



ISO 9001:2008, 14001:2004 &
OHSAS 18001:2007 Certified

WAH NOBEL CHEMICALS LTD

Third Quarterly
Financial Statements
(Unaudited)
March 31, 2021

VISION STATEMENT

The Company's vision is to be the market leader and serve the needs of customers with total dedication, supply them the current and anticipate their future needs, create value for customers, shareholders, employees and the community

CORPORATE MISSION

- To meet the current needs of its customers and anticipate their future needs.
- To maintain close and direct contacts with the customers to ensure their complete satisfaction.
- Constantly improve the quality of all our activities through operational excellence.
- To give fullest regard to the safety and health of employees and customers.
- To promote professionalism at all levels through constant education, training and development of human resources.
- To safeguard the environment and the community from pollution.
- To create a conducive work environment and inspire people to perform to their fullest potential and to reward talent.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lt. Gen. Ali Amir Awan, HI(M)	:	Chairman
Mr. Mats-Olof Rydberg	:	Vice Chairman
Maj Gen Azhar Naveed Hayat khan, HI(M)	:	Director
Mr. Muhammad Arshad	:	Director
Mr. Tariq M. Rangoonwala	:	Director
Mr. Shafiq Ahmed Siddiqi	:	Director (N.I.T. Nominee)
Mr. Usman Ali Bhatti	:	Director

CHIEF EXECUTIVE : Brig (R) Shiraz Ullah Choudhry, SI(M)

AUDIT COMMITTEE

Mr Tariq M. Rangoonwala	:	Chairman
Mr. Muhammad Arshad	:	Member
Mr. Usman Ali Bhatti	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Muhammad Arshad	:	Chairman
Mr. Tariq M. Rangoonwala	:	Member
Brig (R) Shiraz Ullah Choudhry	:	Member

COMPANY SECRETARY AND

CHIEF FINANCIAL OFFICER : Mr. Tanveer Elahi, FCA

AUDITORS : Grant Thornton Anjum Rahman
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
Meezan 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.

WAH NOBEL CHEMICAL LTD

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of the company are pleased to present Condensed Interim Financial Information (unaudited) for the 3rd Quarter ended March 31, 2021.

The performance of the Company during the period under review has been Par Excellence as it achieved Gross Sales Revenue of Rs 2,343 million vis-à-vis Rs 1,993 million as compared to previous year's corresponding period (increased by 18%).

The Company earned After Tax Profit of Rs 240 million vis-à-vis Rs 127 million as compared to previous year's corresponding period (increased by 89%). The profitability threshold increased due to enhanced sales volume and reduction in Financial and Production Cost.

Urea Formaldehyde Moulding Compound (UFMC) procurement / installation is under progress. The commissioning / commercial launch is planned during Aug, 2021. The Disinfectants / Cleaners Plants have been installed. Its commercial launch is being fine-tuned.

The management has a positive outlook and geared up, to ensure continued growth, operational efficiency and optimum results for the company and its stakeholders. The COVID-19 (third wave) may affect the sales / profitability in the ensuing months of Financial Year 2020-21.

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. Nexus to merits of the case and favourable decision of the Sindh High Court, the management is expecting a favourable decision from the Apex Court.

The Directors are pleased to place on record their deep appreciation for the earnest efforts and dedication to the cause, by all employees of the company for achieving good results despite volatile economic situation in the country and pay vivid gratitude to all its customers for their continued patronage, support and trust.

On behalf of the Board

Usman Ali Bhatti
Director

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

Wah Cantt

Dated: 29.04.2021

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت غیر آڈٹ شدہ مالی نتائج بابت تیسری سہ ماہی و نو ماہہ مختمہ 31 مارچ 2021 پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کمپنی کی کارکردگی اچھی رہی ہے۔ اس دوران کمپنی کی خالص آمدنی 2343 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 1993 ملین روپے تھی (اضافہ %18)۔

اس نو ماہ کے دوران کمپنی نے 240 ملین روپے بعد از ٹیکس مافع حاصل کیا اور گزشتہ سال اسی مدت کے دوران 127 ملین روپے بعد از ٹیکس مافع حاصل کیا (اضافہ %89) مافع میں اضافہ زیادہ سیلز، فنانشل، پروڈکشن کاسٹ میں کمی کی وجہ سے ممکن ہوا۔

Urea Formaldehyde Moulding Compound (UFMC) کی خریداری/تنصیب کا عمل جاری ہے۔ پلانٹ کی Commissioning/کمرشل لانچ کو اگست 2021 میں پلان کیا گیا ہے۔ Disinfectants/cleaners کے پلانٹس کی تنصیب کا عمل مکمل ہو چکا ہے اور اسکی کمرشل لانچ آخری مراحل میں ہے۔

انتظامیہ اپنے کرم فرمائوں کیلئے مثبت نقطہ نظر رکھتی ہے اور مستعد ہے۔ مسلسل بڑھوتی آپریشنل کارکردگی اور زیادہ سے زیادہ بہتر نتائج کے لیے سرگرم عمل ہے۔ COVID-19 کی تسری لہر آخری سہ ماہی میں فروخت/مافع کو متاثر کر سکتی ہے۔

حوالے کے طور پر سندھ ہائی کورٹ کے وینڈ فیس اور پرمیٹ فیس کے موافق فیصلوں کے بعد اب کیس معزز سپریم کورٹ و آف پاکستان کے زیر سماعت ہے کیس کی قانونی مضبوطی اور سندھ ہائی کورٹ کے موافق فیصلوں کی بدولت انتظامیہ توقع رکھتی ہے کہ فیصلہ کمپنی کے حق میں ہو گا۔

ڈائریکٹرز دل کی اتھاہ گہرائیوں سے ملازمین کی انتھک کوششوں اور مقصد کے حصول کیلئے کی گئی لگن کو سراہتے ہیں اور تمام گاہگوں جو کہ کمپنی کی مسلسل سرپرستی حمایت اور اعتماد رکھتے ہیں کے شکر گزار ہیں۔

ڈائریکٹرز بورڈ کی طرف سے

بریگیڈیر (ر) شیراز اللہ چودھدری۔

چیف ایگزیکٹو

عثمان علی بھٹی

ڈائریکٹر

واہ کینٹ۔

مورخہ : 29 اپریل 2021ء

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		March 31 2021	June 30 2020
	Note	(Rupees in '000')	
		Unaudited	Audited
Assets			
Property, plant and equipment	4	295,595	297,682
Deferred tax		885	10,299
Non-current assets		296,480	307,981
Stores, spares and loose tools		57,959	52,369
Stock in trade		228,772	306,618
Trade debts	5	963,611	845,020
Advances, deposits, prepayments and other receivables		68,388	32,805
Short-term investment		2,613	2,819
Taxation - net		182,782	235,197
Cash and bank balances		126,213	24,609
Current assets		1,630,338	1,499,437
Total assets		1,926,818	1,807,418
Equity and liabilities			
Share capital		90,000	90,000
Capital reserve		944	944
Revenue reserves		1,097,092	892,687
Total equity		1,188,036	983,631
Long term financing		-	40,037
Deferred liabilities		7,285	7,002
Non-current liabilities		7,285	47,039
Trade and other payables		414,980	156,818
Due to parent company		218	74
Unclaimed dividend		6,933	6,332
Current portion of long term financing		-	34,039
Loan from holding company - unsecured		305,400	308,347
Short term borrowings		3,966	271,138
Current liabilities		731,497	776,748
Total liabilities		738,782	823,787
Total equity and liabilities		1,926,818	1,807,418
Contingencies and commitments	6		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Nine months ended		Three months ended	
		March 31 2021	March 31 2020	March 31 2021	March 31 2020
(Rupees in '000')					
Gross sales	7	2,343,337	1,992,808	904,635	668,745
Sales tax		(368,306)	(309,598)	(151,398)	(104,626)
Discount		(6,780)	-	(2,221)	-
Net sales		1,968,251	1,683,210	751,016	564,119
Cost of sales		(1,556,916)	(1,415,243)	(597,689)	(471,572)
Gross profit		411,335	267,967	153,327	92,547
Administrative expenses		(10,113)	(9,914)	(3,026)	(2,508)
Distribution expenses		(8,322)	(7,464)	(2,974)	(2,751)
Operating profit		392,900	250,589	147,327	87,288
Finance cost		(21,871)	(60,845)	(5,600)	(18,946)
Other expenses		(25,672)	(13,933)	(9,757)	(5,173)
Other income		4,212	6,114	1,698	4,603
Profit before taxation		349,569	181,925	133,668	67,772
Provision for taxation		(109,165)	(54,553)	(47,059)	(20,658)
Net profit after taxation		240,404	127,372	86,609	47,114
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		240,404	127,372	86,609	47,114
Earnings per share - basic and diluted		26.71	14.15	9.62	5.23

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31 2021	March 31 2020
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	349,569	181,925
Adjustment for non cash items:		
Depreciation	22,824	24,969
Interest on term deposit receipts	(351)	-
Interest on workers' profit participation fund	115	92
Gain on disposal of fixed assets		(1,602)
Provision for gratuity fund	2,400	2,400
Workers' profit participation fund (WPPF)	17,846	9,770
Workers' welfare fund (WWF)	7,348	3,713
Provision for accumulated compensated absences	1,800	1,800
Provision for provident fund	5,178	4,688
Debts written off	(29,123)	-
	28,037	45,831
Changes in:		
Stores, spares and loose tools	(5,590)	(1,221)
Stock in trade	77,847	88,574
Trade debts	(89,468)	(72,078)
Advances, deposits, prepayments and other receivables	(35,583)	(12,219)
Due to holding company	144	(885)
Trade and other payables	233,089	47,411
	180,439	49,582
Cash generated from operating activities	558,045	277,338
Payment for:		
Workers' profit participation fund	(1,454)	(3,498)
Gratuity fund	-	(4,000)
Accumulated Compensated absences	(1,517)	(2,363)
Provident fund	(5,087)	(4,671)
Pension fund	(1,274)	(1,234)
Taxation	(47,336)	(63,510)
	(56,668)	(79,276)
Net cash generated from operating activities	501,377	198,062
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(20,737)	-
Interest on term deposit receipts	558	(418)
Proceed from sale of fixed assets	-	1,602
Net cash (used in)/generated from investing activities	(20,179)	1,184
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	(74,076)	(20,764)
Short term loan from holding company	(2,947)	1,790
Dividends paid	(35,399)	(35,534)
Net cash used in financing activities	(112,422)	(54,508)
Net increase in cash and cash equivalents	368,776	144,738
Cash and cash equivalents at beginning of the period	(246,529)	(279,078)
Cash and cash equivalents at end of the period	122,247	(134,340)

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The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves		Sub-total	Total
			General reserve	Unappropriated profit		
(Rupees in '000')						
Balance as at July 1, 2019	90,000	944	635,000	161,701	796,701	887,645
Total comprehensive income for the period	-	-	-	127,372	127,372	127,372
Transactions with owners recorded directly in equity						
Final dividend @ Rs. 4.00 per share	-	-	-	(36,000)	(36,000)	(36,000)
Others						
Transfer to general reserve	-	-	115,000	(115,000)	-	-
Balance as at March 31, 2020	90,000	944	750,000	138,073	888,073	979,017
Balance as at July 1, 2020	90,000	944	750,000	142,688	892,688	983,632
Total comprehensive income for the period	-	-	-	240,404	240,404	240,404
Transactions with owners recorded directly in equity						
Final dividend @ Rs. 4.00 per share	-	-	-	(36,000)	(36,000)	(36,000)
Others						
Transfer to general reserve	-	-	100,000	(100,000)	-	-
Balance as at March 31, 2021	90,000	944	850,000	247,092	1,097,092	1,188,036

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

1 STATUS AND NATURE OF BUSINESS

Wah Nobel Chemicals Limited ("the Company") was incorporated in Pakistan on May 31, 1983 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The parent company of the Company is Wah Nobel (Private) Limited and the ultimate parent company is Wah Industries Limited. The principal activity of the Company is to manufacture Urea Formaldehyde Moulding Compound, Formaldehyde and Formaldehyde based liquid resins for use as bonding agent in the chip board, plywood and flush door manufacturing industries. The Company's registered office and manufacturing facilities are situated in Wah Cantt, Pakistan.

2 BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of June 30, 2020, where as comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial statements for nine months period ended March 31, 2020.

These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

2.1 Changes in accounting standards, interpretations and pronouncements

(a) Standards and amendments to approved accounting and reporting standards that are effective:

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial accounting.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective:

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

3 ACCOUNTING POLICIES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended June 30, 2020.

4 PROPERTY, PLANT AND EQUIPMENT

During the nine months period ended March 31, 2021, the Company made additions to property, plant and equipment aggregating to Rs. 20,737 thousand (March 31, 2020: Rs. Nil). Depreciation charge for the period amounts to Rs. 22,824 thousand (March 31, 2020: Rs. 24,969 thousand).

	Note	March 31 2021	June 30 2020
		(Rupees in '000")	
		(Un-Audited)	(Audited)
5 TRADE DEBTS			
Considered good		963,611	845,020
Considered doubtful		134,048	163,171
		1,097,659	1,008,191
Less: Allowance for expected credit losses	5.1	(134,048)	(163,171)
		963,611	845,020

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31	June 30
	2021	2020
	(Rupees in '000')	
	(Un-Audited)	(Audited)
5.1 Movement in allowance for expected credit losses		
Balance at July 01 as previously reported	163,171	127,664
Charge for the year	-	35,507
Debts written off	(29,123)	-
Balance at Mar 31	134,048	163,171

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 In 1990, the Government of Sindh levied excise duty at Rs. 4 per bulk gallon on transport of imported Methanol outside the province of Sindh under the Sindh Abkari Act, 1878. The Company filed a Constitutional Petition No. D-123/91 in the Sindh High Court that the duty was ultra vires of article 151 of the Constitution. The Court granted interim relief by permitting the Company to remove Methanol by submitting bank guarantees in lieu of payment of excise duty. Accordingly, the Company has submitted bank guarantees of Rs. 8,707,220 (2019: Rs. 8,707,220) for transport of 7,200 tons of Methanol outside Sindh.

On August 12, 2004 the Sindh High Court decided the case in favour of the Company. Excise Department Sindh has filed a leave to appeal in the Supreme Court on September 07, 2004 against the said judgment which is pending adjudication by the Supreme Court.

6.1.2 In 1996, the Government of Sindh raised a demand of Rs. 67,294,724 in respect of vend fee and permit fee for the years 1990-91 to 1995-96, under the Sindh Abkari Act, 1878. The Company filed Constitutional Petition No. D-1412 of 1996 dated 20 August 1996 in the Sindh High Court challenging the legality of the levy on the grounds that provincial taxation, under the Sindh Abkari Act, 1878 on imported Methanol temporarily stored in Karachi but meant for consumption outside the province of Sindh, was unlawful and ultravires of the Constitution, relying on the judgment of the Sindh High Court in the case of Crescent Board Limited. The case was decided in the favour of the Company on June 12, 2001 by the Sindh High Court, but Sindh Government moved an appeal in the Supreme Court against the decision of the Sindh High Court.

After hearing the appeal of Excise Department Sindh against the Company and other Formaldehyde manufacturers, the Supreme Court remanded the case of levy of vend fee and permit fee to the Sindh High Court for adjudication on all points of law and fact. Vide its judgment dated March 26, 2003, Sindh High Court again decided the matter in favour of the Company and other manufacturers. Excise Department filed a leave to appeal in the Supreme Court on June 12, 2003.

During the last year, the Honorable Supreme Court of Pakistan on the request of Provincial Government of Sindh (appellant) has dismissed the appeals as not pressed against those respondents who have settled the matter with the appellant. Under the settlement, appellant has surrendered the amount secured by Indemnity Bonds from the respondents for the period 1990 up to October 30, 2002 and in return respondents consented to waive the amount of vend fee and permit fee already deposited by them. Since, the Company has not yet consented, its case is still pending.

Currently, all imports of Methanol are being released on payment of Rs. 3/- per bulk gallon in cash which is being expensed out and submission of guarantee @ Rs. 14/- per bulk gallon in the form of indemnity bonds. Accordingly, in case of an unfavorable decision of the Supreme Court, the Company is exposed to an aggregate obligation of Rs. 1,243,000,000 (June 2020 : Rs. 1,177,000,000) on account of vend fee and permit fee based on the guarantees issued against methanol imported and released up to the reporting date. However, keeping in view the facts, previous decisions which had been in the favour of the Company, developments during the period and the advice of the legal advisor of the Company, the management believes that there is almost 'nil' chance of decision against the Company. Therefore, no provision for this has been made in these financial statements.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

6.1.3 Other than the litigation as disclosed in note 6.1.2 above, there are no significant changes in the status of litigations as disclosed in the last annual audited financial statements.

	March 31 2021	June 30 2020
	(Rupees in '000')	
	(Un-Audited)	(Audited)
6.2 Commitments		
6.2.1 Letters of credit for purchase of stocks	351,956	98,032
6.2.2 Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded ware house.	20,573	11,445
6.2.3 Letter of guarantee issued by bank on behalf of the Company	15,000	15,000

	Nine month ended		Three month	
	March 31 2021	March 31 2020	March 31 2021	March 31 2020
	(Rupees in '000')			
7 Gross sales				
Urea Formaldehyde Moulding compound	921,837	765,106	325,512	217,240
Urea / Phenol Formaldehyde	660,997	577,239	300,386	223,522
Formaldehyde and Formalin solvent	683,158	644,254	250,239	224,457
Others	77,345	6,208	28,498	3,526
	2,343,337	1,992,808	904,635	668,745

	March 31 2021	March 31 2020
	(Rupees in '000')	
	(Un-Audited)	(Un-Audited)
8 CASH AND CASH EQUIVALENTS		
Cash and bank balances	126,213	14,921
Short term running finance - secured	(3,966)	(149,261)
	122,247	(134,340)

9 RELATED PARTY TRANSACTIONS

Significant transactions with related parties during the period were as follows:

Expenses incurred (on behalf of) / by the group companies - net	144	(1,560)
Corporate service fee charged by holding company	-	675
Purchase of electricity from associated company	13,667	11,082
Purchase of raw material from associated company	8,506	4,800
Payment to employees provident fund	5,087	4,671
Payment to employees pension fund	1,274	1,234
Dividend paid to the holding company	19,882	19,882
Interest paid to the parent company	19,145	20,288
Interest incurred on loan from parent company	16,198	30,402
Contribution to:		
- Employee provident fund trust	1,695	1,638
- Workers profit participation fund	1,454	3,405
Balances with related parties were as follows:		
Loan from holding company-unsecured	305,400	310,114
Payable to associated companies	1,883	7,267
Due to holding company	218	82
Payable to employee's gratuity fund	2,964	2,965
Payable to employee's provident fund	603	517

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

10 FINANCIAL INSTRUMENTS

The following table shows the classification of financial assets and financial liabilities by categories.

	March 31, 2021			June 30, 2020				
	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Total	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
	(Un-audited)			(Audited)				
	(Rupees '000')							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	963,611	-	-	963,611	845,020	-	-	845,020
Trade deposits	1,189	-	-	1,189	273	-	-	273
Other receivables	15,181	-	-	15,181	18,137	-	-	18,137
Short-term investment	2,613	-	-	2,613	2,819	-	-	2,819
Cash and bank balances	126,213	-	-	126,213	24,609	-	-	24,609
	<u>1,108,807</u>	<u>-</u>	<u>-</u>	<u>1,108,807</u>	<u>890,858</u>	<u>-</u>	<u>-</u>	<u>890,858</u>
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term financing (including current portion)	-	-	-	-	74,076	-	-	74,076
Trade and other payables	313,972	-	-	313,972	98,070	-	-	98,070
Due to holding company	218	-	-	218	74	-	-	74
Unclaimed dividends	6,933	-	-	6,933	6,332	-	-	6,332
Loan from holding company	305,400	-	-	305,400	308,347	-	-	308,347
Short term borrowings	3,966	-	-	3,966	271,138	-	-	271,138
	<u>630,490</u>	<u>-</u>	<u>-</u>	<u>630,490</u>	<u>758,037</u>	<u>-</u>	<u>-</u>	<u>758,037</u>

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED MARCH 31, 2021

11 FAIR VALUES

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

11.2 Determination of fair values

A number of the Company's accounting policies and disclosures require determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and /or disclosure purposes based on the following methods:

Financial assets

Fair values of non-derivative financial assets are estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. These fair values are determined for disclosure purposes.

Financial liabilities

Fair values which are determined for disclosure purposes are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

12 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

During the nine months ended March 31, 2021 there were second and third waves of COVID -19 which also impacted the businesses in Pakistan. However, Company was able to manage the shock of these waves. Fortunately, during the period under review, a significant increase in sale is evident which has positively impacted the financial and operational condition of the Company. As of current reporting date and thereafter the Company's assessment has not indicated any adverse impact on carrying values of assets and liabilities of the Company.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2021 by the Board of Directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest thousand of rupees.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER