

**ANNUAL REPORT
2017**

Wah Nobel
Chemicals Limited



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Corporate Information

BOARD OF DIRECTORS

Lt. Gen. Umar Farooq Durrani, HI (M)	:	Chairman
Mr. Torbjorn Saxmo	:	Vice Chairman
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Muhammad Afzal	:	Director
Mr. Abdul Aziz	:	Director
Mr. Hashmat Hussain	:	Director
Brig (R) Shiraz Ullah Choudhry SI (M)	:	Director & Chief Executive

AUDIT COMMITTEE

Mr. Muhammad Afzal	:	Chairman
Mr. Abdul Aziz	:	Member
Mr. Hashmat Hussain	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Abdul Aziz	:	Chairman
Mr. Hashmat Hussain	:	Member
Brig (R) Shiraz Ullah Choudhry SI (M)	:	Member

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

: Mr. Tanveer Elahi, FCA

AUDITORS

: KPMG Taseer Hadi & Co
Chartered Accountants

LEGAL ADVISORS

: The Law Firm of Basit Musheer

SHARES REGISTRAR

: Ilyas Saeed Associates (Pvt.) Ltd.,
Management Consultants,
Office # 26, 2nd Floor, Rose Plaza,
I-8 Markaz, Islamabad.
Tel: 051-4938026-7, Fax: 051-4102628
Email: iilyas@hotmail.com

BANKERS

: MCB Bank Limited
Allied Bank of Pakistan Limited
Bank Al-Habib Limited
Askari Bank Limited

REGISTERED OFFICE

: G.T. Road, Wah Cantt.

PHONES

: (051) 5568760, 4545243-6 (4 Lines)
(051) 9314101-21 (21 Lines) Ext. 22236

FAX

: (051) 4545241, (051) 4535862

E.MAIL

: ce@wahnobel.com

WEBSITE

: www.wahnobel.com

FACTORY

: Wah Cantt.

Company Profile

Wah Nobel Chemicals Limited is a Pakistan's leading manufacturer of Formaldehyde, UF, PF Resins and Urea Formaldehyde Moulding Compound. Since its inception Wah Nobel Chemicals Limited has stood as a symbol of quality, safety, reliability, unparalleled after sale service and commitment. Its products enjoy the highest reputation throughout Pakistan. This has been achieved through innovation, expertise, state of the art technology and a vision for the future.

PRODUCTION PREMISES

● Total Area	45,100 Sqr. M
● Process Area	20,000 Sqr. M
● Auxiliary Building	1,000 Sqr. M
● Green Area	11,730 Sqr. M
● Open Plot For Future Expansion	12,270 Sqr. M

PRODUCT RANGE

● Formaldehyde	37 TO 55% Concentration
● Urea Formaldehyde Glue	Various Grades
● Phenol Formaldehyde Glue	Various Grades
● Special Resins	Various Grades
● UFC 85	
● Urea Formaldehyde Moulding Compound	Various Grades

INSTALLED CAPACITY

Formaldehyde	30,000 M. Tons per annum.
Urea/Phenol Formaldehyde	19,000 M. Tons per annum.
Urea Formaldehyde Moulding Compound	4,800 M. Tons per annum.

QUALITY LEADERSHIP

Quality is an integral part of our business environment and culture. The certification of ISO 9001-2008 affirms our commitment to the adherence of international quality standards. Further, our Company has also been awarded two other Certificates namely Environmental Management System ISO 14001:2004 and Health & Safety Management System OHSAS 18001:2007. All these certifications add to the confidence of our customers in our ability to provide them with the best products and services at most competitive prices.

Notice of Annual General Meeting

NOTICE is hereby given that the 34th Annual General Meeting of the shareholders of WAH NOBEL CHEMICALS LIMITED will be held at the Registered Office of the Company, G.T. Road, Wah Cantt on Monday, October 30, 2017 at 1100 hours to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on November 30, 2016.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2017 together with the Directors' and the Auditors' Reports thereon.
3. To approve the payment of cash dividend @ Rs 6.00 per share i.e. 60% as recommended by the Directors.
4. To appoint Auditors for the ensuing year and to fix their remuneration. M/s KPMG Taseer Hadi & Co. Chartered Accountants, retire, and being eligible, have offered themselves for re-appointment.

OTHER BUSINESS

5. To transact any other business with the permission of the Chair.

By Order of the Board

(TANVEER ELAHI)
COMPANY SECRETARY

Wah Cantt.
October 04, 2017

NOTES:

1. The share transfer books of the Company will remain closed from October 24, 2017 to October 30, 2017 (both days inclusive). Transfers received in order by the Shares Registrar of the Company by the close of business on October 23, 2017 will be treated in time for the entitlement of payment of dividend.
2. A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time appointed for the meeting and must be duly stamped, signed and witnessed.
3. CDC Account Holders are advised to bring their original National Identity Cards to authenticate their identity along with CDC account numbers at the meeting. However, if any proxies are granted by such shareholders, the same shall also have to be accompanied with attested copies of the National Identity Card of the grantor, and the signature on the proxy form has to be the same as appearing on the National Identity Card.
4. Shareholders are requested to notify to the Shares registrar the change of address, if any, immediately.
5. Pursuant to the directive of the Securities & Exchange Commission of Pakistan (SECP) contained in SRO No. 831(I) / 2012 dated July 05, 2012, Dividend Warrants shall mandatorily bear the Computerized National Identity Card (CNIC) numbers of shareholders. Shareholders are therefore requested to fulfill the statutory requirements and submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, M/s Ilyas Saeed Associates (Pvt) Limited, without any delay. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company will be constrained to withhold the Dividend Warrants in terms of Section 243(2)(a) of the Companies Act, 2017 which will be released by the Company only upon compliance with the aforesaid notification.
6. Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:
 - (a) For filers of income tax returns 15%
 - (b) For non-filers of income tax returns 20%

Shareholders who are filers are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 20% instead of 15%.

7. Payment of Cash Dividend through Electronic Mode:

The Provisions of Section 242 of the companies Act, 2017 (the "Act") provides that any dividend declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

Further SECP through Circular No. 18/2017 has provided relaxation till October 31, 2017 for the compliance of this section and required the listed companies to approach their shareholders for obtaining electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 01, 2017 shall be paid through electronic mode only.

Therefore, all Shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account (ii) account number, (iii) bank name, (iv) branch name, code and address to Company's Share Registrar M/s Ilyas Saeed Associate (Pvt) Limited, Islamabad. Shareholders who hold shares with Participants/Central Depository Company of Pakistan (CDC) are advised to provide the mandate to the concerned Broker/CDC.

Directors' Report

The Directors of the company are pleased to present Annual Report and the Audited Financial Statements of the Company for the year ended June 30, 2017 together with the Auditors' Report thereon.

OPERATING PERFORMANCE

The Directors endorse profound appreciation on the Par Excellence performance, of the Company. The Financial Year under review closed as a best performing year in the history of the Company. It was a pleasure to note record Gross Profit, Pre / After Tax Profit and earnings per share. Indeed Company's performance in all spheres is commendable.

The Company achieved Net Sales Revenue of Rs 1.251 billion vis-à-vis Rs 1.182 billion of the previous year and resulted an increase of 5.84%. As a sequel Company's Gross Profit increased i.e. Rs 270.452 million as compared to Rs 236.346 million of the previous year and Gross Profit margin increased to 21.62% from 20%.

The Company accrued record Pre-tax Profit of Rs 189.060 million vis-à-vis Rs 120.085 million as compared to the previous year (increase – 57.44%) and accrued After Tax Profit of Rs 131.105 million during the period under review against Rs 78.469 million of the previous corresponding period (Increase – 67.08%).

The Operating Expenses decreased significantly from Rs 85.814 million to Rs 62.284 million during the period under review vis-à-vis the previous year which is appreciable by all standards. The decrease has been possible on account of saving in Freight Expenses, Commission on Sales.

The reduction in Financial Costs to Rs 7.641 million during the period under review from Rs 14.976 million of the previous year is commendable. This was primarily due to optimum utilization of working capital and decline in the interest rates.

FINANCIAL RESULTS

The summary of the operating results of the Company for the year under review along-with the comparatives for the last year are as under:

	2016-17	2015-16
	Rupees (in thousands)	
Net Sales	1,250,740	1,181,518
Gross Profit	270,452	236,346
Operating Profit	208,167	150,533
Profit before taxation	189,060	120,085
Provision for taxation	57,955	41,616
Profit after taxation	131,105	78,469
Other comprehensive income / (loss)	1,742	(166)
Total comprehensive income for the year	132,847	78,303
Un-appropriated profit brought forward	95,819	41,516
Profit available for appropriation	228,666	119,819
APPROPRIATIONS		
Dividend Paid (9,000,000 shares @ Rs.4/- / Rs.1/- per share)	36,000	9,000
Transfer to general reserve	50,000	15,000
Un-appropriated profit carried forward	142,666	95,819

DIVIDEND

The Directors recommend a payment of cash dividend @ Rs 6.00 per share (i.e. 60 %) for the year 2016-17. The dividend recommended is subject to the approval of shareholders in the forthcoming Annual General Meeting.

NET EARNING PER SHARE

Earnings per share for the year ended June 30, 2017 was Rs 14.57 as against Rs 8.72 of preceding year.

OUTLOOK FOR 2017-18

The company is geared up to perform well during the Financial Year 2017-18. Nexus to Company's performance in previous years in the realm of Gross / Net Sales, Pre / After Tax Profit and controlled Operating Expenses. It is believed that Company would be able to achieve the enhanced budgetary targets.

The Company operates in highly competitive market, however, management has initiated all possible measure to combat the challenges, maintain the momentum of growth rather

increase the same on an accelerated pace.

After installation of UFMC 2nd Line in Aug, 2017 the production has almost been doubled. The increased sale of UFMC during the Financial Year 2017-18 would also contribute to enhance the profitability of the Company.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As required by the Code of Corporate Governance, the Directors are pleased to report the following:

- 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.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern unless there is an adverse decision in the Vend and Permit Fee case currently pending with Supreme Court of Pakistan.
- Summary of key operating and financial data for the last six financial years is annexed with the report.
- The un-audited value of investments, including bank deposits, of retirement benefits funds as of June 30, 2017 were as follows:

RUPEES

● Provident Fund	51,055,915
● Gratuity Fund	26,232,133
● Pension Fund	16,036,487

BOARD OF DIRECTORS

During the year the following changes took place in the Board:

On April 20, 2017 Lt. Gen Umar Farooq Durrani was appointed as Chairman/Director in place of Lt. Gen Omar Mahmood Hayat .

Consequent upon resignation of Mr. Rehan Waheed Khan, Mr. Hashmat Hussain appointed as Director in his place effective August 30, 2016.

Subsequent to the year end, Mr. Abdul Aziz has been appointed as Director from August 18, 2017 in place of Mr. Tabassum Rahman on his retirement.

The Board would like to thank the outgoing Chairman / Directors for their valuable contribution to the Company and warmly welcome the new Chairman / Directors on the Board of the company.

During the year under review, four Board meetings were held. The number of meetings attended by each Director is given hereunder:

S.#	Names of Directors	Meeting Attended	Remarks
1	Lt. Gen Umar Farooq Durrani (Chairman)	-	Appointed on April 20, 2017
2	Lt. Gen Omar Mahmood Hayat (Ex-Chairman)	02	Resigned on April 20, 2017
3	Mr. Torbjorn Saxmo	02	
4	Mr. Tabassum Rahman	04	
5	Mr. Muhammad Nawaz Tishna	04	
6	Mr. Muhammad Afzal	03	
7	Mr. Rehan Waheed Khan	01	Resigned on August 30, 2016
8	Mr. Hashmat Hussain	01	Appointed on August 30, 21016
9	Brig (R.) Shiraz Ullah Choudhry	04	

During the year, Audit Committee held three (3) Meetings and were attended by each member as follows:

S.#	Names of Directors	Meeting Attended	Remarks
1	Mr. Tabassum Rahman	03	
2	Mr. Rehan Waheed Khan	-	Resigned on August 30, 2016
3	Mr. Muhammad Afzal	-	
4	Mr. Hashmat Hussain	03	Appointed on August 30, 2016

Leave of absence was granted to the members of the Board / Committee who were unable to attend the meeting.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Being socially responsible corporate entity we are committed to our communities as we are to our customers, shareholders and employees. Company is committed to act ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local communities and society at large. The Company practices active corporate citizenship through energy conservation, industrial relations, employment of special persons, occupational safety & health, business ethics, contributing to national exchequer.

Energy conservation has drawn focus in recent years in this regard your Company has taken various steps to conserve energy like restricted use of all air conditioners and heaters and replacement of electric bulbs & tubes with energy savers and LED's. Our Parent Company has installed Solar Energy Panels in main office of Wah Nobel for energy conservation & to reduce the electricity burden.

The Company is committed to provide quality products at competitive price to our customers. We also provide free advisory services to them.

The Company enjoys a good relationship between its management and employees. The Company also has a good relationship with vendors and suppliers.

The Company is running UMRAH scheme for its employees. The employees who have completed ten years of service with the Company are eligible for the Scheme. The Company sends every year 01 employee for performing UMRAH at the Company's expense.

Occupational health & safety continues to be among the Company's top priorities. The Company is committed to health and safety practices and work environments that enable our employees to work free of injury and illness. To achieve this, we ensure that operations comply with applicable occupational health and safety regulations.

Business ethics are an integral part of our policies and procedures. The Company is committed to conduct all of its business activities according to the highest principles of business ethics and in full compliance with the laws and regulations of the state.

As a general obligation of the Company, it does not discriminate on the basis of race, sex, religion, disability or family status in the recruitment, training or advancement of its employees. The Company is committed to provide a safe, healthy, learning and environment friendly atmosphere to all its employees. The Company promotes culture of team work, sense of urgency, innovation, sincerity & loyalty, discipline, tolerance and mutual respect among the employees which helps in transforming their creativities into professional excellence Company offers apprenticeship on regular basis to elevate professional and technical skills of the individuals.

The company is contributing significant amount towards the national exchequer on account of corporate tax, general sales tax, excise duty, custom duty and vend / permit fee. During the year

2016-17 company has contributed over Rs.322 million to the national exchequer.

WEBSITE

Company's periodic financial statements for the current financial year including annual / periodic reports for the last three years are available on the Company's website for information of the shareholders and others. www.wahnobel.com

VEND FEE AND PERMIT FEE

As regards vend fee and permit fee case, Sindh High Court has already pronounced favourable judgment. Presently the case is pending with the Honorable Supreme Court of Pakistan. In view of the facts of the case, previous favourable decision of the Sindh High Court and on advise of the legal advisor of the company, the management expects a favourable decision from the apex court and is making necessary efforts to continue as a going concern.

EXTERNAL AUDITORS

The present auditors, Messrs KPMG Taseer Hadi & Company, Chartered Accountants are due to retire at the conclusion of the 34th annual general meeting of the Company, being eligible, offer themselves for re-appointment. They confirmed that they have been given satisfactory rating under the Quality Control Review Program of The Institute of Chartered Accountants of Pakistan (ICAP) and the firm fully comply with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP.

On the recommendation of the Board's Audit Committee, the Board of Directors proposed their re-appointment as auditors of the Company for the year ending June 30, 2018 for shareholders consideration and approval at the forthcoming annual general meeting.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2017 and additional information thereabout required under the Code of Corporate Governance is included in this report.

ACKNOWLEDGMENT

The Directors are pleased to place on record their deep appreciation for the earnest efforts, dedication and devotion to the cause, by all the employees of the company, at all tiers and pay vivid gratitude to all its customers for their continued patronage, support and trust.

On behalf of Board of Directors

Wah Cantt:
October 04, 2017



Brig (R)
Shiraz Ullah Choudhry, (SI(M))
Chief Executive

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

کمپنی کے ڈائریکٹرز بمسرت 30 جون 2017 کو ختم ہونے والے سال کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں

مالیاتی کارکردگی کا جائزہ

ڈائریکٹرز کمپنی کی شاندار کارکردگی کی پُر زور تائید کرتے ہوئے زیر جائزہ مالی سال کو کمپنی کی تاریخ کا بہترین کارکردگی کا سال قرار دیتے ہیں کیونکہ کمپنی نے اس سال ریکارڈ مجموعی منافع قبل از ٹیکس / بعد از ٹیکس منافع، فی شیئر کمایا ہے۔

کمپنی نے رواں مالی سال 1.251 بلین روپے اور گزشتہ سال میں 1.182 بلین روپے خالص آمدنی حاصل کی نتیجتاً کمپنی کی خالص آمدنی میں 5.84 فیصد اضافہ ہوا۔ کمپنی کا مجموعی منافع 270.452 بلین روپے ہوا۔ جبکہ گزشتہ سال خالص منافع 236.346 بلین روپے تھا۔ مجموعی منافع کا مارجن گزشتہ سال کے 20% سے بڑھ کر 21.62% اضافہ ہو گیا۔

کمپنی نے رواں سال ریکارڈ قبل از ٹیکس منافع (Pre-Tax Profit) 189.060 بلین روپے حاصل کیا اس کے مقابلے میں گزشتہ سال میں 120.085 بلین روپے منافع ہوا (اضافہ 57.44 فیصد) زیر جائزہ مدت کے دوران کمپنی نے بعد از ٹیکس منافع (After Tax Profit) 131.105 بلین روپے اس کے مقابلے میں گزشتہ سال اسی مدت کے دوران 78.469 بلین روپے حاصل کیا (اضافہ 67.08 فیصد)۔

زیر جائزہ مدت کے دوران کمپنی نے آپریٹنگ اخراجات میں نمایاں طور پر کمی کی جو 85.814 بلین روپے سے کم ہو کر 62.284 بلین روپے ہو گئے جو ہر لحاظ سے قابل تعریف ہے۔ سیلز کمیشن اور فریٹ اخراجات میں بچت کی وجہ سے یہ کمی ممکن ہوئی۔

گزشتہ سال کے مالی اخراجات 14.976 بلین روپے کے مقابلے میں زیر جائزہ سال کے دوران کمپنی کے مالی اخراجات (Financial Cost) 7.641 بلین روپے رہے۔ ایسا بنیادی طور پر ورکنگ کپٹل (working capital) کے صحیح استعمال اور شرح سود میں کمی کی وجہ سے ہوا۔

مالیاتی نتائج

گزشتہ سال کے موازنے اور موجودہ سال کے جائزے کے تحت کمپنی کے آپریٹنگ نتائج کا خلاصہ درج ذیل ہے:

2015-16	2016-17		
			(روپے ہزاروں میں)
1,181,518	1,250,740	(Net Sales)	خالص فروخت
236,346	270,452	(Gross Profit)	کل منافع
150,533	208,168	(Operating Profit)	آپریٹنگ منافع
120,085	189,060	(Profit Before Taxation)	قبل از ٹیکس منافع
41,616	57,955	(Provision for Taxation)	ٹیکس
78,469	131,105	(Profit after Taxation)	بعد از ٹیکس منافع
(166)	1742	(Other Comprehensive Income/Loss)	دیگر جامع آمدنی / (نقصان)
78,303	132,847	(Total Comprehensive Income)	سال کی کل جامع آمدنی

41,516	95,819	(Unappropriated Profit for the year brought forward)	گزشتہ غیر مختص شدہ منافع
119,819	228,666	(Profit available for appropriation)	اختصاص کے لئے دستیاب منافع
			اختصاص
9,000	36,000	اداشدہ ڈیویڈنڈ (9,000,000 شیئرز @ 4/- روپے / 1/- روپیہ فی شیئر)	
15,000	50,000	عمومی ریزرو (Reserve) میں منتقلی	
95,819	142,666		غیر مختص شدہ منافع
		(Unappropriated Profit Carried Forward)	

ڈیویڈنڈ
ڈائریکٹرز کی جانب سے نقد ڈیویڈنڈ @ 6% روپے فی شیئر (i.e 60%) برائے سال 2016-17 کی سفارش کی گئی ہے جو کہ آئندہ ہونے والی سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے

مجموعی آمدنی فی شیئر

برائے سال ختمہ 30 جون 2017 فی شیئر آمدن 14.57 روپے جبکہ گزشتہ سال فی شیئر آمدن 8.72 روپے تھی۔

مستقبل پر ایک نظر

کمپنی کو سال 2017-18 میں بہتر کارکردگی دکھانے کی خاطر ترقی کی راہ پر گامزن کر دیا گیا ہے۔ گزشتہ سالوں کی کارکردگی مثلاً کمپنی مجموعی انیٹ سیلز، قبل از ٹیکس منافع (Pre-Tax Profit) اور کنٹرول آپریٹنگ اخراجات کو مد نظر رکھتے ہوئے امید ہے کہ کمپنی اپنے اضافی اہداف حاصل کرے گی۔

کمپنی انتہائی مسابقتی حالات میں کام کرتی ہے۔ تاہم چیلنجوں کا مقابلہ کرنے کیلئے انتظامیہ تمام ممکنہ اقدام اٹھائے گی اور ترقی کی رفتار کو مزید تیز کرے گی۔

اگست 2017 میں یو ایف ایم سی سینڈ لائن (UFMC 2nd Line) کی تنصیب کے بعد پروڈکشن تقریباً دوگنی کر دی گئی ہے۔ مالی سال 2017-18 کے دوران UFMC کی اضافی فروخت بھی کمپنی کے منافع کو بڑھانے میں اہم کردار ادا کرے گی۔

کارپوریٹ اور مالیاتی رپورٹنگ - فریم ورک

جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے ڈائریکٹرز مندرجہ ذیل رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں:

- کمپنی مینجمنٹ کے تیار کردہ مالیاتی گوشوارے، اسکے موجودہ شفاف معاملات، آپریشنز، نقد بہاؤ، ایکویٹی میں تبدیلی کی تفصیل مرتب کی گئی ہے۔
- کمپنی نے باقاعدہ درست کھاتہ جات مرتب کر رکھے ہیں۔
- مناسب اکاؤنٹنگ کی پالیسیوں کو مسلسل مالیاتی گوشواروں کی تیاری میں لاگو کیا گیا ہے۔ اور اکاؤنٹنگ کے تخمینے (estimates) مناسب اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ معیار جو کہ پاکستان میں قابل عمل ہیں کا اطلاق کیا جاتا ہے۔
- مضبوط اندرونی کنٹرول کا نظام مؤثر انداز سے لاگو کیا گیا ہے۔

- کمپنی کے موجودہ حیثیت میں کام جاری رکھنے میں کسی رکاوٹ یا شبہ کی گنجائش نہیں تا آنکہ سپریم کورٹ میں ہمارے زیر التوا اینڈ اینڈ پرمٹ فیسکیس کا کوئی منفی فیصلہ نہیں آجاتا۔
- گزشتہ 6 مالی سالوں کا اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔
- سٹاف ریٹائرمنٹ فنڈ کی طرف سے کی جانے والی سرمایہ کاری کی غیر آڈٹ شدہ مالیت بشمول بینک ڈیپازٹس، 30 جون 2017 کو درج ذیل رہے:

51,055,915 روپے	پراویڈنٹ فنڈ
26,232,133 روپے	گریجویٹ فنڈ
16,036,487 روپے	پینشن فنڈ

بورڈ آف ڈائریکٹرز

سال کے دوران بورڈ میں درج ذیل تبدیلیاں رونما ہوئیں:

20 اپریل 2017 کو لیفٹیننٹ جنرل عمر فاروق ڈرانی کو لیفٹیننٹ جنرل عمر محمود حیات کی جگہ چیئر مین ڈائریکٹرز کے طور پر مقرر کیا گیا تھا۔

جناب ریحان وحید خان کے استعفیے کے نتیجے میں جناب حشمت حسین کو 30 اگست 2016 کو ڈائریکٹرز کے عہدے پر مقرر کیا گیا۔

بعد از اختتام سال پر جناب عبدالعزیز کو 18 اگست 2017 کو جناب تبسم رحمان کی ریٹائرمنٹ پر ڈائریکٹرز مقرر کیا گیا۔

بورڈ ریٹائر ہونے والے چیئر مین ڈائریکٹرز کی کمپنی میں قابل قدر شراکت (خدمات) کے لئے تہہ دل سے شکریہ ادا کرتا ہے اور نئے چیئر مین ڈائریکٹرز کو گرم جوشی سے خوش آمدید کہتا ہے۔

اس سال کے دوران چار (04) بورڈ میٹنگز منعقد کی گئیں۔ ہر ڈائریکٹر کی میٹنگز میں شرکت کی تعداد درج ذیل ہے:

سیریل نمبر	ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد	ریٹائرمنٹ
1-	لیفٹیننٹ جنرل عمر فاروق ڈرانی (چیئر مین)	-	20 اپریل 2017 کو تعینات ہوئے
2-	لیفٹیننٹ جنرل عمر محمود حیات (سابقہ چیئر مین)	02	20 اپریل 2017 کو مستعفی ہوئے
3-	جناب تور بجون سیکسمو	02	-
4-	جناب تبسم رحمان	04	-
5-	جناب محمد نواز تیشہ	04	-
6-	جناب محمد افضل	03	-
7-	جناب ریحان وحید خان	01	30 اگست 2016 کو استعفیٰ دیا
8-	جناب حشمت حسین	01	30 اگست 2016 کو تعینات ہوئے
9-	برگیدئیر (ر) شیراز اللہ چوہدری	04	-

سال کے دوران آڈٹ کمیٹی نے (03) تین میٹنگز منعقد کیں جن میں ہر رکن نے درج ذیل مرتبہ شرکت کی:

سیریل نمبر	ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد	ریمارکس
1-	جناب تبسم رحمان	03	-
2-	جناب محمد افضل	-	-
3-	جناب ریحان وحید خان	-	30 اگست 2016 کو مستعفی ہوئے
4-	جناب حشمت حسین	30	30 اگست 2016 کو تعینات ہوئے

بورڈ / کمیٹی کے ارکان جو میٹنگز میں شرکت نہیں کر سکے ان کو غیر حاضری کی رخصت دی گئی۔

کارپوریٹ۔ سماجی ذمہ داری

سماجی طور پر ذمہ دار کارپوریٹ ادارہ ہونے کی حیثیت سے کمپنی اپنی کمیونٹی، کسٹمرز، شیئرز ہولڈرز اور ملازمین کے لئے پُر عزم ہیں۔ کمپنی اخلاقی طور پر کارکنان، ان کے خاندانوں، مقامی کمیونٹی اور معاشرتی زندگی کو بہتر بنانے کے لئے معاشی ترقی میں حصہ لینے، کمپنی کی توانائیوں کے تحفظ، صنعتی تعلقات، خصوصی افراد کیلئے روزگار اور کاروباری اخلاقیات کے ذریعے فعال کارپوریٹ شہریت کی حامل ہے۔

توانائی کا تحفظ حالیہ برسوں میں توجہ کا مرکز رہا اس سلسلے میں توانائی کو بچانے کے لئے مختلف اقدامات کیے گئے، جیسے تمام ایرکنڈیشنروں اور ہیٹروں کا محدود استعمال اور برقی بلب اور ٹیوب لائٹس کی جگہ انرجی سیورز اور LED کا استعمال ہماری مدر کمپنی (Parent Company) نے توانائی کی بچت اور بجلی کے بوجھ کو کم کرنے کیلئے واہ نوبل کے مرکزی دفتر میں شمسی توانائی کے پنلز (panels) نصب کیے گئے ہیں۔

کمپنی اپنے صارفین کو مسابقتی (competitive) قیمتوں پر معیاری مصنوعات فراہم کرنے کیلئے مصروف عمل رہتی ہے اور ان کو مفت مشاورتی خدمات بھی فراہم کی جاتی ہیں۔ کمپنی انتظامیہ اور ملازمین کے درمیان اچھے تعلقات استوار ہیں اور کمپنی اپنے گاہکوں (customers) اور سپلائرز کے ساتھ بھی مثالی تعلقات رکھتی ہے۔

کمپنی اپنے ملازمین کو ہر سال عمرہ کی سعادت سے ہمکنار کر رہی ہے۔ اس سلسلے میں وہ ملازمین جو کمپنی کے ساتھ دس سال مدت ملازمت مکمل کر چکے ہوں وہ اس سکیم کے اہل ہوتے ہیں۔ کمپنی ہر سال ایک ملازم کو کمپنی کے اخراجات پر عمر (Umrah) انجام دینے کے لئے روانہ کرتی ہے۔

ملازمین کی صحت و تحفظ کمپنی کی اولین ترجیحات میں شامل ہے۔ کمپنی صحت و حفاظت کے اصولوں اور کام کے دوران محفوظ ماحول، ملازمین کو حادثہ / بیماری سے محفوظ رکھنے کے لئے کوشاں رہتی ہے۔ اور اس مقصد کو حاصل کرنے کے لئے عملی طور پر صحت و حفاظت اور ماحولیات کے اصولوں پر عمل کیا جاتا ہے۔

کاروباری اخلاقیات ہماری پالیسیوں اور طریقہ کار کا ایک لازمی جز ہے۔ کمپنی اپنی تمام کاروباری سرگرمیوں کو کاروباری اخلاقیات کے سب سے اعلیٰ اصولوں کے مطابق اور ملکی قوانین اور قواعد و ضوابط کے مطابق سرانجام دینے کیلئے پُر عزم ہے۔

کمپنی ملازمتوں کی بھرتی، ملازمین کی تربیت / ترقی میں، جنس، مذہب، معذوری یا خاندانی حیثیت کی بنیاد پر ملازمین میں فرق نہیں رکھتی۔ کمپنی اپنے تمام ملازمین کو ایک محفوظ، صحت افزاء، کام سیکھنے کے لئے سازگار ماحول فراہم کرنے کے لئے مصروف عمل ہے۔ کمپنی ملازمین کے درمیان ٹیم ورک کے کلچر، تخلیقی صلاحیتوں، جدت، اخلاص اور وفاداری، نظم و ضبط، رواداری اور باہمی احترام کی ثقافت کو فروغ دیتی ہے۔ کمپنی پیشہ ورانہ اور تکنیکی (Technical) مہارت کو فروغ دینے کیلئے افراد کو مستقل بنیاد پر ٹریننگ (Apprenticeship Training) کی سہولت فراہم کرتی رہی ہے۔

کمپنی کارپوریٹ ٹیکس، عمومی سیلز ٹیکس، ایکسائز ڈیوٹی، کسٹم ڈیوٹی، وینڈ/پرمت فیس (vend/permit fee) کی مدد سے قومی خزانے میں ایک نمایاں رقم دے کر حصہ ڈال رہی ہے۔ سال 2016-17 کے دوران کمپنی نے مبلغ 322 ملین روپے کی رقم کا حصہ قومی خزانے میں جمع کروایا۔

ویب سائٹ

کمپنی کی موجودہ مالی سال کی سالانہ رپورٹ مع سہ ماہی رپورٹس بشمول گزشتہ تین سالوں کی سالانہ رپورٹ مع سہ ماہی رپورٹس شیئر ہولڈرز اور دیگر افراد کی معلومات کیلئے ویب سائٹ پر دستیاب ہیں www.wahnobel.com

وینڈ فیس اور پرمت فیس کا معاملہ

وینڈ فیس اور پرمت فیس کیس کے حوالے سے سندھ ہائی کورٹ نے پہلے ہی موافق فیصلہ کمپنی کے حق میں دے رکھا ہے۔ اس وقت یہ کیس سپریم کورٹ آف پاکستان کے پاس زیر التواء ہے۔ سندھ ہائی کورٹ کے موافق فیصلے کی رو سے انتظامیہ معزز سپریم کورٹ سے مثبت فیصلے کی توقع رکھتی ہے۔ اور کمپنی اپنی موجودہ حیثیت کے مطابق کام جاری رکھ سکے گی

آڈیٹرز

آڈیٹرز، میسرز کے پی ایم جی، تاثیر ہادی اینڈ کمپنی / چارٹرڈ اکاؤنٹنٹس 34 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں۔ اہلیت کی بنیاد پر انہوں نے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی سفارش کی ہے جس کی بورڈ کی طرف سے تائید کی گئی ہے۔

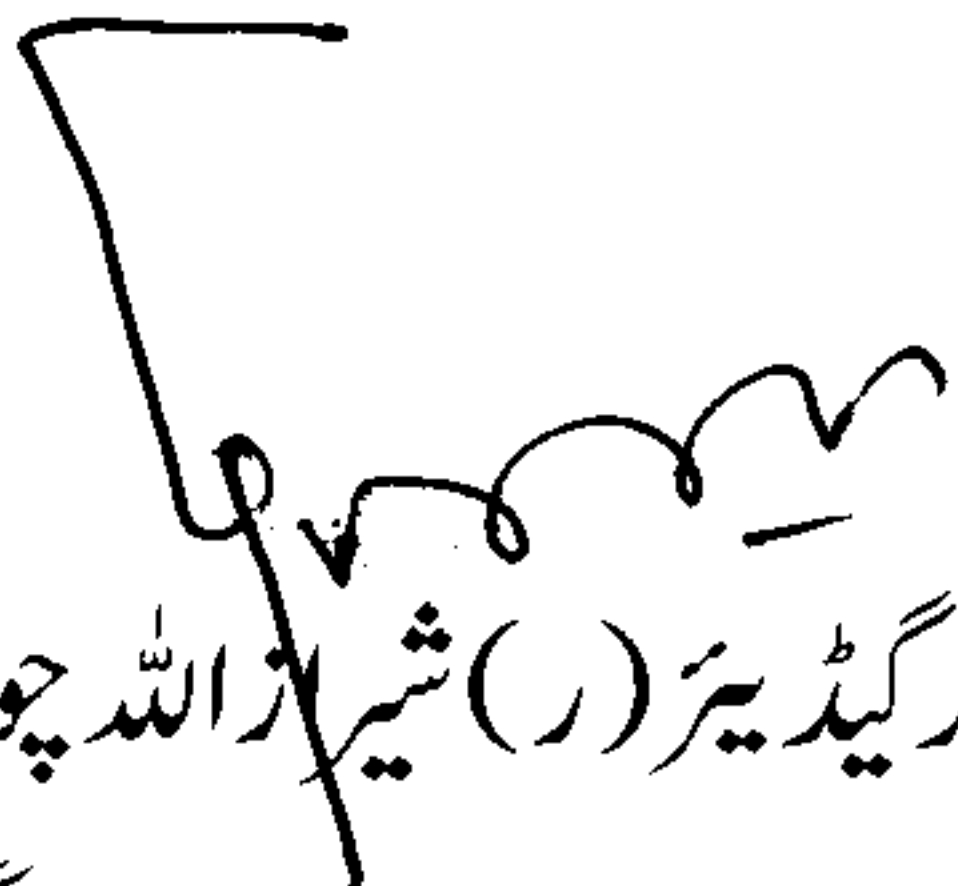
پیٹرن آف شیئر ہولڈنگ

30 جون 2017 کے مطابق شیئر ہولڈنگ پیٹرن اور اضافی معلومات کی نشاندہی کرنے والی اسٹیٹمنٹس رپورٹ میں شامل ہیں۔

اعتراف

ڈائریکٹرز، کمپنی کے ملازمین کے عزم، سخت محنت اور کمپنی کی خاطر اپنے آپ کو وقف کرنے کے جذبے کو مخلصانہ طور پر سراہتے ہیں۔ ڈائریکٹرز اپنے گراں قدر گاہکوں کا ان کی مسلسل حمایت کیلئے شکریہ کا اظہار کرتے ہیں۔

ڈائریکٹرز بورڈ کی طرف سے



برگیدیر (ر) شیراز اللہ چوہدری، ستارہ امتیاز (ملٹری)
چیف ایگزیکٹو

واہ کینٹ

مورخہ 04 اکتوبر 2017

Six Year at a Glance

	2012	2013	2014	2015	2016	2017
	(Rupees in Thousands)					
(A) Operating Results:						
i) Net Sales Revenue	1,147,501	1,211,238	1,303,980	1,209,911	1,181,518	1,250,740
ii) Gross Profit	189,850	233,840	193,842	128,054	236,346	270,452
iii) Operating Profit	119,301	157,227	116,548	50,701	150,533	208,168
iv) Profit Before Tax	116,968	155,938	104,625	26,484	120,085	189,060
v) Profit After Tax	73,733	115,240	66,775	12,263	78,469	131,105
(B) Financial Position						
i) Paid-up Capital	90,000	90,000	90,000	90,000	90,000	90,000
ii) Shareholders Equity	430,145	499,112	515,158	492,460	561,764	658,611
iii) General Reserve	260,000	290,000	325,000	360,000	375,000	425,000
iv) Property, Plants and Equipment (Net)	92,989	109,571	167,015	159,030	148,722	170,642
v) Current Assets	491,637	544,733	704,236	677,275	701,975	835,027
(C) Key Performance Indicators						
i) Gross Profit %	16.54%	19.31%	14.86%	10.58%	20.00%	21.62%
ii) Net Profit %	6.43%	9.51%	5.12%	1.01%	6.64%	10.48%
iii) Earning Per Share Rs.	8.19	12.8	7.42	1.36	8.72	14.57
iv) Cash Dividend %	50%	55%	40%	10%	40%	60%
						(Proposed)
vi) Break-up Value Per Share Rs.	47.79	55.45	57.24	54.72	62.42	73.18
vii) Current Ratio	2.70:1	2.9 1:1	1.86:1	1.86:1	2.29:1	2.40:1

Pattern of Shareholding

as at June 30, 2017

No of shareholders	Shareholding		Total shares held
	From	To	
190	1	100	8,722
424	101	500	114,619
148	501	1,000	120,105
142	1,001	5,000	360,496
35	5,001	10,000	252,750
22	10,001	20,000	326,390
11	20,001	30,000	306,314
4	30,001	50,000	142,802
7	50,001	100,000	579,303
4	100,001	1,000,000	1,818,104
1	1,000,001	5,000,000	4,970,395
988	Total		9,000,000

Categories of shareholders	No. of Shareholders	Shares held	Percentage
• Directors, Chief Executive Officer, and their spouse and minor children.	5	5	0.00
• Associated Companies, undertakings and related parties.	4	5,102,497	56.69
• NIT/ICP	2	601,749	6.69
• Banks Development Financial Institutions, Non Banking Financial Institutions.	2	1,478	0.02
• Insurance Companies	7	912,580	10.14
• Modarabas and Mutual Funds	1	200	0.00
• Shareholders holding 10%	-	-	-
• General Public			
a. Local	950	2,291,954	25.47
b. Foreign	1	1,000	0.01
• Others (to be specified)			
Investment Companies	-	-	-
Trust	-	-	0.00
Benevolent / Pension Fund	2	60,245	0.67
Joint Stock Coys.	13	28,192	0.31
Stock Exchange.	1	100	0.00
Total	988	9,000,000	100.00

Details of Pattern of Shareholding as per requirements of Code of Corporate Governance

Categories of Shareholders		Number of Shares held
I)	Associated Companies, undertakings and related parties.	
1	Wah Nobel (Pvt) Ltd	4,970,395
2	WNPL Employees Provident Fund	87,000
3	WNCL Employees Provident Fund	33,102
4	WNPL Employees Provident Fund (WNDL)	12,000
		5,102,497
II)	Mutual Funds	
1	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	601,124
2	Investment Corporation of Pakistan, (ICP)	625
		601,749
III)	Directors and their spouse(s) and minor children.	
1	Lt. Gen. Umar Farooq Durrani	1*
2	Mr. Torbjorn Sexmo	1*
3	Mr. Tabassum Rahman	1*
4	Mr. Muhammad Afzal	1*
5	Mr. Hashmat Hussain	1*
		5
IV)	Executives	Nil
V)	Public Sector Companies and Corporations	
1	State Life Insurance Corporation Of Pakistan	862,080
VI)	Banks Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas	974,503
VII)	Shareholders holding five percent or more voting rights / Interests	
1	Wah Nobel (Pvt) Ltd	4,970,395
2	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	601,124
3	State Life Insurance Corporation Of Pakistan	862,080
		6,433,599

* Directors mentioned at Sr III held these shares (1 share each) as nominee of Wah Nobel (Pvt) Ltd . The ultimate ownership remains with Wah Nobel (Pvt) Ltd

Some of the share holders are reflected in more than one category

Details of trading in the shares by the CEO, Directors, Chief Financial Officer Company Secretary and their spouses and minor children.

None of the Director, CEO Chief Financial Officer, Company Secretary and their spouses and minor Children have traded in the shares of wah nobel Chemicals Ltd during the financial year ended June 30, 2017

Statement of Compliance with Code of Corporate Governance for the year ended June 30, 2017.

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No.5.19 of the listing regulations of the Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. However, at present none of the directors on the board meets the criteria of independence specified under clause 5.19.1 (b) of the Code. The Company intends to take steps to remove this non compliance. At present the board includes:

Category	Name
Independent Directors	None
Executive Directors	1. Brig (R) Shiraz Ullah Choudhry
Non-Executive Directors	1. Lt. Gen Umer Farooq Durrani 2. Mr. Torbjorn Saxmo 3. Mr. Muhammad Nawaz Tishna 4. Mr. Tabassum Rahman 5. Mr. Muhammad Afzal 6. Mr Hashmat Hussain

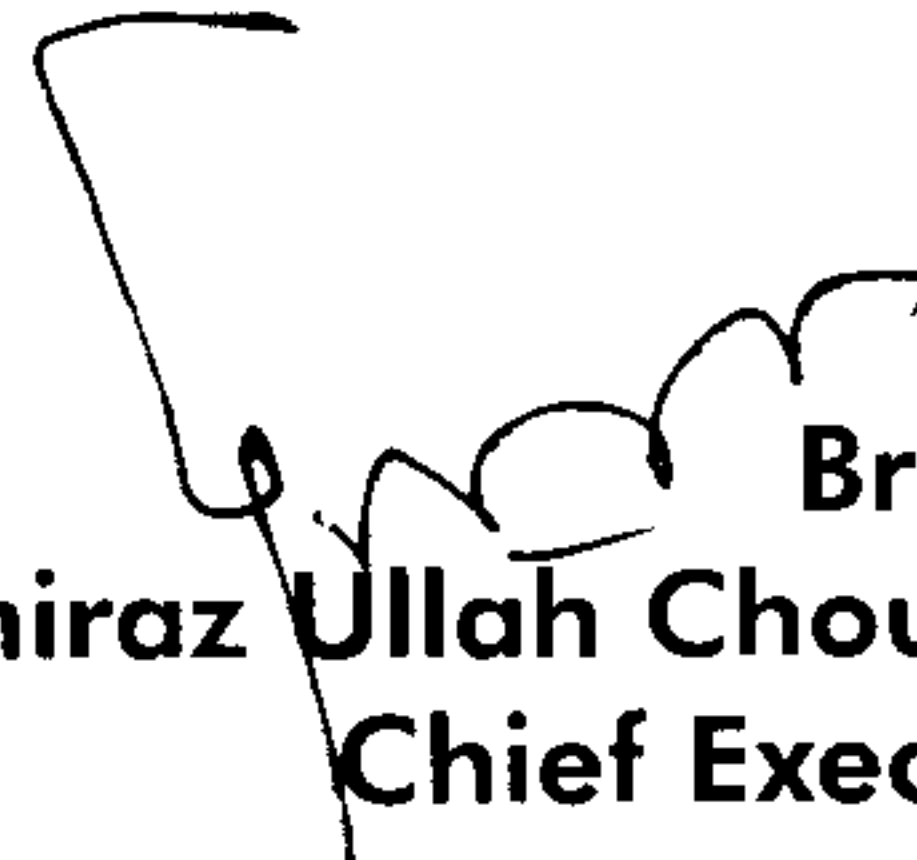
2. The directors have confirmed that none of them is serving as director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFIs or being a member of stock exchange has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurred on the Board on August 30, 2016 and April 20, 2017 were filled in by the board on the same day.
5. 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.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the date on which they were approved or amended has been maintained. The board is also in the process of developing a mechanism of its own evaluation of performance

which shall be effective in the forthcoming financial year.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board. No director or Chief Executive is being remunerated by the Company.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. During the year one director of the company has acquired the Certification under directors' training program from an institute duly approved by the Securities and Exchange Commission of Pakistan. Previously one director of the company has already acquired the Certification. One Director of the company is exempt from the requirement of directors training program in accordance with the criteria specified in Clause 5.19.7 of the Code, and remaining directors to be trained within specified time. The Directors on Board have adequate exposure of corporate matters and are well conversant with legal requirements and operational imperatives of the company, and as such fully aware of their duties and responsibilities.
10. No new appointment of CFO, Head of Internal Audit or the Company Secretary was made during the year.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The quarterly, six monthly and annual financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the chairman of the committee.
16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company as required by the Code. However, no such

meeting was held in the first quarter of the year 2016-17 due to delay in finalization of the financial statements for the year ended June 30,2016 . The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programmed of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.


Brig (R)
Shiraz Ullah Choudhry
Chief Executive

Review Report to the Members on Statement of Compliance with Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Wah Nobel Chemicals Limited ("the Company") for the year ended 30 June 2017 to comply with the requirements of Listing Regulation No 15.9 of the Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report and if it does not, to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

Further, we highlighted below instances of non-compliance with the requirement of the Code as reflected in the note references where these are stated in the Statement of Compliance (the Statement).

- i) As disclosed in para 1 of the Statement, none of the Directors on the board meets the criteria of independence specified under clause 15.19.1 of the Code
- ii) As disclosed in para 16 of the Statement, meeting of the audit committee was not held in the first quarter of the year 2016-17 due to delay in the finalization of the financial statements for the year ended 30 June 2016.
- iii) As stated in para 6 of the Statement, the Board of Directors is in the process of developing a mechanism of its own evaluation of performance.

Date: 04 October 2017
Islamabad

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner
Atif Zamurrad Malik

Auditors' Report to the Members

We have audited the annexed balance sheet of **Wah Nobel Chemicals Limited** ("the Company") as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- © in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its cash flows and changes in equity for the year then ended; and

- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

We draw attention to Note 24.1.2 to the financial statements, which describes that the uncertainty relating to the outcome of pending lawsuit alleging non-payment of vend and permit on methanol to the Excise and Taxation Department, Government of Sindh. Our opinion is not modified in respect of this matter.

Date: 04 October 2017
Islamabad

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner
Atif Zamurrad Malik