



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

First Quarterly

Financial Statements (Unaudited)

For The Period Ended September 30, 2021

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. Ali Amir Awan, HI(M)	:	Chairman
Mr. Mats-Olof Rydberg	:	Vice Chairman
Maj Gen Azhar Naveed Hayat Khan, HI(M)	:	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	:	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 FACTORY PHONES

: G.T. Road, Wah Cantt.
Wah Cantt
(051) 4545243-6 (4 Lines)
(051) 905525204

FAX E.MAIL

: (051) 4545241, (051) 4535862
: ce@wahnobel.com

WEBSITE

: www.wahnobel.com

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, 2021.

During the period under review Company has achieved Gross Sales Revenue of Rs 858 million vis-à-vis Rs 659 million as compared to previous year's corresponding period (increased by 30%).

Despite volatile economic / financial situation during the three months of FY 2021-22, the Company earned After Tax Profit of Rs 60 million. The profitability levels have been affected due to increase in Production Cost that can be attributed to higher raw material prices, substantial devaluation of Pak Rupee vis-à-vis US\$.

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

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

On behalf of the Board

Usman Ali Bhatti
Director

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

Wah Cantt

Dated: October 28, 2021

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت یہ رپورٹ غیر آڈٹ شدہ مالی نتائج بابت پہلی سہ ماہیِ مختتمہ 30 ستمبر 2021 پیش کرتے ہیں۔
زیر جائزہ مدت کے دوران کمپنی کی خالص آمدنی 858 ملین روپے ہے۔ جبکہ مقابلتا اسی دورانیے میں گزشتہ سال یہ 659 ملین روپے تھی۔ (اضافہ 30%)۔

سال 2021-22 کے پہلے کوارٹر کے دوران غیر مستحکم معاش / مالی صورتحال کے باوجود کمپنی نے بعد از ٹیکس منافع 60 ملین روپے حاصل کیا
پیداواری لاگت میں اضافے کی وجہ سے منافع کی سطح متاثر ہوئی جو کہ خام مال کی بلند قیمتوں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی
قدر میں کمی کی وجہ سے ہوا۔

انتظامیہ کا نقطہ نظر مثبت ہے، اور کمپنی اور اس کے اسٹیک ہولڈرز کے لئے مسلسل ترقی کے آپریشنل کارکردگی اور بہترین نتائج کو یقینی بنانے
کے لئے ہمہ وقت تیار ہے۔

وینڈ فی اور پرمٹ فی کیس کے حوالے کے طور پر سندھ ہائی کورٹ کے وینڈ فی اور پرمیٹ فی کے موافق فیصلوں کے بعد اب کیس معزز سپریم
کورٹ 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 گاہگوں کی کمپنی کی مسلسل سرپرستی حمایت
اور اعتماد کے شکر گزار ہیں۔

ڈائریکٹرز بورڈ کی طرف سے

بریگیڈیر (ر) شیراز اللہ چودھدری

چیف ایگزیکٹو

عثمان علی بھٹی

ڈائریکٹر

واہ کینٹ۔

مورخہ: 28 اکتوبر 2021ء

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		September 30 2021	June 30 2021
	Note	(Rupees in '000')	
		Unaudited	Audited
Assets			
Property, plant and equipment	4	409,620	384,394
Deferred tax		6,611	5,461
Non-current assets		416,231	389,855
Stores, spares and loose tools		89,875	68,171
Stock in trade		568,384	469,771
Trade debts	5	1,208,128	1,051,120
Advances, deposits, prepayments and other receivables		65,392	53,145
Short-term investment		2,722	2,681
Taxation - net		167,209	174,789
Cash and bank balances		18,377	25,573
Current assets		2,120,087	1,845,251
Total assets		2,536,318	2,235,106
Equity and liabilities			
Share capital		90,000	90,000
Capital reserve		944	944
Revenue reserves		1,251,562	1,191,505
Total equity		1,342,506	1,282,449
Long term financing	6	68,133	72,353
Deferred liabilities		8,350	7,750
Non-current liabilities		76,483	80,103
Trade and other payables		425,003	404,792
Due to parent company		1,187	26
Unclaimed dividend		6,412	6,691
Current portion of long term financing	6	5,075	-
Loan from holding company - unsecured		305,633	305,669
Short term borrowings		374,019	155,375
Current liabilities		1,117,329	872,554
Total liabilities		1,193,812	952,657
Total equity and liabilities		2,536,318	2,235,106
Contingencies and commitments	7		

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Note	Three months ended	
		September 30 2021	September 30 2020
		(Rupees in '000')	
Gross sales	7	857,511	659,019
Sales tax		(127,469)	(98,748)
Discount		(1,903)	(2,183)
Net sales		728,139	558,088
Cost of sales		(617,646)	(445,815)
Gross profit		110,493	112,273
Administrative expenses		(3,654)	(3,462)
Distribution expenses		(2,974)	(2,303)
Operating profit		103,865	106,508
Finance cost		(13,385)	(9,807)
Other expenses		(6,521)	(6,772)
Other income		319	1,783
Profit before taxation		84,278	91,712
Provision for taxation		(24,221)	(25,709)
Net profit after taxation		60,057	66,003
Other comprehensive income for the period		-	-
Total comprehensive income for the period		60,057	66,003
Earnings per share - basic and diluted		6.67	7.33

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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	September 30 2021	September 30 2020
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	84,278	91,712
Adjustment for non cash items:		
Depreciation	7,623	7,443
Interest on term deposit receipts	(41)	(54)
Provision for gratuity fund	800	800
Workers' profit participation fund (WPPF)	4,531	4,682
Workers' welfare fund (WWF)	1,812	1,928
Provision for accumulated compensated absences	600	600
Provision for provident fund	2,003	1,615
Markup on loan from parent company -net	(36)	-
Markup on loan from State Bank of Pakistan	855	-
	18,147	17,014
Changes in:		
Stores, spares and loose tools	(21,704)	(356)
Stock in trade	(98,613)	99,232
Trade debts	(157,007)	(22,602)
Advances, deposits, prepayments and other receivables	(12,247)	(10,208)
Due to holding company	1,161	1,363
Trade and other payables	18,372	91,072
	(270,038)	158,502
Cash generated from operating activities	(167,613)	267,228
Payment for:		
Workers' profit participation fund	(5,315)	-
Provident fund	(1,993)	(1,587)
Pension fund	-	(1,274)
Taxation	(17,790)	(13,358)
	(25,098)	(16,220)
Net cash generated from operating activities	(192,711)	251,008
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(32,849)	(7,387)
Net cash (used in)/generated from investing activities	(32,849)	(7,387)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing (repaid) / received	-	(7,525)
Short term loan from holding company (repaid) / received	-	(3,031)
Dividends paid	(279)	-
Net cash used in financing activities	(279)	(10,556)
Net increase in cash and cash equivalents	(225,839)	233,065
Cash and cash equivalents at beginning of the period	(129,803)	(246,529)
Cash and cash equivalents at end of the period	(355,642)	(13,464)

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 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 three months period ended September, 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.

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 PROPERTY, PLANT AND EQUIPMENT

During the three months period ended September 30, 2021, the Company made additions to property, plant and equipment aggregating to Rs. 32,849 thousand (September 30, 2020: Rs. 7,387) inclusive of additions to capital work in progress. Depreciation charge for the period amounts to Rs. 7,623 thousand (September 30, 2020: Rs. 7,443 thousand).

	Note	September 30 2021	June 30 2021
(Rupees in '000')			
		(Un-Audited)	(Audited)
5 TRADE DEBTS			
Trade debts		1,346,692	1,189,684
Less: Allowance for expected credit losses	5.1	(138,564)	(138,564)
		1,208,128	1,051,120
5.1 Movement in allowance for expected credit losses			
Balance at July 01 as previously reported		138,564	163,171
Charge for the year		-	4,516
Debts written off		-	(29,123)
		138,564	138,564
6 Long term financing			
State Bank of Pakistan		73,208	72,353
Current portion of long term financing		(5,075)	-
		68,133	72,353

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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. 1,261 million to Rs. 1,279 million on account of further import of Methanol from July 01, 2021 to September 30, 2021

	September 30 2021	June 30 2021
	(Rupees in '000')	
	(Un-Audited)	(Audited)
7.2 Commitments		
7.2.1 Letters of credit for purchase of stocks	<u>144,174</u>	<u>354,293</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.	<u>12,884</u>	<u>25,723</u>
7.2.3 Letter of guarantee issued by bank on behalf of the Company	<u>15,000</u>	<u>15,000</u>
7.2.1.4 Capital expenditures against civil work services from Wah Construction limited	<u>12,368</u>	<u>22,102</u>
	September 30 2021	September 30 2020
	(Rupees in '000')	
	(Un-Audited)	(Un-Audited)
8 Net sales		
Urea Formaldehyde Moulding compound	271,769	232,715
Urea / Phenol Formaldehyde	178,268	148,388
Formaldehyde and Formalin solvent	257,023	164,590
Others	21,078	14,578
	<u>728,139</u>	<u>560,271</u>
9 CASH AND CASH EQUIVALENTS		
Cash and bank balances	18,377	8,298
Short term running finance - secured	<u>(374,019)</u>	<u>(21,762)</u>
	<u>(355,642)</u>	<u>(13,464)</u>
10 RELATED PARTY TRANSACTIONS		
Significant transactions with related parties during the period were as follows:		
Expenses incurred on behalf or by the parent companies - net	(2,736)	(4,163)
Corporate service fee charged by holding company	225	-
Purchase of electricity from associated company	5,385	5,529
Purchase of electricity from parent company	3,362	-
Purchase of raw material from associated company	4,446	1,270
Sales to parent company	3,362	-
Interest paid to the parent company	5,669	8,347
Contribution to:		
- Employee provident fund trust	608	544
Balances with related parties were as follows:		
Payable to parent company against electricity	4,101	-
Payable to associated companies	6,570	2,501
Due to holding company	1,187	1,437
11 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES		
11.1 Following information has been disclosed as required under Para 10 of Part-I of the Fourth Schedule to the Companies Act, 2017:		
Profits earned on any conventional investment	48	332
Interest paid on any conventional loan or advance	863	14,641
11.2 All revenue is earned from shariah compliant business segment.		
11.3 Disclosures other than above are not applicable to the Company.		

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

12 NON ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of directors at the meeting held on September 30, 2021 have proposed for the year ended June 30, 2021 cash dividend of Rs 10 per share (2020: Rs. 4 per share), amounting to Rs. 90 Million (2020: Rs. 36 Million) subject to approval of members at the annual general meeting.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 28, 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