



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

WAH NOBEL CHEMICALS LTD

First Quarterly
Financial Statements
(Unaudited)
September, 2018

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.

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

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

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

: Mr. Tanveer Elahi, FCA

AUDITORS

: KPMG Taseer Hadi & Co
Chartered Accountants

LEGAL ADVISORS

: The Law Firm of Basit Musheer

SHARES REGISTRAR

: Ilyas Saeed Associates (Pvt.) Ltd.,
Management Consultants,
Office # 26, 2nd Floor, Rose Plaza,
I-8 Markaz, Islamabad.
Tel: 051-4938026-27,
Fax: 051-4102628
Email: iilyas@hotmail.com

BANKERS

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

REGISTERED OFFICE

: G.T. Road, Wah Cantt.

PHONES

: (051) 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 1st quarter ended September 30, 2018.

The performance of the Company during the period under review is fairly good in achieving Gross Sales. It achieved Gross Sales Revenue of Rs 548 million vis-à-vis Rs 480 million as compared to previous year's corresponding period (increased by 14%).

The Company earned Pre-tax Profit of Rs 43 million as compared to Rs 70 million (decreased by 39%) and After Tax Profit of Rs 30 million during the period under review against Rs 48 million (decreased by 38%) of the previous year's corresponding period. The decrease in profit is mainly attributed to increase in cost of sales due to increase in exchange rate and Financial Cost.

New Formaldehyde plant have been installed and is under trial run / production.

The management has a positive outlook and geared up to ensure continued growth, operational efficiency and optimum results for the company and its stakeholders in the remaining period of Financial Year 2018-19.

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.



HASHMAT HUSSAIN
DIRECTOR

On behalf of the Board



BRIG (R)
SHIRAZ ULLAH CHOUDHRY, SI(M)
CHIEF EXECUTIVE

Wah Cantt

Dated: 26-10-2018

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت یہ رپورٹ غیر آڈٹ شدہ مالی نتائج بابت پہلی سہ ماہی و نو ماہ ختمہ 30 ستمبر 2018 پیش کرتے ہیں۔
زیر جائزہ مدت کے دوران کمپنی کی کارکردگی شاندار رہی ہے۔ اس دوران کمپنی کی خالص آمدنی 548 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 480 ملین روپے تھی۔ کمپنی نے پری ٹیکس منافع 43 ملین روپے حاصل کیا جبکہ، گزشتہ سال سے 70 ملین حاصل کیا ہے (کمی 39%)۔

زیر جائزہ مدت میں منافع بعد از ٹیکس 30 ملین روپے ہے جو کہ گزشتہ سال 48 ملین روپے تھا۔ (کمی 38%)۔

منافع میں کمی کی بنیادی وجہ فروخت کی قیمت میں اضافہ، تبادلے کی شرح اور مالیاتی لاگت میں اضافے سے منسوب کیا جاتا ہے۔

نیفا ر میلڈی ہائیڈ پلانٹ نصب کیا جا چکا ہے اور تجرباتی پیداوار شروع ہے۔

کمپنی کے مستقبل کے امکانات مثبت ہیں اور وہ اپنی بہترین کوشش سے بقیہ مالیاتی سال 2018-19 میں کمپنی اور اسکے کرم فرمائوں کے لئے 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 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 گہرا ہوں 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۔



بریلیڈیر (ر) شیراز اللہ چودھری
چیف ایگزیکٹو



حشمت حسین

ڈائریکٹر

واہ کینٹ۔

مورخہ: 26 اکتوبر 2018ء

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2018

	<i>Note</i>	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in '000')			
Assets			
Non-current assets			
Property, plant and equipment	4	334,810	307,614
Total non-current assets		334,810	307,614
Current assets			
Stores, spares and loose tools		47,394	49,875
Stock in trade		306,430	281,258
Trade debts	5	510,470	442,532
Advances, deposits, prepayments and other receivables		42,518	65,291
Short-term investment		2,838	2,680
Taxation - net		169,717	159,392
Cash and bank balances		15,862	19,064
Total current assets		1,095,229	1,020,092
Total assets		1,430,039	1,327,706
Equity			
Authorized capital:			
20,000,000 ordinary shares of Rs. 10/- each		200,000	200,000
Issued, subscribed and paid up capital:		90,000	90,000
Capital reserve		944	944
Revenue reserves		717,882	687,436
Total equity		808,826	778,380
Non current liabilities			
Long Term Financing	6	75,429	82,286
Deferred liabilities		6,486	6,503
Total non-current liabilities		81,915	88,789
Current liabilities			
Trade and other payables		238,916	222,726
Due to holding company		1,267	1,289
Unclaimed Dividends		4,704	4,707
Current portion of long term financing		20,571	13,714
Short term borrowings		267,577	216,372
Accrued mark-up		6,263	1,728
Total current liabilities		539,298	460,537
Total liabilities		621,213	549,326
Total equity and liabilities		1,430,039	1,327,706
Contingencies and commitments			
	7		


The annexed notes from 1 to 12 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, 2018

	July-Sep 2018	July-Sep 2017
(Rupees in '000')		
Gross sales	547,767	480,241
Sales tax	(84,705)	(73,773)
Net sales	463,062	406,468
Cost of sales	(400,722)	(318,805)
Gross profit	62,340	87,663
Administrative expenses	(4,174)	(3,562)
Distribution expenses	(7,027)	(6,671)
Operating profit	51,138	77,430
Financial and other charges:		
Finance cost	(4,878)	(2,352)
Other expenses	(3,340)	(5,328)
Other income	216	217
Profit before taxation	43,137	69,967
Provision for taxation	(12,691)	(22,130)
Net profit after taxation	30,446	47,837
Other comprehensive income for the period	-	-
Other comprehensive income for the period	30,446	47,837
Earnings per share - basic and diluted (Rupees)	3.38	5.32

The annexed notes from 1 to 12 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, 2018

	September 30, 2018	September 30, 2017
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,137	69,967
Adjustment for non cash charges and other items:		
Depreciation	3,772	3,191
Interest on term deposit receipts	(20)	(163)
Bank interest	(196)	(46)
Financial and other charges	4,878	2,352
Workers' profit participation fund (WPPF)	2,317	3,757
Workers' welfare fund (WWF)	880	1,427
Provision for employees' gratuity fund	800	800
Provision for accumulated compensated absences	600	600
	13,031	11,918
Changes in working capital		
Increase/ (decrease) in current assets:		
Stores, spares and loose tools	2,481	8,688
Stock in trade	(25,173)	26,573
Trade debts	(67,937)	971
Advance, deposits prepayments & other receivables	22,773	15,365
Increase/(decrease) in current liabilities:		
Trade and other payables	14,565	20,081
	(53,291)	71,678
Cash generated from operations	2,877	153,563
(Payment for) / Receipt of:		
Taxation	(23,395)	(24,552)
Financial and other charges	(343)	(1,014)
WPPF	(2,397)	-
Interest on bank balance	57	46
Compensated absences	(238)	(414)
	(26,316)	(25,934)
Net cash generated from operating activities	(23,439)	127,629
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(30,968)	(5,269)
Interest on term deposit receipts	-	271
Net cash used in investing activities	(30,968)	(4,998)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(54,407)	122,631
Cash and cash equivalents at beginning of the period	(197,308)	(213,584)
Cash and cash equivalents at end of the period	(251,715)	(90,953)

8

The annexed notes from 1 to 12 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, 2018

	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, 2017	90,000	944	425,000	142,666	567,666	658,610
Profit after taxation	-	-	-	47,836	47,836	47,836
Balance as at September 30, 2017	90,000	944	425,000	190,503	615,503	706,447
Balance as at July 1, 2018	90,000	944	505,000	182,436	687,436	778,380
Profit after taxation	-	-	-	30,446	30,446	30,446
Transfer to general reserve	-	-	130,000	(130,000)	-	-
Balance as at September 30, 2018	90,000	944	635,000	82,882	717,882	808,826

The annexed notes from 1 to 12 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, 2018

1 STATUS AND NATURE OF BUSINESS

- 1.1** 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. The holding company of the Company is Wah Nobel (Private) Limited and the ultimate holding 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 of the Company 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 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.

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.

These condensed interim financial statements does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2018. Comparative condensed interim statement of financial position is extracted from annual financial statements as of June 30, 2018 whereas comparative condensed interim profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial statements of the Company for the period ended September 30, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2018.

4 PROPERTY, PLANT AND EQUIPMENT

During the three months period ended September 30, 2018, the Company made additions to property, plant and equipment aggregating Rs. 30,968 thousand (September 30, 2017: Rs. 5,269 thousand) inclusive of additions to capital work in progress. Property, plant and equipment.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	<u>Un-Audited</u> <u>September 30,</u> <u>2018</u>	<u>Audited</u> <u>June 30,</u> <u>2018</u>
5 TRADE DEBTS	Rupees in '000'	
Considered good	510,470	442,532
Considered doubtful	80,200	80,200
	<u>590,670</u>	<u>522,732</u>
Provision for doubtful debts	<u>(80,200)</u>	<u>(80,200)</u>
	<u><u>510,470</u></u>	<u><u>442,532</u></u>
6 LONG TERM FINANCING		
Term finance facility-secured	96,000	96,000
Less: Current portion shown under current liabilities	<u>(20,571)</u>	<u>(13,714)</u>
	<u><u>75,429</u></u>	<u><u>82,286</u></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 of vend fee and permit fee has increased from Rs. 1,053 million to Rs.1,065 million on account of further import of Methanol from July 01, 2018 to September 30, 2018.

	<u>September 30</u> <u>2018</u>	<u>June 30</u> <u>2018</u>
	(Rupees in '000')	
	(Un-audited)	(Audited)
7.2 Commitments		
7.2.1 Letters of credit for purchase of stocks	<u><u>321,021</u></u>	<u><u>240,136</u></u>
7.2.2 Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house / sales tax on import of plant & machinery	<u><u>24,826</u></u>	<u><u>8,473</u></u>
7.2.3 Letter of guarantee issued by bank on behalf of the Company	<u><u>15,000</u></u>	<u><u>15,000</u></u>

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	<u>Un-Audited</u> <u>September 30,</u> <u>2018</u>	<u>Un-Audited</u> <u>September 30,</u> <u>2017</u>
	<u>Rupees in '000'</u>	
8 CASH AND CASH EQUIVALENT		
Cash and bank balances	15,862	7,726
Short term running finance - secured	(267,577)	(98,679)
	<u>(251,715)</u>	<u>(90,953)</u>

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	(247)	(450)
Corporate service fee charged by holding company	225	225
Purchase of Electricity from associated company	4,643	4,828
Purchase of raw material from associated company	3,575	2,067
Dividend paid to the holding company	-	-
Contribution to:		
- Employee Provident Fund Trust	514	510
- Workers' Profit Participation Fund	2,397	244

	<u>September 30</u> <u>2018</u>	<u>June 30</u> <u>2018</u>
	<u>(Rupees in '000')</u>	
	<u>(Un-audited)</u>	<u>(Audited)</u>
Balances with related parties were as follows:		
Payable to associated companies	-	4,002
Due to holding company	1,267	1,289

10 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

Members of the company have approved for the year ended June 30, 2018 cash dividend @ 50% i.e. Rs. 5/- per share in annual general meeting held on October 26, 2018

11 GENERAL

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

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 26, 2018 by the Board of Directors of the Company.



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices