

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

**WAH
NOBEL
CHEMICALS
LTD**

Half Yearly
Financial Statements
(Unaudited)
December 31, 2020

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. Torbjorn Saxmo	:	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 half year ended December 31, 2020.

The performance of the Company during the period under review has been Par Excellence as it achieved Gross Sales Revenue of Rs 1,434 million vis-à-vis Rs 1,324 million as compared to previous year's corresponding period (increased by 8%).

The Company earned After Tax Profit of Rs 154 million vis-à-vis Rs 80 million as compared to previous year's corresponding period (increased by 93%). The profitability threshold increased due to enhanced sales volume and reduction in Financial and Production Cost.

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 (second wave) may affect the sales / profitability in the ensuing months of Financial Year 2020-21.

The Disinfectant / Surface Cleaners Plant have been installed. The Product with Brand Name of "Nobel" planned to be commercially launched during June, 2021.

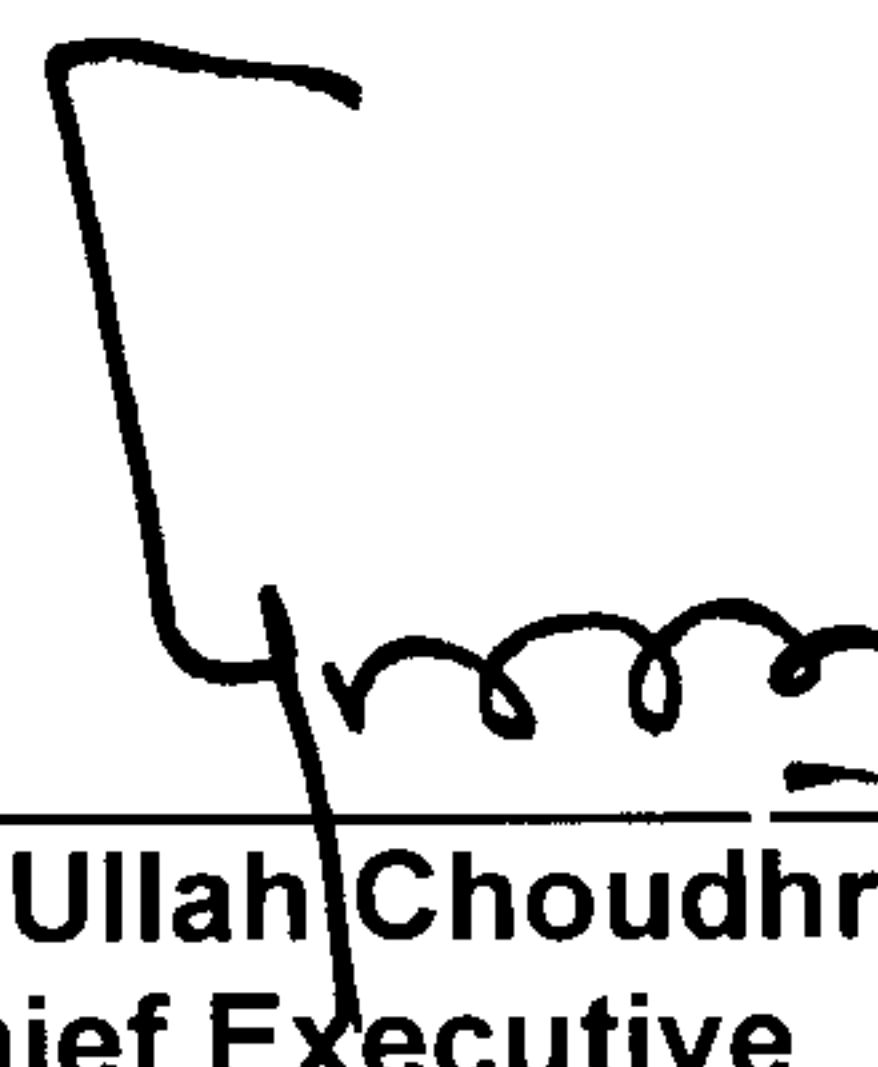
As regards Vend Fee and Permit Fee case, Sindh High Court has already pronounced favourable judgment. Presently the case is pending with the Honorable Supreme Court of Pakistan. Nexus to merits of the case and favourable decision of the Sindh High Court, the management is expecting a favourable decision 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



Muhammad Arshad
Director



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

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت غیر آڈٹ شدہ مالی نتائج بابت ششماہی 31 دسمبر 2020 پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی کارکردگی اچھی رہی ہے۔ اس دوران کمپنی کی خالص آمدنی 1,434 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 1,324 ملین روپے تھی (اضافہ 8%)۔۔

کمپنی نے پہلی ششماہی 2020-21 کے دوران بعد از ٹیکس منافع 154 ملین روپے کمایا۔ جبکہ گزشتہ سال منافع 80 ملین روپے تھا۔ (اضافہ 93%) منافع میں اضافہ، فروخت میں اضافے، پیداواری لاگت میں کمی اور مارک اپ میں کمی کی وجہ سے ممکن ہوا ہے۔

کمپنی کے مستقبل کے امکانات مثبت ہیں اور وہ اپنی بہترین کوشش سے بقیہ مالیاتی سال 2020-21 میں کمپنی اور اسکے کرم فرماؤں کے لئے مسلسل بڑھوتی آپریشنل کارکردگی اور زیادہ سے زیادہ بہتر نتائج کے لیے سرگرم عمل ہے۔ تاہم COVID-19 (دوسری لہر) سال 2020-21 کے بقیہ مہینوں میں فروخت اور منافع کو متاثر کر سکتی ہے۔

نئی پراڈکٹس Disinfectant اور فلور کلینرز کا پلانٹ نصب کیا جا چکا ہے اور انشاء اللہ ان مصنوعات کو برانڈ 'NOBEL' کے نام سے جون 2021 کے دوران تجارتی بنیادوں پر لانچ کرنے کا منصوبہ طے پاچکا 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 ہوگا۔

ڈائریکٹرز دل کی اتھاہ گہراہوں سے اپنے ملازمین کی ہر شعبے میں محنت لگن اور انتھک کوششوں کو سراہتے ہیں۔ ہم کمپنی کے گاہکوں جو کہ ہماری مسلسل سرپرستی اور حمایت کرتے ہیں کے شکر گزار ہیں۔

ڈائریکٹرز بورڈ کی طرف سے

برینگڈیر (ر) شیراز اللہ چودھری
چیف ایگزیکٹو

محمد ارشد
ڈائریکٹر

واہ کینٹ۔

مورخہ: 18 فروری 2021ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Wah Nobel Chemicals Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Wah Nobel Chemicals Limited (the Company) as at December 31, 2020 and the related condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in equity, and the condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period 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 condensed interim statement of other comprehensive income for the three months period ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with 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.

Other matter

The financial statements of the Company for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on November 04, 2020.

The engagement partner on this audit resulting in this independent auditor's review report is Waqas Waris.


GRANT THORNTON ANJUM RAHMAN

Chartered Accountant

Islamabad

Dated: February 18, 2021.

Chartered Accountants

Member of Grant Thornton International Ltd.

Other offices in Lahore and Karachi

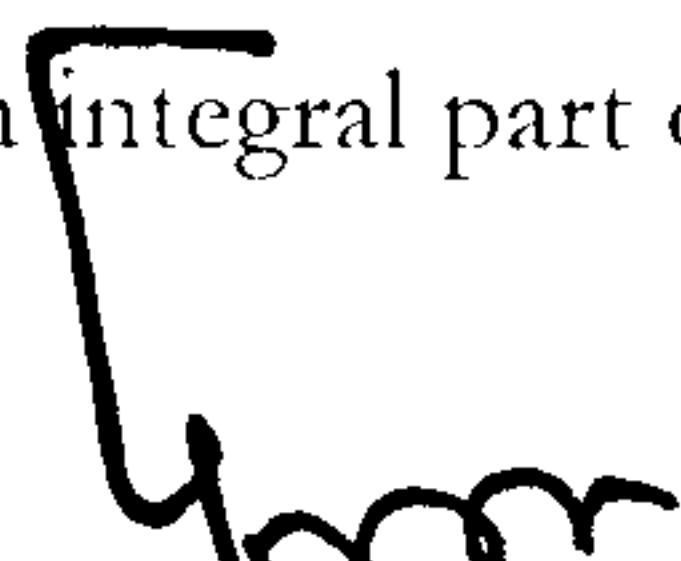
WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		December 31 2020	June 30 2020
	Note	(Rupees in '000')	
		Unaudited	Audited
Assets			
Property, plant and equipment	4	291,266	297,682
Deferred tax		12,312	10,299
Non-current assets		303,578	307,981
Stores, spares and loose tools		53,300	52,369
Stock in trade		203,940	306,618
Trade debts	5	835,942	845,020
Advances, deposits, prepayments and other receivables		29,966	32,805
Short-term investment		2,613	2,819
Taxation - net		198,890	235,197
Cash and bank balances		116,392	24,609
Current assets		1,441,043	1,499,437
Total assets		1,744,621	1,807,418
Equity and liabilities			
Share capital		90,000	90,000
Capital reserve		944	944
Revenue reserves		1,010,482	892,687
Total equity		1,101,426	983,631
Long term financing		-	40,037
Deferred liabilities		8,202	7,002
Non-current liabilities		8,202	47,039
Trade and other payables		320,815	156,818
Due to parent company		709	74
Unclaimed dividend		7,108	6,332
Current portion of long term financing		663	34,039
Loan from holding company - unsecured		305,482	308,347
Short term borrowings		216	271,138
Current liabilities		634,993	776,748
Total liabilities		643,195	823,787
Total equity and liabilities		1,744,621	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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	Six months ended		Three months ended	
		December 31 2020	December 31 2019	December 31 2020	December 31 2019
(Rupees in '000')					
Gross sales	7	1,438,702	1,324,063	777,497	761,760
Sales tax		(216,908)	(204,972)	(118,160)	(117,469)
Discount		(4,559)	-	(2,373)	
Net sales		1,217,235	1,119,091	656,964	644,291
Cost of sales		(959,227)	(943,671)	(513,412)	(519,066)
Gross profit		258,008	175,420	143,552	95,225
Administrative expenses		(7,087)	(7,406)	(3,625)	(3,624)
Distribution expenses		(5,348)	(4,713)	(862)	(2,535)
Operating profit		245,573	163,301	139,065	89,066
Finance cost		(16,271)	(41,899)	(6,464)	(20,210)
Other expenses		(15,915)	(8,760)	(9,143)	(4,930)
Other income		2,514	1,511	731	710
Profit before taxation		215,901	114,153	124,189	64,636
Provision for taxation		(62,106)	(33,895)	(36,397)	(18,764)
Net profit after taxation		153,795	80,258	87,792	45,872
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		153,795	80,258	87,792	45,872
Earnings per share - basic and diluted		17.09	8.92	9.75	5.10

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



 DIRECTOR



 CHIEF EXECUTIVE OFFICER



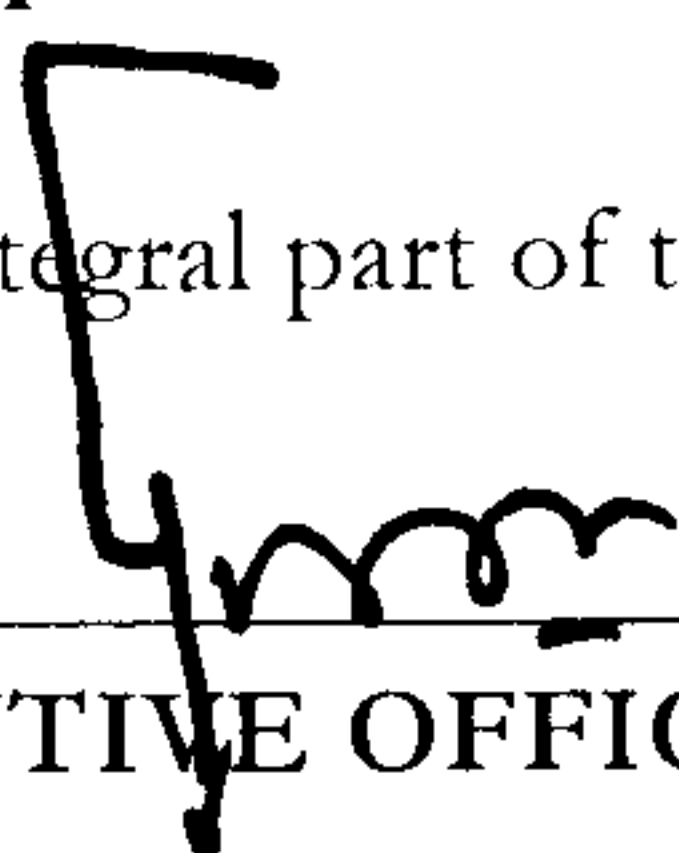
 CHIEF FINANCIAL OFFICER

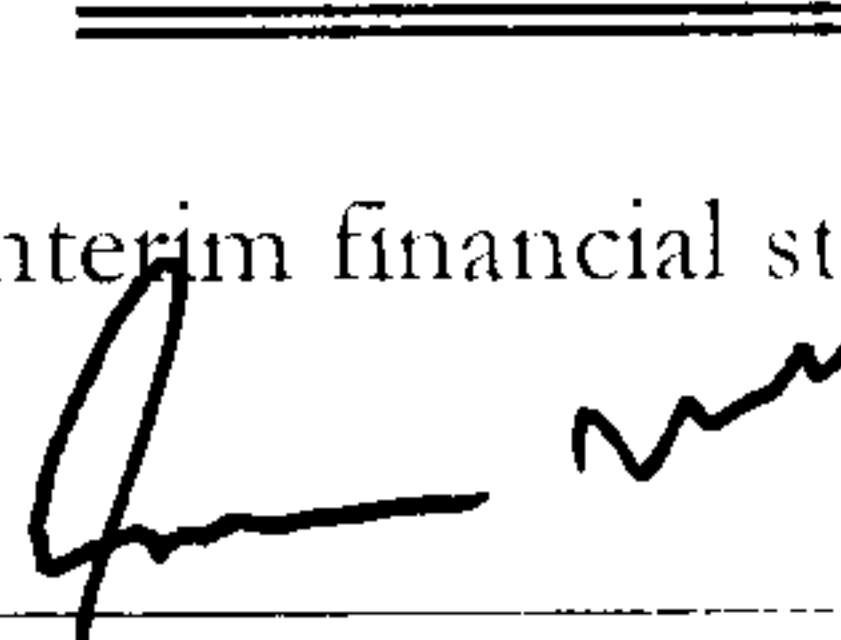
WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	December 31 2020	December 31 2019
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	215,901	114,153
Adjustment for non cash items:		
Depreciation	15,175	16,646
Interest on term deposit receipts	(351)	-
Interest on workers' profit participation fund	115	-
Provision for gratuity fund	1,600	1,600
Workers' profit participation fund (WPPF)	11,022	6,131
Workers' welfare fund (WWF)	4,538	2,330
Provision for accumulated compensated absences	1,200	1,200
Provision for provident fund	3,385	3,115
	36,684	31,022
Changes in:		
Stores, spares and loose tools	(931)	(690)
Stock in trade	102,678	103,995
Trade debts	9,078	(7,059)
Advances, deposits, prepayments and other receivables	2,839	5,239
Due to holding company	635	(914)
Trade and other payables	149,360	(9,308)
	263,657	91,263
Cash generated from operating activities	516,242	236,438
Payment for:		
Workers' profit participation fund	(1,454)	(3,405)
Gratuity fund	-	(4,000)
Provident fund	(3,295)	(3,086)
Pension fund	(1,274)	(1,234)
Taxation	(27,811)	(41,165)
	(33,834)	(52,890)
Net cash generated from operating activities	482,408	183,548
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(8,759)	-
Interest on term deposit receipts	558	13
Net cash (used in)/generated from investing activities	(8,201)	13
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid during the period	(73,413)	(13,585)
Short term loan (repaid)/obtained during the period	(2,864)	2,156
Dividends paid	(35,225)	(35,534)
Net cash used in financing activities	(111,502)	(46,963)
Net increase in cash and cash equivalents	362,705	136,598
Cash and cash equivalents at beginning of the period	(246,529)	(279,078)
Cash and cash equivalents at end of the period	116,176	(142,480)

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


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

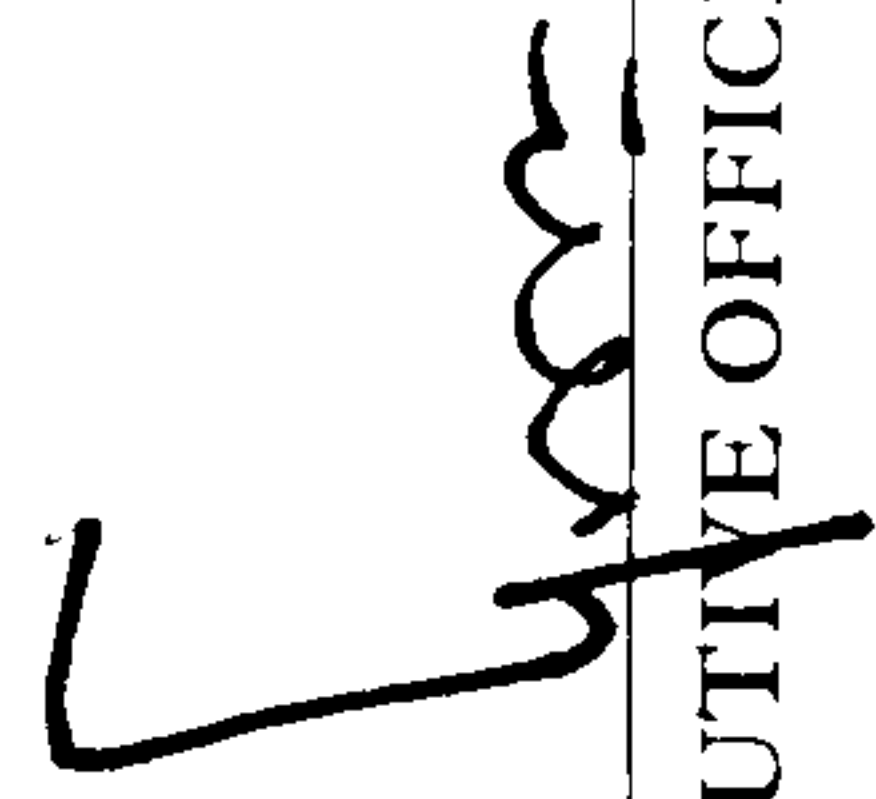
WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	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	-	-	-	80,258	80,258	80,258	
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 December 31, 2019	90,000	944	750,000	90,959	840,959	931,903	
Balance as at July 1, 2020	90,000	944	750,000	142,687	892,687	983,631	
Total comprehensive income for the period	-	-	-	153,795	153,795	153,795	
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 December 31, 2020	90,000	944	850,000	160,482	1,010,482	1,101,426	

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



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

4

WAH NOBEL CHEMICALS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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 interim financial statements for six months period ended December 31, 2019.

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 six months period ended December 31, 2020, the Company made additions to property, plant and equipment aggregating to Rs. 8,759 thousand (December 31, 2019: Rs. Nil). Depreciation charge for the period amounts to Rs. 15,175 thousand (December 31, 2019: Rs. 16,646 thousand).

WAH NOBEL CHEMICALS LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	December 31 2020	June 30 2020
	(Rupees in '000")	
	(Un-Audited)	(Audited)
5 TRADE DEBTS		
Considered good	835,942	845,020
Considered doubtful	163,171	163,171
	999,113	1,008,191
Less: Allowance for expected credit losses	(163,171)	(163,171)
	<u>835,942</u>	<u>845,020</u>

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 12 August 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 07 September 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 12 June 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 26 March 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 12 June 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 30 October 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. 1,220,000,000 (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.

yt

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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.

	December 31 2020	June 30 2020
	(Rupees in '000")	
	(Un-Audited)	(Audited)
6.2 Commitments		
6.2.1 Letters of credit for purchase of stocks	301,129	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.	16,136	11,445
6.2.3 Letter of guarantee issued by bank on behalf of the Company	15,000	15,000

7	Gross sales	Six month ended		Three month	
		December 31 2020	December 31 2019	December 31 2020	December 31 2019
(Rupees in '000')					
	Urea Formaldehyde Moulding compound	594,104	425,372	318,824	281,588
	Urea / Phenol Formaldehyde	360,611	547,867	185,896	294,584
	Formaldehyde and Formalin solvent	440,322	338,152	242,156	178,764
	Others	43,665	12,672	30,621	6,824
		1,438,702	1,324,063	777,497	761,760

	December 31 2020	December 31 2019
	(Rupees in '000")	
	(Un-Audited)	(Un-Audited)
8 CASH AND CASH EQUIVALENTS		
Cash and bank balances	116,392	13,257
Short term running finance - secured	(216)	(155,737)
	116,176	(142,480)

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	635	(1,364)
Corporate service fee charged by holding company	-	450
Purchase of electricity from associated company	9,323	8,719
Purchase of raw material from associated company	7,270	
Dividend paid to the holding company	19,882	19,882
Interest paid to the parent company	13,662	18,132
Interest incurred on loan from parent company	10,798	20,288
Contribution to:		
- Employee provident fund trust	1,121	1,099
- Workers profit participation fund	1,454	3,405

Balances with related parties were as follows:

Loan from holding company-unsecured	305,482	310,480
Payable to associated companies	1,400	3,655
Due to holding company	709	53
Payable to employee's gratuity fund	2,164	2,165
Payable to employee's provident fund	603	530
Payable to employees' pension fund	-	1,274

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

10 FINANCIAL INSTRUMENTS

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

	December 31, 2020				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	835,942	-	-	835,942	845,020	-	-	845,020
Trade deposits	1,080	-	-	1,080	273	-	-	273
Other receivables	15,276	-	-	15,276	18,137	-	-	18,137
Short-term investment	2,613	-	-	2,613	2,819	-	-	2,819
Cash and bank balances	116,392	-	-	116,392	24,609	-	-	24,609
	<u>971,303</u>	-	-	<u>971,303</u>	<u>890,858</u>	-	-	<u>890,858</u>
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value	-	-	-	-	-	-	-	-
Long term financing (including current portion)	663	-	-	663	74,076	-	-	74,076
Trade and other payables	209,724	-	-	209,724	98,070	-	-	98,070
Due to holding company	709	-	-	709	74	-	-	74
Unclaimed dividends	7,108	-	-	7,108	6,332	-	-	6,332
Loan from holding company	305,482	-	-	305,482	308,347	-	-	308,347
Short term borrowings	216	-	-	216	271,138	-	-	271,138
	<u>523,902</u>	-	-	<u>523,902</u>	<u>758,037</u>	-	-	<u>758,037</u>

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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 half year ended December 31, 2020 there was a second wave of COVID -19 which also impacted the businesses in Pakistan. However, Company was able to manage the shock of second wave and its financial performance in the second quarter of the half year was better than the first quarter of financial year 2020-21. 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 February 18, 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