

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

**WAH
NOBEL
CHEMICALS
LTD**

Half Yearly
Financial Statements
(Unaudited)
December 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 Rashid Mahmood	:	Director
Mrs. Kishwar Ahsan	:	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
Mrs. Kishwar Ahsan	:	Member
Mr. Usman Ali Bhatti	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Tariq M. Rangoonwala	:	Chairman
Mrs. Kishwar Ahsan	:	Member
Brig (R) Shiraz Ullah Choudhry, SI(M)	:	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) 4545243-6 (4 Lines)
(051) 905525204

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 Board of Directors of the Company is pleased to present Condensed Interim Financial Information (un-audited) of the Company duly reviewed by the statutory auditors, for the half year ended December 31, 2021.

During the period under review Company has achieved Gross Sales Revenue of Rs 1,857 million vis-à-vis Rs 1,439 million as compared to previous year's corresponding period (increased by 29%).

Despite the challenging economic conditions, during the six months of FY 2021-22, the Company earned After Tax Profit of Rs 137 million. The profitability levels have been affected due to increase in Finance Cost, Production Cost that can be attributed to higher raw material prices, provision of expected credit loss and substantial devaluation of Pak Rupee vis-à-vis US\$.

By the Grace of Almighty Allah, new plant of Urea Formaldehyde Moulding Compound (UFMC) having annual capacity of 6,000 MT has been successfully installed and is fully operational. Through the expansion of UFMC the company expects generation of additional revenues / profits in the upcoming period.

The management has a positive outlook and geared up, to ensure continued growth, operational efficiency and optimum results for the company and its stakeholders.

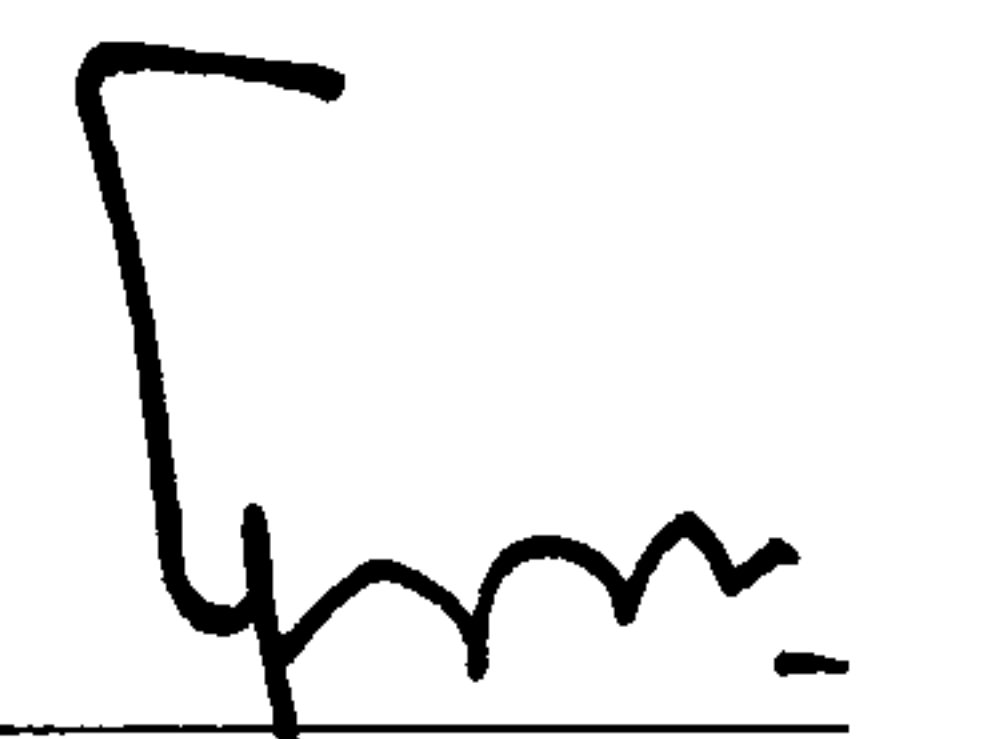
As regards Vend Fee and Permit Fee case, on January 19, 2022 the Honorable Supreme Court of Pakistan has disposed off the appeal of Provincial Government of Sindh. As per the order the Provincial Government shall surrender the Indemnity Bonds from 1990 to October 30, 2002 Subsequent to this date, a fresh demand shall be raised for the amount payable following the notification dated February 14, 2002 and Sindh (Amendment) Abkari Ordinance 2002 notified on October 30, 2002.

Upon the receipt of the fresh demand from the Department, the Company intends to approach the relevant Court to defend the case. Nexus to merits of the case and favourable decision of the Sindh High Court, the management is expecting a favourable decision from the Court if situation arises.

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.


Kishwar Ahsan
Director

On behalf of the Board


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

Wah Cantt
Dated: 24.02.2022

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت غیر آڈٹ شدہ مالی نتائج بابت ششماہی 31 دسمبر 2021 پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی خالص آمدنی 1,857 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 1,439 ملین روپے تھی (اضافہ %29)۔

مشکل معاشی حالات کے باوجود مالی سال 2021-22 کے چھ ماہ کے دوران، کمپنی نے بعد از ٹیکس منافع 137 ملین روپے کمایا۔ پیداواری لاگت میں اضافے کی وجہ سے منافع کی سطح متاثر ہوئی ہے جو کہ خام مال کی زیادہ قیمتوں، متوقع کریڈٹ نقصان کی فراہمی اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔

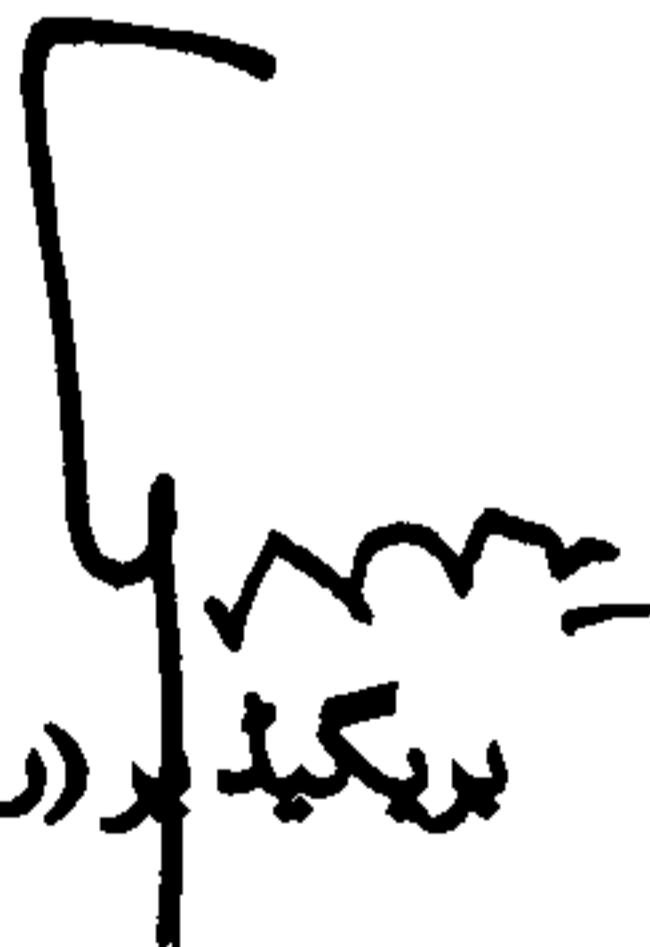
اللہ کے فضائل و کرم سے Urea Formaldehyde Moulding Compound (UFMC) کا نیا پلانٹ جو کہ سالانہ 6000 MT پیداواری صلاحیت رکھتا ہے، کامیابی سے نصب ہو چکا ہے۔ UFMC کی توسیع کی وجہ سے کمپنی متوقع ہے کہ آنے والے عرصے کے دوران اضافی منافع حاصل ہوگا۔

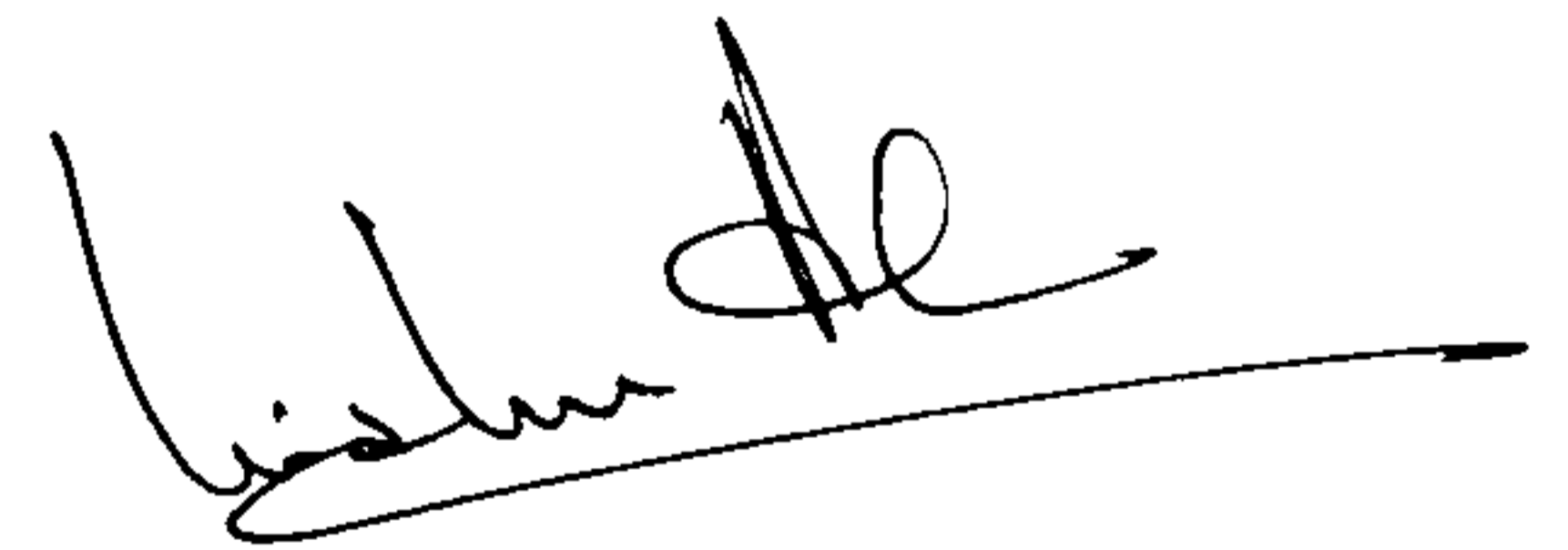
انتظامیہ ایک مثبت نقطہ نظر رکھتی ہے اور کمپنی اسٹیک ہولڈرز کے لئے مسلسل ترقی اور اچھے نتائج کو یقینی بنانے کے لئے کوشاں ہے۔

وینڈ فیس اور پرمیٹ فیس کیس کے حوالے سے معزز سپریم کورٹ و آف پاکستان نے 19 جنوری 2022 کو سندھ کی صوبائی حکومت کی اپیل کو نمٹا دیا۔ حکم کے مطابق صوبائی حکومت 1990 سے 30 اکتوبر 2002 تک Indemnity Bonds سے دستبردار ہوگی، اس تاریخ کے بعد 14 فروری 2002 کے Notification اور 2002 Abkari Ordinance (Amendment) Sind کے بعد قابل ادائیگی رقم کے لئے ایک نئے مطالبہ اٹھایا جائے گا جیسا کہ 30 اکتوبر 2002 کو مطلع کیا گیا۔ محکمہ کی جانب سے مطالبہ کی وصولی پر کمپنی کیس کا دفاع کرنے کے لئے عدالت سے رجوع کرنے کا ارادہ رکھتی ہے۔ کیس کے میرٹ اور سندھ ہائی کورٹ کے سٹاگ فیصلے کی موجودگی میں عدالت سے سٹاگ فیصلے کی توقع ہے۔

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


بریگیڈیئر (ر) شیراز اللہ چودھری
چیف ایگزیکٹو


کیشور احسان
ڈائریکٹر

واہ کینٹ۔

مورخہ: 24 فروری 2022ء

**Grant Thornton Anjum
Rahman**302 B, 3rd Floor,
Evaquee Trust Complex,
Aga Khan Road, F-5/1,
Islamabad, Pakistan.**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Wah Nobel Chemicals Limited****T +92 51 2271906****F +92 51 2273874****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, 2021 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 other comprehensive income for the three months period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.


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.

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


GRANT THORNTON ANJUM RAHMAN
Chartered Accountant

Islamabad

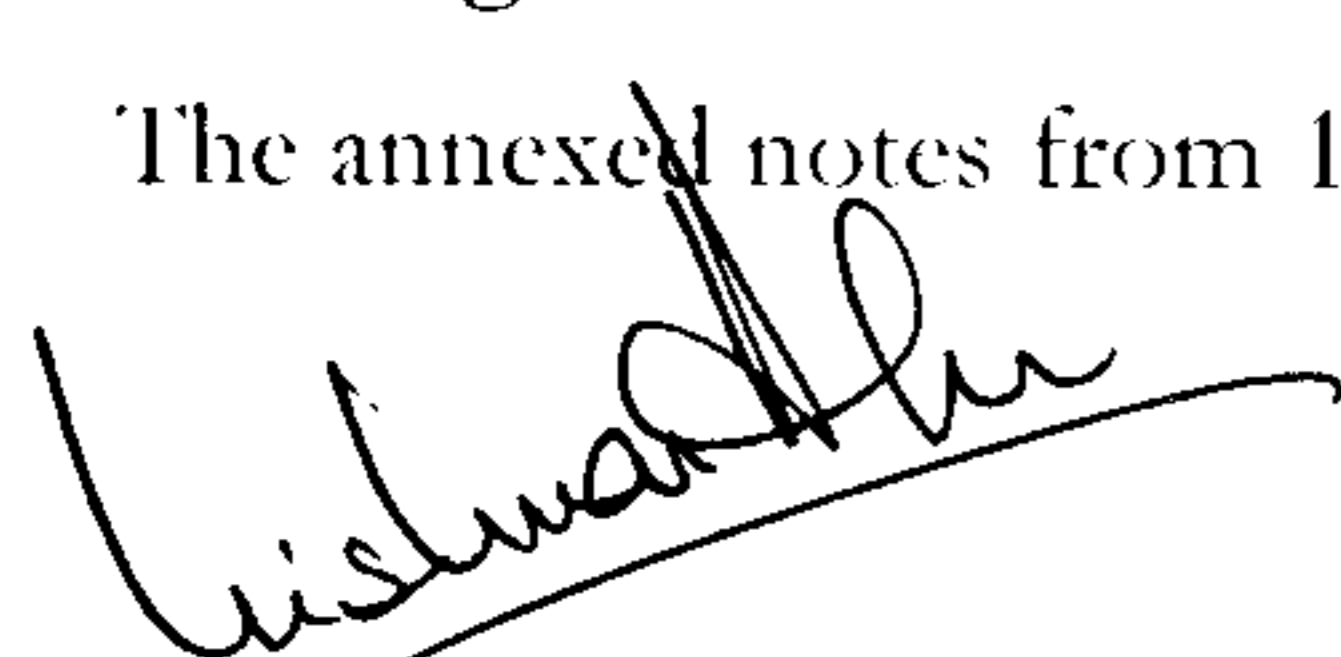
Dated: February 28, 2022.

UDIN: RR202110209xczNIGik0

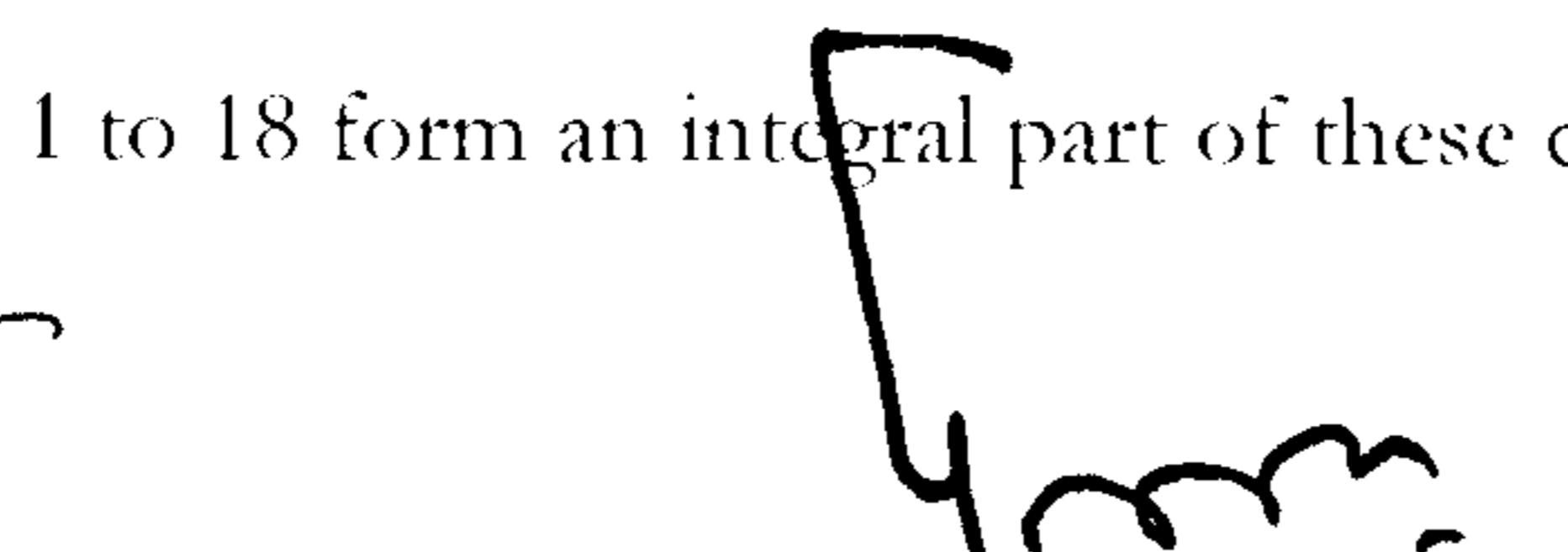
WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		December 31 2021	June 30 2021
	Note	(Rupees in '000')	
		Unaudited	Audited
Assets			
Property, plant and equipment	5	434,882	384,394
Deferred tax		-	5,461
Non-current assets		434,882	389,855
Stores, spares and loose tools		77,221	68,171
Stock in trade		561,112	469,771
Trade debts	6	1,286,969	1,051,120
Advances, deposits, prepayments and other receivables		32,657	53,145
Short-term investment		2,656	2,681
Taxation - net		161,728	174,789
Cash and bank balances		2,649	25,573
Current assets		2,124,992	1,845,250
Total assets		2,559,874	2,235,105
Equity and liabilities			
Share capital		90,000	90,000
Capital reserve		944	944
Revenue reserves		1,238,869	1,191,505
Total equity		1,329,813	1,282,449
Liabilities			
Long term financing	7	62,204	72,353
Deferred liabilities	8	9,223	7,750
Non-current liabilities		71,427	80,103
Current portion of long term financing	7	11,927	-
Trade and other payables	9	449,841	404,792
Unclaimed dividend		7,560	6,691
Due to parent company	10	147	26
Loan from parent company - unsecured		305,883	305,669
Short term borrowings	11	383,276	155,375
Current liabilities		1,158,634	872,553
Total liabilities		1,230,061	952,656
Total equity and liabilities		2,559,874	2,235,105
Contingencies and commitments	12		

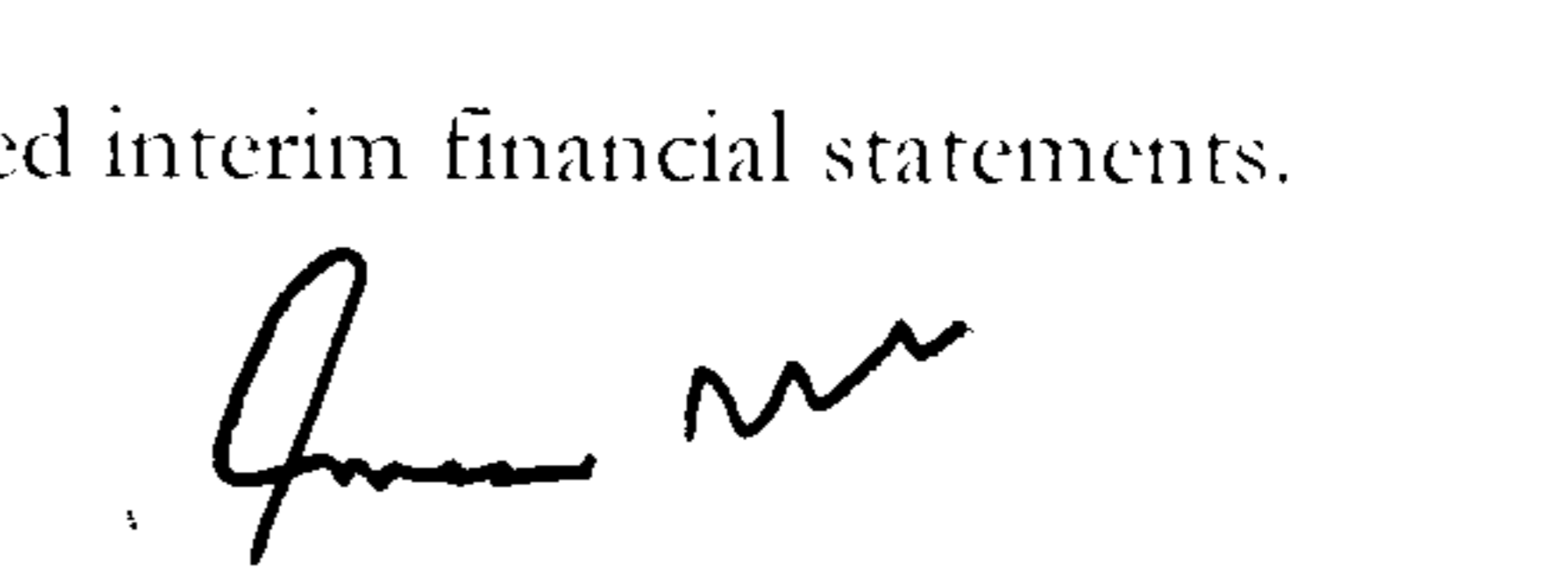
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER



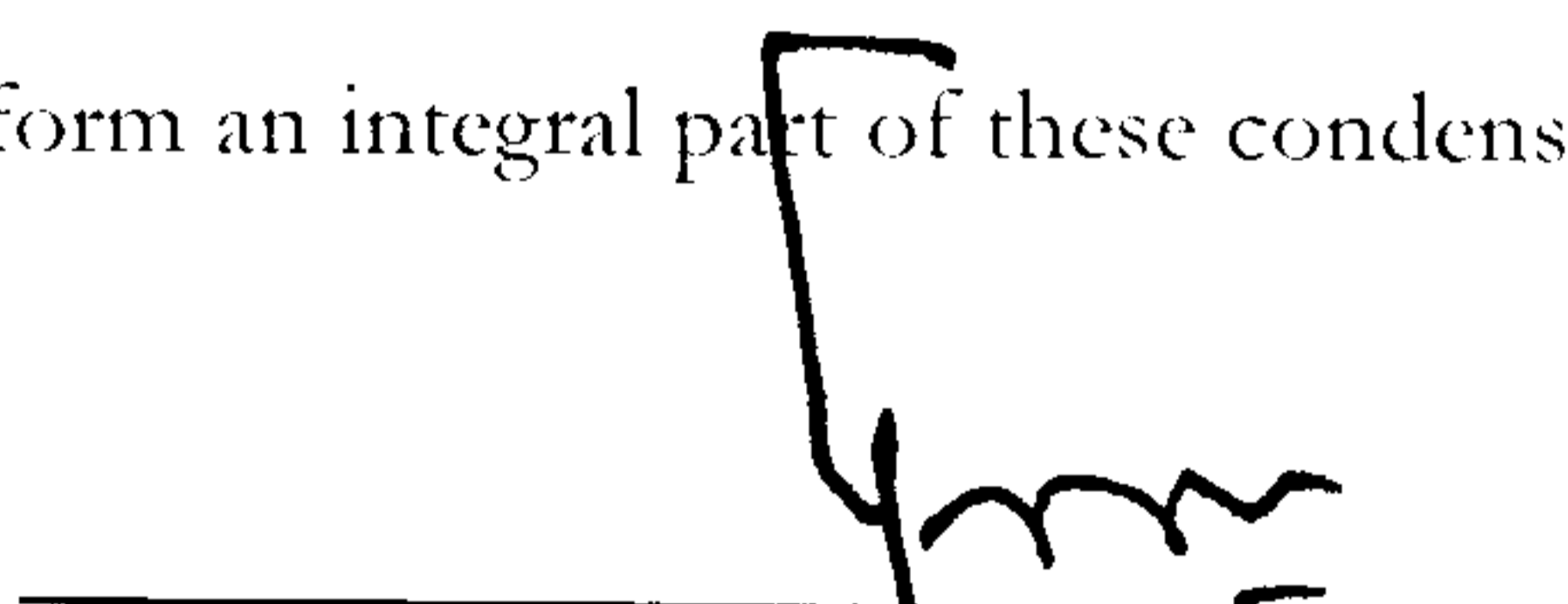
CHIEF FINANCIAL OFFICER

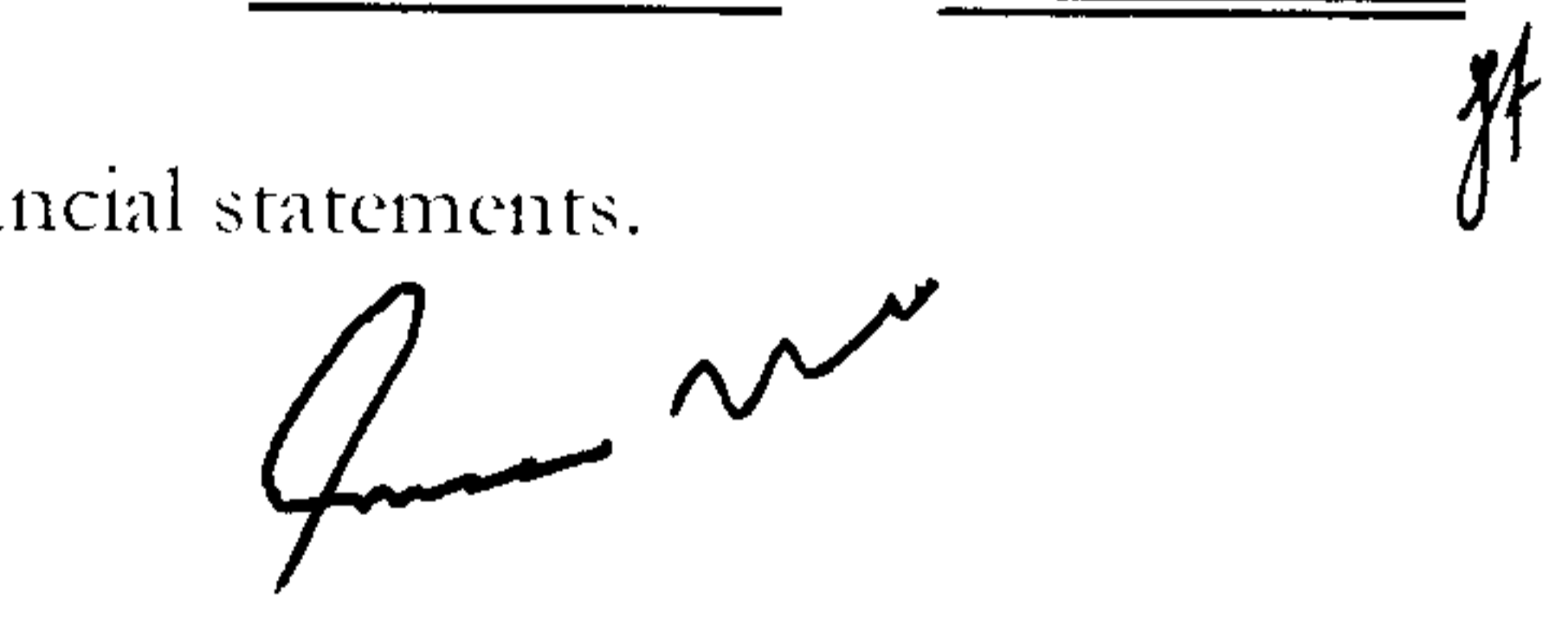
WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Note	Six months ended		For the quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
(Rupees in '000')					
Gross sales	13	1,856,754	1,438,702	999,243	777,497
Sales tax		(278,274)	(216,908)	(150,805)	(118,160)
Discount		(3,795)	(4,559)	(1,892)	(2,373)
Net sales		1,574,685	1,217,235	846,546	656,964
Cost of sales		(1,317,544)	(959,227)	(699,898)	(513,412)
Gross profit		257,141	258,008	146,648	143,552
Administrative expenses		(8,537)	(7,087)	(4,883)	(3,625)
Distribution expenses		(6,507)	(5,348)	(3,533)	(862)
Operating profit		242,097	245,573	138,232	139,065
Finance cost		(30,020)	(16,271)	(16,635)	(6,464)
Other expenses		(15,031)	(15,915)	(8,510)	(9,143)
Allowance for expected credit losses		(5,737)	-	(5,737)	-
Other income		3,668	2,514	3,349	731
Profit before taxation		194,977	215,901	110,699	124,189
Provision for taxation		(57,613)	(62,106)	(33,392)	(36,397)
Net profit after taxation		137,364	153,795	77,307	87,792
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		137,364	153,795	77,307	87,792
Earnings per share - basic and diluted		15.26	17.09	8.59	9.75

The annexed notes from 1 to 18 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, 2021

	December 31 2021	December 31 2020
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	194,977	215,901
Adjustment for non cash items:		
Depreciation	15,785	15,175
Interest on term deposit receipts	(41)	(351)
Interest on workers' profit participation fund	1,048	115
Allowance for expected credit losses	5,737	-
Provision for gratuity fund	1,600	1,600
Workers' profit participation fund (WPPI)	10,483	11,022
Workers' welfare fund (WWF)	4,193	4,538
Provision for accumulated compensated absences	1,200	1,200
Provision for provident fund	3,980	3,385
Markup on loan from parent company -net	214	-
Markup on loan from State Bank of Pakistan	1,777	-
	45,976	36,684
Changes in:		
Stores, spares and loose tools	(9,049)	(931)
Stock in trade	(91,340)	102,678
Trade debts	(241,586)	9,078
Advances, deposits, prepayments and other receivables	20,487	2,839
Due to parent company	121	635
Trade and other payables	35,573	149,358
	(285,794)	263,657
Cash (used in)/ generated from operating activities	(44,841)	516,242
Payment for:		
Workers' profit participation fund	(6,363)	(1,454)
Gratuity fund	(1,500)	-
Provident fund	(3,965)	(3,295)
Pension fund	-	(1,274)
Taxation	(38,816)	(27,811)
	(50,644)	(33,834)
Net cash (used in)/ generated from operating activities	(95,485)	482,408
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(66,273)	(8,759)
Interest on term deposit receipts	65	558
Net cash used in investing activities	(66,208)	(8,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	-	(73,413)
Short term loan from parent company (repaid) /received	-	(2,864)
Dividends paid	(89,131)	(35,225)
Net cash used in financing activities	(89,131)	(111,502)
Net increase in cash and cash equivalents	(250,824)	362,705
Cash and cash equivalents at beginning of the period	(129,803)	(246,529)
Cash and cash equivalents at end of the period	(380,627)	116,176

The annexed notes from 1 to 18 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, 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 June 30 , 2020	90,000	944	750,000	142,687	892,687	983,632
Total comprehensive income for six months ended December 31, 2020						
Profit after taxation	-	-	-	-	-	-
Other comprehensive income - net of tax	-	-	-	153,795	153,795	153,795
	-	-	-	153,795	153,795	153,795
Transactions with owners recorded directly in equity						
Final dividend @ Rs. 4.00 per share -FY 2020	-	-	-	(36,000)	(36,000)	(36,000)
Other						
Transfer to general reserve	-	-	100,000	(100,000)	-	-
Balance as at December 31, 2020	90,000	944	850,000	160,482	1,010,482	1,101,427
Balance as at July 1, 2021	90,000	944	850,000	341,505	1,191,505	1,282,449
Total comprehensive income for six months ended December 31, 2021						
Profit after taxation	-	-	-	-	-	-
Other comprehensive income - net of tax	-	-	-	137,364	137,364	137,364
	-	-	-	137,364	137,364	137,364
Transactions with owners record.ed directly in equity						
Final dividend @ Rs. 10.00 per share -FY 2021	-	-	-	(90,000)	(90,000)	(90,000)
Others						
Transfer to general reserve	-	-	250,000	(250,000)	-	-
Balance as at December 31, 2021	90,000	944	1,100,000	138,869	1,238,869	1,329,813

The annexed notes from 1 to 18 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 SIX MONTHS PERIOD ENDED DECEMBER 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

2.1 Statement of compliance

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.

- #### 2.2
- 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, 2021. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of June 30, 2021, 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 six months period ended December 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.

2.3 Changes in accounting standards, interpretations and pronouncements

2.3.1 Standards and amendments to approved accounting and reporting standards that are effective:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

2.3.2 Standards and amendments to approved accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company 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, 2021.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- #### 4.1
- The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

- #### 4.2
- Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual audited financial statements as at and for the year ended June 30, 2021.

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WAH NOBEL CHEMICALS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

5 PROPERTY, PLANT AND EQUIPMENT

		December 31 2021	June 30 2021
(Rupees in '000")			
	Note	(Un-Audited)	(Audited)
5.1 Operating fixed assets			
Balance at 01 July		277,580	297,682
Additions during the period/ year		15,939	10,432
Transfers from Capital work in progress	5.2	157,148	-
Disposal during the period/ year		-	(1,813)
Depreciation charged during the period/ year		(15,791)	(28,722)
Balance at period/ year end		<u>434,882</u>	<u>277,580</u>
5.2 Capital work in progress			
Balance at 01 July		106,814	-
Additions during the period/ year		50,334	116,347
Related government grant		-	(9,533)
Transferred to operating fixed assets		(157,148)	-
Balance at period/ year end		<u>-</u>	<u>106,814</u>

5.3 This represents addition in plant & machinery and building. Addition of plant has increased the capacity of UPMC production by 6000 MT.

6 TRADE DEBTS

		December 31 2021	June 30 2021
(Rupees in '000")			
	Note	(Un-Audited)	(Audited)
Trade debts		1,431,270	1,189,684
Less: Allowance for expected credit losses	6.1	(144,301)	(138,564)
		<u>1,286,969</u>	<u>1,051,120</u>
6.1 Movement in allowance for expected credit losses			
Balance at 01 July		138,564	163,171
Charge for the period/ year		5,737	4,516
Debts written off		-	(29,123)
Balance at period/ year end		<u>144,301</u>	<u>138,564</u>

7 LONG TERM FINANCING

State Bank of Pakistan	7.1	72,353	71,660
Accrued markup		1,778	693
Current portion of long term financing		(11,927)	-
		<u>62,204</u>	<u>72,353</u>

7.1 This represents utilized amount of long term finance facility under State Bank of Pakistan (SBP) temporary economic refinance facility for payment of capital asset procurement with cumulative sanctioned limit of Rs. 84 million. The facility carries fixed mark-up of 4% of the utilized amount. The tenor of the facility is 5 years repayable in 16 equal quarterly instalments. The facility is secured by registration of specific charge on fixed assets of the Company for 112 M.

		December 31 2021	June 30 2021
(Rupees in '000")			
		(Un-Audited)	(Audited)

8 DEFERRED LIABILITIES

Accumulated compensated absences		8,950	7,750
Deferred tax liability		273	-
Balance at period/ year end		<u>9,223</u>	<u>7,750</u>

WAH NOBEL CHEMICALS LIMITED

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

FOR SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

9 TRADE AND OTHER PAYABLES

This includes payable to Wah Nobel Private limited (Parent company) amounting to Rs. 799 thousand (June 30, 2021 Rs. Nil) and Nobel Energy Limited (an associated company) amounting to Rs. 1,208 thousand (June 30, 2021 Rs. 2,215 thousand).

10 DUE TO PARENT COMPANY

The amount represents payable in respect of expenses incurred by the parent company on behalf of the Company. This is unsecured and payable on demand.

December 31 June 30
2021 2021

(Rupees in '000")

(Un-Audited) (Audited)

11 SHORT-TERM BORROWINGS - SECURED

Running finance availed from:

- Bank Al-Habib Limited	45,466	27,790
- Allied Bank Limited	160,666	8,230
- Askari Bank Limited	149,439	118,353
- MCB Bank Limited	19,713	-
Accrued markup	7,992	1,002
	383,276	155,375

11.1 The Company has obtained running finance facility with limits upto Rs. 690,000 thousand (June 30, 2021: Rs. 690,000 thousand) from different banks. These facilities carries markup of 1 month/ 3 months KIBOR plus 0.35% payable on quaterly basis. These facilities are secured against first pari passu charge on present and future, current and fixed assets of the Company .

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

As regards vend fee and permit fee case, on January 19, 2022 the Honorable Supreme Court of Pakistan has disposed off the appeal of Provincial Government of Sindh. As per the order, the Provincial Government shall surrender the Indemnity Bonds from 1990 to October 30, 2002 and subsequent to this date, a fresh demand shall be raised for the amount payable following the notification dated February 14, 2002 and Sindh (Amendment) Abkari Ordinance 2002 notified on October 30, 2002. Upon the receipt of the fresh demand from the Department, the Company intends to approach the relevant Court to defend the case.

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.

As of the reporting date vend and permit fee(net) determined on the basis of consumption of methanol by the Company since November 2002 comes to Rs.1,033 million. Based on the previous favourable decisions of High Courts the management has made no provision for any liability. Furthermore, management is making necessary efforts to resolve this matter and is confident that the Company will be able to continue as a going concern.

December 31 June 30
2021 2021

(Rupees in '000")

(Un-Audited) (Audited)

12.2 Commitments

12.2.1 Letters of credit for purchase of stocks

124,187 354,293

12.2.2 Post dated cheques issued in favour of collector of customs against custom duties and other levies on methanol kept in bonded ware house.

46,929 25,723

12.2.3 Letter of guarantee issued by bank on behalf of the Company

15,000 15,000

12.2.1.4 Capital expenditures against civil work services from Wah Construction limited

- 22,102

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

	December 31 2021		December 31 2020	
	(Rupees in '000")			
	(Un-Audited)		(Un-Audited)	
13 GROSS SALES				
Local sales	1,856,754		1,438,702	
Export	-		-	
	<u>1,856,754</u>		<u>1,438,702</u>	
	Six month ended		Three month	
Dissegregation of Revenue	December 31 2021	December 31 2020	December 31 2021	December 31 2020
	(Rupees in '000')			
Urea Formaldehyde Moulding compound	702,833	594,104	381,356	318,824
Urea / Phenol Formaldehyde	500,376	360,611	291,641	185,896
Formaldehyde and Formalin solvent	615,212	440,322	301,551	242,156
Others	38,333	43,665	24,694	30,621
	<u>1,856,754</u>	<u>1,438,702</u>	<u>999,242</u>	<u>777,497</u>
			December 31 2021	December 31 2020
	(Rupees in '000")			
	(Un-Audited)		(Un-Audited)	
14 CASH AND CASH EQUIVALENTS				
Cash and bank balances	2,649		116,392	
Short term running finance - secured	(383,276)		(216)	
	<u>(380,627)</u>		<u>116,176</u>	
15 RELATED PARTY TRANSACTIONS AND BALANCES				

The Company is a subsidiary of Wah Nobel (Private) Limited, so all subsidiaries, holding companies and associated undertakings of the parent are related parties of the Company. Other related parties comprise of directors, key management personnel, entities with common directorships and entities over which the directors and trustees are able to exercise influence. Balances and transactions with related parties are shown relevant notes to the financial statements.

15.1 Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

Associated company	Nature of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Wah Nobel (Private) Ltd.	Parent company	4,970,395	55.23%
WNPL Employees Provident Fund	Staff retirement	99,000	1.10%
WNCL Employees Provident Fund	Staff retirement	33,102	0.37%
Wah Nobel Acetates Limited (WNAI)	Associated company	-	0.00%
Nobel Energy Limited (WNEI)	Associated company	-	0.00%
Wah Construction (Pvt) Limited	Associated company	-	0.00%
Mr. Tariq Rangoonwala	Director	500	0.01%
Mr. Shafiq Ahmed Siddiqi	Director	-	0.00%

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

15.2 Details of transactions with related parties, other than those which have been disclosed elsewhere in these condensed financial statements are as follows:

	December 31 2021	December 31 2020
	(Rupees in '000")	
	(Un-Audited)	(Un-Audited)
RELATED PARTY TRANSACTIONS		
Significant transactions with related parties during the period were as follows:		
Expenses incurred on behalf or by the parent companies - net	(1,471)	(8,435)
Corporate service fee charged by holding company	450	-
Payment to/ (by) parent company against expenses- net	1,800	7,800
Purchase of electricity from associated company	9,332	9,323
Purchase of electricity from parent company	5,759	-
Civil work services from Wah Construction (Pvt) Limited	22,765	-
Purchase of raw material from associated company	5,154	7,270
Dividend paid to the holding company	49,704	19,882
Sales to parent company	11,340	-
Interest paid to the parent company	11,303	13,662
Interest incurred on loan from parent company	11,516	10,798
Contribution to:		
- Employee provident fund trust	1,215	1,121
- Workers profit participation fund	10,483	1,454
Balances with related parties were as follows:		
Loan from holding company-unsecured	305,883	305,482
Payable to associated companies	2,007	1,400
Due to holding company	147	709
Payable to employee's gratuity fund	2,042	2,164
Payable to employee's provident fund	663	603

16 IMPACT OF COVID-19 (CORONA VIRUS)

Due to prevailing COVID-19 situation a vigilant approach is adopted to cater the business risks. The management has evaluated and concluded that there are no implications of COVID-19 that require adjustment and specific disclosure in these condensed interim financial statements.

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 24, 2022 by the Board of Directors of the Company.

18 GENERAL


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



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER