



HALF YEARLY | **30 JUNE**
REPORT | **2024**

WAVES HOME APPLIANCES LIMITED

Contents

- 1. CORPORATE INFORMATION3
- 2. DIRECTORS' REPORT4
- 3. HALF YEARLY FINANCIAL STATEMENTS6

1. CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman

COMPANY SECRETARY

Mr. Khurram Zahoor

HEAD OF INTERNAL AUDIT

Mr. Waleed Afzal

LEGAL ADVISOR

Law Wings, Advocates & Solicitors

EXTERNAL AUDITORS

Rizwan and Company
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE

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

REGISTRATION NUMBER

CUIN 0020624

BANKERS

National Bank of Pakistan
Bank Al Falah Limited
JS Bank Limited

Habib Bank Limited
MCB Bank Limited

CONTACT INFORMATION

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

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

3. HALF YEARLY FINANCIAL STATEMENTS

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

**WAVES HOME APPLIANCES
LIMITED
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
JUNE 30, 2024**

Independent Auditor's Review Report

To the members of Waves Home Appliances Limited report on review of interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Waves Home Appliances Limited (the Company) as at June 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2024.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

As fully explained in note 2 and note 8.1.1 to these condensed interim 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. Our conclusion is not modified in respect of this matter

The engagement partner on the review resulting in this independent auditor's report is Imran Bashir.

Lahore:

UDIN:

Rizwan & Company
Chartered Accountants



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

EQUITY AND LIABILITIES	Note	(Rupees in '000)		
		(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Audited) January 01, 2023
Share capital and reserves				
Share capital	4	2,678,853	2,678,853	2,678,853
Capital reserves		3,690,236	3,690,236	3,695,868
Loan from sponsors	5	343,184	229,017	119,497
Unappropriated profit		713,114	643,268	501,270
Revaluation surplus		359,234	373,279	342,704
		7,784,621	7,614,653	7,338,192
Non-current liabilities				
Long term financings	6	734,288	766,333	789,415
Lease liabilities		16,550	20,504	81,932
Employee retirement benefits		7,627	7,627	9,943
Due to holding Company		2,000,000	1,926,938	1,746,083
Deferred tax liability - net		424,322	407,694	407,595
Deferred income		4,651	5,232	6,477
		3,187,438	3,134,328	3,041,446
Current liabilities				
Trade and other payables		2,421,768	2,245,887	1,780,733
Accrued mark-up		840,090	516,548	284,937
Short term borrowings	7	2,796,263	3,026,145	3,404,007
Current portion of long term liabilities		813,168	707,277	523,203
Provision for levies	12	23,176	24,735	3,439
Income tax payable		-	28,822	-
		6,894,465	6,549,414	5,996,319
Contingencies and commitments	8	17,866,524	17,298,395	16,375,957
		17,866,524	17,298,395	16,375,957

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director

(Un-audited) (Audited) (Audited)
June 30, December 31, January 01,
2024 2023 2023
(Rupees in '000)

Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Audited) January 01, 2023
9	8,116,233	7,532,279	5,499,529
10	2,771,542	2,788,355	2,825,919
	85,006	135,007	-
	12,003	12,002	20,527
	16,092	16,092	16,092
	11,000,875	10,483,735	8,362,067
	26,463	28,109	2,860,801
	2,111,363	2,595,322	44,143
	3,589,898	2,987,760	4,218,103
	784,721	775,934	492,350
	3,000	3,000	3,000
	344,779	419,082	388,394
	5,425	5,453	5,629
	6,865,649	6,814,660	8,012,420
	-	-	1,470

17,866,524 **17,298,395** **16,375,957**


Chief Financial Officer

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

	Note	Six months ended		Three months ended	
		June 30, 2024	(Restated) June 30, 2023	June 30, 2024	(Restated) June 30, 2023
(Rupees in '000)					
Sales - net of sales return		2,355,173	3,043,458	1,211,013	1,662,343
Sales tax and trade discount on invoices		(501,086)	(569,906)	(214,372)	(329,228)
Sales - net	11	1,854,087	2,473,552	996,641	1,333,115
Cost of sales		(1,351,211)	(1,863,917)	(709,367)	(1,007,923)
Gross profit		502,876	609,635	287,274	325,192
Marketing, selling and distribution costs		(88,133)	(120,546)	(36,981)	(55,049)
Administrative expenses		(73,849)	(121,832)	(27,424)	(53,508)
Other expenses		(54,555)	(33,813)	(50,050)	(32,062)
Other income		46,100	15,273	26,680	7,396
		(170,437)	(260,918)	(87,775)	(133,223)
Profit from operations		332,439	348,717	199,499	191,969
Finance costs		(236,833)	(248,321)	(137,173)	(110,830)
Profit before levies and income tax		95,606	100,396	62,326	81,139
Levies	12	(23,176)	(24,736)	(9,451)	(46,112)
Profit before income tax		72,430	75,660	52,875	35,027
Income tax expense	13	(16,629)	(20,799)	-	-
Profit for the period		55,801	54,861	52,875	35,027
Earnings per share - basic and diluted (<i>Rupees</i>)		0.21	0.20	0.20	0.13

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


 Chief Executive



 Director


 Chief Financial Officer

Waves Home Appliances Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the six months period ended June 30, 2024

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>June</u> <u>30, 2024</u>	<u>(Restated)</u> <u>June</u> <u>30, 2023</u>	<u>June</u> <u>30, 2024</u>	<u>(Restated)</u> <u>June</u> <u>30, 2023</u>
	(Rupees in '000)			
Profit for the period	55,801	54,861	52,875	35,027
Other comprehensive income for the period				
<i>Items that will not be reclassified to profit or loss account:</i>	-	-	-	-
Total comprehensive income for the period	55,801	54,861	52,875	35,027

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive



Director

Two

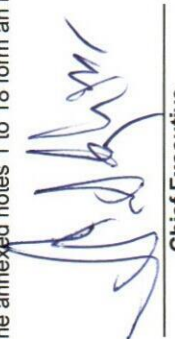


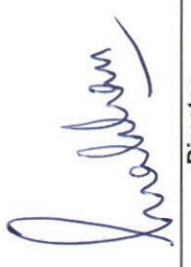
Chief Financial Officer

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

	Paid-up Share Capital	Capital Reserves	Loan from Sponsors	Revaluation Surplus	Unappropriated Profits	Total
(Rupees in 000)						
As at January 01, 2023	2,678,853	3,695,868	119,497	342,704	501,270	7,338,193
Other comprehensive income for the period						
Profit for the period	-	-	-	-	54,861	54,861
Surplus on revaluation of property	-	-	-	-	-	-
	-	-	-	-	54,861	54,861
Transactions with owners of the Company						
Shares capital issuance expenses		(5,632)	-	-	-	(5,632)
Sponsors loan received/(paid) during the period			25,700	-	-	25,700
	-	(5,632)	25,700	-	-	20,068
Balance at 30 June 2023 as restated	2,678,853	3,690,236	145,197	342,704	556,131	7,413,121
Total comprehensive income for the period						
Profit for the period	-	-	-	-	60,856	60,856
Surplus on revaluation of property	-	-	-	56,856	-	56,856
Surplus transferred to accumulated profits						
Incremental depreciation relating to surplus on revaluation - net of tax				(26,280)	26,280	
Transactions with owners of the Company						
Sponsors loan received/(paid) during the period			83,820	-	-	83,820
As at December 31, 2023 (Audited)	2,678,853	3,690,236	229,017	373,280	643,267	7,614,653
Total comprehensive income for the year						
Profit for the period	-	-	-	-	55,801	55,801
Surplus transferred to accumulated profits						
Incremental depreciation relating to surplus on revaluation - net of tax				(12,902)	12,902	
Transfer to retained earnings upon disposal of investment property				(1,143)	1,143	
Transactions with owners of the Company						
Sponsors loan received/(paid) during the period			114,167	-	-	114,167
As at June 30, 2024	2,678,853	3,690,236	343,184	359,234	713,114	7,784,621

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director



Chief Financial Officer


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

	Note	Six months ended	
		(Restated)	
		June 30, 2024	June 30, 2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		95,606	100,396
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	9.1	81,178	123,191
Depreciation on right of use asset	9.2	1,782	
Amortisation of intangible assets		16,813	21,857
Finance cost		116,359	248,321
Gain on sale of property, plant and equipment		(39,340)	(11,073)
Unrealised exchange gain		(1,641)	-
Unwinding of long term payable to holding company		73,062	87,474
Amortisation of deferred income		(581)	(581)
Allowance for expected credit losses		41,527	-
Credit balances written back		(2,754)	-
Cash flows from operating activities before working capital changes		382,011	569,585
Effect on cash flows due to working capital changes:			
<i>(Increase) / decrease in current assets</i>			
Stores, spares and loose tools		1,646	3,887
Stock-in-trade		483,959	120,335
Trade debts		(643,665)	1,132,475
Advances, deposits, prepayments and other receivables		(8,787)	(718,570)
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		230,277	(10,790)
Cash generated from working capital changes		63,430	527,337
Cash generated from operating activities		445,441	1,096,922
Income tax paid		20,746	(24,737)
Finance costs paid		(214,566)	(248,321)
Employee retirement benefits paid		-	(947)
Long term deposits - net		-	1,671
Net cash generated from operating activities		251,621	824,588
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures incurred during the period		(248,722)	(775,307)
Additions in property, plant and equipment		(79)	-
Proceeds from disposal of property, plant and equipment		42,975	13,540
Net cash used in investing activities		(205,826)	(761,767)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loans received / (repaid)		73,846	(51,259)
Amount due to holding company		-	57,839
Short term borrowing - net		(197,430)	(458,610)
Loan from sponsors		114,167	25,700
Lease rentals - net		(3,954)	282
Net cash used in financing activities		(13,371)	(426,048)
Net increase in cash and cash equivalents		32,424	(363,227)
Cash and cash equivalents - at beginning of the period		(1,059,709)	(1,057,814)
Cash and cash equivalents - at end of the period	14	(1,027,285)	(1,421,041)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

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

1 Status and nature of business

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

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

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

2 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:

	For Six Months Ended June 30, 2024 (Rupees in '000)
Sales	417,982
Purchases	219,511

3 Basis of preparation

3.1 Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and Provisions of and directives issued under the Companies Act, 2017.

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

- 3.2** These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at June 30, 2024 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow and condensed notes to the financial information for the six months period ended.
- 3.3** These condensed interim financial statements are unaudited but subject to limited scope review by external auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.
- 3.4** These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2023. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 3.5** Comparative statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended December 31, 2023, whereas comparative statement of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial statement of the Company for the three and six months period ended June 30, 2024.

3.6 Use of estimates and judgments

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2023.

3.7 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2023 except for the note 3.8.

3.8 Adoption of application Guidance on Accounting for Minimum Taxes and Final Taxes under International Accounting Standard 12, Income taxes.

The Company has classified its current income tax to the extent of income tax based on revenue i.e. final tax under the Section of 113 the Income Tax Ordinance, 2001 to levies as explained in International Financial Reporting Interpretation Committee (IFRIC) 21 "Levies" pursuant to "IAS 12 Application Guidance on Accounting for minimum and final taxes" issued by the Institute of Chartered Accountants of Pakistan clarifying that levies whose calculation use data such as gross amount of revenues, assets and liabilities do not meet the definition of income taxes provided in International Accounting Standard 12, Income taxes i.e. not within the scope International Accounting Standard 12, Income taxes rather are within the scope of International Accounting Standard 37, Provision, contingent liabilities and contingent assets".

The Company has adopted to designate the amount calculated on taxable income using notified tax rate as an income tax within the scope of International Accounting Standard 12, Income taxes and recognises it as current income tax expense. Any excess over the amount designated as income tax is recognised as a levy falling under the scope of IFRIC 21 / Provision, contingent liabilities and contingent assets. The respective changes have been explained in note 13 and 14 to these financial statements.

The change has been corrected by restating each of affected financial statements line items for the prior periods and the comparative information has been restated, as follows:



Statement of financial position

Provision for levies
Income tax payable

December 31, 2023		
As previously reported	Adjustments	As restated
Rupees		
-	24,736	24,736
53,557	(24,736)	28,822

Statement of profit or loss

Profit before levies and income tax
Levies
Profit before income tax
Income tax expense
Profit after income tax

June 30, 2023		
As previously reported	Adjustments	As restated
Rupees		
100,396	-	100,396
-	(24,736)	(24,736)
100,396	(24,736)	75,660
(45,535)	24,736	(20,799)
54,861	-	54,861

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

Statement of financial position

Provision for levies
Income tax payable

December 31, 2022		
As previously reported	Adjustments	As restated
Rupees		
-	3,439	3,439
3,439	(3,439)	-

Statement of profit or loss

Profit before levies and income tax
Levies
Profit before income tax
Income tax expense
Profit after income tax

June 30, 2022		
As previously reported	Adjustments	As restated
Rupees		
129,129	-	129,129
-	(3,439)	(3,439)
129,129	(3,439)	125,690
-	3,439	3,439
129,129	-	129,129

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

4 Issued, subscribed and paid up capital

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

4.1 No further shares were issued during the period.

5 LOAN FROM SPONSORS

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

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		(Rupees '000)	
6	Long term financings		
	Long term loans - Banking Companies	554,624	563,079
	Long term loans - Non-banking Companies	983,247	900,945
		<u>1,537,871</u>	<u>1,464,024</u>
	Current maturity presented under current liabilities	(803,583)	(697,691)
		<u>734,288</u>	<u>766,333</u>

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

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		(Rupees (000))	
6.2	Reconciliation of long term financing is as under:		
	Balance at beginning of the period / year	1,464,024	1,268,940
	Obtained during the period / year	-	328,625
	Effect of accrued markup restructured	92,997	-
		<u>1,557,021</u>	<u>1,597,565</u>
	Repayment during the period / year	(19,150)	(133,541)
	Balance at the end of period / year	<u>1,537,871</u>	<u>1,464,024</u>

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

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

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
7	Short term borrowings		
	From banking companies - secured		
	Running finance under mark-up arrangements	1,032,710	1,065,162
	Finance against trust receipt	1,190,612	1,191,472
	Short term borrowings under 'Murahaba' arrangement	284,941	284,941
	Demand finance	-	69,511
	From others - unsecured		
	Short term borrowings under 'Musharaka' arrangement	-	127,059
	Loan from employees provident fund	288,000	288,000
		<u>2,796,263</u>	<u>3,026,145</u>

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

8 Contingencies and commitments**8.1 Contingencies**

8.1.1 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.

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

8.2 Commitments

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

	Note	(Un-audited) June 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
9 Property, plant and equipment			
Operating fixed assets	9.1	3,256,791	3,341,525
Right of use asset	9.2	16,044	17,826
Capital work-in-progress	9.3	4,843,398	4,172,928
		8,116,233	7,532,279
9.1 Operating fixed assets			
Balance as at the beginning of period / year		3,341,525	2,111,736
Additions during the period / year		79	3,321
Transfers from capital work in progress		-	1,416,173
Revaluation surplus / (loss)		-	80,079
Transfer to investment property		-	(68,813)
Transfers from right to use to owned assets		-	33,330
		3,341,604	3,575,826
Book value of property, plant and equipment disposed off during the period		(3,635)	(11,317)
Depreciation charged during the period / year		(81,178)	(222,984)
Balance as at the end of period / year		3,256,791	3,341,525
9.2 Right of-use asset			
Balance as at the beginning of period / year		17,826	131,641
Additions during the period / year		-	1,976
Transfers to owned assets		-	(33,330)
Disposed off during the period / year		-	(69,092)
Depreciation charge for the period / year		(1,782)	(13,369)
Balance as at the end of period / year		16,044	17,826
9.3 Capital work-in-progress			
Balance as at the beginning of period / year		4,172,927	3,256,151
Additions during the period / year		670,471	2,332,949
Transfers to owned assets		-	(1,416,173)
Balance as at the end of period / year		4,843,398	4,172,927

Waves Home Appliances Limited

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

Breakup of capital work in progress:

Land	903,555	903,554
Building / Civil works	1,522,545	1,142,150
Plant and machinery	591,489	732,161
Plant and machinery-in transit	122,726	122,726
Electric installation	1,445	1,359
Borrowing costs	1,701,638	1,270,978
	<u>4,843,398</u>	<u>4,172,928</u>

10 Intangible assets

Software	11,527	12,976
Goodwill	1,070,207	1,070,207
Brand value	1,582,147	1,582,147
Customer relationships	107,661	123,025
	<u>2,771,542</u>	<u>2,788,355</u>

11 Sales - net of sales return**Gross sales**

Local sales	2,363,605	3,046,939
Sales return	(8,432)	(3,481)
	<u>2,355,173</u>	<u>3,043,458</u>

Sales tax	(359,264)	(460,946)
Trade discounts	(141,822)	(108,960)
	<u>(501,086)</u>	<u>(569,906)</u>

Sales - net of sales return	<u>1,854,087</u>	<u>2,473,552</u>
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12 Levies

Minimum tax	<u>23,176</u>	<u>24,736</u>
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12.1 This represents minimum tax on sale of goods under Section 113 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets.

(Un-audited)	(Un-audited)
June 30,	June 30,
2024	2023
(Rupees in '000)	

13 Income tax expense**Current**

- for the period	-	-
- prior period	-	-

Deferred

	-	-
	16,629	20,799
	<u>16,629</u>	<u>20,799</u>

FD

14 Cash and cash equivalents

Cash and bank balances	5,425	5,453
Short term running finance - secured	(1,032,710)	(1,065,162)
	(1,027,285)	(1,059,709)

15 Transactions with related parties

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

Nature of relationship	Nature of transactions	(Un-audited) June 30, 2024 (Rupees in '000)	(Un-audited) June 30, 2023
Parent company			
Waves Corporation Limited	Mark up on payable	47,413	87,474
Associated company			
Waves Marketplace Limited	Sales of inventory from	334,483	181,285
	Rental income	600	-
Directors	Loan from sponsors	114,167	25,700
Employee's Provident Fund	Contribution for the period	5,715	6,473

16 Financial risk management and fair value of financial instruments

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

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

	June 30, 2024					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in '000						
Financial instruments						
Financial assets						
Security deposits	12,003	-	12,002	-	-	-
Trade debts	3,589,898	-	3,589,897	-	-	-
Deposits and other receivables	10,389	-	10,389	-	-	-
Due from related party	501,448	-	501,448	-	-	-
Cash and bank balances	5,425	-	5,425	-	-	-
	4,119,163	-	4,119,161	-	-	-

Handwritten mark

June 30, 2024					
Carrying amount			Fair value		
Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in '000					
Financial liabilities					
Long term loans - secured	- 1,208,176	1,208,176	-	-	-
Trade and other payables	- 1,106,401	1,106,401	-	-	-
Due to holding Company	- 2,000,000	2,000,000	-	-	-
Lease liabilities	- 24,973	24,973	-	-	-
Short term borrowings	- 2,796,263	2,796,263	-	-	-
Accrued mark-up	- 840,090	840,090	-	-	-
	- 7,975,903	7,975,903	-	-	-

December 31, 2023					
Carrying amount			Fair value		
Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in '000					
Financial assets					
Security deposits	12,003	12,003	-	-	-
Trade debts	2,987,760	2,987,760	-	-	-
Deposits and other receivables	10,129	10,129	-	-	-
Due from related party	541,895	541,894	-	-	-
Cash and bank balances	328	328	-	-	-
	3,552,115	3,552,114	-	-	-

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

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprise over short term. Therefore, their carrying amounts are reasonable approximation of fair

Non financial assets measured at fair value

Land and Building and plant and machinery

Revalued Property, plant and equipment

Date of valuation December 31, 2023

Investment property

Date of valuation December 31, 2023

Two

17 Date of authorization

17.1 This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on _____.


18 General

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


WV



Chief Executive



Director



Chief Financial Officer



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