	-	-	-	35,883	6,532	29,350
Later than one year and not later than five year	-	-	-	52,110	10,423	41,687
	-	-	-	87,993	16,956	71,037

The Company has recognized lease buildings on account of warehouses rented out to the Company. The remaining tenure of contracts ranges from 2 to 60 month payable monthly, quarterly and annually. Lease liability is calculated at discount rate ranging from 8.93% to 17.07% per annum.

Two

11.2 Other assets under right of use - secured

	2023			2022 - (Restated)		
	Minimum lease payments	Future finance charges	Present value of minimum lease payments	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	(Rupees in '000)					
Not later than one year	13,183	4,761	8,423	19,590	6,425	13,165
Later than one year and not later than five year	24,564	4,060	20,504	46,067	5,821	40,246
	<u>37,747</u>	<u>8,821</u>	<u>28,927</u>	<u>65,657</u>	<u>12,246</u>	<u>53,411</u>

The above represents leases entered into with certain financial institution for vehicles. Monthly payments of leases carry mark-up rates at KIBOR plus 2.5% to 3% per annum. KIBOR is one, three and six months average ask side. At the year-end the applicable rates range between 19.00% to 24.66% per annum (2022: 9.16% to 19.08% per annum). Title to the assets acquired under the leasing arrangements are transferrable to the Company upon payment of entire lease obligations.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
12 Employee retirement benefits			
Receivable from pension fund	12.1	<u>16,092</u>	<u>16,092</u>

12.1 Pension scheme was available to permanent full-time employees in the executive and manager cadre including full-time working directors but excluding persons working as temporary, trainees or apprentice employees. Minimum years of service for qualifying to pension was 15 years. Employees were entitled to pension on retirement at 57 years of age. Gratuity to the permanent employees was payable on normal retirement at the age of 57 years, natural death, etc. and is payable only on the minimum completion of 5 years of service with the Company. Both of these benefits pertained to old employees of former Singer Pakistan Limited (before the effective date of amalgamation) and this benefit has been freezed at the level that existed as at May 31, 2019. Given the fact that the Company had discontinued gratuity and pension fund schemes with effect from May 31, 2019; the liability payable against retirement benefits are not subject to actuarial evaluation. Accordingly, the management has not arranged actuarial valuation for the year 2023.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
The amounts recognized in the statement of financial position are as follows:			
Present value of defined benefit obligation			
- Receivable from pension fund	12.2	<u>16,092</u>	<u>16,092</u>
- Payable against gratuity fund	12.2	<u>(7,627)</u>	<u>(9,943)</u>

	Pension Fund		Gratuity	
	2023	2022	2023	2022
	(Rupees in '000)			
12.2 Amounts recognised in statement of financial position				
Present value of defined benefit obligation	(47,480)	(47,480)	(7,815)	(10,131)
Fair value of plan assets	63,572	63,572	188	188
Liability / receivable on the reporting date	<u>16,092</u>	<u>16,092</u>	<u>(7,627)</u>	<u>(9,943)</u>
12.3 Movement in the liability recognized in the statement of financial position				
Liability at beginning of the year	(16,092)	467	9,943	13,553
Charge to statement of profit or loss	-	47	-	1,382
Benefits paid during the year	-	-	(2,316)	(2,498)
Actuarial gain on defined benefit obligation	-	(16,606)	-	(2,494)
Liability at end of the year	<u>(16,092)</u>	<u>(16,092)</u>	<u>7,627</u>	<u>9,943</u>

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	Pension Fund		Gratuity	
	2023	2022	Permanent employees	
			2023	2022
	(Rupees in '000)			
12.4 The amounts recognized in these statement of profit or loss account				
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Interest cost net of expected return on plan assets	-	47	-	1,382
	-	47	-	1,382
12.5 Included in other comprehensive income:				
Actuarial loss / (gain) on obligation	-	(16,123)	-	(2,759)
Actuarial loss on plan assets	-	(483)	-	265
Total actuarial loss / (gain) recognised in OCI	-	(16,606)	-	(2,494)
12.6 Staff retirement benefit charge to profit or loss for the year has been allocated as follows:				
Cost of sales	-	31	-	899
Marketing, selling and distribution costs	-	12	-	137
Administrative expenses	-	5	-	346
	-	47	-	1,382

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
13 Deferred tax liability			
Deferred tax liability	13.1	407,694	407,595

13.1 This comprises of following:

	2023			
	Opening balance	Charge / (reversal) to P&L	Charge / (reversal) to OCI	Closing balance
	(Rupees in '000)			
Taxable temporary difference				
Accelerated tax depreciation	334,022	27,069	-	361,091
Right of use asset	38,176	(33,007)	-	5,169
Revaluation surplus	114,982	(10,734)	23,223	127,470
(Deductible) temporary difference				
Staff retirement benefits	1,783	672	-	2,455
Allowance for expected credit loss	-	(17,528)	-	(17,528)
Allowance for doubtful receivables	-	(1,670)	-	(1,670)
Lease liabilities	(36,090)	27,701	-	(8,389)
Unused tax credits	(44,599)	(13,957)	-	(58,556)
Other provisions	(679)	(1,670)	-	(2,349)
	407,595	(23,124)	23,223	407,694
	(Restated)			
	2022			
	Opening balance	Charge / (reversal) to P&L	Charge / (reversal) to OCI	Closing balance
	(Rupees in '000)			
Taxable temporary difference				
Accelerated tax depreciation	341,316	(7,293)	-	334,022
Right of use asset	45,273	(7,097)	-	38,176
Revaluation surplus	125,715	(10,733)	-	114,982
Deductible temporary difference				
Staff retirement benefits	(4,066)	(1,952)	7,801	1,783
Allowance for expected credit loss	(48,428)	48,428	-	-
Lease liabilities	(31,461)	(4,629)	-	(36,090)
Unused tax credits	(39,943)	(4,656)	-	(44,599)
Other provisions	(592)	(87)	-	(679)
Deferred tax liability - net	387,814	11,980	7,801	407,595

7/20

- 13.2 Deferred tax has been recognised at rates enacted at the reporting date at which these are expected to be settled / realized.
- 13.3 Deferred tax asset on tax credits has been recorded based on financial projections indicating the absorption of deferred tax asset over future years against future expected taxable profits. The financial projections involve certain key assumptions such as sales price and composition, raw materials, labour prices etc. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset. Nonetheless, the Company is confident of the achievement of its targeted results.

	Note	2023 (Rupees in '000)	(Restated) 2022
14 Deferred Income			
Grant in aid	14.1	6,395	7,639
Less: Current portion		(1,163)	(1,162)
		<u>5,232</u>	<u>6,477</u>
14.1 Reconciliation of carrying amounts			
Description		Grant in aid	Total
		(Rupees in '000)	
Cost			
Balance as at January 01, 2022		13,953	13,953
Addition during the year		-	-
Balance as at December 31, 2022- Restated		<u>13,953</u>	<u>13,953</u>
Balance as at December 31, 2022- Restated		13,953	13,953
Additions during the year		-	-
Balance as at December 31, 2023		<u>13,953</u>	<u>13,953</u>
Amortization			
Balance as at January 01, 2022- Restated		(5,152)	(5,152)
Amortised during the year		(1,162)	(1,162)
Balance as at December 31, 2022- Restated		<u>(6,314)</u>	<u>(6,314)</u>
Balance as at December 31, 2022- Restated		(6,314)	(6,314)
Amortised during the year		(1,244)	(1,244)
Balance as at December 31, 2023		<u>(7,558)</u>	<u>(7,558)</u>
Written down value as at December 31, 2022 (Restated)		<u>7,639</u>	<u>7,639</u>
Written down value as at December 31, 2023		<u>6,395</u>	<u>6,395</u>
Rates of amortization / useful life		<u>8.33%</u>	

- 14.1.1 Grant in aid represents the amount received from the World Bank under a project to phase out the Ozone Depleting Substances (ODS) by acquiring asset (production facility) which manufactures products that are free from such substances. This grant is classified as deferred income and is being amortized over the useful life of the asset. Amortization for the year is based on 8.33% of the balance in accordance with the depreciation charged on plant and machinery for which the grant was received.

	Note	2023 (Rupees in '000)	(Restated) 2022
15 Trade and other payables			
Trade creditors		691,340	694,302
Payable against capital work in progress		56,970	59,171
Bills payable		370,586	163,705
Accrued liabilities	15.1	61,165	56,582
Advances from customers		15,974	103,507
Advance from employees against vehicle		32,420	30,153
Security deposits from dealers	15.2	14,407	10,200
Provisions in respect of warranty obligations		4,176	7,423
Sales tax payable	15.3	645,975	407,141
Withholding income tax payable		241,173	184,055
Payable to workers' profit participation fund	15.4	8,582	6,889
Payable to workers' welfare fund	15.5	7,720	3,751
Payable to the provident fund		23,425	3,693
Book overdraft		14,883	6,627
Other payable		57,091	43,534
		<u>2,245,887</u>	<u>1,780,733</u>

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- 15.1 This includes remuneration payable to ex-directors and ex-executives amounting to Rupees 2.28 million (2022: Rupees 2.28 million).
- 15.2 These amounts are not kept in a separate bank account as required by Section 217 of the Companies Act, 2017.
- 15.3 Sales tax payable amounting to Rupees 90.303 million has been transferred by the parent company to the Company with effect from January 01, 2022 as amount was not earlier transferred to the Company upon transfer of home appliance business pursuant to the scheme of arrangement refer to Note 2.

	Note	2023 (Rupees in '000)	(Restated) 2022
15.4 Payable to workers' profit participation fund			
Opening balance		6,889	21,954
Add: Charge for the year	35	7,511	6,889
Add: Markup on workers' profit participation fund	37	1,071	-
		<u>15,472</u>	<u>28,843</u>
Less: Payments made during the year		(6,889)	(21,954)
Closing balance		<u>8,582</u>	<u>6,889</u>
15.5 Payable to workers' welfare fund			
Opening balance		3,751	8,889
Add: Charge for the year	35	3,969	3,751
		<u>7,720</u>	<u>12,640</u>
Less: Payments made during the year		-	(8,889)
Closing balance		<u>7,720</u>	<u>3,751</u>
16 Accrued markup			
Mark-up based borrowings from banking companies			
- Long term loans - secured		46,867	247
- Short term borrowings - secured		282,668	227,503
Mark-up based borrowings from non-banking companies			
- Long term loan - secured		97,976	28,604
Islamic mode of borrowings			
- Short term borrowings - secured		29,943	21,990
- Loan from provident fund trust		59,093	6,593
		<u>516,548</u>	<u>284,937</u>
17 Short term borrowings			
From banking companies - secured			
Running finance under markup arrangement	17.2	1,065,162	1,063,442
Finance against trust receipt	17.3	1,191,472	1,796,224
Short term borrowings under Murabaha arrangement	17.4	284,941	296,341
Demand finance	17.5	69,511	-
From others - unsecured			
Short term borrowings under Musharaka arrangement	17.6	127,059	-
Loan from Employees provident fund	17.7	288,000	248,000
		<u>3,026,145</u>	<u>3,404,007</u>
17.1 Particulars of borrowings			
Interest / mark-up based borrowings		2,614,145	3,107,666
Islamic mode of borrowings		412,000	296,341
		<u>3,026,145</u>	<u>3,404,007</u>
17.2 Running finance under markup arrangement			

This represents utilized amount of short term running finance facilities under mark-up arrangements availed from various commercial banks aggregating to Rupees 1,065.162 million (2022: Rupees 1,063.44 million). These facilities were secured by way of equitable mortgage charge on building on freehold land of the Company, charge over all current assets and fixed assets of the Company and personal guarantees of the sponsor directors of the Company and carry mark-up ranging from 19.00 % to 25.47% (2022: 11.89% to 18.77%) per annum, payable monthly and quarterly in arrears. These facilities are expiring on various dates (Latest by April 30, 2023 and maximum by July 31, 2024).

17.3 Finance against trust receipt

This represents Finance Against Trust Receipt (FATR) available from commercial banks aggregating to Rupees 1,191.472 million (2022: Rupees 1,796.23 million). These facilities were secured against charge over current assets of the Company and personal guarantees of the sponsor directors of the Company and carries mark-up rate ranging between 21.00% to 25.62% (2022: 9.42% to 19.56%) per annum. These borrowings has been repayable on different dates starting from September 30, 2023 to July 31, 2024.

17.4 Short term borrowings under Murabaha arrangement

This represents utilized amount of Musharaka / Tijara borrowings availed from Islamic banking institutions aggregating to Rupees 284.941 million (2022: Rupees 296.34 million). These facilities were secured against joint pari passu charge over all present and future current assets (stocks and receivables) of the Company for Rupees 107 million and joint pari passu charge over fixed assets (Plant and machinery) of Rupees 133.333 million and cross corporate guarantees of Holding company M/s Waves Corporation Limited and carrying mark-up rates ranging from 17.93% to 25.47% (2022: 10.09% to 19.56%) per annum payable quarterly in arrears. These borrowings is now repayable on different dates starting from May 31, 2023 to November 18, 2023.

17.5 Demand finance

This represents demand finance facility under mark-up arrangements availed from Bank of Khyber amounting to Rupees 69.511 million (2022: Rupees Nil). This facility is secured by joint pari passu charge on the company's present and future current assets to the extent of Rupees 400 million and joint pari passu of Rupees 533 million on present and future current assets of the company including charge against running finance and Rupees 133.33 million over fixed assets of the Company. This facility carry mark-up ranging from 24.48% to 25.16% (2022: Nil) per annum, payable monthly and quarterly in arrears.

17.6 Short term borrowings under Musharaka arrangement

This represents short term borrowing obtained under modaraba arrangements from Elahi Group of Companies amounting Rupees 127.059 million (2022: Rupees Nil). The facility is secured against lien of title deeds in respect of Musharaka property in favour of Elahi group of companies and demand promissory note along with security cheques amounting to the extent of principal exposure of Musharaka to be held by Elahi Group of companies.

17.7 Loan from Employees provident fund

This represent unsecured loan obtained from employees provident fund aggregating to Rupees 288.00 million (2022: Rupees 248.00 million). The loan is repayable on demand and carries markup rate ranging between 19.30% to 19.52% per annum (2022: 19.30% to 19.52%) per annum.

17.8 Unavailed credit facilities

The facilities as at December 31, 2023 were Rupees 5,263.280 million (2022: Rupees 4,707.1 million) of which remaining unutilized amount was Rupees 1188.171 million (2022: Rupees 3,100.183 million).

17.9 As per the financing arrangements, the Company is required to comply with certain financial covenants and other conditions imposed by the providers of finance.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
18	Current portion of long term liabilities		
	Long term loans - Banking Companies	9	468,277
	Long term loans - Non Banking Companies	9	229,414
	Lease liabilities	11	8,423
	Deferred income	14	1,163
			<u>707,277</u>
			<u>523,203</u>

19 Contingencies and commitments**19.1 Contingencies**

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

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19.2 Contingencies related to Waves Corporation Limited transferred under scheme of arrangement

- 19.2.1** During the financial year 2019, the Company received a show cause notice from Collector of Customs dated April 05, 2019 and respective order dated October 17, 2019 in which the Company was directed to deposit an amount of Rupees 24,118,794 for the consignment of Polymethylene polyphenylene isocyanate which was cleared through erroneous application of SRO 659/2007 dated June 30, 2007. The Company has filed an appeal against the order which is in progress. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 19.2.1** The Company received a show cause notice from Collector of Customs and respective order dated December 14, 2017 in which the Company was directed to deposit an amount of Rupees 10,449,214 for the consignment of Polymethylene polyphenylene isocyanate which was cleared through erroneous application of SRO 659/2007 dated June 30, 2007. The Company has filed an appeal against the order which is in progress. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.

19.3 Contingencies related to Samin Textile Limited

- 19.3.1** A petition for execution of decree of the Civil Court relating to land of the Company situated in village Rousa, Kasur which has been sold earlier period is pending before Civil Judge, Kasur.
- 19.3.2** A suit has been initiated by Dynamic Equipment & Control (Pvt.) Limited on October 12, 2018 seeking the recovery of Rupees 8.4 million from the Company. Notices have been issued and the Company is actively defending its rights in the ongoing legal proceedings. As per advice of the legal counsel the Company has already recorded payable amounting to Rupees 7.1 million and there is very likelihood that no additional liability is required in these financial statements.
- 19.3.3** An appeal has been lodged against the Company in a separate recovery suit by a customer of Samin Textile Limited. The customer alleges damages stemming from the supply of defective cloth amounting to Rupees 11.383 million along with an additional claim for damages totalling Rupees 5 million. The matter is currently subjudice before the Lahore High Court, Lahore. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.
- 19.3.4** An appeal effect order under section 124 for Tax Year 2008 was issued following the direction provided in the communication from the Commissioner Inland Revenue (Appeals) -II dated 16-04-2014. This order resulted in the determination of total losses amounting to Rupees 128,915,283 with a corresponding demand of Rupees 28,482,019 being vacated. Subsequently, both the Company and tax department have pursued further legal recourse by approaching the Appellate Tribunal Inland Revenue against the order of Commissioner Inland Revenue (Appeals) - II, As of the present date, this matter remains pending adjudication before the Appellate Tribunal Inland Revenue. Based on the circumstances and legal consideration surrounding the case and as per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.5** An order under section 122(5A) for Tax Year 2009 was issued on October 27, 2014 by the Additional Commissioner Inland Revenue (Add. CIR), resulting in the raising of a demand amounting to Rupees 4.8 million. Following this order, an appeal was filed before the Commissioner Inland Revenue Appeals, who granted partial relief. Notably, interest on Workers' Profit Participation Fund (WPPF) and on short term borrowings was disallowed against export sale. Subsequently, the Subsidiary Company opted to challenge the decision by filling an appeal before the Commissioner Inland Revenue (Appeals). As of the current date, this appeal remains pending adjudication before the Appellate Tribunal Inland Revenue. Based on the merits of the case and the legal arguments presented and as per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.6** An order under section 122(5A) for Tax Year 2010 was issued on October 31, 2012 by the Additional Commissioner Inland Revenue (Add. CIR), which reduced the Income Tax Refunds to Rupees to Rupees 521,334 by imposing a minimum tax under section 113 at a rate of 0.5% on local sales amounting to Rupees 4,412,674. Subsequently, an appeal was filed before the Commissioner Inland Revenue (CIR) Appeals, who upheld the stance of the Additional Commissioner Inland Revenue. Following this decision, an appeal against the order of Commissioner Inland Revenue (CIR) Appeals was filed on July 04, 2013 before the Appellate Tribunal Inland Revenue (ATIR). The appeal was heard on April 11, 2019, where the Appellate Tribunal Inland Revenue upheld the decision of the Commissioner Inland Revenue. In response to these legal developments, the Company has taken further recourse by approaching the Honorable High Court, Lahore, against such order. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.7** Additionally, orders for Tax Year 2010 under section 122(5A) dated September 16, 2015 and November 26, 2015, were passed by the Commissioner Inland Revenue, which reduced brought forward losses and created a liability amounting to Rupees 1,640,269 and Rupees 1,775,510 respectively. Subsequently, an appeal against these orders of the Commissioner Inland Revenue was filed before Commissioner Inland Revenue Appeals-II, who annulled the aforementioned orders and remanded the case back to the Department for re-examination through an order dated February 06, 2019. In response, an appeal has been filed by the tax department before the Appellate Tribunal Inland Revenue, which is currently pending adjudication. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.8** An order under section 122(5A) for Tax Year 2011 was issued on February 02, 2016 by the Commissioner Inland Revenue (CIR), reducing the Income Tax Refunds from Rupees 8,939,819 to Rupees 2,925,744. Subsequently, an appeal against this order was filed before the Commissioner Inland Revenue Appeals-II, Lahore. After considering the arguments presented, the Commissioner Inland Revenue Appeals-II deleted the additions made under section 158(a) of the

Ordinance by the Commissioner Inland Revenue. Additionally, a direction was issued to re-examine the issue of refunds by the department through an order dated February 06, 2019. However, the tax department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), on March 22, 2019. As of the current date, this appeal remains pending adjudication before the Appellate Tribunal Inland Revenue (ATIR). Based on the merits of the case and the legal arguments presented and upon the advice of legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.

- 19.3.9** The Additional Commissioner Inland Revenue (ACIR) passed an order on June 23, 2018 under section 122(5A) of the Ordinance, along with a notice of demand under Section 137 of the Ordinance. This resulted in the raising of a tax demand amounting to Rupees 3,971,666 and made an impugned addition/disallowance of Rupees 22,739,169. Subsequently, the Company filed an appeal before the Commissioner Appeals-II. The appellate order no. 18/A-V dated July 26, 2021 was passed by Commissioner Appeals-II, wherein the addition made on account of 'Markup' amounting to Rupees 22,530,747 was deleted. However, the remaining additions have been remanded back to the Additional Commissioner Inland Revenue for re-examination. As of the present date, the department has not challenged this order of Commissioner Appeals-II. As per the advice of the legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.10** An order under section 122(1)(5) for Tax Year 2014 was issued on July 29, 2017 by Additional Commissioner Inland Revenue (ACIR), Unit-02, Zone-VII. This order resulted in the addition of Rupees 23,525,775 and the raising of a tax demand of Rupees 1,293,704. Subsequently, an appeal against the order of the Additional Commissioner Inland Revenue was filed before the Commissioner Inland Revenue Appeals-II (CIR Appeals-II). The appellate order, numbered 33/A-V and dated June 25, 2021 was passed by Commissioner Inland Revenue Appeals-II. In this order, the additions made on account of salaries amounting to Rupees 900,000 were reduced by 50%. Additionally, the disallowance of 'power and fuel charges' amounting to Rupees 1,500,000 was deleted. However, the remaining additions were remanded back to the Additional Commissioner Inland Revenue for re-examination. As of the present date, the department has not been challenged this order of Commissioner Inland Revenue Appeals-II. As per the advice of the legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.11** An order under section 122(1) for Tax Year 2015 was issued by the Additional Commissioner Inland Revenue (ACIR), whereby an addition of Rupees 18,856,268 was made and the tax refund claimed demand was reduced from Rupees 17,462,076 to Rupees 17,099,006. Subsequently, an appeal against the order of the Additional Commissioner Inland Revenue was filed before the Commissioner Inland Revenue Appeal (CIR-A). The appellate order numbered 19/A-V and dated July 26, 2021 was passed by Commissioner Inland Revenue appeals. In this order, the additions made on account of donations amounting to Rupees 300,000 were deleted. However, the remaining additions were remanded back to the Additional Commissioner Inland Revenue for reexamination. As of the present date, the department has not been challenged this order of Additional Commissioner Inland Revenue. As per the advice of the legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.
- 19.3.12** According to clause 4 of the Share purchase agreement dated January 22, 2021 between Ex-sponsors, New sponsors and the Company, all liabilities whether disclosed or undisclosed including but not limited to direct or indirect liabilities, indebtedness, claim including demand, suit, litigation, arbitration, assessment or proceeding made or brought against the Company and the Purchaser and loss, damage, taxes (direct or indirect), settlement agreements, secured or unsecured related to the Company and pertaining to the period up-to consummation of this transaction shall be responsibility and liability of the Sellers. Accordingly no further provision is required in respect of above mentioned other contingencies.

Based on the opinion of the legal and tax advisors handling the above litigations, the management believes that the Company has strong legal grounds against each case and that no financial liability is expected to accrue. Accordingly, no provision (in addition to already held in respect of certain cases of the Company) has been made in these financial

19.4 Commitments

- 19.4.1** Commitments, for capital expenditures, against irrevocable letters of credit outstanding at year end were for Rupees Nil (2022: Rupees 6.5 million).
- 19.4.2** There are no other material commitments to report as at reporting date (2022: Nil).

	Note	(Restated)		
		2023	2022	
		(Rupees in '000)		
20	Property, plant and equipment			
	Operating fixed assets	20.1	3,341,527	2,111,737
	Right of use assets	20.1	17,825	131,641
	Capital work in progress	20.2	4,172,927	3,256,151
			<u>7,532,279</u>	<u>5,499,529</u>

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20.1 Operating fixed assets - tangible

	Operating fixed assets (at revalued amount)					Right of use assets					Total	
	Building on freehold land	Plant and machinery	Furniture and equipment	Computers	Vehicles	Land and building	Plant and machinery	Furniture and equipment	Computers	Vehicles		
(Rupees in 000)												
As at January 01, 2021 - Restated												
Cost	429,907	1,789,548	125,123	69,994	129,322	210,705	74,432	1,360	3,917	51,708	2,886,015	
Accumulated depreciation	(4,299)	(49,238)	(72,882)	(57,170)	(81,568)	(150,019)	(2,087)	(1,360)	(3,917)	(28,644)	(450,944)	
Net book value	425,608	1,740,310	52,461	2,824	47,754	60,686	72,365	-	-	23,064	2,425,071	
Year ended December 31, 2022												
Net book value at January 01, 2022	425,608	1,740,310	52,461	2,824	47,754	60,686	72,365	-	-	23,064	2,425,071	
Additions during the year	-	-	4,977	1,969	246	42,973	-	-	-	-	30,852	81,016
Transferred from Leased assets	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	48,480	-	-	10,770	-	(48,480)	-	-	(10,770)	-	
Accumulated depreciation	-	(1,913)	-	-	(8,749)	-	1,913	-	-	8,749	-	
Disposal / Write offs	-	46,567	-	-	2,021	-	(46,567)	-	-	(2,021)	-	
Cost	-	-	(37)	-	(26,635)	-	-	-	-	-	(26,692)	
Accumulated depreciation	-	-	6	-	16,975	-	-	-	-	-	16,981	
Depreciation charge	(12,897)	(152,631)	(12,893)	(724)	(23,842)	(34,567)	(2,339)	-	-	(12,805)	(252,998)	
Net book value	412,710	1,633,946	44,494	4,069	16,518	69,092	23,459	-	-	39,090	2,243,379	
As at January 01, 2022												
Cost	429,807	1,838,028	130,043	71,963	113,702	253,678	25,952	1,360	3,917	71,790	2,940,340	
Accumulated depreciation	(17,195)	(204,082)	(85,549)	(67,894)	(97,184)	(184,586)	(2,493)	(1,360)	(3,917)	(32,700)	(696,961)	
Net book value	412,710	1,633,946	44,494	4,069	16,518	69,092	23,459	-	-	39,090	2,243,379	
Year ended December 31, 2023												
Net book value at January 01, 2022	412,710	1,633,946	44,494	4,069	16,518	69,092	23,459	-	-	39,090	2,243,379	
Additions during the year	-	-	953	286	2,081	-	-	-	-	1,976	5,297	
Revaluation surplus	3,541	76,537	-	-	-	-	-	-	-	-	80,079	
Transfers from capital work in progress	-	1,416,173	-	-	-	-	-	-	-	-	1,416,173	
Transferred from Right of use assets	-	-	-	-	-	-	-	-	-	-	-	
Cost	-	25,952	1,360	3,917	26,443	-	(25,952)	(1,360)	(3,917)	(26,442)	-	
Accumulated depreciation	-	(3,784)	(1,360)	(3,917)	(15,281)	-	3,784	1,360	3,917	15,281	-	
Disposals	-	22,168	-	-	11,162	-	(22,168)	-	-	(11,162)	-	
Transferred to investment property	(73,500)	-	-	-	-	-	-	-	-	-	(73,500)	
Accumulated depreciation	4,688	-	-	-	-	-	-	-	-	-	4,688	
Disposals	(68,813)	-	-	-	-	-	-	-	-	-	(68,813)	
Cost	-	-	(760)	-	(52,857)	(253,678)	-	-	-	-	(307,295)	
Accumulated depreciation	-	-	294	-	42,006	184,586	-	-	-	-	226,887	
Net book value	-	-	(466)	-	(10,851)	(69,092)	-	-	-	-	(80,408)	
Depreciation charge	(12,440)	(178,490)	(13,064)	(4,093)	(14,897)	-	(1,290)	-	-	(12,079)	(236,353)	
Net book value	334,999	2,970,335	31,917	263	4,013	-	-	-	-	17,825	3,359,353	
Depreciation rate (% per annum)	3	8.33	10	20	20	3	8.33	10	20	20	20	

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20.1.1 Particulars of operating fixed assets disposed off during the year in accordance with the requirements of Fourth Schedule to the Companies Act, 2017 is as under:

Particulars of assets	Revalued amount	Accumulated depreciation	Net book value	Sale proceeds	Gain/Loss on disposal	Relationship	Particulars of purchaser	Mode of disposal
(Rupees in '000)								
Furniture and equipment								
Items having book value less than Rupees 500,000	760	294	466	503	37	Employee / Independent	Various	Negotiation
Vehicle								
SUZUKI ALTO VXR	1,733	289	1,444	2,525	1,081	Independent	Suzuki mini motors	Negotiation
SUZUKI ALTO VXR	1,785	382	1,403	2,400	997	Independent	Muhammad Amjad	Negotiation
SUZUKI CULTUS AGS	2,026	1,517	509	2,600	2,091	Employee	Muhammad Aslam	Negotiation
TOYOTA YARIS	3,903	879	3,023	4,000	977	Independent	Mrs.Humaira	Negotiation
TOYOTA YARIS	3,903	879	3,023	4,000	977	Independent	Faisal Shahzad	Negotiation
	13,349	3,946	9,403	15,525	6,122			
Items having book value less than Rupees 500,000	39,508	38,060	1,447	23,766	22,319	Employee /	Various	Negotiation
	53,617	42,300	11,316	39,794	28,478			

20.1.2 Had there been no revaluation of operating fixed assets (owned); carrying value as of reporting date would have been as follows:

	(Restated)	
	2023	2022
	(Rupees in '000)	
Buildings	297,167	402,161
Plant and machinery	2,634,888	1,242,463
	2,932,054	1,644,624

20.1.3 The latest revaluation was carried on December 30, 2023 by Unicorn International Surveyors. As per the revaluation report, forced sale value buildings on freehold land and plant and machinery was Rupees 284.75 million (2022: Rupees 390.60 million) and Rupees 2,524.78 million (2022: 1,488.75 million) respectively.

20.1.4 Particulars of immovable property (i.e. land and building) in the name of Company are as follows under operating fixed assets and investment property:

Location	Usage of immovable property	Total area Kanals / marlas	Covered area (Square Feet)
1 Muaza Mustafabad, 41 KM Ferozepur Road, Off 2-KM Rohi Nala Road, Tehsil & District Kasur	Manufacturing facility (In the process of construction)	278.00	-
2 Dina Nath, Mouza rakh Serai Cheenba, Tehsil Pattoki, District Kasur (Classified as Investment Property)	Warehouse and provided to tenant under operating lease arrangement	8.45	18,218
3 Commercial Property Bearing Shop No.5, 6 & 15, Ground Floor, Al Amna Complex, Block B, Alamgir Road, Civil Line Cantonment, Hyderabad	Investment Property	3.4 Marlas	915
4 Commercial Property Bearing City Survey No. C-420, Ward No.C, Ground Floor Marhaba Centre, Opposite Muhammad Bin Qasim Park, Taluka & District Sukkur.	Investment Property	7.284 Marlas	1,983

20.1.5 As at reporting date; the freehold land mentioned at serial number 2 and shops at serial number 3 and 4 are not in the name of the Company.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
20.1.6 Depreciation for the year has been allocated as follows:			
Cost of sales	32	186,873	161,718
Marketing, selling and distribution costs	33	-	34,567
Administrative expenses	34	49,480	56,712
		236,353	252,998

	2023	(Restated) 2022
	(Rupees in '000)	
20.2 Capital work-in-progress		
Opening balance	3,256,151	793,747
Additions during the year	2,332,949	2,462,404
	<u>5,589,100</u>	<u>3,256,151</u>
Transfers during the year	(1,416,173)	-
	<u>4,172,927</u>	<u>3,256,151</u>
Breakup of capital work in progress is as follows:		
- Freehold land	903,554	903,554
- Civil work	1,142,150	1,108,446
- Plant and machinery	854,887	829,551
- Electric installation	1,359	1,315
- Borrowing costs	1,270,978	413,285
	<u>4,172,927</u>	<u>3,256,151</u>

20.3 Plant and machinery includes machinery in transit amounting to Rupees 167.235 million (2022: Rupees 127.358 million).

	2023	(Restated) 2022
	(Rupees in '000)	
21 Intangible assets		
Goodwill	1,070,207	1,070,207
Software	12,976	19,812
Brand value	1,582,147	1,582,147
Customer relationships	123,025	153,753
	<u>2,788,355</u>	<u>2,825,919</u>

21.1 Reconciliation of carrying amounts

Description	Software	Goodwill	Brand value	Customer relationships	Total
	(Rupees in '000)				
Cost					
Balance as at January 01, 2022	106,157	1,070,207	1,582,147	261,289	3,019,800
Addition during the year	-	-	-	-	-
Balance as at December 31, 2022- Restated	<u>106,157</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>261,289</u>	<u>3,019,800</u>
Balance as at December 31, 2022- Restated	106,157	1,070,207	1,582,147	261,289	3,019,800
Additions during the year	-	-	-	-	-
Balance as at December 31, 2023	<u>106,157</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>261,289</u>	<u>3,019,800</u>
Amortization					
Balance as at January 01, 2022- Restated	(77,320)	-	-	(76,808)	(154,128)
Charge for the year	(9,025)	-	-	(30,728)	(39,753)
Balance as at December 31, 2022- Restated	<u>(86,345)</u>	-	-	<u>(107,536)</u>	<u>(193,881)</u>
Balance as at December 31, 2022- Restated	(86,345)	-	-	(107,536)	(193,881)
Charge for the year	(6,836)	-	-	(30,728)	(37,564)
Balance as at December 31, 2023	<u>(93,181)</u>	-	-	<u>(138,264)</u>	<u>(231,445)</u>
Written down value as at December 31, 2022	<u>19,812</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>153,753</u>	<u>2,825,919</u>
Written down value as at December 31, 2023	<u>12,976</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>123,025</u>	<u>2,788,355</u>
Rates of amortization / useful life	<u>5-10 years</u>	<u>Nil</u>	<u>Nil</u>	<u>10.5 years</u>	

21.2 Goodwill and other intangible assets acquired in business combination

Effective September 01, 2021, Waves Home Appliances Limited (WHAL) completed a 'Scheme of Arrangement' as approved by the Honorable Lahore High Court through its Order dated June 22, 2022 for the demerger of home appliances business of Waves Corporation Limited (WCL) and amalgamation of the same into the Company. These intangibles have been transferred from WCL at their carrying values in compliance with the Accounting Standard "Accounting for Common Control Transactions" as issued by ICAP and notified through SRO 53(I) 2022 dated January 12, 2022.

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21.2.1 Impairment testing

The recoverable amount of goodwill including intangible assets (brand value and customer relationships) acquired through a business combination has been tested for impairment as at December 31, 2023, by allocating the amount of goodwill and intangible assets to respective assets on which it arose, based on value in use in accordance with IAS 36 "Impairment of Assets". The recoverable amount was calculated on the basis of four years business plan approved by the Board of Directors which includes a comprehensive analysis of existing operational deployments of the Company along with strategic business plans and business growth. The value in use calculations are based on cash flow projections derived from aforesaid business plan, which have been extrapolated beyond five years, by using a steady 10.00% growth rate. The financial projections involve certain key assumptions such as sales price and composition and raw materials etc. The cash flows are discounted using such discount rates for use in calculation of value in use which are sensitive to discount rate and local inflation rates. The values assigned to the key assumptions represent management's assessment of future business trends and have been based on historical data from both external and internal sources. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill and other intangible assets.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
21.3	Amortisation for the period has been allocated as follows:		
	Marketing, selling and distribution costs	33	30,728
	Administrative and general expenses	34	6,836
			9,026
			37,564
			39,754
22	Investment property		
	Balance as at January 01		-
	Addition during the year		101,393
	Disposals during the year		-
	Fair value gain		33,614
	Balance as at December 31		135,007

22.1 The Company has rented out the owned shops to its associated Company, i.e. Waves Marketplace Limited.

22.2 As at reporting date; investment property having fair value of Rupees 135.007 million (2022: Rupees Nil) whereas Forced sale value of these properties is amounting to Rupees 114.75 million (2022: Rupees Nil). Changes in fair value of investment property has been recognised in statement of profit or loss as 'Other Income' as referred to in note 35. The fair value of investment properties as of December 30, 2023 has been determined by an external independent property valuer Unicorn International Surveyors based on independent inquiries from active local realtors, recent experience in the location and the records of the valuer.

22.3 The fair value measurement of the investment property had been categorized as a level 3 fair value based on the input to the valuation technique used.

	Note	(Restated)	
		2023	2022
		(Rupees in '000)	
23	Long term deposits		
	Deposits against leases		4,581
	Deposits against utilities		7,422
		23.1	12,003
			20,527

23.1 These have been deposited against leased vehicles and rented premises and are refundable on completion or termination of contracts in accordance with terms of contract. These are classified as 'amortized cost' under the requirement of International Financial Reporting Standard 9 "Financial Instruments". However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	(Restated)	
	2023	2022
		(Rupees in '000)
24	Stock in trade	
	Raw material in stores	678,147
	Raw material in bonded warehouse	1,657,906
	Packing material	11,062
	Work in process	74,340
	Finished goods	203,735
		2,625,190
	Provision for slow moving and damaged stock	(29,868)
		2,595,322
		2,860,801

	Note	(Restated)	
		2023 (Rupees in '000)	2022
24.1 Provision for slow moving and damaged stock			
Balance at the beginning of year		29,868	29,868
Charge during the year		-	-
Written off during the year		(29,868)	-
Balance at the end of year		-	29,868
25 Stores, spares and loose tools			
Stores		7,836	17,790
Spares		19,391	25,205
Loose tools		883	1,148
		28,109	44,143
26 Trade debts			
<i>Unsecured- considered good:</i>			
Local receivables from customers		3,048,201	4,218,103
Considered doubtful		-	-
		3,048,201	4,218,103
Less: Allowance for expected credit loss	26.1	(60,441)	-
		2,987,760	4,218,103
26.1 Allowance for expected credit losses			
Balance at the beginning of year		-	-
Charge during the year		60,441	-
Balance at the end of year		60,441	-
26.2 The expected credit allowance for trade debts as at reporting date was determined as follows:			
		Exposure at default	Expected Credit Loss (ECL)
		(Rupees)	
Aging Bucket			
Not yet due		711,166	1,013
Overdue upto 30 days		81,473	261
Overdue by more than 31 days but less than 60 days		104,097	584
Overdue by more than 61 days but less than 90 days		100,166	951
Overdue by more than 91 days but less than 180 days		1,309,378	14,324
Overdue by more than 180 days		745,708	43,308
		3,051,988	60,441

26.3 This includes related parties from whom the debts are due and their aging is as under:

Name of related party	Gross due amount	Past due amount	Provision for doubtful receivables	Reversal of provision of doubtful receivables	Amount written off	Net amount	Maximum amount outstanding at any time during the year
(Rupees)							
December 31, 2023							
Waves Marketplace Limited	-	-	-	-	-	-	298,876
December 31, 2022							
Waves Marketplace Limited	99,185	97,791	-	-	-	99,185	228,333

Age analysis of amount due from related parties

Name of related party	Amount not past due	Amount past due					Total gross amount due
		1-30 days	31-60 days	61-90 days	91-365 days	365 days	
(Rupees)							
December 31, 2023							
Waves Marketplace Limited	-	-	-	-	-	-	-
December 31, 2022							
Waves Marketplace Limited	1,394	853	36,049	7,064	53,825	-	99,185

(Restated)

2023 2022

(Rupees in '000)

27 Advances, deposits, prepayments and other receivables	Note	2023	2022
		(Rupees in '000)	
<i>Un-secured - consider good:</i>			
Advances to employees		801	681
Advances to suppliers		35,264	28,403
Advances against imports	27.1	185,445	152,125
Security deposits		10,129	16,068
Prepayments		2,355	4,864
Due from related party	27.2	541,895	284,452
Accrued mark up on investment		45	-
<i>Un-secured - consider doubtful:</i>			
Other receivables	27.3	8,099	8,099
Loss allowances against other receivables	27.4	(8,099)	(2,342)
		-	5,757
		<u>775,934</u>	<u>492,350</u>

27.1 Advance against imports include amount of Rupees 144.50 million transferred by the parent company to the Company with effect from January 01, 2022 as amount was not earlier transferred to the Company upon transfer of home appliance business pursuant to the scheme of arrangement.

27.2 Due from related party

27.2.1 Details of amount due from related party as at reporting date was as under:

Name of related party	Gross due amount	Past due amount	Provision for doubtful receivables	Reversal of provision of doubtful receivables	Amount written off	Net amount	Maximum amount outstanding at any time during the year
December 31, 2023							
Waves Builders and Developers (Private) Limited	3,787	-	-	-	-	-	3,787
Waves Corporation Limited	538,108	164,043	-	-	-	538,108	904,966
	<u>541,895</u>	<u>164,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,108</u>	<u>908,752</u>
December 31, 2022							
Waves Builders and Developers (Private) Limited	-	-	-	-	-	-	-
Waves Corporation Limited	284,452	-	-	-	-	284,452	976,284
	<u>284,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,452</u>	<u>976,284</u>

27.2.2 Age analysis of amount due from related party:

Name of related party	Amount not past due	Amount past due					Total gross amount due
		1-30 days	31-60 days	61-90 days	91-365 days	365 days	
(Rupees)							
December 31, 2023							
Waves Builders and Developers (Private) Limited	3,787	-	-	-	-	-	3,787
Waves Corporation Limited	374,065	-	30	23	163,990	-	538,108
	<u>377,852</u>	<u>-</u>	<u>30</u>	<u>23</u>	<u>163,990</u>	<u>-</u>	<u>541,895</u>
December 31, 2022							
Waves Builders and Developers (Private) Limited	-	-	-	-	-	-	-
Waves Corporation Limited	284,452	-	-	-	-	-	284,452
	<u>284,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,452</u>

27.3 This includes claims receivable from insurance companies, suppliers and product claims amounting to Rupees 8.099 million against which provision of Rupees 8.099 million (2022: Rupees 2.34 million) has already been provided.

		(Restated)	
		2023	2022
		(Rupees in '000)	
27.4 Movement in loss allowance against other receivables	Note		
Balance as at January 01		2,342	2,342
Loss allowance for the year		5,757	-
Balance as at December 31		<u>8,099</u>	<u>2,342</u>
28 Short term investment			
Term deposit receipts	28.1	<u>3,000</u>	<u>3,000</u>

28.1 This represents Term Deposit Receipts issued by the Bank of Khyber and carry expected mark-up rate ranging from 12.2% to 18.60% (2022: 5.52% to 13.50%) per annum and are held for the period of monthly on rollover basis. Accrued markup recoverable as at reporting date has been included in Mark up receivable in note 16 to the financial statements.

29 Advance income tax

- 29.1 Advance income tax includes amount of Rupees 340.405 million transferred by the parent company to the Company with effect from January 01, 2022 as amount was not earlier transferred to the Company pursuant to the scheme of arrangement.

		(Restated)	
		2023	2022
		(Rupees in '000)	
30	Cash and bank balances		
	Cash in hand	5,125	5,066
	Cash at bank in current accounts	328	563
		<u>5,453</u>	<u>5,629</u>
31	Non current assets held for sale		
	Office equipment	-	286
	Vehicles	-	1,184
		<u>-</u>	<u>1,470</u>
31.1	Office equipment		
	Opening balance	286	286
	Disposal during the year	-	-
	Transfer to operating fixed assets	(286)	-
		<u>-</u>	<u>286</u>
31.2	Vehicles		
	Opening balance	1,184	1,184
	Disposal during the year	-	-
	Transfer to operating fixed assets	(1,184)	-
		<u>-</u>	<u>1,184</u>

- 31.3 During the year, the Company has reclassified non-current assets held for sale to operating fixed assets as assets could not be disposed off with stipulated time period in accordance with the requirements of International Financial Reporting Standard 5 "Non-current assets held for sale and discontinued operations". Upon reclassification of non-currents assets held for sale to operating fixed assets; depreciation for the period in which these non-current assets held for sale have been charged to statement of profit or loss.

		(Restated)	
		2023	2022
		(Rupees in '000)	
32	Cost of sales		
	Raw material consumed	2,110,707	3,984,103
	Packing material consumed	115,783	219,617
	Stores, spares and loose tools consumed	66,514	136,805
	Salaries, wages and other benefits	185,995	380,018
	Fuel and power	85,864	111,792
	Freight charges	49,010	86,029
	Insurance expense	7,943	9,888
	Repairs and maintenance	7,288	21,703
	Printing and stationery	6,334	19,369
	Travelling and conveyance	560	256
	Rent, rates and taxes	4,941	12,170
	Communication	37	64
	Depreciation	186,873	161,718
	Others	1,023	1,964
	Cost of goods manufactured	2,828,872	5,145,497
	Work in process		
	- Opening stock	141,300	239,286
	- Closing stock	(74,340)	(141,300)
	Cost of goods available for sale	2,895,832	5,243,483
	Finished Goods		
	- Opening stock	416,047	1,002,138
	- Purchase during the year	30,923	138,614
	- Closing stock	(203,735)	(416,049)
		<u>243,235</u>	<u>724,703</u>
	Cost of goods sold	<u>3,139,067</u>	<u>5,968,185</u>
32.1	Raw material consumed		
	Opening stock	616,158	767,830
	Raw material purchases	2,172,696	3,832,431
		<u>2,788,854</u>	<u>4,600,261</u>
	Less: Closing stock	(678,147)	(616,158)
	Raw material consumed	<u>2,110,707</u>	<u>3,984,103</u>

		2023	(Restated) 2022
	Note	(Rupees in '000)	
32.2 Packing material consumed			
Opening stock		11,007	11,714
Packing material purchases		115,839	218,910
		<u>126,846</u>	<u>230,624</u>
Closing stock		(11,062)	(11,007)
Packing material consumed		<u>115,783</u>	<u>219,617</u>
32.3 Stores, spares and loose tools consumed			
Opening stock		44,061	45,723
Purchases		48,900	135,143
		<u>92,961</u>	<u>180,866</u>
Less: Closing stock		(26,447)	(44,061)
Stores consumed		<u>66,514</u>	<u>136,805</u>
32.4	These include provision of Rupees Nil (2022: Rupees 0.031 million), Rupees Nil (2022: Rupees 0.899 million) and Rupees 5.900 million (2022: Rupees 10.132 million) in respect of pension, gratuity and provident funds respectively.		
33 Marketing, selling and distribution costs		2023	(Restated) 2022
	Note	(Rupees in '000)	
Salaries and benefits	33.1	121,125	205,073
Rent, rates and taxes		27,864	4,377
Publicity and sales promotion		7,520	31,418
Depreciation	33	-	34,567
Warranty expense		45,895	61,791
Utilities		5,896	10,174
Travelling and conveyance		22,719	31,032
Amortisation	21.3	30,728	30,728
Insurance expense		1,159	2,840
Others		1,780	4,689
		<u>264,686</u>	<u>416,889</u>
33.1	These include provision of Rupees Nil (2022: Rupees 0.012 million), Rupees Nil (2022: Rupees 0.137 million) and Rupees 4.556 million (2022: Rupees 7.824 million) in respect of pension, gratuity and provident funds respectively.		
34 Administrative and general expenses		2023	(Restated) 2022
	Note	(Rupees in '000)	
Salaries wages and other benefits	34.1	106,051	150,849
Legal and professional charges		7,942	12,719
Communication		8,201	11,123
Travelling and conveyance		10,743	24,666
Repair and maintenance		1,325	2,651
Utilities		8,148	14,076
Printing and stationery		2,159	5,876
Rent, rates and taxes		1,168	3,910
Insurance expense		4,127	5,282
Entertainment expense		7,061	7,449
Fees and subscription		2,937	7,922
Depreciation	33	49,480	56,712
Amortisation of intangible assets	21.3	6,836	9,026
Auditors' remuneration	34.2	1,985	1,985
Charity and donations	34.3	310	737
Others		2,119	2,700
		<u>220,592</u>	<u>317,683</u>
34.1	These include provision of Rupees Nil (2022: Rupees 0.005 million), Rupees Nil (2022: Rupees 0.346 million) and Rupees 4.018 million (2022: Rupees 5.073 million) in respect of pension, gratuity and provident funds respectively.		

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		(Restated)	
		2023	2022
		(Rupees in '000)	
34.2	Auditors' remuneration		
	<i>Rizwan & Company</i>		
	Statutory audit fee	1,050	-
	Fee for the review of code of corporate governance and other certifications under agreed upon procedures	368	-
	Out of pocket expenses	175	-
		<u>1,593</u>	<u>-</u>
	<i>RSM Avais Hyder Liaquat Nauman</i>		
	Statutory audit fee	-	1,050
	Fee for the review of interim financial information	392	392
	Fee for the review of code of corporate governance and other certifications under agreed upon procedures	-	368
	Out of pocket expenses	-	175
		<u>392</u>	<u>1,985</u>
		<u>1,985</u>	<u>1,985</u>
34.3	None of the donations were made to an entity in which any director or his / her spouse had an interest.		
			(Restated)
		2023	2022
		(Rupees in '000)	
35	Other operating expenses		
	Exchange loss - net	23,277	68,137
	Effect of termination of lease	604	-
	Allowance for expected credit loss	26.1 60,441	-
	Allowance for doubtful receivables	27.4 5,757	-
	Research and development expenditure	7,064	8,454
	Workers' profits participation fund	15.4 7,511	6,889
	Workers' welfare fund	3,969	3,751
		<u>108,623</u>	<u>87,231</u>
36	Other income		
	<i>Income from financial assets</i>		
	Profit on bank deposits	3,571	1,219
	Profit on term deposit receipts	518	156
	<i>Income from other than financial assets</i>		
	Scrap sales	2,985	4,956
	Rental income	300	-
	Fair value gain in investment property	33,614	-
	Amortisation of deferred income	14 1,244	4,965
	Credit balance written back	618	-
	Gain on sale of property, plant and equipment	28,478	14,023
	Others	1,952	20,425
		<u>73,280</u>	<u>45,744</u>
36.1	This represents mark-up charged against net amount receivable from associated companies at an average quarterly borrowing rate of the Company at the outstanding balance receivable.		
			(Restated)
		2023	2022
		(Rupees in '000)	
37	Finance costs		
	Mark up on long term financing	90,007	98,424
	Mark up on short term borrowings	85,897	262,695
	Lease finance charges	7,442	13,883
	Interest on payable to holding company	180,855	163,881
	Interest on Workers' Profit Participation Fund	15.4 1,071	-
	Bank charges	8,448	10,448
		<u>373,720</u>	<u>549,330</u>
38	Income tax expense		
	Current:		
	- for the year	38.1 50,118	96,220
	- prior year	-	-
		<u>50,118</u>	<u>96,220</u>
	Deferred tax	13 (23,124)	19,781
		<u>26,994</u>	<u>116,001</u>
38.1	Current year's provision for taxation has been charged on the basis of minimum tax on turnover under Section 113 of the Income Tax Ordinance 2001 owing to application of group taxation under 59-AA of Income tax Ordinance 2001.		

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38.2 As at reporting date; unused tax losses were amounting to Rupees 104.549 million (2022: Rupees 119.056 million).

39 Earning per share - basic and diluted

39.1 The calculation of earnings per share (basic and diluted) is based on earnings attributable to the owners of ordinary shares of the Company. The Company's earnings per share have been calculated as follows:

	2023	(Restated) 2022
	(Rupees in '000)	
Profit / (loss) for the period	115,717	13,127
Weighted-average number of ordinary shares	39.2 267,885	267,885
Profit / (loss) per share - basic and diluted	Rupees 0.43	0.05

39.2 Weighted-average number of ordinary shares (basic and diluted)

Opening as at the beginning of the year	267,885	267,885
Issued during the year	-	-
Weighted-average number of ordinary shares	267,885	267,885

39.3 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

	2023	(Restated) 2022
	(Rupees in '000)	
40 Cash and cash equivalents		
40.1 Cash and cash equivalents as at December 31		
Cash and bank balances	5,453	5,629
Short term running finances under mark-up arrangements - secured	(1,065,162)	(1,063,442)
	(1,059,709)	(1,057,813)

40.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Equity			Total	
	Short term borrowings	Long term financings	Lease liabilities	Accrued markup on borrowings	Share capital	Capital reserves		Loan from sponsors
Balance as at January 01, 2023	3,404,007	1,268,940	124,448	284,937	2,678,853	3,762,848	119,497	11,643,530
(Rupees in '000)								
Cash flows								
Short term borrowings payment - net receipts	(616,152)	-	-	-	-	-	-	(616,152)
Long term loans received/(repaid)	-	-	-	-	-	-	-	-
Shares capital issuance expenses paid	-	-	-	-	-	(5,632)	-	(5,632)
Loan from sponsors received	-	-	-	-	-	-	109,520	109,520
Finance cost paid	-	-	-	(142,109)	-	-	-	(142,109)
Repayment of lease rentals	-	-	(60,706)	-	-	-	-	(60,706)
	(616,152)	-	(60,706)	(142,109)	-	(5,632)	109,520	(715,080)
Non-cash changes								
Changes in running finance	238,290	-	-	-	-	-	-	238,290
Addition in lease liabilities	-	-	76,669	-	-	-	-	76,669
Finance cost / deferred grant	-	(18,834)	-	373,720	-	-	-	354,886
	238,290	(18,834)	76,669	373,720	-	-	-	669,845
Balance as at December 31, 2023	3,026,145	1,250,106	124,448	516,548	2,678,853	3,757,216	229,017	11,598,296
Balance as at January 01, 2022	3,913,544	940,713	108,486	129,808	2,678,853	3,790,491	115,300	11,677,195
Cash flows								
Short term borrowings repaid net of receipts	(827,416)	-	-	-	-	-	-	(827,416)
Shares capital issuance expenses paid	-	328,227	-	-	-	(22,011)	4,197	(22,011)
Long term loans received/ (repaid)	-	-	-	(226,518)	-	-	-	332,424
Finance cost paid	-	-	-	-	-	-	-	(226,518)
Repayment of lease rentals	-	-	(60,706)	-	-	-	-	(60,706)
	(827,416)	328,227	(60,706)	(226,518)	-	(22,011)	4,197	(804,227)
Non-cash changes								
Changes in running finance	317,879	-	-	-	-	-	-	317,879
Addition in lease liability	-	-	76,669	-	-	-	-	76,669
Finance cost / deferred grant	-	(18,834)	-	381,647	-	-	-	362,813
	317,879	(18,834)	76,669	381,647	-	-	-	757,361
Balance as at December 31, 2022	3,404,007	1,250,106	124,449	284,937	2,678,853	3,768,480	119,497	11,630,329

no

41 **Provident fund related disclosure**

The management is of the view that the investments out of provident fund have not been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated thereunder.

42 **Remuneration of Chief Executive, Directors and Executives**

The aggregate amounts charged in the financial statements in respect of remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration	16,691	-	-	4,162	59,735	61,107
Contribution to provident fund	1,390	-	-	346	4,276	4,916
Housing allowance	1,669	-	-	1,665	20,577	24,443
	<u>19,750</u>	<u>-</u>	<u>-</u>	<u>6,173</u>	<u>84,589</u>	<u>90,466</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>31</u>	<u>29</u>

42.1 In addition to the above, directors and certain Executives have been provided with free use of the Company maintained vehicles, club facility and certain items of furniture and fixtures in accordance with their entitlement.

42.2 In addition, aggregate amount charged in the financial statements for payments on account of the meeting fee of non-executive directors was Rupees 0.15 million (2022: Rupees 0.5 million).

43 **Related parties and related party transactions**

The related parties comprise the companies under common control, the companies where key management personnel have control, the directors of the Company and the key management personnel of the Company. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as

43.1	Name and nature of relationship	Number of shares held	Relationship
	Waves Corporation Limited	199,724,956	Parent Company
	Waves Market Place Limited	-	Associated company
	Mr. Haroon Ahmad Khan (CEO)	26,208,977	Sponsor
	Mr. Hamza Ahmad Khan (Director)	49,048	Sponsor
	Mrs. Nighat Haroon Khan (Director)	5,626,703	Sponsor
	Mr. Moazzam Ahmad Khan (Director)	1,000	Sponsor
	Mr. Tajamal Hussain Bokharee (Director)	100	Independent director
	Mr. Muhammad Zafar Hussain (Director)	340	Independent director
	Mr. Khalid Azim (Director)	222	Executive Director
	Waves Employees Provident Fund	-	Others
	Mr. Arslan Sahid Butt	-	Key management personnel
	Mr. Ahmed Bilal	-	Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

43.2 **Transactions with related parties**

Nature of relationship	Nature of transactions	(Restated)	
		2023	2022
		(Rupees in '000)	
Parent company	Purchase of land	32,580	-
	Funds received on behalf	4,995	562
	Payment made on behalf	7,129	19,459
	Un-winding of mark up	180,855	163,881
Associated company	Sales	199,691	275,453

Nature of relationship	Nature of transactions	(Restated)	
		2023	2022
		(Rupees in '000)	
	Rental income	200	-
Employee's Provident Fund	Contribution for the year	24,339	26,163
	Loan obtained during the year	288,000	248,000
	Loan repaid during the year	288,000	248,000
	Interest charged	62,649	21,056
Employee's Pension Fund	Contribution for the year	-	47
Employee's Gratuity Fund	Contribution for the year	-	1,382

44 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees policies for managing each of the risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

44.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk of the Company arises principally from trade debts, advances, deposits, other receivables and bank balances.

44.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk before any credit enhancements at the reporting date was:

	2023	2022
(Rupees in '000)		
Long term deposits	22,132	36,595
Trade debts	2,987,760	4,218,103
Other receivables	-	5,757
Balances with banks	328	563
	3,010,220	4,261,018

44.1.2 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance for developments affecting a particular industry. Maximum exposure to credit risk by type of counterparty is as follows:

	2023	2022
	(Rupees in '000)	
Long term deposits	12,003	20,527
Trade debts	2,987,760	4,218,103
Other receivables	-	5,757
Banks	328	563
	<u>3,000,091</u>	<u>4,244,950</u>

44.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or historical information about the counterparty default rates. All counterparties, with the exception of customers and utility Companies, have external credit ratings determined by various credit rating agencies and other regulatory authorities. Credit quality of customer is assessed by reference to historical default rates and present ages.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances and deposits. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating		Rating agency	2023	2022
	Short term	Long term		(Rupees in '000)	
National Bank of Pakistan	A1+	AAA	PACRA	13.559	5.209
MCB Bank Limited	A1+	AAA	PACRA	15.447	15.447
Bank Alfalah Limited	A1+	AA+	PACRA	23.928	33.928
Habib Bank Limited	A-1+	AAA	VIS	17.053	17.053
JS Bank Limited	A1+	AA-	PACRA	0.001	-
Sindh Bank limited	A-1	A+	VIS	-	8.840
Faysal Bank Limited	A-1+	AA	VIS	255.669	245.847
Bank of Khyber	A-1	A+	VIS	0.002	236.421
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	0.380	-
Silk Bank Limited	A-2	A-	VIS	2.000	-
				<u>328</u>	<u>563</u>

(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts and other receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer / dealers. As explained in note 4.18, the Company applies the IFRS 9 simplified approach to measure expected credit losses. The analysis of ages of trade debts and loss allowance using the aforementioned approach was determined and disclosed in Note 26.2.

The management has established a credit policy under which each new customer is analysed individually for credit worthiness. Most of the customers have been transacting since many years.

None of the financial assets of the Company are secured or impaired except as those mentioned in these financial statements. Deposits and other receivables are mostly from banks, individuals and holding company. Impairment on these assets has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves forecasting future cash flow requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company maintains committed lines of credit as disclosed in note 17 to ensure flexibility in funding. In addition, the Company has unavailed facilities of running finances to meet the deficit, if required to meet the short term liquidity commitment.

Exposure to liquidity risk

Following are the contractual maturities of the financial liabilities (based on the remaining period as of the period-end), including interest obligations:

		2023					
		Carrying amount	Contractual cash flows	One year or less	One to two years	Two to five years	More than 5 years
Note		(Rupees in '000)					
Financial liabilities							
Long term financings	9	1,464,024	(1,464,024)	(594,291)	(421,882)	(447,851)	-
Due to holding Company	10	1,926,938	(1,926,938)	-	-	(1,926,938)	-
Lease liabilities	11	28,927	(28,927)	(8,423)	(20,504)	-	-
Trade and other payables	15	1,241,328	(1,241,328)	(1,241,328)	-	-	-
Accrued markup on borrowings	16	516,548	(516,548)	(516,548)	-	-	-
Short term borrowings	17	3,026,145	(3,026,145)	(3,026,145)	-	-	-
		8,203,910	(8,203,910)	(5,386,735)	(442,386)	(2,374,789)	-
		2022 - Restated					
		Carrying amount	Contractual cash flows	One year or less	One to two years	Two to five years	More than 5 years
		(Rupees in '000)					
Financial liabilities							
Long term financings	9	1,268,940	1,213,674	520,970	371,746	320,958	-
Due to holding Company	10	1,779,177	2,000,000	-	2,000,000	-	-
Lease liabilities	11	124,448	153,650	55,473	21,362	39,638	-
Trade and other payables	15	1,024,717	1,024,717	1,024,717	-	-	-
Accrued markup on borrowings	16	284,937	284,937	284,937	-	-	-
Short term borrowings	17	3,404,007	3,404,007	3,404,007	-	-	-
		7,886,226	8,080,984	5,290,104	2,393,108	360,596	-

44.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The Company is exposed to currency risk and interest rate risk.

44.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

Exposure to currency risk

The Company is mainly exposed to currency risk on import of raw materials and merchandise denominated in US dollars. The Company's exposure to foreign currency risk at the reporting date is as follows:

Two

	2023	2022	2023 (Rupees in '000)	(Restated) 2022
Trade creditors (USD in '000)	1,001	432	278,512	97,964

Following significant exchange rates have been applied:

	Average rate		Reporting date Spot rate	
	2023	2022	2023	2022
USD to PKR	279.530	201.530	278.300	226.550

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar and Euro with all other variables held constant, loss for the year would have been lower by the amount shown below, as a result of net foreign exchange gain on translation of foreign currency bills payables.

	2023 (Rupees in '000)	(Restated) 2022
Effect on statement of profit or loss	27,851	9,796

The weakening of the PKR by 10% against US Dollar would have had an equal but opposite impact on the profit for the year.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

44.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

(a) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore a change in interest rate at the reporting date would not affect statement of profit or

(b) Mismatch of interest rate sensitive financial assets and financial liabilities

The Company's interest / mark-up and non-interest / mark-up bearing financial instruments as at the reporting date are as follows:

	Carrying amount	Interest bearing / variable rate financial instruments	Non-interest bearing / fixed rate financial instruments
(Rupees in '000)			
December 31, 2023			
Financial assets			
Long term deposits	12,003	-	12,003
Trade debts	2,987,760	-	2,987,760
Deposits and other receivables	10,129	-	10,129
Due from related party	541,895	541,895	-
Bank balances	328	-	328
	3,552,115	541,895	3,010,220

Waves Home Appliances Limited

	Carrying amount	Interest bearing / variable	Non-interest bearing / fixed
		rate financial instruments	rate financial instruments
(Rupees in '000)			
Financial liabilities			
Long term financings	(1,464,024)	(1,464,024)	-
Due to holding Company	(1,926,938)	-	(1,926,938)
Lease liabilities	(28,927)	(28,927)	-
Trade and other payables	(1,241,328)	-	(1,241,328)
Accrued markup on borrowings	(516,548)	-	(516,548)
Short term borrowings	(3,026,145)	(3,026,145)	-
	(8,203,910)	(4,519,096)	(3,684,814)
	(4,651,795)	(3,977,201)	(674,594)

December 31, 2022

Financial assets

Long term deposits	20,527	-	20,527
Trade debts	4,218,103	-	4,218,103
Deposits and other receivables	21,825	-	21,825
Due from related party	284,452	-	284,452
Bank balances	5,629	-	5,629
	4,550,536	-	4,550,536

Financial liabilities

Long term financings	(1,268,940)	(1,268,940)	-
Due to holding Company	1,746,083	-	1,746,083
Lease liabilities	(81,932)	(81,932)	-
Trade and other payables	(1,024,717)	-	(1,024,717)
Accrued markup on borrowings	(284,937)	(284,937)	-
Short term borrowings	(3,404,007)	(3,404,007)	-
	(4,318,451)	(5,039,816)	721,366
	232,086	(5,039,816)	5,271,902

44.3.2.1 Effective interest / mark-up rates for the financial assets and financial liabilities are as follows:

	(Restated)	
	2023	2022
Percentage		
Financial liabilities		
Long term financings	3% to 26.09%	3% to 10.58%
Lease liabilities	19.00% to 24.66%	9.16% to 19.08%
Short term borrowings	17.93% to 25.62%	11.89% to 18.77%

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the period by Rupees 46.050 million (2022: Rupees 46.664 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

44.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). At reporting date the Company did not have financial instruments exposed to other price risk.

Two

44.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

44.4.1 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:

On statement of financial position - Financial instruments

	2023					
	Carrying Amount			Fair value		
	Financial assets at amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)					
On-balance sheet financial and non-financial instruments						
Financial assets - amortised cost						
Long term deposits	12,003	-	12,003	-	-	-
Trade debts	2,987,760	-	2,987,760	-	-	-
Deposits and other receivables	541,895	-	541,895	-	-	-
Due from related party	10,129	-	10,129	-	-	-
Bank balances	328	-	328	-	-	-
	3,552,115	-	3,541,986	-	-	-
On-balance sheet financial and non-financial instruments						
Financial liabilities - amortised cost						
Long term financings	-	1,464,024	1,464,024	-	-	-
Due to holding Company	-	1,926,938	1,926,938	-	-	-
Lease liabilities	-	28,927	28,927	-	-	-
Accrued markup on borrowings	-	516,548	516,548	-	-	-
Short term borrowings	-	3,026,145	3,026,145	-	-	-
	-	8,203,910	8,203,910	-	-	-

	(Restated)				
	2022				
	Carrying Amount		Fair value		
Financial assets at amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)					
On-balance sheet financial and non-financial instruments					
Financial assets - amortised cost					
Long term deposits	20,527	-	20,527	-	-
Trade debts	4,218,103	-	4,218,103	-	-
Deposits and other receivables	21,825	-	21,825	-	-
Due from related party	284,452	-	284,452	-	-
Bank balances	5,629	-	5,629	-	-
	<u>4,550,536</u>	<u>-</u>	<u>4,550,536</u>	<u>-</u>	<u>-</u>
Financial liabilities - amortised cost					
Long term financings	-	1,268,940	1,268,940	-	-
Due to holding Company	-	1,779,177	1,779,177	-	-
Lease liabilities	-	124,448	124,448	-	-
Trade and other payables	-	1,024,717	1,024,717	-	-
Accrued markup on borrowings	-	284,937	284,937	-	-
Short term borrowings	-	3,404,007	3,404,007	-	-
	<u>-</u>	<u>7,886,226</u>	<u>7,886,226</u>	<u>-</u>	<u>-</u>

Revalued Property, plant and equipment

Date of valuation

December 30, 2023

Valuation approach and inputs used

The valuation model for land and building is based on price per square meter. 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 valuation for plant and machinery is based on present operational condition and age of plant and machinery. The valuation experts used a market-based approach to arrive at the fair value of the Company's properties. The fair valuation of land, building and plant and machinery are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these financial statements. The fair value are subject to change owing to changes in input.

45

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as total debt (current and non-current borrowings) to debt plus equity. The debt to equity ratios were as follows:

	(Restated)	
	2023	2022
(Rupees in '000)		
Total debt	<u>4,520,259</u>	<u>4,739,766</u>
Equity	<u>7,614,653</u>	<u>7,338,192</u>
Total equity and debt	<u>12,134,912</u>	<u>12,077,958</u>
Debt to equity ratio	<u>37%</u>	<u>39%</u>

The Company is not subject to externally imposed capital requirements.

46 Events after the reporting date

There are no events subsequent to the reporting date.

47 Plant capacity and actual production

	Capacity		Production	
	2023	2022	2023	2022
	Units		Units	
Refrigerators	125,000	125,000	23,213	38,235
Deep Freezer	115,000	115,000	28,750	95,239
Microwave ovens	60,000	60,000	32	89
Air conditioners	60,000	60,000	-	-
Washing Machines	40,000	40,000	474	2,640
Gas appliances	25,000	25,000	-	3,209
Televisions	22,500	22,500	-	-
Water dispenser	20,000	20,000	-	-
	<u>467,500</u>	<u>467,500</u>	<u>52,469</u>	<u>139,412</u>

2023 **2022**
(Number of persons)

48 Number of employees

Total number of employees as at year end

777 1,012

Average number of employees during the year

939 1,640

49 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. Following significant reclassification has been made:

Reclassified from component	Reclassified to component	(Restated) 2022 (Rupees in '000)
Operating fixed assets - tangible	Capital work-in-progress	903,554
Advances, deposits, prepayments and other receivables	Short term investment	3,000
Trade creditors	Short term borrowing	248,000
Property, plant and equipment:	Trade and other payables:	
Capital work-in-progress	Payable against capital work in progress	59,171
Other operating expenses	Finance costs	
Notional interest on amount due to holding company	Interest on payable to holding company	163,881

50 General

Figures have been rounded off to the nearest rupees, unless otherwise stated.

51 Date of authorization of issue

These financial statements were authorised for issue by the Board of Directors in their meeting held on

05 APR 2024 *ms*



Chief Executive Officer



Director



Chief Financial Officer

اظہار تشکر

ہم اپنے تمام اسٹیک ہولڈرز، خاص طور پر اپنے قابل قدر صارفین، سپلائرز، کاروباری شراکت داروں، مالیاتی اداروں، ریگولیٹرز، جنہوں نے ہم پر اپنا اعتماد ظاہر کیا کا شکریہ ادا کرتے ہیں۔ کمپنی کی کامیابیاں اور موجودہ شخص غیر متزلزل عزم، سخت محنت، بے پناہ تعاون، اور ہماری انتظامی ٹیم اور دیگر ملازمین کی کوششوں کے بغیر ممکن نہیں تھا جو بھرپور تعریف کے مستحق ہیں۔ ہمیں یقین ہے کہ ٹیم ترقی کرتی رہے گی اور تمام اسٹیک ہولڈرز کی توقعات پر مسلسل پورا اترے گی۔ بورڈ سیکورٹیز اینڈ انکیسٹری کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی مسلسل حمایت اور تعاون کا بھی اعتراف کرتا ہے۔

ہم اپنے شیئر ہولڈرز اور ان کی غیر متزلزل حمایت کے بھی تہہ دل سے شکرگزار ہیں کہ انہوں نے ہم پر اعتماد اور بھروسہ کا اظہار کیا ہے۔
منجانب بورڈ:

ڈائریکٹر

ڈائریکٹر

لاہور

کے ساتھ عمل کرنے کی ضرورت ہے۔

ہمارا پختہ یقین ہے کہ اس کی مالیاتی کامیابی کے لیے اس کی ماحولیاتی اور سماجی کارکردگی کو بہتر بنانا ناگزیر ہے۔ کمپنی ہمیشہ فضیلت، گڈ گورننس، شفافیت، دیانتداری اور جواہد ہی کے کلچر پر زور دیتی ہے۔
WAVES مسلسل درج ذیل متنوع CSR اقدامات کر رہی ہے جس میں سے ہر ایک ہمارے CSR وژن کی طرف ہمارے اہداف کو پورا کرتا ہے۔

انسانی کپٹل میں سرمایہ کاری

ویوز کارپوریشن میں، ہم مارکیٹ پلیس میں، بہترین ٹیلنٹ کو اپنی طرف متوجہ کرنے اور انہیں مہارت اور مواقع دینے، انہیں اعلیٰ کامیاب بننے کی ضرورت پر یقین رکھتے ہیں۔

انسانی امانت

کمپنی اپنے لوگوں کو اپنا سب سے اہم اثاثہ سمجھتی ہے۔ ہم ہمیشہ دستیاب انسانی وسائل کی بہترین صلاحیتوں کو بھرتی، تربیت اور فروغ دینے کے لیے کوشاں رہتے ہیں۔ پُرکشش معاوضے کے پیکجوں کے علاوہ، ہمارا کارپوریٹ کلچر ملازمین کی کارکردگی کو بڑھانے کے لیے ڈیزائن کیا گیا ہے۔ ہمارا جانشینی کی منصوبہ بندی کا فریم ورک ہماری بھرتی اور فروغ کی سرگرمیوں کی فعال طور پر رہنمائی کرتا ہے۔

ریٹنگ اور تنظیمی ترقی

ہماری افرادی قوت باقاعدگی سے اپنے متعلقہ شعبوں میں تربیت حاصل کرتی ہے۔ سٹریٹجیکل اکیڈمی ملازمین کو ایک جامع ورک فورس ٹریننگ کیلنڈر کے ذریعے لے جانے میں اہم کردار ادا کرتی ہے۔ ہم اپنے ملازمین کو اس شعبے میں ہونے والی نئی پیشرفتوں سے آگاہ کرنے کے لیے ورکشاپس کا انعقاد بھی کرتے ہیں تاکہ مارکیٹ کے بدلتے ہوئے منظر نامے سے باخبر رہیں۔

کافی داخلی مالیاتی کنٹرول

داخلی کنٹرول کا فریم ورک مؤثر طریقے سے بورڈ کی طرف سے قائم کردہ داخلی آڈٹ فنکشن کے ذریعے نافذ کیا گیا ہے جو بیرونی آڈٹ فنکشن سے آزاد ہے۔ کمپنی کا داخلی کنٹرول کا نظام ڈیزائن کے لحاظ سے مستحکم ہے اور تاشیر اور مناسبت کے لیے اس کا مسلسل جائزہ لیا جاتا ہے۔ آڈٹ کمیٹی نے کمپنی کے اندر تمام سطحوں پر آپریٹنگ، تعمیل، رسک مینجمنٹ، مالیاتی رپورٹنگ اور کنٹرول کے مقاصد، کمپنی کے اثاثوں کی حفاظت اور شیئر ہولڈرز کی دولت کے حصول کو یقینی بنایا ہے۔

داخلی آڈٹ فنکشن نے آڈٹ کمیٹی کی طرف سے بیان کردہ چارٹر کے تحت اپنے فرائض سرانجام دیئے ہیں۔ آڈٹ کمیٹی نے داخلی آڈٹ کے مواد کا جائزہ لیا، مناسب کارروائی کی ہے یا جہاں ضرورت ہو معاملات بورڈ کی توجہ میں لائے ہیں۔ ایک قابل اعتماد مالیاتی رپورٹنگ سسٹم اور قوانین و ضوابط کی تعمیل سمیت کمپنی کے مقاصد میں کارکردگی اور شراکت کو یقینی بنانے کے لیے بیرونی اور اندرونی آڈیٹرز کے درمیان ہم آہنگی کو آسان بنایا گیا ہے۔

کارپوریٹ گورننس کے بہترین طرز عمل

ہمارے ضابطہ اخلاق کو اخلاقیات کی ہماری بنیادی اقدار میں سے ایک کے طور پر درج کیا گیا ہے، اس لیے ویوز کارپوریشن لمیٹڈ کسی بھی قسم کے امتیازی سلوک اور ایذا رسانی کے خلاف صفر واداری کی پالیسی رکھتی ہے۔ اسی طرح رپورٹنگ کے محاذ پر بھی ایمانداری اور کھلی بات چیت کی توقع کی جاتی ہے، ہمیں اس بات کی پرواہ ہے کہ ہم کیسے نتائج حاصل کرتے ہیں۔ ہمارا ماننا ہے کہ ویوز کارپوریشن لمیٹڈ سے وابستہ ہر فرد کے لیے اس کلچر کو اپنانا اور دیانتداری اور جواہد ہی کے اعلیٰ ترین معیارات کے مطابق زندگی گزارنا ضروری ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور ملازمین کے لیے کوڈ آف کنڈکٹ کو اپنایا اور اسے بورڈ کے ممبران اور ملازمین کو لسنڈ کپینیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت کے مطابق ترمیم کیا گیا ہے۔ کوڈ آف کنڈکٹ کمپنی کی ویب سائٹ پر بھی رکھا گیا ہے۔

ڈائریکٹرز کا بیان

ضابطہ کی ضرورت کے مطابق، ہم، کمپنی کے ڈائریکٹرز، بخوشی بیان کرتے ہیں کہ:

(a) کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

(b) کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

(c) مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے۔

(d) اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(e) مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IAS) اور IFRS کی پیروی کی گئی ہے۔

(f) اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

<p>• پروڈنٹ لیکویڈیٹی رسک مینجمنٹ کا مطلب کافی نقدی اور قابل فروخت سیکورٹیز کو برقرار رکھنا، قرض کی مناسب سہولتوں کے ذریعے فنڈنگ کی دستیابی ہے۔ کاروبار کی متحرک نوعیت کی وجہ سے، کمپنی پر عزم کریڈٹ لائنوں کو برقرار رکھتے ہوئے فنڈنگ میں چلک برقرار رکھتی ہے۔ کمپنی کے لیکویڈیٹی مینجمنٹ میں کیش فلو کا تخمینہ لگانا اور ان کو پورا کرنے کے لیے ضروری مائع اثاثوں کی سطح پر غور کرنا، اندرونی اور بیرونی ریگولیٹری تقاضوں کے مقابلے میں مالیاتی پوزیشن کے لیکویڈیٹی تناسب کی نگرانی اور قرض کی مالی اعانت کے منصوبوں کو برقرار رکھنا شامل ہے۔</p>	<p>لیکویڈیٹی رسک - وہ خطرہ ہے جس سے کمپنی کو اپنی مالی ذمہ داریوں سے وابستہ ذمہ داریوں کو پورا کرنے میں دشواری کا سامنا کرنا پڑے گا جو نقد یا کسی اور مالیاتی اثاثوں کی فراہمی سے ملے پاتے ہیں۔</p>
<p>• انفرادی کریڈٹ کی حدود کو لاگو اور بینک گارنٹیوں اور اندرون ملک لیٹر آف کریڈٹ کے عوض زیادہ تجارتی قرضے حاصل کر کے اس خطرے کو کم کیا جاتا ہے۔ ان بینک گارنٹیوں کو قبول کرنے کی وجہ سے پیدا ہونے والے کریڈٹ رسک کا انتظام اس بات کو یقینی بنا کر کیا جاتا ہے کہ بینک گارنٹی معقول حد تک اعلیٰ کریڈٹ ریٹنگ والے بینکوں کی طرف سے جاری کی گئی ہیں جیسا کہ بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔</p>	<p>کریڈٹ رسک - کریڈٹ رسک نقصان کے خطرے کی نمائندگی کرتا ہے اگر کاؤنٹرفریٹین معاہدے کے مطابق کارکردگی کا مظاہرہ کرنے میں ناکام رہتے ہیں۔</p>
<p>• کمپنی اپنی ٹیکنالوجی، کارکردگی اور پیداواری صلاحیت کو بہتر بنا کر مسابقتی سپلائرز کو مسلسل سروسنگ کر رہی ہے۔ نیز، چونکہ WAVES میں تیزی سے تبدیلی، وقت کے ساتھ مصنوعات تیار کرنے کی اندرون ملک صلاحیت موجود ہے، جو خود ہی WAVES کو متاثر کرنے والے مسابقت کے امکانات کو ختم کر دیتی ہے۔</p>	<p>قیمت کا خطرہ - مارکیٹ میں نئے آنے والوں کے ساتھ، قیمت کے مقابلے کا امکان ہے جو مارجن کو کم کر سکتا ہے۔</p>
<p>• WAVES کی متنوع مصنوعات کی لائن اور منفرد ڈیلر کے علاوہ خوردہ فروخت کا ڈھانچہ اور تکنیکی مہارت اسے ان چیلنجوں کا سامنا کرنے کے لیے مناسب طریقے سے تیار کرتی ہے۔</p>	<p>مسابقتی خطرہ - پلاسٹک کی صنعت میں داخل ہونے والوں میں اضافہ۔</p>
<p>• نئے لیویز پورے بورڈ میں ہوتے ہیں، اس لیے ہم مسابقتی رہتے ہیں۔</p>	<p>ریگولیٹری رسک - ڈیولپمنٹ، ٹیسٹنگ، لیویز اور دیگر شرائط کا نفاذ/ اضافہ آپریشنز کو بری طرح متاثر کر سکتا ہے۔</p>

ماحولیات، صحت اور حفاظت

ہم اپنے پورے کاروبار میں صحت، حفاظت اور ماحول میں مددگی حاصل کرنے کے لیے پُر عزم ہیں۔ ہم اپنے ملازمین کی حفاظت کو ترجیح دیتے ہیں اور ایک مثبت ماحول، اچھی صحت، اور حفاظتی کلچر فراہم کرنے کے لیے، خاص طور پر اپنی مینوفیکچرنگ سہولیات پر اپنے ماحولیاتی فرائض اور ذمہ داریوں کو چوکس طریقے سے پورا کرتے ہوئے سخت محنت کرتے ہیں۔ ہماری کمپنی اپنے کارکنوں کی پیشہ ورانہ حفاظت اور صحت کو اہمیت دیتی ہے۔ ہم کام کرنے کا ایک محفوظ ماحول برقرار رکھتے ہیں اور اپنے عملے اور اسٹیک ہولڈرز کی صحت اور تندرستی کی ذمہ داری لینے ہیں۔ کمپنی تمام ملازمین کو کام کی جگہ اور اس سے باہر دونوں جگہوں پر ان کی حفاظت کو یقینی بنانے کے لیے فعال طور پر توجہ دیتی ہے۔ اس کے علاوہ، ہمارے مینوفیکچرنگ، ڈسٹری بیوشن، اور ریٹیل آپریشنز نے SOPs تیار کیے ہیں جو حادثات کے خطرے کو کم کرنے کی کوشش کرتے ہیں۔

کارپوریٹ سماجی ذمہ داری (CSR)

ہم اجتماعی کوششوں پر یقین رکھتے ہیں اور اس لیے، ایک مضبوط تنظیمی کلچر بنایا ہے جو تمام ملازمین اور اسٹیک ہولڈرز کو فائدہ فراہم کرتا ہے۔ ہم سماجی ذمہ داری کو اپنی ایک بنیادی اقدار کے طور پر قبول کرتے ہیں اور اسے گروپ کے ہر ممبر کے ساتھ شیئر کیا گیا ہے۔ پائیدار اور ذمہ دارانہ ترقی نہ صرف کارپوریٹ اداروں پر مقامی قوانین کی پابندی ہے، بلکہ یہ اخلاقی ذمہ داری کے بارے میں زیادہ ہے جس پر بہترین جذبے

معروف صارف براڈ ادارہ میں سے ایک کے طور پر، WAVES تو انائی، افراتر، سپلائی چین اور انسانی ترقی سے متعلق ہمارے وقت کے چند اہم ترین مسائل کو حل کرنے کے لیے مسلسل کوشاں ہے۔ ہم اس اہم موڈ پر اپنی معیشت کی بحالی کے لیے اپنا کردار ادا کرتے رہیں گے۔ ہماری مجموعی حکمت عملی میں یہ خواہش جاری رہے گی کیونکہ ہم گروپ کی مجموعی کارکردگی اور منافع میں ہم آہنگی کو بڑھا کر اپنے پورٹ فولیو میں ویلویو ایڈیشن پیدا کرنے کا تصور کرتے ہیں۔ ہمارے لوگ ہماری کلیدی محرک قوت بنے ہوئے ہیں۔ WAVES کی کامیابی ان کی مہارتوں اور تخلیقی صلاحیتوں پر مبنی ہے، اور اس بات کو یقینی بناتے ہوئے ہم انسانی ترقی کے لیے پُر عزم ہیں کہ ہمارے پاس تمام پس منظر سے بہترین ممکنہ ٹیلنٹ موجود ہے، جو ہماری ترقی اور خواہشات کو آگے بڑھاتا ہے۔ ہم ایک بااختیار تعلیمی ادارے کو مزید ترقی دینے کے لیے پُر عزم ہیں۔

خطرات، غیر یقینی صورتحال اور تخفیف

آپ کی کمپنی اس بات کو تسلیم کرتی ہے کہ خطرہ کاروبار کا ایک لازمی حصہ ہے اور خطرات کو فعال اور مؤثر طریقے سے منظم کرنے کے لیے پُر عزم ہے۔ آپ کی کمپنی وقتاً فوقتاً اندرونی اور بیرونی ماحول میں خطرات کا جائزہ لیتی ہے اور اپنی حکمت عملی اور کاروباری/آپریٹیشنل پلانز میں خطرے کے تخفیف کے منصوبوں کو شامل کرتی ہے۔ ہر خطرے کا بغور جائزہ لیا جاتا ہے، جیسا کہ تجزیہ کے بعد کی بعض صورتوں میں یہ کاروبار کے نئے مواقع کا باعث بن سکتا ہے۔ آپ کی کمپنی میں رسک مینجمنٹ کا ایک اچھی طرح سے طے شدہ فریم ورک موجود ہے۔ رسک مینجمنٹ فریم ورک پورے انٹرپرائز میں اوپر سے نیچے تک مختلف سطحوں پر کام کرتا ہے۔ یہ سطیں کمپنی کے رسک مینجمنٹ کا اسٹریٹجک دفاعی احاطہ تشکیل دیتی ہیں۔ کمپنی کی رسک مینجمنٹ کمیٹی خطرے میں کمی کے منصوبے کی نگرانی اور جائزہ لیتی ہے۔

کمی کے اقدامات	کلیدی کاروباری خطرات
<ul style="list-style-type: none"> • آپ کی کمپنی نے وینڈر ریٹیل سٹوریشن، اندرون ملک مینوفیکچرنگ پر زور دینا شروع کر دیا ہے اور وینڈرز کے سکور کارڈ کی تخصیص رکھ دی گئی ہے۔ • آپ کی کمپنی نے سال کے دوران پوری کمپنی میں معیار اور عمل میں بہتری کا پروگرام ترتیب دیا ہے، جس میں اسٹریٹجک وینڈرز بھی شامل ہیں، باقاعدہ انتظامی جائزوں میں پیش رفت کا پتہ لگایا جا رہا ہے۔ 	<p>آپریٹیشنل ایکسیلنس۔ یہ اندرونی عوامل، انتظامی اور آپریٹیشنل طریقہ کار جیسے کہ ملازمین کے کاروبار، سپلائی چین میں خلل، IT سسٹم کے بند ہونے یا کنٹرول کی ناکامیوں سے وابستہ خطرات ہیں۔</p>
<ul style="list-style-type: none"> • آپ کی کمپنی نے سال کے دوران ایک مرکزی مارکیٹنگ کا ڈھانچہ قائم کیا ہے، اس طرح اس کے صارفین کی بصیرت کے عمل کو تقویت ملی ہے اور متعلقہ فنکشن میں قابلیت کے خلا کو پُر کیا گیا ہے۔ • کمپنی کے ریسرچ اینڈ ڈویلپمنٹ ڈیپارٹمنٹ کو مضبوط کیا گیا ہے اور وہ مسلسل مصنوعات کی جدت طرازی کی حکمت عملیوں کو دیکھ اور ان پر عمل درآمد کر رہا ہے۔ 	<p>برائڈنگ/انویشن رسک۔ وہ خطرہ جو آپ کے کاروبار کے جدید شعبوں پر لاگو ہوتا ہے جیسے کہ پروڈکٹ ریسرچ اور مارکیٹ کے تازہ ترین رجحانات اور مصنوعات کی جدت سے نمٹنے کے لیے۔</p>
<ul style="list-style-type: none"> • آپ کی کمپنی نے موزوں ملازمین کے لیے کیریئر کی ترقی اور ترقی کے مواقع کی نقشہ سازی کے لیے Succession Planning فریم ورک قائم کیا ہے اور اس طرح ٹیلنٹ کو برقرار رکھنے کو یقینی بنایا گیا ہے۔ 	<p>آرگنائزیشن ایکسیلنس۔ صحیح ٹیلنٹ کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کی صلاحیت آپ کی کمپنی کی تنظیم کے مقاصد کے حصول میں ناکامی کا باعث بن سکتی ہے۔</p>

اپریل 2023 کے دوران، کنزیومر پرائس انڈیکس (CPI) افراط زر سال بہ سال (YoY) کی بنیاد پر بڑھ کر 36.4% ہو گیا، جو پچھلے مہینہ میں 35.4% تھا۔ پی آئی میں 34.58 فیصد اوسط کے ساتھ "فوڈ اینڈ نان الکوئل یورٹیز" نے اپریل 2023 میں سالانہ بنیادوں پر 48.07 فیصد مہنگائی دیکھی۔ اسی طرح، "رہائش، پانی، بجلی، گیس اور ایندھن" (23.63 فیصد اوسط) میں اضافہ ہوا۔ 16.94 فیصد سے بڑے پیمانے پر مینوفیکچرنگ سیکٹر (LSM) نے مالی سال 2023 کے جولائی تا فروری کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 5.56 فیصد کمی کی ظاہر کی ہے۔

آئی ایم ایف کی طرف سے جاری کردہ تازہ ترین جی ڈی پی تخمینہ، مالی سال 2023 میں 0.5 فیصد کمی سے شرح نمو کی پیش گوئی کرتا ہے۔ مالی محاذ پر، موجودہ FY کے پہلے نو مہینوں کے دوران، گزشتہ سال کی اسی مدت میں 399 بلین روپے کے مقابلے میں 781 بلین روپے کا پرائمری سرپلس تھا۔ سال بہ سال ٹیکس ریویو میں 18% اور نان ٹیکس ریویو میں 35% نمو کے باوجود، مالی وسائل نے قرض کی سروس کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے ابھی تک پورا کیا ہے۔ مزید یہ کہ ٹیکس وصولیوں میں نمایاں بہتری کے باوجود مجموعی کارکردگی رواں مالی سال کے پہلے نو مہینوں کے لیے مقررہ ہدف سے اب بھی کم ہے، نقل کا شکار آئی ایم ایف پروگرام مالیاتی مشکلات میں اضافہ کر رہا ہے۔ (ماخذ: بزنس ریکارڈر)

مستقبل کا نقطہ نظر/آگے بڑھنے کے بیانات

ہمارا بنیادی مقصد اعلیٰ معیار اور موثر گھریلو آلات کی مصنوعات فراہم کرنا ہے۔ ہم طویل مدتی اہمیت کے منصوبوں میں منافع اور سرمایہ کاری میں توازن رکھتے ہوئے شیئر ہولڈر کی قدر کو بڑھانے کے لیے پُر عزم ہیں۔

پاکستان بیورو آف سٹیتسٹکس (پی بی ایس) نے گزشتہ برسوں میں ریفریجریٹرز، ایئر کنڈیشنرز اور ڈیپ فریزر کی پیداوار میں اضافے کی اطلاع دی ہے۔ تاہم، وہ کمپنیاں جن کے پاس گھریلو آلات کی مصنوعات ہیں جیسے کہ ٹیلی ویژن، ایئر کنڈیشنر وغیرہ، جن میں کافی غیر ملکی اجزاء شامل ہیں، انہیں چیلنجز کا سامنا کرنا پڑے گا۔ مجموعی طور پر موسمی حالات میں تبدیلی کے ساتھ ریفریجریٹرز اور ایئر کنڈیشننگ میں اضافے کا تجربہ کیا جائے گا۔ چونکہ پاکستان کی معیشت کا بڑا حصہ ابھی تک غیر دستاویزی ہے جس کے لیے کوششیں جاری ہیں کہ اس کو دستاویزی بنایا جائے، اس لیے اس معیشت میں پیسے کی گردش اور خرچ کرنے کی طاقت بھی مہنگائی کو ہوا دے رہی ہے۔ ایسی غیر دستاویزی معیشت میں زیادہ خرچ کرنے کی عادت مقامی مارکیٹ میں قابل استعمال اور پائیدار مصنوعات کی طلب کو جاری رکھے گی۔

سیاسی اور معاشی چیلنجوں کے حل کے ساتھ، پاکستان میں آلات کی کم گھریلو رسائی (عالمی اوسط سے کم) کمپنیوں کو اپنی رسائی بڑھانے کے مواقع فراہم کرے گی۔ تمام خطوں میں جدید خوردہ اور کمپنی کے خصوصی آؤٹ لیس کی توسیع سے گھریلو آلات کی رسائی میں اضافہ متوقع ہے۔ غیر میٹر و شہروں (تمام دو اور تین شہروں اور دیہی علاقوں) میں بھی آلات سے مضبوط ترقی کی توقع ہے۔ صارفین کے آلات کی ترقی پر مثبت اثرات مرتب کرنے والے دیگر عوامل دوہری آمدنی والے خاندانوں میں اضافہ، قرض کی آسان دستیابی، طرز زندگی میں تبدیلی، نئے ماڈلز کا تعارف، اور صارفین کی بیداری میں اضافہ ہیں۔ صارفین کی پائیدار اشیاء کے لیے تیزی سے سگڑتے ہوئے متبادل کا سلسلہ بھی جاری رہنے کی توقع ہے اور اس لیے کنزیومر الیکٹرانکس کے لیے تیز طلب میں اضافہ ہوگا۔

معاشی چیلنجوں جیسے ناموافق حالات کے درمیان، حکومت پاکستان مالیاتی اور کرنٹ اکاؤنٹ کے عدم توازن کو درست کرنے اور مہنگائی کو کنٹرول کرنے کے لیے مختلف اقدامات کر رہی ہے۔ موجودہ پالیسی موقف نے حکومت کو پی آئی ایس پی اور غربت کے خاتمے کے فنڈ کے ذریعے معاشرے کے کمزور طبقات پر اخراجات بڑھانے کا قابل بنایا ہے۔ آمدنی کے لحاظ سے، اقتصادی سرگرمیوں میں سست روی کے باوجود ٹیکس اور نان ٹیکس وصولی میں بہتری آئی ہے۔ خاص طور پر ایف بی آر کی ٹیکس وصولی نے نمو کی رفتار کو برقرار رکھا ہے۔ حوصلہ افزاء بات یہ ہے کہ گھریلو ٹیکس کی وصولی، خاص طور پر براہ راست ٹیکس تیزی سے بڑھ رہے ہیں جو کہ انتظامی اور نافذ کرنے والے اقدامات کے موثر نفاذ کی نشاندہی کرتے ہیں۔ اگرچہ معاشی سرگرمیوں اور نمو کی سست روی کی وجہ سے گھریلو وسائل کو متحرک کرنے کی کوششوں کو خطرات لاحق ہیں۔

آئندہ مہینوں میں مہنگائی زیادہ رہنے کی توقع ہے اس سے پہلے کہ بتدریج نرمی ہو جائے۔ اہم وجوہات غیر یقینی سیاسی اور معاشی ماحول، کرنسی کی قدر میں کمی، توانائی کی قیمتوں میں حالیہ اضافہ اور زیر انتظام قیمتوں میں اضافہ ہیں۔ اگرچہ اسٹیٹ بینک سخت مانیٹری پالیسی بنا رہا ہے، لیکن افراط زر کی توقع کو طے ہونے میں کچھ وقت لگے گا۔ تاہم، وفاقی حکومت، صوبائی حکومتوں کے ساتھ رابطے میں، اشیاء ضروریہ کی طلب و رسد کے فرق کو فریب سے مانیٹر کر رہی ہے اور ان کی قیمتوں کو مستحکم کرنے کے لیے ضروری اقدامات کر رہی ہے۔ امید ہے کہ اقتصادی استحکام پروگرام کی بحالی سے معاشی استحکام حاصل کرنے میں مدد ملے گی جس کے نتیجے میں شرح مبادلہ میں استحکام آئے گا اور اجناس کی بین الاقوامی قیمتوں میں کمی کا فائدہ اٹھانے کا موقع ملے گا۔ اس سے لاگت کو بڑھانے والی افراط زر پر قابو پانے میں بھی مدد ملے گی اور حکومت کو اشیاء کی کم قیمتوں کو گھریلو صارفین تک پہنچانے میں مدد ملے گی۔

آگے بڑھتے ہوئے حکومت آئی ایم ایف ڈیل کو محفوظ بنانے کے لیے تمام کوششیں کر رہی ہے جو موجودہ وزیر اعظم کے مطابق آخری مرحلے میں ہے۔ اس سے ملک کو آئندہ چند ماہوں میں مستحکم ذخائر، کنٹرول شدہ مالیاتی توازن اور پائیدار اقتصادی ترقی کی صورت میں مدد ملے گی۔ تاہم، جب کہ موجودہ سیاسی درجہ حرارت میں اضافہ ہو رہا ہے، توانائی کے پاس تھر اور سخت مالیاتی/ مالی پالیسی کے تیز رفتار نفاذ کا اثر مختصر مدت میں پڑے گا۔ جیسا کہ کرنٹ اکاؤنٹ خسارہ کم ہوا ہے اور سیاسی اور سماجی جذبات میں بہتری آئی ہے، ہم پوری توقع کرتے ہیں کہ روپیہ کی قدر بڑھے گی اور مانیٹری پالیسی میں نرمی کی جائے گی۔ یہ آنے والے سالوں میں بحالی اور پائیدار ترقی کا نقطہ آغاز ہوگا۔

مالیاتی نتائج کی بنیاد پر مشکل موجودہ معاشی حالات کے پیش نظر بورڈ آف ڈائریکٹرز کمپنی کے شیئرز ہولڈرز کو کسی قسم کی ادائیگی کی سفارش نہیں کرتا ہے۔
ذیلی کمپنیوں کے بارے میں مختصر معلومات اس سالانہ رپورٹ کی سیکشن ہسٹری اور ذیلی کمپنیوں میں دی گئی ہیں۔

کاروبار کا جائزہ

اصل سرگرمیاں اور ترقی

WAVES یا کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) پر مندرج ہے۔ کمپنی حال ہی میں ایک سکیم آف اریٹمنٹ (اسکیم) کے تحت گئی ہے جس میں ہوم اپلائنسز کے کاروبار کو ڈیمرج کر کے ویوز ہوم اپلائنسز لمیٹڈ، سابقہ سمین ٹیکسٹائلز لمیٹڈ (WHALE) میں ضم کر دیا گیا ہے، جبکہ کنزرویٹور اپلائنسز اور دیگر کنزرویٹور گڈز کے لیے ریٹیل اسٹیٹ ڈویلپمنٹ برنس اور ریٹیل شاپ نیٹ ورک کو برقرار رکھا گیا ہے۔ اس اسکیم کی منظوری لاہور ہائی کورٹ، لاہور نے 27 مئی 2022 کو دی تھی۔ اسکیم کی موثر تاریخ 31 اگست 2021 ہے۔ WHALE کمپنی کی ایک ذیلی کمپنی ہے۔ ریٹیل برنس فی الحال ویوز مارکیٹ پلیس لمیٹڈ کو دیا گیا ہے، جبکہ کمپنی کا ایک ریٹیل اسٹیٹ پرڈیکٹ، ویوز بلڈرز اینڈ ڈویلپرز (پرائیویٹ) لمیٹڈ کو دیا گیا ہے۔ WHALE بنیادی طور پر گھریلو آلات اور دیگر ہلکی انجینئرنگ مصنوعات کی تیاری، اسمبلنگ اور تقسیم میں مشغول ہے۔ WAVES کے پاس پروڈکٹ لائنز کی ایک وسیع رینج ہے جو معروف برانڈ Waves کے تحت پورے پاکستان میں پھیلے ہوئے ڈیلر نیٹ ورک کے ذریعے اور کمپنی کے زیر ملکیت اور چلائے جانے والے ریٹیل آؤٹ لٹس کے ذریعے فروخت کی جاتی ہیں۔ WHALE کی پروڈکٹ لائن میں شامل ہیں:



Waves Brand

- Deep Freezers
- Visi Coolers
- Refrigerators
- Air Conditioners
- Washing Machines
- Microwaves
- Water Dispensers

Singer Brand

- Deep Freezers
- Refrigerators
- Air Conditioners
- Washing Machines
- Microwaves
- Water Dispensers
- Sewing Machines
- Water Heaters
- Instant Geysers
- Cooking Ranges

ویوز ہوم اپلائنسز لمیٹڈ (WHALE)

ویوز ہوم اپلائنسز لمیٹڈ (سابقہ سمین ٹیکسٹائلز لمیٹڈ) پاکستان میں 27 نومبر 1989 کو کنٹری آرڈیننس، 1984 (ایبکٹری ایکٹ، 2017) کے تحت ایک پبلک لمیٹڈ کمپنی کے طور پر شامل ہوئی۔ کمپنی کارجسٹرو آفس 15/3 بلاک اے، ماڈل ٹاؤن، لاہور میں واقع ہے، جسے اب 9-KM، ملتان روڈ پر اسی جگہ پر منتقل کیا جا رہا ہے جہاں کمپنی کا موجودہ رجسٹرڈ دفتر موجود ہے۔ WHALE اس وقت پاکستان اسٹاک ایکسچینج میں مندرج ہے۔ کمپنی کا اصل کاروبار تجارت، آلات اور ٹیکسٹائل سے متعلق دیگر مصنوعات کی درآمد اور برآمد تھا۔ انتظامات کی اسکیم کی منظوری کے نتیجے میں، کاروبار کی اصل لائن میں ترمیم کی گئی ہے جس میں گھریلو صارفین کے آلات اور دیگر ہلکی انجینئرنگ مصنوعات کی مینوفیکچرنگ، اسمبلی اور ہول سیل شامل ہیں۔ آلات کے مینوفیکچرنگ پلانٹ کو ایک نئے مقصد سے تعمیر کی گئی بڑی فیکٹری میں منتقل کیا جا رہا ہے جس کے لیے زمین پہلے ہی خریدی جا چکی ہے اور تعمیراتی کام پہلے ہی سے جاری ہے۔ نئی فیکٹری کے احاطے کی تعمیر پر پیش رفت کیلئے سال 2023 کی دوسری ششماہی میں مکمل ہونے کی اُمید ہے۔

حصص داران کو ڈائریکٹرز کی رپورٹ

جائزہ

ویوز کارپوریشن لمیٹڈ، سابقہ ویوزنگر پاکستان لمیٹڈ (ویوزیا کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے ڈائریکٹرز کی رپورٹ اور نظر ثانی شدہ مالیاتی گوشوارے مع اس پر آڈیٹرز کی رپورٹ جمع کرانے کے پابند ہیں۔ الحمد للہ، WAVES برانڈ مصنوعات کی طلب بدستور مضبوط ہے کیونکہ ہمارا وژن اعلیٰ معیار، مارکیٹ پر مبنی اور جدید مصنوعات تیار کر کے فرق پیدا کرنا ہے۔

سال کے دوران، دنیائے بہت سارے واقعات جیسے کہ روس-یوکرین تنازعہ کی وجہ سے جغرافیائی سیاسی کشیدگی میں اضافہ، موسمیاتی تبدیلیوں کے اثرات میں شدت، توانائی کے بحران اور سپلائی چین میں خلل کا مشاہدہ کیا جس نے معیشت کو سست کیا۔ انہوں نے خوراک اور ایندھن کی قیمتوں میں اضافے سے پاکستان کو متاثر کرنے والے عالمی چیلنجوں کا سب سے مشکل مجموعہ بیان کیا ہے، جس کی وجہ سے کچھلی دہائیوں کے بعد سب سے زیادہ مہنگائی ہوئی جسے مہنگائی کو روکنے کے لیے بلند شرح سود کی وجہ سے مزید شدت ملی۔ آئی ایم ایف کے عملے کی سطح کے معاہدے میں شدید سیلاب اور تاخیر نے مزید چیلنج کا اضافہ کیا۔ تمام چیلنجنگ معاشی حالات کے درمیان اس نے نمونہ بنی راہیں اور WAVES گروپ کے لیے مواقع پیدا کئے ہیں۔ کمپنی پاکستان کے جی ڈی پی میں حصہ ڈالنے کے وژن کے ساتھ ترقی اور توسیع کے لیے پُر عزم ہے۔

بروقت فیصلوں اور حکمت عملیوں کی وجہ سے کمپنی کا کاروباری نمونہ مستحکم رہا۔ مکمل ملکیتی ذیلی کمپنی ویوز مارکیٹ پلیس لمیٹڈ (ویوز پلس) نے اپنی ترقی کے انداز کو جاری رکھا، جب کہ ریٹیل اسٹیٹ کی ترقی کے لیے کاروباری ماڈل کو بہتر کیا گیا تاکہ بڑے تجارتی حصہ کو شامل کیا جاسکے، جس سے اس کی بالائی اور زیریں لائن میں بہتری آئی ہے۔ کمپنی کی ذیلی کمپنی ویوز ہوم اپلائنسز لمیٹڈ (WHALE) کی طرف سے شروع کیے گئے ہوم اپلائنسز کے کاروبار کو چیلنج کا سامنا کرنا پڑا کیونکہ خام مال کی درآمد پر پابندی کی وجہ سے پوری آلات کی صنعت دباؤ میں تھی۔ تاہم، WHALE اپنے حریفوں کے مقابلے میں مقامی طور پر تیار کردہ مواد پر کافی حد تک انحصار کرنے کے قابل تھا اس طرح پیداواری خطرات کو کم کیا گیا۔ نتیجتاً اس نے نہ صرف WAVES کو مسابقتی برتری فراہم کی ہے بلکہ غیر ملکی کرنسی پر انحصار کو کم کرتے ہوئے بڑھتی ہوئی ایمپلائمنٹ کے ساتھ مقامی صنعت کی ترقی کی راہ بھی ہموار کی ہے۔ WHALE کی طرف سے جدید ترین مقصد لیکن موجودہ اقتصادی ماحول کے مطابق ایک مختصر رفتار سے تعمیر شدہ ملکیتی فیئری کی تکمیل جاری ہے۔ مالی سال 23 کی دوسری ششماہی میں نئے کارخانے میں آلات کی مینوفیکچرنگ کی منتقلی متوقع ہے جو کمپنی کے ریٹیل اسٹیٹ پروجیکٹ کے سافٹ لانچ کے ساتھ اچھی طرح فٹ بیٹھتی ہے۔

کمپنی کی مجموعی آمدنی گزشتہ سالوں کے 12,321 ملین روپے، جبکہ خالص منافع 327 ملین روپے کے مقابلے میں 11,989 ملین روپے جس کا خالص منافع 366 ملین روپے (10% اضافہ) ہے۔ یہ قابل ستائش ہے کہ یہ ایک مشکل کاروباری ماحول میں حاصل کیا گیا جہاں تمام میکرو اشارے پچھلے سالوں کے مقابلے میں کم تھے۔ نائجینجمنٹ، آپریشنل مینجمنٹ، لاگت کی معقولیت، پرویسس ری انجینئرنگ اور پورے سال کے دوران اٹھائے گئے اسٹریٹجیکل اقدامات وغیرہ میں مسلسل بہتری نے کمپنی کو اس کی آمدنی میں مدد فراہم کی۔ اس سالانہ رپورٹ میں مزید تجزیہ الگ سے دیا گیا ہے۔

آگے بڑھتے ہوئے، جغرافیائی سیاسی تناؤ اور سخت مالی حالات سے متاثرہ، عالمی نمود و بارہ بڑھنے سے پہلے سست ہونے کا امکان ہے۔ پاکستان کی حکومت مالیاتی اور کرنٹ اکاؤنٹ کے عدم توازن کو درست کرنے اور مہنگائی کو کنٹرول کرنے کے لیے اقدامات پر عمل درآمد کر رہی ہے، جس سے ملکی حالات بہتر ہو رہے ہیں۔ حکومت کا مقصد IMF کے معاہدے کو محفوظ بنانا ہے، اور یہ توقع ہے کہ روپیہ کی قدر بڑھے گی اور مانیٹری پالیسی میں نرمی آئے گی۔

آگے دیکھتے ہوئے ہم کمپنی کے مستقبل کے بارے میں پُر امید اور پُر اعتماد ہیں۔ ہمارے پاس انتظامیہ، عملد اور افرادی قوت، براڈ نام، بہترین پروڈکٹ لائن، اور ملک گیر تقسیم اور فروخت کے بعد سروس نیٹ ورک کی ایک مربوط ٹیم ہے جو ہمیں صارفین تک پہنچنے اور انہیں شہری اور دیہی علاقوں میں بہترین ممکنہ شرائط پر خدمات فراہم کرنے کی اجازت دیتا ہے۔ ہم اپنے تمام شیئرز ہولڈرز اور بورڈ آف ڈائریکٹرز کا بھرپور تعاون کے لیے شکر یہ ادا کرنا چاہیں گے۔ کمپنی کی کامیابیاں اور موجودہ موقف ہمارے ملازمین کے عزم اور کوششوں کے بغیر ممکن نہیں تھا جو پوری تعریف کے مستحق ہیں۔ ہمیں یقین ہے کہ ٹیم ترقی کرتی رہے گی اور تمام اسٹیک ہولڈرز کی توقعات پر مسلسل پورا اترے گی۔

مالیاتی جھلکیاں

مجموعی مالیاتی گوشواروں کی مالیاتی جھلکیاں درج ذیل میں پیش کی گئی ہیں جہاں واحد مالیاتی گوشواروں کے مالیاتی نتائج بھی اس رپورٹ میں فراہم کئے گئے ہیں۔

مجموعی آپریٹنگ نتائج

جانیں گی جن میں حصص کی محفوظ تھیل، حصص کا گم نہ ہونا، ڈیپلیکیٹ حصص کے اجراء کے لیے درکار رسمی کارروائیوں سے گریز اور اپن مارکیٹ میں بہتر نرخوں پر فروخت اور خریداری کے لیے آسانی سے دستیاب ہے۔

13۔ گزشتہ AGM میں شیئر ہولڈرز کی منظوری کے بعد، AGM کا نوٹس، سالانہ اکاؤنٹس اور پراسی فارم کمپنی کے شیئر ہولڈرز کو CD / USB / DVD کے ذریعے بھیجا جائے گا اور کمپنی کی ویب سائٹ پر بھی دستیاب ہوگا۔ کوئی بھی شیئر ہولڈر جسے ہارڈ کاپی میں سالانہ اکاؤنٹس کی کاپی درکار ہو، وہ کمپنی سیکریٹری کو لکھ سکتا ہے (یا ای میل بھیج سکتا ہے)، جو شیئر ہولڈرز کو بغیر کسی لاگت کے یہ فراہم کرے گا۔

14۔ کسی استفسار / وضاحت / معلومات کے لئے، حصص یافتگان کمپنی سے ای میل

cs@waves.net.pk پر اور / یا کمپنی کے شیئر رجسٹرار سے ای میل

akbar@corplink.com.pk پر رابطہ کر سکتے ہیں:

نام شیئر ہولڈر CNIC نمبر فوئیونمبر موبائل/اڈس ای میل ایڈریس
ایپ نمبر

* جہاں قابل اطلاق ہو، براہ مہربانی شیئر ہولڈر کے پراکسی ہولڈر یا نامزد کے بالا کوائف بھی
دیں۔

وڈیولنک اور لاگ ان کریڈنٹیل صرف ان ممبران کے ساتھ شیئر کی جائے گی جن کی ای میل،
بشمول تمام مطلوبہ تفصیلات بروقت موصول ہوگئی ہیں۔ وڈیولنک کا یہ نوٹس جغرافیائی محل وقوع
میں سکونتی، کمپنی میں 10% یا زیادہ شیئر ہولڈنگ (مجموعی) کے مالک ارکان کو وڈیولنک
سہولت فراہم کرنے کے تقاضہ کو بھی پورا کرے گا۔

8-SECP کے سرکلر نمبر 10 مورخہ 21 مئی 2014 کی پیروی میں، اگر کمپنی اجلاس کے
شہر کے علاوہ جغرافیائی مقام میں رہنے والے اور مجموعی 10% یا زیادہ شیئر ز رکھنے والے
ارکان سے وڈیولنک انفرنس کے ذریعے اجلاس میں شرکت کے لئے رضامندی اجلاس کی تاریخ
سے کم از کم 7 (سات) یوم قبل وصول کرتی ہے تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے
حوالہ سے اس شہر میں وڈیولنک انفرنس سہولت کا انتظام کرے گی۔ اس سلسلہ میں، براہ مہربانی
درج ذیل فارم کو پُر کریں اور کمپنی کے صدر دفتر کے پتہ پر اجلاس عام کی تاریخ سے کم از کم 07
(سات) یوم قبل جمع کروائیں۔

میں/ہم _____ ویزوکار پوریشن لمیٹڈ کے ممبر ہونے کی حیثیت سے
عام حصص بمطابق رجسٹرڈ فوئیونمبر _____

بذریعہ ہذا _____ پروڈیوکار انفرنس کی
سہولت کا انتخاب کرتے ہیں۔

9- کمپنی ای میل کے ذریعے سالانہ مالی حسابات ترسیل کر سکتی ہے جس کے لئے حصص داران
کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم داخل کروا کر شیئر رجسٹرار یا کمپنی
سیکرٹری کو اپنی متعلقہ معلومات فراہم کریں۔ حصص داران کمپنی کے رجسٹرڈ دفتر پر گزشتہ عام
اجلاسوں کی کاروائیوں کے لئے اپنی درخواست جمع کرا سکتے ہیں۔

10- حصص داران، جو کسی وجہ سے، اپنے ڈیویڈنڈز/حصص، اگر کوئی ہوں، کلیم نہیں
کر سکے، کو ہدایت ہے کہ اپنے ڈیویڈنڈز/حصص کے بارے دریافت کرنے کے لئے،
ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ ونگز آر کیڈ، 1-K، کمرشل، ماڈل
ٹاؤن لاہور سے رابطہ کریں۔

11- سالانہ نظر ثانی شدہ مالی حسابات مع متعلقہ رپورٹس / جائزے کمپنی کی ویب سائٹ
www.waves.net.pk پر بھی دستیاب ہیں۔ یہ اکاؤنٹس کمپنی کے رجسٹرڈ دفتر میں
دفتری اوقات کے دوران معائنہ کے لئے بھی دستیاب ہیں۔

12- کمپنیز ایکٹ، 2017 کے سیکشن 72 کے تقاضوں کی تعمیل میں، ہر موجودہ سٹاک ہولڈر کمپنی پر لازم
ہوگا کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ SECP کی طرف سے مطلع کردہ
تاریخ سے اور اس انداز میں تبدیل کرے جیسا کہ بیان کیا گیا ہو جس کی مدت کمپنیز ایکٹ
کے آغاز یعنی 30 مئی 2017 سے چار سال سے زیادہ نہ ہو۔ فزیکل شیئر ٹھکانے رکھنے
والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل فارم سے جلد از جلد بک
انٹری فارم میں تبدیل کروائیں۔ اس سے اراکین کو کئی طریقوں سے سہولیات فراہم کی

4- شیئر ہولڈر سے التماس ہے کہ اپنے رجسٹرڈ ڈاک کے پتوں میں کسی تبدیلی بارے کمپنی کے
شیئر رجسٹرار کو مطلع کریں۔

5- الیکٹرانک ووٹنگ:

a- کمپنیز (پوسٹل بیلت) ریگولیشن، 2018 (ریگولیشنز) کے مطابق، دیگر باتوں کے ساتھ
ساتھ کمپنیز ایکٹ، 2017 کے تحت خصوصی امور کے طور پر درجہ بند تمام کاروباری طریقہ کار
اور ضوابط میں موجود شرائط کے تابع ڈاک کے ذریعے ووٹ دینے کا حق ہر سٹاک ہولڈر کمپنی کے
ممبران کو فراہم کیا جائے گا۔

b- ای ووٹنگ کی سہولت کی تفصیل ای میل کے ذریعے کمپنی کے ان ممبروں کے ساتھ شیئر کی
جائے گی جن کے پاس 19 مئی 2023 کو کاروبار کے اختتام تک ای ووٹنگ سروس فراہم
کنندہ کی حیثیت سے کارپ لنک (پرائیویٹ) لمیٹڈ کے ذریعے کمپنی کے ممبران کے رجسٹر
میں کارآمد سیل نمبر/ای میل ایڈریس موجود ہیں۔

c- ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک
دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

d- ممبران 26 مئی 2023 صبح 9:00 بجے سے 28 مئی 2023 شام 05:00 بجے تک
آن لائن ووٹ ڈالیں گے۔ ووٹنگ 28 مئی 2023 کو شام 05:00 بجے بند ہوگی۔ ایک
بار جب کسی رکن کی طرف سے قرارداد پر ووٹ ڈال دیا گیا تو اسے بعد میں اسے تبدیل
کرنے کی اجازت نہیں ہوگی۔

6- پوسٹل بیلت کے ذریعے ووٹنگ کا طریقہ کار:

a- اراکین متبادل کے طور پر پوسٹل بیلت کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔
اراکین کی سہولت کے لیے، بیلت پیپر اس نوٹس کے ساتھ منسلک ہے اور یہ کمپنی کی ویب
سائٹ (www.waves.net.pk) پر بھی ڈاؤن لوڈ کے لیے دستیاب ہے۔

b- اراکین اس بات کو یقینی بنائیں کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے
ساتھ صحیح طریقے سے مہرا ہوا اور دستخط شدہ بیلت پیپر اجلاس کے چیرمین تک کمپنی کے رجسٹرڈ
آفس، 9-KM، ملتان روڈ، لاہور (ویوز فیکٹری پریمسز) میں ڈاک یا

cs@waves.net.pk پر ای میل کے ذریعے AGM کی تاریخ سے کم از کم ایک دن
پہلے، یعنی 28 مئی 2023 کو شام 05:00 بجے سے پہلے پہنچ جائیں۔ اس وقت کے بعد
موصول ہونے والا پوسٹل بیلت ووٹنگ کے لیے قبول نہیں کیا جائے گا۔ بیلت پیپر پر دستخط
CNIC پر دستخط سے مماثل ہونا چاہئے۔

7- وڈیولنک کے ذریعے اجلاس عام میں شرکت کرنے میں دلچسپی رکھنے والے کمپنی کے شیئر
ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات (جیسا کہ ذیل میں دیا گیا ہے) اپنے
CNIC (دونوں اطراف) / پاسپورٹ کی موثر کاپی، بورڈ کی قرارداد/پاور آف اٹارنی
(کارپوریٹ شیئر ہولڈرز کی صورت میں) cs@waves.net.pk پر ای میل کے

ذریعے (یا پوسٹل/کوریئر کے ذریعے) جس کا عنوان "WAVES کی AGM 31 دسمبر
2022 کے لیے رجسٹریشن" کے ساتھ اجلاس عام کے انعقاد سے کم از کم 48 گھنٹے پہلے
ارسال کریں۔ اصل دستخط شدہ دستاویزات کو ریکارڈ کے مقاصد کے لیے الگ سے کوریئر یا
ڈاک کے ذریعے کمپنی کو بھیجنا ضروری ہے۔

WAVES HOME APPLIANCES LIMITED
FORM OF PROXY

The Company Secretary
Waves Home Appliances Limited
9 KM, Multan Road, Lahore

I/ We _____
of _____
being a member of **Waves Home Appliances Limited** hereby appoint
_____ of _____
or failing him _____
of _____
as my proxy in my absence to attend, speak and vote for me on my behalf at the Annual General Meeting of the Company to be held on Monday, 29 April 2024 at 11:30 a.m and at any adjournment thereof.
As witness my / our hand this _____ day of _____.

**Rs. 50/-
Revenue
Stamp**

Witness No.1

Name : _____
Address : _____
CNIC No.: _____

Signature of Member(s)

Witness No. 2

Name : _____
Address : _____
CNIC No.: _____

(Name in Block letters)

Folio No. _____

Participant ID No. _____

No. of shares _____

Account No. in CDC _____

Important

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.
2. A Member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. Members are requested:
 - (a) To affix Revenue Stamp of Rs. 50/- at the place indicated above.
 - (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) To write down their Folio Numbers.
4. This form of proxy, duly completed and signed across a Rs. 50/- revenue stamp, must be deposited/sent at the Company's Registered Office not less than 48 hours before the time for holding the meeting or may be sent through the email as given in this notice followed by courier/post to the Company's registered office.

ویوز ہوم اپلائنسز لمٹیڈ

پراکسی فارم

کمپنی سیکرٹری

ویوز ہوم اپلائنسز لمٹیڈ

9 کلومیٹر، ملتان روڈ، لاہور

میں اہم

ساکن

بحیثیت رکن ویوز ہوم اپلائنسز لمٹیڈ اور حامل عام حصص برطانیہ شیئرز رجسٹر فوئیو نمبر _____
(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹیشن (شرکت) آئی ڈی نمبر _____)
بذریعہ ہذا

محترم/محترمہ _____ ساکن _____
جو کمپنی کا ممبر ہے برطانیہ شیئرز رجسٹر فوئیو نمبر _____
(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹیشن (شرکت) آئی ڈی نمبر _____)
یا اسکی غیر موجودگی میں محترم/محترمہ _____ ساکن _____
جو کمپنی کا ممبر ہے برطانیہ شیئرز رجسٹر فوئیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹیشن (شرکت) آئی ڈی نمبر _____) کو
مورخہ 29 اپریل 2024ء میں منعقد ہونے والے سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا کرتی کرتے ہوں/ہیں۔

دستخط آج بروز تاریخ 2024ء

گواہ:

50 روپے کارسیدی ٹکٹ

چسپاں کریں

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے

مطابق ہونے چاہئیں

۱۔ دستخط: _____ ۲۔ دستخط: _____

نام: _____ نام: _____

پتہ: _____ پتہ: _____

شناختی کارڈ نمبر: _____ شناختی کارڈ نمبر: _____

اہم ترین

1. CDC اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ میٹنگ کے نوٹس میں بیان کردہ رہنما خطوط پر سختی سے عمل کریں۔

2. جزل میٹنگ میں شرکت کا حقدار رکن اس کے بجائے شرکت کرنے اور ووٹ دینے کے لیے ایک پراکسی مقرر کرنے کا حقدار ہے۔

3. اراکین سے درخواست کی جاتی ہے:

(a) اوپر بتائی گئی جگہ پر -/50 روپے کارڈ یونیورسٹی چسپاں کرنا۔

(b) کارڈ یونیورسٹی پر دستخط کے اسی انداز میں دستخط کرنا جس طرح کمپنی کے ساتھ رجسٹرڈ ہے۔

(c) ان کے فوئیو نمبر لکھنا۔

4. پراکسی کارڈ فارم جس پر 50 روپے کارڈ یونیورسٹی، میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع/بھیجا جانا چاہیے یا ای میل کے ذریعے بھیجا جاسکتا

ہے جیسا کہ اس نوٹس میں دیا گیا ہے اور اس کے بعد کمپنی کے رجسٹرڈ آفس کو کوریئر/پوسٹ کے ذریعے بھیجا جاسکتا ہے۔

WAVES HOME APPLIANCES LIMITED BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of Waves Home Appliances Limited (WAVESAPP or the Company) to be held on Monday, 29 April 2024 at 11:30 a.m. at the Registered Office of the Company. The designated email address for Chairman at which the duly filled in ballot paper can be sent at cs@waves.net.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held (shall be taken as of book closure in notice)	
CNIC, NICOP/Passport No. (for foreigner) (Copy to be attached)	
Additional Information ((In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

Special Business: Resolution 3

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the relevant box below or may write "Approve" or "Disapprove"

"Resolved that the transactions carried out by the Company with Waves Corporation Limited, Waves Marketplace Limited, Waves Builders and Developers (Private) Limited and Employees' Pension/Gratuity/Provident Fund (as the case may be), during the financial year 31 December 2023 as given in the related party note of the Annual Audited Financial Statements of the Company for the year ended 31 December 2023, be and hereby are approved."

"Resolved further that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on case-to-case basis during the financial year 31 December 2024. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval"

No.	Resolution Information	I/We approve Resolution	I/We disapprove the Resolution
1	Special Business: Resolution 3	For:	Against:

Signature of Shareholder
Number of shares held
Place and Date

Notes:

- Dully filled postal ballot should be sent to Chairman of the Company, at 9-KM, Multan Road, Lahore (Waves Factory Office) along with the copy of CNIC, NICOP/Passport (for foreigner). The form should reach 48 hours before the meeting. The Signature on the postal ballot should match with the signatures on the CNIC, NICOP/Passport.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten, expired identification copy shall be rejected.

Printed Matter
Book Post / UPC



If Undelivered, Please Return To:
WAVES HOME APPLIANCES LIMITED
9 KM, Multan Road, Lahore.



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