

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

First Quarterly

Financial Statements (Unaudited)

For The Period Ended September 30, 2020

**Wah Nobel Chemicals Limited**

## **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. Bilal Akbar, HI(M)	:	Chairman
Mr. Torbjorn Saxmo	:	Vice Chairman
Maj Gen Azhar Naveed Hayat Khan, HI(M)	:	Director
Mr. Muhammad Arshad	:	Director
Mr. Shafiq Ahmed Siddiqi	:	Director (N.I.T. Nominee)
Mr. Tariq M. Rangoonwala	:	Director
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, 2<sup>nd</sup> Floor, Rose Plaza,  
I-8 Markaz, Islamabad.  
Tel: 051-4938026-7, Fax: 051-4102628  
Email: [iilyas@hotmail.com](mailto: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) 4545243-6 (4 Lines)  
(051) 9314101-21 (21 Lines) Ext. 22236

### **FAX**

: (051) 4545241, (051) 4535862

### **E.MAIL**

: [ce@wahnobel.com](mailto:ce@wahnobel.com)

### **WEBSITE**

: [www.wahnobel.com](http://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 1<sup>st</sup> Quarter ended September 30, 2020.

The performance of the Company during the period under review has been Par Excellence as it achieved Gross Sales Revenue of Rs 659 million vis-à-vis Rs 562 million as compared to previous year's corresponding period (increased by 17%).

The Company earned After Tax Profit of Rs 66 million vis-à-vis Rs 34 million as compared to previous year's corresponding period (increased by 94%). 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.

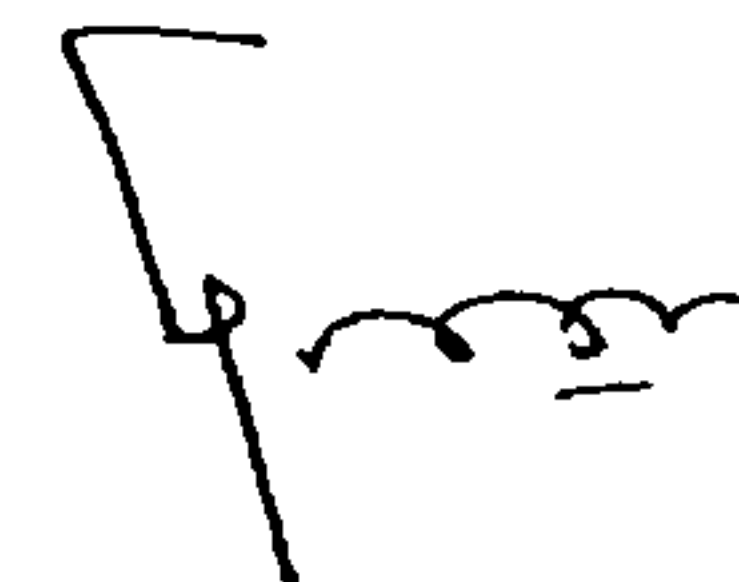
As regards Vend Fee and Permit Fee case, Sindh High Court has already pronounced favourable judgment. Presently the case is pending with the Honorable Supreme Court of Pakistan. Nexus to merits of the case and favourable decision of the Sindh High Court, the management is expecting a favourable decision 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**  
**Shiraz Ullah Choudhry, SI(M)®**  
Chief Executive

Wah Cantt  
Dated: 26.11.2020

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت یہ رپورٹ غیر آڈٹ شدہ مالی نتائج باہت پہلی سہ ماہی مختمہ 30 ستمبر 2020 پیش کرتے ہیں۔  
زیر جائزہ مدت کے دوران کمپنی کی کارکردگی اچھی رہی ہے۔ اس دوران کمپنی کی خالص آمدنی 659 ملین روپے ہے۔ جبکہ مقابلتاً اسی دورانیے  
میں گزشتہ سال یہ 562 ملین روپے تھی۔ (اضافہ 17%)۔

سال 2020-21 کے پہلے کوارٹر کے دوران کمپنی نے بعد از ٹیکس منافع 66 ملین روپے حاصل کیا جو کہ گزشتہ سال 34 ملین روپے تھا۔ (اضافہ  
94%)۔ منافع کی سطح میں اضافہ فروخت کے حجم میں اضافے اور فنانشل اور پروڈکشن کاسٹ میں کمی کے باعث ممکن ہوا۔ کووڈ 19 کی  
دوسری لہر مالی سال 2020-21 کے بقیہ مہینوں میں فروخت/منافع کو متاثر کر سکتی ہے۔

کمپنی کے مستقبل کے امکانات مثبت ہیں اور وہ اپنی بہترین کوشش سے بقیہ مالیاتی سال 2020-21 کے دوسرے کوارٹر میں کمپنی اور اسکے کرم  
فرماؤں کے لیے مسلسل بڑھوتی آپریشنل کارکردگی اور زیادہ سے زیادہ بہتر نتائج کے لیے سرگرم عمل 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  
التوا 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۔

ملک میں غیر مستحکم اقتصادی صورت حال کے باوجود کمپنی کے ملازمین کے بہتر نتائج کے حصول پر ڈائریکٹرز دل کی اتھاہ گہرائیوں سے  
ملازمین کی انتھک کوششوں اور مقصد کے حصول کیلئے کی گئی لگن کو سراہتے ہیں اور تمام گاہکوں جو کہ کمپنی کی مسلسل سرپرستی  
حمایت اور اعتماد رکھتے ہیں کے شکر گزار ہیں۔

ڈائریکٹرز بورڈ کی طرف سے

بریگیڈیر (ر) شیراز اللہ چوہدری  
چیف ایگزیکٹو

عثمان علی بھٹی

ڈائریکٹر

واہ کینٹ۔

سورخہ : 26 نومبر 2020ء



**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2020**

		<b>Unaudited</b>	<b>Audited</b>
		<b>September 30,</b>	<b>June 30,</b>
		<b>2020</b>	<b>2020</b>
	Note	(Rupees in '000')	
<b>Assets</b>			
Property, plant and equipment	4	297,626	297,682
Deferred tax asset		11,513	10,299
<b>Non-current assets</b>		<b>309,139</b>	307,982
Stores, spares and loose tools		52,725	52,369
Stock in trade		207,386	306,618
Trade debts	5	867,622	845,020
Advances, deposits, prepayments and other receivables		43,013	32,805
Short-term investment		2,873	2,819
Taxation - net		221,633	235,197
Cash and bank balances		8,298	24,609
<b>Current assets</b>		<b>1,403,549</b>	1,499,436
<b>Total assets</b>		<b>1,712,688</b>	1,807,418
<b>Equity</b>			
Share Capital		90,000	90,000
Capital reserve		944	944
Revenue reserves		958,690	892,687
<b>Total equity</b>		<b>1,049,634</b>	983,632
<b>Liabilities</b>			
Long Term Financing	6	33,179	40,037
Deferred liabilities		7,602	7,002
<b>Non-current liabilities</b>		<b>40,781</b>	47,038
Trade and other payables		254,055	156,818
Due to parent company		1,437	74
Unclaimed dividend		6,332	6,332
Current portion of long term financing	6	33,371	34,039
Loan from holding company - unsecured		305,316	308,347
Short term borrowings		21,762	271,138
<b>Current liabilities</b>		<b>622,273</b>	776,748
<b>Total liabilities</b>		<b>663,054</b>	823,786
<b>Total equity and liabilities</b>		<b>1,712,688</b>	1,807,418
<b>Contingencies and commitments</b>			
7			

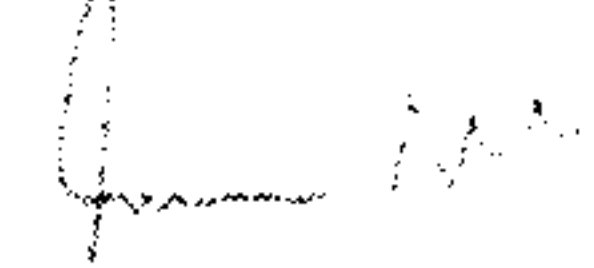
The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



**DIRECTOR**



**CHIEF EXECUTIVE OFFICER**

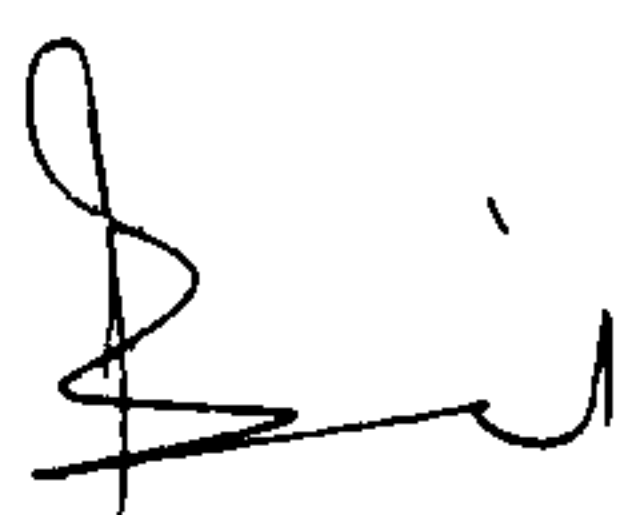


**CHIEF FINANCIAL OFFICER**

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	July-Sep 2020	July-Sep 2019
	(Rupees in '000')	
Gross sales	659,019	562,303
Sales tax	(98,748)	(87,503)
<b>Net sales</b>	<b>560,271</b>	474,800
<b>Cost of sales</b>	<b>(445,815)</b>	(394,605)
Gross profit	114,456	80,195
Administrative expenses	(3,462)	(3,782)
Distribution expenses	(4,486)	(2,178)
<b>Operating profit</b>	<b>106,508</b>	74,234
<b>Financial and other charges:</b>		
Finance cost	(9,807)	(21,689)
Other expenses	(6,772)	(3,830)
Other income	1,783	801
<b>Profit / (loss) before taxation</b>	<b>91,712</b>	49,517
Provision for taxation	(25,709)	(15,131)
Net profit / (loss) after taxation	66,003	34,386
Other comprehensive income for the period	-	-
Other comprehensive income for the period	66,003	34,386
<b>Earnings / (loss) per share - basic and diluted (Rupees)</b>	<b>7.33</b>	3.82

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



**DIRECTOR**



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	September 30, 2020	September 30, 2019
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	91,712	49,517
Adjustment for non cash items:		
Depreciation	7,443	8,336
Interest on term deposit receipts	(54)	-
Provision for gratuity fund	800	800
Workers' profit participation fund (WPPF)	4,682	2,659
Workers' welfare fund (WWF)	1,928	1,011
Provision for accumulated compensated absences	600	600
Provision in respect provident fund	1,615	1,557
	<b>17,014</b>	14,963
Changes in:		
Stores, spares and loose tools	(356)	30
Stock in trade	99,232	5,551
Trade debts	(22,602)	(31,567)
Advances, deposits, prepayments and other receivables	(10,208)	2,020
Due to holding company	1,363	873
Trade and other payables	91,072	(23,069)
	<b>158,502</b>	(46,162)
Cash generated from operating activities	<b>267,228</b>	18,318
Payment for:		
Provident fund	(1,587)	(1,525)
Pension fund	(1,274)	-
Taxation	(13,358)	(14,414)
	<b>(16,220)</b>	(15,939)
Net cash (used in) / generated from operating activities	<b>251,008</b>	2,379
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for capital expenditure	(7,387)	-
Interest on term deposit receipts	-	29
Net cash used in investing activities	<b>(7,387)</b>	29
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans (repaid) / received	(7,525)	(6,658)
Short term loan from Parent Company (repaid) / received	(3,031)	1,483
Net cash used in financing activities	<b>(10,556)</b>	(5,175)
Net increase/(decrease) in cash and cash equivalents	<b>233,065</b>	(2,768)
Cash and cash equivalents at beginning of the period	<b>(246,529)</b>	(279,078)
Cash and cash equivalents at end of the period	<b>8 (13,464)</b>	(281,846)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**DIRECTOR**

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

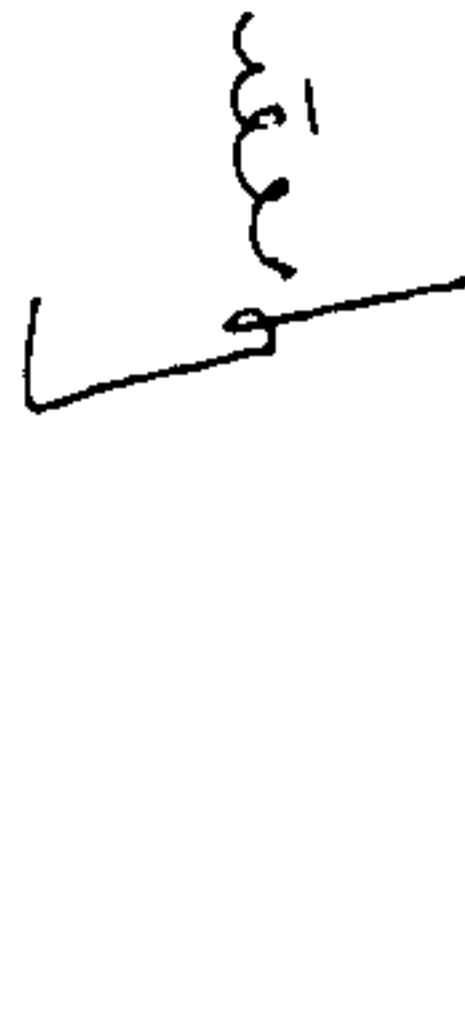


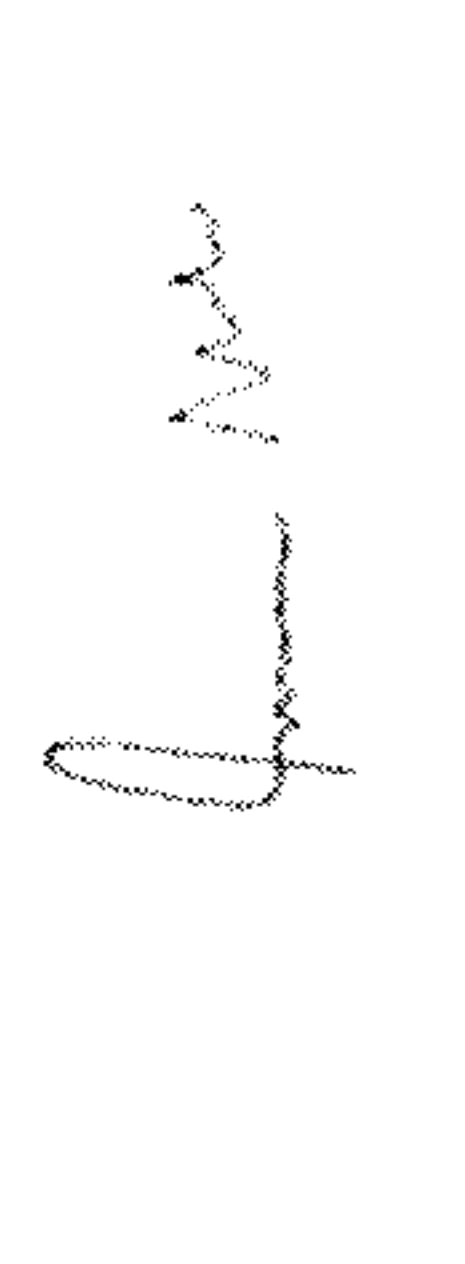
**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves			Total
			General reserve	Unappropriated profit	Sub-total	
(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 - net of tax	-	-	-	34,386		34,386
Balance as at September 30, 2019	90,000	944	635,000	196,087	831,087	922,031
<b>Balance as at July 1, 2020</b>	<b>90,000</b>	<b>944</b>	<b>750,000</b>	<b>142,687</b>	<b>892,687</b>	<b>983,632</b>
<b>Total comprehensive income for the period - net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,003</b>	<b>66,003</b>	<b>66,003</b>
<b>Balance as at September 30, 2020</b>	<b>90,000</b>	<b>944</b>	<b>750,000</b>	<b>208,690</b>	<b>958,690</b>	<b>1,049,634</b>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**DIRECTOR**

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

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**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, 2019. 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 three months period ended September 30, 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 Ltd.

These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

**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.

**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

**4 PROPERTY, PLANT AND EQUIPMENT**

During the three months period ended September 30, 2020, the Company made additions to property, plant and equipment aggregating to Rs. 7,387 thousand (September 30, 2019: Rs. Nil). Depreciation charge for the period amounts to Rs. 7,443 thousand (September 30, 2019: Rs. 8,336 thousand).

	<b>September 30 2020</b>	<b>June 30 2020</b>
	(Rupees in '000")	
	(Un-Audited)	(Audited)
<b>5 TRADE DEBTS</b>		
Considered good	867,622	845,020
Considered doubtful	163,171	163,171
	<u>1,030,793</u>	<u>1,008,191</u>
Less: Allowance for expected credit losses	<u>(163,171)</u>	<u>(163,171)</u>
	<u>867,622</u>	<u>845,020</u>

	<b>September 30 2020</b>	<b>June 30 2020</b>
	(Rupees in '000")	
	(Un-Audited)	(Audited)
<b>6 LONG TERM FINANCING</b>		
Term finance facility-secured	66,550	74,076
Less: Current portion shown under current liabilities	<u>(33,371)</u>	<u>(34,039)</u>
	<u>33,179</u>	<u>40,037</u>

**7 CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

The contingencies reported in the preceding annual financial statements have undergone the following change:

The contingent liability of the Company on account vend fee and permit fee has increased from Rs. 1,177 million to Rs. 1,202 million on account of further import of Methanol from July 01, 2020 to September 30, 2020.

	<b>September 30 2020</b>	<b>June 30 2020</b>
	(Rupees in '000")	
	(Un-Audited)	(Audited)
<b>7.2 Commitments</b>		
<b>7.2.1</b> Letters of credit for purchase of stocks	<u>219,533</u>	<u>98,032</u>
<b>7.2.2</b> Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded ware house.	<u>15,201</u>	<u>11,445</u>
<b>7.2.3</b> Letter of guarantee issued by bank on behalf of the Company	<u>15,000</u>	<u>15,000</u>

**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	September 30 2020	September 30 2019
<b>8 CASH AND CASH EQUIVALENTS</b>	(Rupees in '000')	
	(Un-Audited)	(Un-Audited)
Cash and bank balances	8,298	11,489
Short term running finance - secured	(21,762)	(293,335)
	<b>(13,464)</b>	<b>(281,846)</b>

	September 30 2020	September 30 2019
<b>9 RELATED PARTY TRANSACTIONS</b>	(Rupees in '000')	
	(Un-audited)	(Un-audited)
Significant transactions with related parties during the period were as follows:		
Expenses incurred (on behalf of) / by the group companies - net	1,363	648
Corporate service fee charged by holding company	-	225
Purchase of electricity from associated company	6,063	5,065
Purchase of raw material from associated company	1,270	-
Interest paid to the parent company	8,347	8,325
Contribution to:		
- Employee provident fund trust	544	553
- Workers' profit participation fund	-	-
Balances with related parties were as follows:		
Payable to associated companies	2,501	4,030
Due to holding company	1,437	1,840

**10 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES**

**10.1** Following information has been disclosed as required under Para 10 of Part-I of the Fourth Schedule to the Companies Act, 2017:

	September 30 2020	September 30 2019
	(Rupees in '000')	
	(Un-audited)	(Un-audited)
Profits earned on any conventional investment	332	556
Interest paid on any conventional loan or advance	14,641	18,110

**10.2** All revenue is earned from shariah compliant business segment.

**10.3** Disclosures other than above are not applicable to the Company.



**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**11 NON ADJUSTING EVENT AFTER THE REPORTING DATE**

**11.1** The Board of directors at the meeting held on October 07, 2020 have proposed for the year ended June 30, 2020 cash dividend of Rs 4 per share (2019: Rs. 4 per share), amounting to Rs. 36 Million (2019: Rs. 36 Million) subject to approval of members at the annual general meeting.

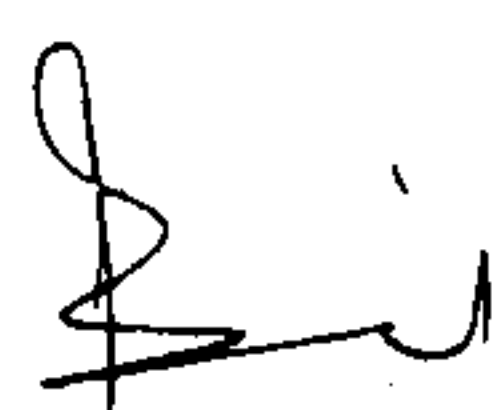
**11.2** The Board of directors at the meeting held on October 07, 2020 have approved to transfer Rs. 100 million to general reserves.

**12 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on November 26, 2020 by the Board of Directors of the Company.

**13 GENERAL**


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



**DIRECTOR**



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**