



Wah Nobel Chemicals Limited

**ANNUAL REPORT
2024**



FORMALDEHYDE PLANT

LABORATORY

LABORATORY

LABORATORY



CONTENTS

1.	Vision Statement	2
2.	Corporate Mission	3
3.	Corporate Information	4
4.	Company Profile	5
5.	Notice of Annual General Meeting	6
6.	Review Report by the Chairman	10
7.	Directors' Report to the Shareholders	12
8.	Six Years at a Glance	20
9.	Pattern of Shareholding	21
10.	Categories of Shareholders	22
11.	Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	23
12.	Independent Auditor's Review Report to the Members	26
13.	Independent Auditor's Report to the Members	28
14.	Statement of Financial Position	33
15.	Statement of Profit or Loss and other Comprehensive Income	34
16.	Statement of Cash Flows	35
17.	Statement of Changes in Equity	36
18.	Notes to the Financial Statements	37
19.	Review Report by the Chairman (Urdu)	70
20.	Director's Report (Urdu)	71
21.	Proxy Form	
22.	Proxy Form (Urdu)	



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.

Corporate Information

BOARD OF DIRECTORS

Lt. Gen. Tahir Hameed Shah, HI(M)	:	Chairman
Mr. Mats-Olof Rydberg	:	Director
Maj Gen Mumtaz Hussain, HI(M) TB†	:	Director
Maj Gen Rashid Mahmood, HI(M)	:	Director
Mr. Tariq M. Rangoonwala	:	Director
Mr. Shahid Iqbal Baloch	:	Director (SLICP Nominee)
Mr. Usman Ali Bhatti	:	Director

CHIEF EXECUTIVE : Brig Shiraz Ullah Choudhry, SI(M) ®

AUDIT COMMITTEE

Mr. Tariq M. Rangoonwala	:	Chairman
Maj Gen Mumtaz Hussain, HI(M) TB†	:	Member
Mr. Usman Ali Bhatti	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Tariq M. Rangoonwala	:	Chairman
Maj Gen Mumtaz Hussain, HI(M) TB†	:	Member
Brig 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
Faysal 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.

Company Profile

Wah Nobel Chemicals Limited is a Pakistan's leading manufacturer of Formaldehyde, UF, PF Resins and Urea Formaldehyde Moulding Compound. Since its inception Wah Nobel Chemicals Limited has stood as a symbol of quality, safety, reliability, unparalleled after sale service and commitment. Its products enjoy the highest reputation throughout Pakistan. This has been achieved through innovation, expertise, state of the art technology and a vision for the future.

PRODUCTION PREMISES

● Total Area	45,100 Sqr. M
● Process Area	24,350 Sqr. M
● Auxiliary Building	2,200 Sqr. M
● Green Area	11,730 Sqr. M
● Open Plot For Future Expansion	6,820 Sqr. M

PRODUCT RANGE

● Formaldehyde	37 TO 50% Concentration
● Urea Formaldehyde Glue	Various Grades
● Phenol Formaldehyde Glue	Various Grades
● Special Resins	Various Grades
● UFC 85	
● Urea Formaldehyde Moulding Compound	Various Grades

INSTALLED CAPACITY

Formaldehyde	80,000 M. Tons per annum.
Urea/Phenol Formaldehyde	19,000 M. Tons per annum.
Urea Formaldehyde Moulding Compound	13000M. Tons per annum.

QUALITY LEADERSHIP

Quality is an integral part of our business environment and culture. The certification of ISO 9001-2015 affirms our commitment to the adherence of international quality standards. Further, our Company has also been awarded two other Certificates namely Environmental Management System ISO 14001:2015 and Health & Safety Management System OHSAS 18001:2007. All these certifications add to the confidence of our customers in our ability to provide them with the best products and services at most competitive prices.

Notice of Annual General Meeting

NOTICE is hereby given that the 41st Annual General Meeting of the Shareholders of WAH NOBEL CHEMICALS LIMITED will be held at the Registered Office of the Company, G.T. Road, Wah Cantt on Monday, October 28, 2024 at 1100 hours to transact the following business.

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on October 26, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Chairman's review, Directors' and the Auditors' Reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the Financial Statements of the Company can be accessed through the following web link and QR enabled code.



<https://wahnobel.com/wah-nobel-chemicals/investor-information/#Financial Statements>

3. To approve and declare the final cash dividend @ Rs 10 per share i.e. 100% for the year ended June 30, 2024, as recommended by the Directors
4. To appoint auditors of the Company for the year ending June 30, 2025 and to fix their remuneration. The Board of Directors, on recommendation of the Board Audit Committee, has proposed re-appointment of Messer Grant Thornton Anjum Rahman, Chartered Accountants as auditors of the Company.

OTHER BUSINESS

5. To transact any other business with the permission of the Chair.

By Order of the Board

A handwritten signature in blue ink, appearing to read 'Tanveer Elahi', positioned above the printed name.

(TANVEER ELAHI)
Company Secretary

Wah Cantt:
October 4, 2024

Notes:

1. The share transfer books of the Company will remain closed from October 21, 2024 to October 28, 2024 (both days inclusive). Transfers received in order by the Shares Registrar of the Company by the close of business on October 20, 2024 will be treated in time for the entitlement of payment of dividend.
2. A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time appointed for the meeting and must be duly stamped, signed and witnessed.
3. CDC Account Holders are advised to bring their original National Identity Cards to authenticate their identity along with CDC account numbers at the meeting. However, if any proxies are granted by such shareholders, the same shall also have to be accompanied with attested copies of the National Identity Card of the grantor, and the signature on the proxy form has to be the same as appearing on the National Identity Card.
4. Shareholders who are interested in attending AGM through video link are requested to email their Name, Folio Number, Cell Number, CNIC Number and Number of shares held in their name with subject "Registration for Wah Nobel Chemicals Limited AGM" at agmwahn@wahnobel.com

Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM (i.e. before 11.00 a.m. on October 26, 2024).

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email.

5. Shareholders holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all Shareholders are requested to provide their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

6. Shareholders are once again requested to submit a copy of their valid CNIC (if not already provided) to the Company's Share Registrar, without any delay. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the Company shall withhold the Dividend under the provisions of Section 243(2)(a) of the Companies Act 2017 which will be released by the Company only upon compliance.
7. As per Income Tax Ordinance, 2001, following rates are prescribed for deduction of withholding tax on the amount of dividend paid by the company:
 - (a) For persons appearing in Active Tax Payer List (ATL): 15%
 - (b) For persons not appearing in Active Tax Payer List (ATL): 30%

Further, according to clarification provided by the FBR, with-holding tax will be determined separately on 'Active or Non-Active' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

8. As per Section 242 of Companies Act, 2017, it is mandatory for the listed company to pay cash dividend to its shareholders only through electronic mode, directly into bank account designated by the entitled shareholders. Therefore, those Shareholders who have not yet provided details of their bank mandate are hereby advised to submit following details to Company's Share Registrar.
 - (i) Title of account
 - (ii) Bank account number
 - (iii) International Bank Account (IBAN) number
 - (iv) Bank name
 - (v) Branch name code and address

Shareholders who hold shares with Participants /Central Depository Company of Pakistan (CDC) are advised to provide their bank mandate information to the concerned Broker/CDC. Please note that as per Section 243(3) of the Companies Act, 2017, company will be constrained to withhold payment of dividend, if necessary information is not provided by shareholders.

9. As per section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. SECP through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book-entry form.
In order to ensure full compliance with the provisions of the aforesaid Section 72 and

to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form.

10. Shareholders, whose dividends still remain unclaimed and /or undelivered share certificates are hereby once again requested to contact the Company or our Shares Registrar M/s Ilyas Saeed Associates (Pvt) Limited to claim their outstanding dividend amounts and/or undelivered share certificates. In case no claim is received, the Company shall proceed to comply in accordance with the applicable law.
11. Shareholders seeking exemption from deduction of income tax are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be before the start of book closure. Members desiring non-deduction of zakat are also requested to submit a valid declaration (CZ-50) for non-deduction of zakat.

Review Report by the Chairman

It gives me pleasure to present this review report for the year ended June 30,2024 highlighting the Company's performance and the overall performance of the Board and effectiveness of its role in achieving the objectives of the Company.

Financial year 2023-2024 was another successful year for the Company in terms of financial performance in times of number of challenges emanating from economic and business front.

During the year Company posted highest ever net sales of Rs. 4,685 million witnessed growth of 7% over last year's net sales of Rs. 4,383 million. Further, profit after tax increased from Rs. 449 million to Rs. 549 million, up by 22%.

Earnings per Share (EPS) of the Company for the year stood at Rs. 61.05 as against Rs. 49.91 for the last year.

Based on the financial performance, the Board has recommended a final cash dividend of 100% i.e. Rs. 10 per share.

Company contributed Rs. 1,252 million towards the National Exchequer on account of various government levies, taxes and import duties during the year under review.

The Board members have adequate skill, experience and knowledge to manage the affairs of the Company. Board has performed its duties and responsibilities diligently, contributed effectively in guiding the Company in its strategic affairs and in enhancing the vision of the Company.

The Board, being responsible for the management of the company, formulates all significant policies and strategies to ensure continued growth. The Board also played a key role in the monitoring management's performance and focus on major risk areas. All board members, including independent directors, fully participated in and contributed to the decision making process of the Board.

The Board acknowledges its responsibility in respect of Corporate & Financial Reporting Framework and is committed to ensure high standards of Corporate Governance to preserve stakeholders' value. The Board has fulfilled all its mandatory responsibilities including ensuring compliance with all relevant legal and regulatory requirements for the Company. During the year under review, quarterly, half yearly and annual financial statements were thoroughly reviewed by the Board and extended its guidance to the management on regular

basis to ensure strong governance, ensuring transparency in disclosures, adherence to policies, alignment with regulatory compliance. Board also reviewed and approved the Company's financial budget and capital expenditures requirement.

The Board and the management are fully conscious of the challenges ahead and are well prepared to tackle them with the required vision, knowledge, and experience.

I pray to Allah for the continued success of your Company and look forward towards the next year with greater confidence in meeting the challenges ahead.

Finally, on behalf of the Board, I would like to extend my sincere gratitude to all the stakeholders for their continued trust and support. I acknowledge with thanks our employees' dedication and hard work at all levels and look forward to their continued support. I would also like to appreciate the commendable efforts and commitment of my fellow directors and CEO in providing strategic leadership to the Company.



Lt Gen Tahir Hameed Shah , HI (M)
Chairman

Wah Cantt :
October 01 , 2024

Directors' Report

The Directors of the Company are pleased to present Annual Report and the Audited Financial Statements of the Company for the year ended June 30, 2024.

OPERATING PERFORMANCE

Despite an overall slowdown in the economy and a challenging political situation prevailing in the country during the financial year 2023-24 Company posted highest ever net sales of Rs. 4,685 million witnessed growth of 7% over last year's net sales of Rs 4,383 million.

The higher sales, cost control and production efficiencies translated into higher gross profit which has increased by 19% to Rs. 1,055 million from Rs 884 million of previous year.

During the year under review administrative and general expenses were 28% higher while selling and distribution expenses were 30% higher than last year due to overall impact of high inflation.

Finance cost for the year has significantly decreased by 69 % i.e from Rs.93 million of the last year to Rs. 29 million mainly due to efficient utilization of resources.

Other operating expenses were higher than last year mainly due to higher provision for Workers' Profit Participation and Workers' Welfare Funds due to increase in profit.

Company earned record after tax profit of Rs 549 million during the year under review against last year's after tax profit of Rs.449 million. Net Profit increased by 22 % i.e Rs.100 million.

The increase in after tax profit is attributable to price rationalization, better sales mix, optimal capacity utilization , efficient working capital management and savings in fixed costs.

FINANCIAL RESULTS

The summary of the operating results of the Company for the year under review along-with the comparatives for the last year are as under:

	2023 - 24	2022 - 23	Change
	Rupees (in thousands)		Percentage
Net Sales	4,684,721	4,383,436	07
Gross Profit	1,055,143	883,915	19
Operating Profit	1,003,888	844,234	19
Profit Before Taxation	906,331	668,756	36
Profit After Taxation	549,414	449,230	22
Earnings Per Share (Rupees)	61.05	49.91	22

SUBSEQUENT APPROPRIATIONS

The directors have recommended /approved following appropriations for the year ended June 30,2024 which will be reflected in the subsequent financial statements of the company:

- **Dividend**
The directors have recommended a payment of cash dividend @ Rs 10 per share (i.e 100%), subject to the approval of Shareholders at the forthcoming Annual General Meeting.
- **General Reserve**
The directors also proposed / approved transfer of Rs 455 million from un-appropriated profits to general reserve.

OUTLOOK FOR 2024-25

Pakistan's economy is currently experiencing significant distress and remains heavily reliant on the International Monetary Fund (IMF) for support. The upcoming year is anticipated to be challenging as the nation strives for macroeconomic stability while adhering to stringent monetary and fiscal policies. The economic outlook will largely depend on the restoration of political stability and the continued implementation of reforms under the recent IMF program.

The Company operates in a highly competitive environment and foresee intense competition from existing competitors and new entrants in the Industry. The Company anticipates pressure on margins due to stiff competition, increase in prices of basic raw materials, unreasonably high taxation , unfriendly business environment, abnormal surge in utilities tariffs and political uncertainty.

Despite aforementioned challenges, Management of the company is taking all possible measures to minimize the adverse effects of these risks and is committed to achieve growth and increase in profitability during the financial year 2024-25.

In line with company's strategy to expand in value added products the Board has approved installation of additional Urea Formaldehyde Moulding Compound plant of 6,000 MT per annum capacity. Overall capacity will be increased to 19,000 MT per annum which will help to strengthen profitability of the Company.

INTERNAL FINANCIAL CONTROLS

The company maintains a system of internal control and procedures designed to ensure reliable and transparent financial reporting and disclosures. Internal Financial Controls are

periodically reviewed to ensure these remain effective and are updated with changing laws and regulations. Internal Audit department monitors the compliance of internal controls. Through discussions with auditors (both internal and external), they confirm that adequate controls have been implemented by the Company. The Board is confident that the system of internal control is sound in design and has been effectively implemented and monitored.

PRINCIPAL RISKS AND UNCERTAINTIES

Despite the fact that the Company's financial performance was consistently good during the recent years, still Company is exposed to certain inherent risks and uncertainties like competition, imposition of Vend and Permit Fee on methanol basic raw material, increase in input cost due to rising inflation , fluctuation in exchange rate , adverse interest rate, and inconsistent Government regulations / taxes / policies etc that may have an impact on the future financial statements of the Company.

The Management periodically reviews major financial and operating risks faced by the business Company works with internal and external stakeholders to mitigate / reduce to acceptable level the likely impacts of aforesaid risks.

RELATED PARTY TRANSACTIONS

All transactions with related parties have been carried out in normal course of business at arm's length and have been disclosed in the financial statements under relevant notes.

CORPORATE BRIEFING SESSION

In compliance with the listing regulations of the Pakistan Stock Exchange, the Company arranges corporate briefing session(s) to answer queries of the various stakeholders including investors and financial analysts.

The last Corporate Briefing Session was held on December 18, 2023 through video link to brief the Shareholders , investors and analyst about the company's financial performance for the year ended June 30,2023 and future outlook of the Company.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company is committed to good corporate governance. As required by the Code of Corporate Governance , the Directors are pleased to report the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in the preparation of

- financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017, have been followed in the preparation of financial statements. and any departure thereof has been adequately disclosed and explained.
 - The system of internal control is sound in design and has been effectively implemented and monitored.
 - There are no significant doubts upon the Company's ability to continue as a going concern, information about this issue (imposition of vend fee permit fee on Methanol basic raw material) is being presented separately in this report.
 - There has been no material departure from the best practices of the Code of Corporate Governance as given in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - There is nothing outstanding against the Company on account of taxes, duties, levies, and other charges except for those which are being made in the normal course of business and disclosed in the financial statements
 - Summary of key operating and financial data for the last six financial years is annexed with the report.
 - The un-audited value of investments, including bank deposits, of retirement benefits funds as of June 30, 2024 were as follows:

FUND	RUPEES
● Provident Fund	91,694,560
● Gratuity Fund	53,316,870
● Pension Fund	33,496,243

BOARD OF DIRECTORS

The total number of directors (including Chief Executive) are eight (8) as per the following:

a. Male	:	Eight (08)
b. Female	:	None

The composition of board is as follows:

Independent Directors	:	Two (02)
Other Non-Executive Directors	:	Five (05)
Executive Directors	:	One (01)

During the year following changes took place in the Board:

- On August 30, 2023 Maj. Gen Mumtaz Hussain, HI(M) TBt, has been appointed as Director on the Board of the Company in place of Mrs. Kishwar Ahsan who resigned.
- Mr. Manzoor Ali Shaikh resigned from the Directorship of the company and Mr Shahid Iqbal Baloch has been appointed as Director in his place effective October 26, 2023.
- Consequent upon retirement of Lt Gen (R) Ali Amir Awan, HI(M), Ex-Chairman, from service Lt Gen Tahir Hameed Shah, HI(M) appointed as Director / Chairman in his place effective January 08, 2024

The Board of Directors placed on record its appreciation for the valuable contributions rendered by the outgoing Directors / Chairman and warmly welcomed the new Directors/ Chairman on the Board of the Company.

During the year under review, Five Board meetings were held. The number of meetings attended by each Director is given hereunder:

S.#	Names of Directors	Meeting Attended
1	Lt.Gen Tahir Hameed Shah, HI(M) (Chairman)	02
2	Lt Gen Ali Amir Awan, HI(M), (EX-Chairman)	02
3	Mr. Mats-Olof Rydberg	04
4	Maj Gen Mumtaz Hussain, HI(M) TBt	03
5	Maj Gen Rashid Mahmood, HI(M)	04
6	Mr. Usman Ali Bhatti	04
7	Mr. Tariq M. Rangoonwala	04
8	Mrs. Kishwar Ahsan	-
9	Mr. Manzoor Ali Shaikh	02
10	Mr. Shahid Iqbal Baloch	03
11	Brig (R) Shiraz Ullah Choudhry, SI(M)	04

- During the year, Audit Committee held four (4) meetings and were attended by each member as follows:

S.#	Names of Directors	Meeting Attended
1	Mr. Tariq M. Rangoonwala	03
2	Maj Gen Mumtaz Hussain, HI(M) TBt	01
3	Mr. Usman Ali Bhatti	04

- During the year under review, Human Resource and Remuneration Committee held one (1) meeting and was attended by each member as follows:

S.#	Names of Directors	Meeting Attended
1	Mr. Tariq M. Rangoonwala	–
2	Maj Gen Mumtaz Hussain, HI(M) TBt	01
3	Brig (R) Shiraz Ullah Choudhry, SI(M)	01

Leave of absence was granted to the members of the Board / Committee who were unable to attend the meeting.

DIRECTORS' REMUNERATION POLICY

The Board is authorized to determine the remuneration / fee of its Directors for attending meetings of the Board. The Board has approved the remuneration of a Director for attending the Board meeting for Non-Executive Directors, excluding nominee(s) of Wah Nobel (Private) Limited. However, no remuneration shall be paid for attending Committee(s) of the Board meetings and for attending General Meeting(s) or any other business meeting(s) of the company. Company will pay / reimburse to all the directors travelling, hotel and other expenses incurred for attending the meetings of the company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Being socially responsible corporate entity we are committed to our communities as we are to our customers, shareholders and employees. Company is committed to act ethically and

contribute to economic development while improving the quality of life of the workforce and their families as well as of the local communities and society at large. The Company practices active corporate citizenship through energy conservation, industrial relations, employment of special persons, occupational safety & health, business ethics, contributing to national exchequer

The Company contributed significant amount of Rs 1,252 million (2023 :Rs.935 million) towards the national exchequer on account of income tax, super tax , general sales tax, excise duty, custom duty and vend / permit fee etc during the year under review.

WEBSITE

Company's periodic financial statements for the current financial year including annual / periodic reports for the last five years are available on the Company's website for information of the shareholders and others.

www.wahnobel.com

VEND FEE AND PERMIT FEE

In January, 2022 on the request of Excise and Taxation Department, Government of Sindh the Honorable Supreme Court of Pakistan (SCP) has disposed off their appeal filled against the company regarding imposition of vend and permit fee on methanol.

According to the SCP order, the Excise and Taxation Department 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.

No demand has been raised by the Excise Department as yet, however, Company intends to approach the relevant Court to defend the case upon the receipt of the fresh demand from the Department. The management expects that , based on the merit of the case and earlier favourable decision of the Sindh High Court, the Company has strong grounds to challenge such a demand and its challenge is likely to succeed.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of Director's Report.

AUDITORS

The present auditors, Messrs. Grant Thornton Anjum Rahman., Chartered Accountants, are due to retire at the conclusion of the 41st Annual General Meeting. Being eligible, they have offered themselves for re-appointment for the next financial year 2024-25. Upon recommendation of the Audit Committee, the Board recommends appointment of M/s Grant Thornton Anjum Rahman Chartered Accountants as the statutory auditors of the Company for the year ending June 30, 2025, subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

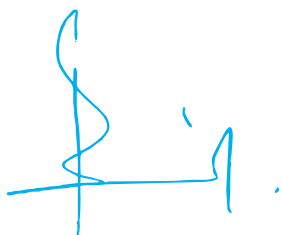
PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company and additional information thereabout as at June 30, 2024 is included in this report.

No trade in the shares of the Company was carried out by the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Executives and their spouses and minor children during the year.

ACKNOWLEDGMENT

The Directors wish to place on record their sincere appreciation for the commitment, hard work and dedication shown by all the Management and Employees of the Company towards the progress of the company. The Directors also express their gratitude to our valued shareholders, customers, suppliers and bankers for their continued patronage and support.



Usman Ali Bhatti
Director

On behalf of Board of Directors



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

Wah Cantt:
October 1, 2024

Six Year at a Glance

	2019	2020	2021	2022	2023	2024
	(Rupees in Thousands)					
(A) Operating Results:						
i) Net Sales Revenue	2,262,829	1,950,049	2,723,823	3,309,605	4,383,436	4,684,721
ii) Gross Profit	354,874	325,994	558,803	457,634	883,915	1,055,143
iii) Operating Profit	312,659	304,012	534,393	427,128	844,234	1,003,888
iv) Profit Before Tax	249,605	182,946	470,853	313,066	668,756	906,331
v) Profit After Tax	176,492	130,307	334,409	209,123	449,230	549,414
(B) Financial Position						
i) Paid-up Capital	90,000	90,000	90,000	90,000	90,000	90,000
ii) Shareholders Equity	887,645	983,632	1,282,449	1,398,354	1,805,120	2,258,392
iii) General Reserve	635,000	750,000	850,000	1,100,000	1,260,000	1,620,000
iv) Property, Plants and Equipment (Net)	332,755	297,682	384,394	417,857	384,889	353,611
v) Current Assets	1,526,567	1,499,436	1,845,251	2,174,219	2,175,822	2,581,285
(C) Key Performance Indicators						
i) Gross Profit %	15.68%	16.72%	20.52%	13.83%	20.16%	22.52%
ii) Net Profit %	7.80%	6.68%	12.28%	6.32%	10.25%	11.73%
iii) Earning Per Share Rs.	19.61	14.48	37.16	23.24	49.91	61.05
iv) Cash Dividend %	40%	40%	100%	50%	100%	100%
v) Break-up Value Per Share Rs.	98.63	109.29	142.49	155.37	200.57	250.93
vi) Current Ratio	1.68:1	1.93:1	2.11:1	1.92:1	3.01:1	3.74:1

Pattern of Shareholding

as at June 30, 2024

No of shareholders	Shareholding	Total shares held
207	Share Holding from 1 to 100 shares	8,710
353	Share Holding from 101 to 500 shares	89,421
104	Share Holding from 501 to 1,000 shares	82,165
113	Share Holding from 1,001 to 5,000 shares	284,111
21	Share Holding from 5,001 to 10,000 shares	150,900
8	Share Holding from 10,001 to 20,000 shares	117,786
7	Share Holding from 20,001 to 30,000 shares	202,714
2	Share Holding from 30,001 to 50,000 shares	65,702
4	Share Holding from 50,001 to 100,000 shares	317,203
7	Share Holding from 100,001 to 1,000,000 shares	2,710,893
1	Share Holding from 1,000,001 to 5,000,000 shares	4,970,395
827	Total	9,000,000

Categories of Shareholders

As at June 30, 2024

S.#	Categories	No. of Shareholders	Shares held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children.	6	505	0.01
1.1	Lt.Gen Tahir Hameed Shah, HI(M)	1*	1	0.00
1.2	Mr. Mats Olof Rydberg	1*	1	0.00
1.3	Maj Gen Mumtaz Hussain, HI(M) ,TBt	1*	1	0.00
1.4	Maj.Gen. Rashid Mahmood,HI(M)	1*	1	0.00
1.5	Mr. Usman Ali Bhatti	1*	1	0.00
1.6	Mr.Tariq Rangoonwala	1	500	0.01
2	Associated Companies, undertakings and related parties	3	5,102,497	56.69
2.1	Wah Nobel (Pvt) Ltd	1	4,970,395	55.23
2.2	WNPL Employees Provident Fund	1	99,000	1.10
2.3	WNCL Employees Provident Fund	1	33,102	0.36
3	NIT/ICP	2	576,749	6.41
3.1	CDC - Trustee National Investment (Unit) Trust	1	576,124	6.40
3.2	Investment Corporation of Pakistan	1	625	0.01
4	Banks Development Financial	2	1478	0.02
4.1	National Bank of PAKISTAN	1	358	0.01
4.2	National Ind.CO-OP.Finance Corp.	1	1,120	0.01
5	Insurance Companies	1	897,980	9.98
5.1	State Life Insurance Corporation of Pakistan	1	897,980	9.98
6	Modarabas and Mutual Funds	1	1,000	0.01
7	Shareholders holding 10%	-	-	0.00
8	General Public	800	2,324,214	25.82
	a. Local	800	2,324,214	25.82
	b. Foreign	-	-	0.00
9	Others (to be specified)	12	95,577	1.06
9.1	Trust / Cooperative Society	1	900	0.01
9.2	Benevolent / Pension Fund	2	60,245	0.67
9.3	Joint Stock Coys.	8	34,332	0.38
9.4	Stock Exchange.	1	100	0.00
	Total:	827	9,000,000	100.00

* Directors mentioned at Sr 1.1 to 1.5 held these shares (1 share each) as nominee of Wah Nobel (Pvt) Ltd (WNPL). The ultimate ownership remains with WNPL
No trade in the shares of the company was carried out by the Director, CEO, CFO, Company Secretary, Executives and their spouses and minor Children during the financial year ended June 30,2024.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2024

Wah Nobel Chemicals Limited ('the Company') has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') in the following manner:-

1. The total number of elected directors are seven (7) as per the following:
 - a. Male : Seven (07)
 - b. Female : None
2. The composition of Board is as follows:

Category	Name
Independent Director*	Mr. Tariq M. Rangoonwala Mr. Shahid Iqbal Baloch
Non-Executive Directors	Lt. Gen Tahir Hameed Shah, HI(M) Mr. Mats-Olof Rydberg Maj Gen. Mumtaz Hussain, HI(M), TB† Maj Gen Rashid Mahmood, HI(M) Mr. Usman Ali Bhatti
Executive Director**	Brig Shiraz Ullah Choudhry, SI(M) ®
Female Director	None

* In respect of regulation 6(1), the Company has not rounded up the fraction as the Board has determined that current composition is adequate and existing independent directors have requisite skills and knowledge to take independent decisions in the interest of the Company.

** Brig Shiraz Ullah Choudhry ® SI(M), Chief Executive is a deemed director as defined in Section 188(3) of the Companies Act, 2017.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a

director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors. One director on the Board has already acquired the certification under directors' training program (DTP) from the institution duly approved by the Securities and Exchange Commission of Pakistan, and the remaining directors, will undertake DTP in due course. Further, Company will take adequate measures to comply with the requirement of the DTP for its executives and department heads.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below.

AUDIT COMMITTEE	HR AND REMUNERATION COMMITTEE
Mr. Tariq M. Rangoonwala (Chairman) Maj Gen Mumtaz Hussain HI(M), TBt (Member) Mr. Usman Ali Bhatti (Member)	Mr. Tariq M. Rangoonwala (Chairman) Maj Gen Mumtaz Hussain HI(M), TBt (Member) Brig Shiraz Ullah Choudhry ®, SI(M) (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees convened during the year were as per following:

a) Audit Committee	:	Four meetings.
b) HR and Remuneration Committee	:	One meeting.

15. The Board has set up an effective internal audit function experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. However, during the year female director has resigned and currently no female director is on the Board. The Board is considering appointing an appropriate female director. Further, when Board is reconstituted after the expiry of its current term company will comply with regulation 7(A) of the regulation and other relevant law.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirements	Reg. No.	Possible Explanations
1	Evaluation of the Board and its members: The Board of the Company shall ensure that, a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.	10(3)(v)	The Board is in process of formation and implementation of effective mechanism for evaluation of Board and of its committees.
2	Directors' Training: The Company is encouraged that all directors of the Board have acquired the prescribed certification under any director training program by June 30, 2022 from the institutions duly approved by the Securities and Exchange Commission of Pakistan. The companies are encouraged to arrange training for atleast one female executive and one head of department every year.	19(1) 19(3)	1 director has obtained DTP certification. The Company will arrange training for the remaining directors to comply with the requirement. Company will take adequate measures to comply with the requirement for the DTP for its executives and department heads.
3	Qualification of company secretary: The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	24	The management is of the view, that the current CFO and Company Secretary who is performing both these positions since long is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the Company.
4	Appraisal of head of internal Audit: The performance appraisal of head of internal audit shall be done jointly by the Chairman of the audit committee and the chief executive officer.	31(2)	Appraisal of Head of Internal Audit was done jointly by the Chairman of the Audit Committee and the Chief Executive Officer through verbal consultation. However, going forward the Company will formalize the process.
5	Role of the Board and its members to address Sustainability Risks and Opportunities	10 (A)	During the year, the Securities and Exchange Commission of Pakistan has inserted new regulation 10 A and certain amendments to Regulation 10 & 35 of the Regulations, 2019 through its notification (S.R.O. (1)/2024) dated June 12, 2024. Currently, the management is assessing these amendments and these will be complied ,as applicable, in due course.



Lt Gen Tahir Hameed Shah, HI(M)
Chairman



Brig Shiraz Ullah Choudhry SI(M) ®
Chief Executive

Wah Cantt: October 1, 2024

Independent Auditors' Review Report

To the members of Wah Nobel Chemicals Limited
Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by Board of Directors of Wah Nobel Chemicals Limited (the Company) for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such controls, the Company's corporate governance procedures and risks.

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the requirement contained in the Regulations as applicable to the company for the year ended 30 June 2024.

Further, we highlight below instances of non - compliance with the requirements of the Regulations as reflected in the paragraphs 2, 19(1), 19(2), 19(3), 19(4), and 19(5) where these are stated in the Statement of Compliance:

- | | |
|----------------------|---|
| i- Paragraph 2 | As disclosed in para 2 of the Statement of Compliance, it is mandatory that the Board shall have at least one female director. However, female director resigned during the year and no new female director was appointed during the year |
| ii-Paragraph 19(1) | As disclosed in para 19(1) of the Statement of Compliance, the Board is in process of formation and implementation of effective mechanism for evaluation of Board and of its committees. |
| iii- Paragraph 19(2) | As disclosed in para 19(2) of the Statement of Compliance, the Company will arrange training for the remaining directors to comply with the requirement and has identified some of its department heads and female executives as potential candidates for training for director training program. |
| iv- Paragraph 19(3) | As disclosed in para 19(3) of the Statement of Compliance, the position of company secretary and chief financial officer has been held by the same person; however, duties of both positions are distinct and clearly spelled out. The management is of the view, that the current CFO and Company Secretary who is performing both these positions since long is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the Company. |
| v- Paragraph 19(4) | As disclosed in para 19(4) of the Statement of Compliance, appraisal of Head of Internal Audit was done jointly by the Chairman of the Audit Committee and the Chief Executive Officer through verbal consultation. However, going forward company will formalize the process. |
| vi- Paragraph 19(5) | As disclosed in para 19(5) of the Statement of Compliance, the Securities and Exchange Commission of Pakistan has inserted new regulation 10A and certain amendments to regulations 10 & 35 of the Regulations, 2019 through its notification (S.R.O. (1)/2024) dated June 12, 2024. Currently, the management is assessing these amendments and these will be complied, as applicable, in due course. |


Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad

October 3, 2024

UDIN: CR202410209GKPFRIX4L

Independent Auditor's Report

to the members of Wah Nobel Chemicals Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Wah Nobel Chemicals Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter- was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>(Refer notes 3.10 and 22 to annexed financial statements)</p> <p>Revenue is recognized when performance obligation is satisfied by transferring the control of the promised goods to the customers. The Company is engaged in recognized revenue from the sale of Urea Formaldehyde Moulding Compound, Formaldehyde, Formaldehyde based liquid resins, and sanitizers of Rs. 5.5 billion for the year ended 30 June 2024.</p> <p>We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and it is also considered as an area of significant audit risk as part of audit process.</p>	<p>Our audit procedures in relation to the matter, amongst others, included the following:</p> <ul style="list-style-type: none"> ● Obtained an understanding of business processes relating to the recognition of revenue and understanding of relevant internal control over the Company's system which governs revenue recognition; ● Evaluated the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; ● Performed analytical procedures to analyze variations in the price and quantity sold during the year; ● Performed testing of revenue transactions on sample basis with underlying documentation including dispatch documents and sales invoices; and ● Checked that the presentation and disclosures related to revenue are in accordance with applicable accounting and reporting standards.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash

flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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


Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad

October 3, 2024

UDIN: AR202410209SYnyu8ZRE

Statement of Financial Position

as at June 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Property, plant and equipment	5	353,611,271	384,888,866
Deferred tax asset - net	6	47,784,700	19,298,657
Non-current assets		401,395,971	404,187,523
Stores, spares and loose tools	7	79,226,304	75,888,460
Stock in trade	8	806,042,658	497,795,397
Trade debts	9	1,255,477,085	1,315,381,683
Advances, deposits and other receivables	10	71,319,508	82,993,402
Short-term investment	11	-	2,824,791
Cash and bank balances	12	369,219,720	200,938,171
Current assets		2,581,285,275	2,175,821,904
Total assets		2,982,681,246	2,580,009,427
EQUITY			
Share capital	13	90,000,000	90,000,000
Capital reserves		944,404	944,404
Revenue reserves		2,167,447,405	1,714,176,092
Total equity		2,258,391,809	1,805,120,496
LIABILITIES			
Long term financing	14	16,728,219	34,012,179
Deferred liabilities	15	16,831,082	17,131,758
Non-current liabilities		33,559,301	51,143,937
Trade and other payables	16	568,226,150	321,066,938
Due to parent company	17	1,239,385	670,629
Income tax payable	18	89,903,492	13,640,703
Unclaimed dividends		8,797,571	7,862,929
Current portion of long term financing	14	22,563,538	23,947,673
Loan from parent company	19	-	316,514,631
Short-term borrowings	20	-	40,041,491
Current liabilities		690,730,136	723,744,994
Total liabilities		724,289,437	774,888,931
Total equity and liabilities		2,982,681,246	2,580,009,427
Contingencies and commitments	21		

The annexed notes from 1 to 44 form an integral part of these financial statements.



 CHIEF EXECUTIVE



 DIRECTOR



 CHIEF FINANCIAL OFFICER

Statement of Profit or Loss and Other Comprehensive Income

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
Revenue - net	22	4,684,721,158	4,383,436,397
Cost of sales	23	(3,629,578,570)	(3,499,521,193)
Gross profit		1,055,142,588	883,915,204
Administrative and general expenses	24	(25,428,619)	(19,861,874)
Selling and distribution expenses	25	(25,825,517)	(19,819,794)
Operating profit		1,003,888,452	844,233,536
Finance cost	26	(28,747,239)	(92,856,705)
Other expenses	27	(68,993,437)	(51,011,500)
Allowance for expected credit losses	9.2	(45,139,407)	(44,998,984)
Other income	28	45,322,304	13,390,013
Profit before taxation		906,330,673	668,756,360
Taxation	29	(356,916,726)	(219,525,898)
Profit for the year		549,413,947	449,230,462
Other comprehensive income for the year			
- Items that will not be classified to profit or loss			
- Gain / (loss) on remeasurement of defined benefit plan	16.2.4	(10,069,891)	4,156,761
- Related tax impact	6.1	3,927,257	(1,621,137)
Other comprehensive (loss) / income for the year - net of tax		(6,142,634)	2,535,624
Total comprehensive income for the year		543,271,313	451,766,086
Earnings per share - basic and diluted	30	61.05	49.91

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Cash Flows

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		906,330,673	668,756,360
Adjustments for non-cash items	31	195,582,080	217,915,345
Working capital changes:			
(increase)/decrease in current assets			
- Stores, spares and loose tools		(3,337,844)	4,549,102
- Stock in trade		(308,247,261)	(17,392,064)
- Trade debts		14,765,191	(25,067,093)
- Advances, deposits and other receivables		13,513,041	(37,374,173)
increase/(decrease) in current liabilities			
- Due to parent company		568,756	436,962
- Trade and other payables		232,947,464	(219,748,103)
		(49,790,653)	(294,595,369)
Cash generated from operations		1,052,122,100	592,076,336
Payment for workers' profit participation fund	16.3	(54,554,643)	(35,386,568)
Workers' welfare fund	16.4	(14,537,677)	(6,291,263)
Gratuity paid	16.2.2	-	(8,000,000)
Interest paid to parent company		(36,646,127)	(44,976,577)
Accumulated compensated absences paid	15.1.1	(4,523,679)	(2,870,154)
Payments to provident fund	16.5	(11,873,812)	(10,675,542)
Payments to pension fund	16.6	(1,866,163)	(2,185,255)
Tax paid	18	(357,796,578)	(121,135,896)
Tax refund received	18	52,583,855	56,683,269
		(429,214,824)	(174,837,986)
Net cash generated from operating activities		622,907,276	417,238,350
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(7,490,744)	(9,836,551)
Interest on term deposit receipts		322,833	147,958
Proceeds from disposal of financial asset	11	2,582,666	1,186,441
Net cash used in investing activities		(4,585,245)	(8,502,152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance repaid		(20,933,633)	(21,107,695)
Parent company loan repaid		(300,000,000)	-
Dividends paid		(89,065,358)	(44,659,719)
Net cash used in financing activities		(409,998,991)	(65,767,414)
Net increase in cash and cash equivalents		208,323,040	342,968,784
Cash and cash equivalents at the beginning of the year		160,896,680	(182,072,104)
Cash and cash equivalents at the end of the year	32	369,219,720	160,896,680

The annexed notes from 1 to 44 form an integral part of these financial statements.



 CHIEF EXECUTIVE



 DIRECTOR



 CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

for the year ended June 30, 2024

	Share capital	Capital reserves	Revenue reserves			Total
			General reserves	Un-appropriated profit	Sub-total	
Rupees						
Balance at 01 July 2022	90,000,000	944,404	1,100,000,000	207,410,006	1,307,410,006	1,398,354,410
Total comprehensive income for the year	-	-	-	451,766,086	451,766,086	451,766,086
Transactions with owners of the Company						
Dividend - Final 2022 @ Rs. 5 per share	-	-	-	(45,000,000)	(45,000,000)	(45,000,000)
Other						
Transfer to general reserve	-	-	160,000,000	(160,000,000)	-	-
Balance at 30 June 2023	90,000,000	944,404	1,260,000,000	454,176,092	1,714,176,092	1,805,120,496
Balance at 01 July 2023	90,000,000	944,404	1,260,000,000	454,176,092	1,714,176,092	1,805,120,496
Total comprehensive income for the year	-	-	-	543,271,313	543,271,313	543,271,313
Transactions with owners of the Company						
Dividend - Final 2023 @ Rs. 10 per share	-	-	-	(90,000,000)	(90,000,000)	(90,000,000)
Other						
Transfer to general reserve	-	-	360,000,000	(360,000,000)	-	-
Balance at 30 June 2024	90,000,000	944,404	1,620,000,000	547,447,405	2,167,447,405	2,258,391,809

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

for the year ended June 30, 2024

1 THE COMPANY AND ITS OPERATIONS

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 the Pakistan Stock Exchange Limited. The parent company of the Company is Wah Nobel (Private) Limited and the ultimate parent company is Pakistan Ordinance Factory. 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.

1.1 The geographical location and address of the Company's business units, including plant is as under:

- The Company's registered office is situated at Wah Nobel Group of Companies building, GT Road, Wah Cantt.
- The Company's manufacturing facilities are located at Wah Cantt, Tehsil Taxila in district Rawalpindi.
- The Company's manufacturing facilities are on lease hold land (Lease from Cantonment Board Wah Cantt), the area of which is ten acres.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements of the Company are presented in Pak Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest Rupee, unless otherwise indicated.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3.1.1 useful lives, residual values and depreciation method of property, plant and equipment;
- Note 3.2.2 measurement of defined benefit obligations: key actuarial assumptions;
- Note 3.3 recognition of deferred tax liabilities and assets and estimation of income tax provisions;
- Note 3.4 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3.5 impairment loss on non-financial assets other than inventories;
- Note 3.6 and 3.7 Provision for inventory obsolescence;
- Note 3.11 – Financial instruments – fair values; and
- Note 3.11 (iv) measurement of expected credit allowance for trade debts.

2.4.1 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

Notes to the Financial Statements

for the year ended June 30, 2024

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the accounting and reporting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Standards, Interpretations And Amendments To The Approved Accounting Standards

2.5.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year

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, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2024

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB)

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

Notes to the Financial Statements

for the year ended June 30, 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from April 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements:

3.1 Property, plant and equipment

3.1.1 Owned assets

Recognition and measurement

Items included in property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, except leasehold land and capital work in progress. Leasehold land and capital work in progress is stated at cost less accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are recognised in the statement of profit or loss during the financial period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals of property, plant and equipment are recognised in the statement of profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is provided on a reducing balance method and charged to statement of profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 5.1. Depreciation on additions is charged when available for use and depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IFRS-5 and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.2 Staff retirement benefits

The Company has the following plans for its employees:

3.2.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.2.2 Defined benefit plans

The Company operates the following defined benefit plans:

(a) Gratuity

The Company operates approved funded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the statement of profit or loss. The most recent valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method". The actuarial gains or losses at each evaluation date are charged to other comprehensive income. The results of actuarial valuation are summarized in note 16.2 of these financial statements.

The amount recognized in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of plan assets.

Calculation of gratuity benefit requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions and determined by actuary.

Notes to the Financial Statements

for the year ended June 30, 2024

(b) **Accumulated compensated absences**

The Company provides a facility to its employees for accumulating their annual earned leaves. Accumulated compensated absences are encashable on cessation of service. Provision is made for the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated at the reporting date and related expense thereof is charged to the profit or loss. The provision and related cost is recognized on the basis of actuarial valuation which is summarized in note 15.

Gratuity and compensated absences are provided for employees of the Company. The gratuity is structured as separate legal entity managed by trustees, however for compensated absences liability is recognized in the Company's financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions which includes discount rate, expected rate of return on plan assets, expected rate of salary increase and mortality rates. The actuarial valuations are conducted by independent actuaries on annual basis. Calculations are sensitive to change in underlying assumptions.

3.2.3 **Defined contributory plan**

The Company operates the following defined contributory plans:

(a) **Defined contributory provident fund**

The Company operates a recognized contributory provident fund scheme and converts all confirmed employees to this scheme on their option. Equal monthly contributions are made both by the Company and employees at the rate of ten percent of the basic salary to the fund. The Company's contribution to the scheme is charged to profit or loss.

(b) **Defined contributory pension scheme**

The Company operates an approved pension scheme for its permanent employees eligible under Employees Pension Fund Rules. The Company's liability is fixed to 17% of basic salary per annum which is charged to the profit or loss of related year.

3.3 **Taxation**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

3.3.1 **Current taxation**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria is met.

3.3.2 **Deferred taxation**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Notes to the Financial Statements

for the year ended June 30, 2024

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's view differs from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.4 Provisions and contingencies

A provision is recognized in statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognised in the financial statements.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.5 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognised. An impairment loss or reversal of impairment loss is recognised in the profit or loss for the year.

3.6 Stores, spares and loose tools

Stores, spare parts and loose tools are valued at lower of weighted average cost and net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stores, spare parts and loose tools.

3.7 Stock in trade

Stock of raw material, work in process and finished goods are valued at the lower of weighted average cost and net realizable value (NRV). Cost is calculated using weighted average cost and cost of raw materials comprises the invoice value plus other charges paid thereon. Cost of work in process and finished goods include cost of direct materials, labor and appropriation of manufacturing overhead. NRV signifies selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

Goods in transit are stated at cost comprising invoice value plus other charges paid thereon.

The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stock in trade.

3.8 Trade debts

Trade debts are amount due from customer for goods sold or services performed in the ordinary course of business. Trade are initially stated at fair value of consideration to be received. Subsequent to initial recognition these are carried at their amortized cost as reduced by appropriate charge for expected credit losses, if any. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method.

Notes to the Financial Statements

for the year ended June 30, 2024

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term borrowings under mark-up arrangements, used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried in the statement of financial position at amortized cost.

3.10 Revenue recognition

3.10.1 Revenue from sale of goods

The Company is in the business of sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue comprises the invoiced value for the sale of goods net of sales taxes, rebates and discounts, if any. Revenue from sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. right of returns, volume rebates).

The nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies are as follows:

- (i) Ex-site - The Company's performance obligation is to deliver the goods to the customers' premises i.e., the Company bears the related freight and insurance expense for transportation and the control of the goods is transferred to the customer at the point in time where goods are delivered to customers' premises, which is the point in time where performance obligation of the contract is met; and
- (ii) Ex-factory - The Company's performance obligation is ex - factory i.e., the customer bears the related freight and insurance expense for transportation and the control of the goods is transferred to the customer at the point in time where goods are loaded in customers' transportation vessel at the Company's factory premises which the point in time where performance obligation of the contract is met.

The normal credit term is generally 60 days under both of the above selling terms of the contract.

3.10.2 Contract assets

The contract assets primarily relate to the Company's rights to consideration for sale of goods provided these are not yet billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional.

3.10.3 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

3.10.4 Contract cost

- (i) Costs to obtain a contract – Incremental costs of obtaining a contract i.e., sales commission paid to third parties are accounted for as contract costs and are transferred to profit or loss based on the systematic pattern of revenue. The Company capitalizes such costs if revenue relating to such contract has not been recognized and the Company expects to recover such costs.
- (ii) Costs to full fill a contract – Costs that relate directly to a contract and are specifically identified, generate or enhance resources of the entity and are expected to be recovered i.e., direct transportation and insurance costs are accounted for as contract costs and are transferred to profit or loss based on the systematic pattern of revenue. The Company capitalizes such costs if revenue relating to such contract has not been recognized.

3.11 Financial instruments

i) Recognition and initial measurement

The Company initially recognises financial assets on the date when they are originated. Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at:

Notes to the Financial Statements

for the year ended June 30, 2024

- amortized cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

a) **Amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Fair value through other comprehensive income (FVOCI)**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Fair value through profit or loss (FVTPL)**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

iii) **Subsequent measurement**

(a) **Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

b) **Financial liabilities - classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iv) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial asset carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the simplified approach for trade debts which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company recognises life time ECL for trade debts, using the simplified approach. The expected credit losses on trade debts are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Life time expected credit losses against other receivables is also recognized due to significant increase in credit risk since initial recognition.

Notes to the Financial Statements

for the year ended June 30, 2024

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date reduced by security deposit held. For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Company recognizes an impairment loss in the profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Company write off financial assets that are still subject to enforcement activities. Subsequent recoveries of amounts previously written off will result in impairment gains.

v) De-recognition

Financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

vi) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.12 Finance income and finance costs

The Company's finance income and cost includes interest income, bank charges, interest on WPPF and markup on loans.

Interest income and expense is recognized using effective interest rate method.

4 OTHER ACCOUNTING POLICIES

4.1 Leased assets

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right to use assets

The Company recognises right-of-use assets at the lease commencement date. Right-of-use assets are initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right to use assets is subsequently depreciated using the reducing balance method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right of use asset reflect that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of lease liability.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Financial Statements

for the year ended June 30, 2024

Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below Rs 100,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.2 Trade and other payables

Trade and other payable are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are recognised initially at fair value of the consideration to be paid in the future for goods or services received, whether or not billed to the company and subsequent to initial recognition, these are carried at amortized cost.

4.3 Dividend and appropriation to reserves

Dividends and appropriations to the reserves are recognized in the period in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to these financial statements.

4.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction and production of qualifying asset are capitalized as part of cost of that asset up to the date of its commissioning. All other borrowing costs are charged to the profit or loss in the year when incurred as "finance cost".

4.5 Transactions with related parties

All transactions with related parties are approved by the Board.

4.6 Foreign currency transactions and translations

Foreign currency transactions are recorded at the exchange rates approximately those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated in rupee at the exchange rates ruling at the reporting date. Exchange differences are recognized in the profit or loss.

4.7 Share capital

Ordinary shares are classified as equity and recognised at their par value. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

4.8 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.9 Government Grants

Government grants are transfers of resources to the Company by a government entity in return for compliance with certain past or future conditions related to the Company's operating activities.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g., the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

Notes to the Financial Statements

for the year ended June 30, 2024

4.10 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors view the Company's operations as one reportable segment.

5 PROPERTY, PLANT AND EQUIPMENT	Note	2024 Rupees	2023 Rupees
Operating fixed assets	5.1	353,611,271	384,888,866
Capital work in progress		-	-
		<u>353,611,271</u>	<u>384,888,866</u>

Notes to the Financial Statements for the year ended June 30, 2024

5.1 Operating fixed assets

	Buildings on leasehold land				Equipment				Total owned assets	Leasehold land	Total	
	Office	Factory	Tube well	Plant and machinery	Furniture and fixture	Office	Tools and workshop	Computer installations				Motor vehicles
Cost												
Balance at 1 July 2022	2,406,019	152,607,224	547,920	573,326,560	1,775,466	1,290,251	3,774,398	2,421,558	5,239,393	743,388,789	1,701,971	745,090,760
Additions	-	-	-	9,730,251	-	-	-	-	106,300	9,836,551	-	9,836,551
Disposals	-	-	-	(1,513,514)	-	-	-	-	-	(1,513,514)	-	(1,513,514)
Balance at 30 June 2023	2,406,019	152,607,224	547,920	581,543,297	1,775,466	1,290,251	3,774,398	2,421,558	5,345,693	751,711,826	1,701,971	753,413,797
Balance at 1 July 2023	2,406,019	152,607,224	547,920	581,543,297	1,775,466	1,290,251	3,774,398	2,421,558	5,345,693	751,711,826	1,701,971	753,413,797
Additions	-	-	-	7,319,934	-	-	-	170,810	-	7,490,744	-	7,490,744
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	2,406,019	152,607,224	547,920	588,863,231	1,775,466	1,290,251	3,774,398	2,592,368	5,345,693	759,202,570	1,701,971	760,904,541
Accumulated depreciation												
Balance at 1 July 2022	1,700,620	51,003,669	535,573	262,363,746	1,302,429	877,053	3,098,528	2,222,444	2,432,187	325,536,249	1,697,310	327,233,559
Depreciation	35,270	10,162,862	1,234	31,185,321	47,319	41,253	56,688	39,949	583,472	42,153,368	-	42,153,368
Disposals	-	-	-	(861,996)	-	-	-	-	-	(861,996)	-	(861,996)
Balance at 30 June 2023	1,735,890	61,166,531	536,807	292,687,071	1,349,748	918,306	3,155,216	2,262,393	3,015,659	366,827,621	1,697,310	368,524,931
Balance at 1 July 2023	1,735,890	61,166,531	536,807	292,687,071	1,349,748	918,306	3,155,216	2,262,393	3,015,659	366,827,621	1,697,310	368,524,931
Depreciation	33,507	9,146,576	1,111	28,954,828	42,587	37,127	51,019	34,806	466,778	38,768,339	-	38,768,339
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	1,769,397	70,313,107	537,918	321,641,899	1,392,335	955,433	3,206,235	2,297,199	3,482,437	405,595,960	1,697,310	407,293,270
Carrying amounts												
At 30 June 2023	670,129	91,440,693	11,113	288,856,226	425,718	371,945	619,182	159,165	2,330,034	384,884,205	4,661	384,888,866
At 30 June 2024	636,622	82,294,117	10,002	267,221,332	383,131	334,818	568,163	295,169	1,863,256	353,606,610	4,661	353,611,271
Rates of depreciation per annum	5%	10%	10%	10%	10%	10%	10%	20%	20%	20%	20%	20%

5.1.1 Net book value of disposal is Rs. Nil (2023: Rs. 651,518).

Notes to the Financial Statements

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
5.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	23.1	38,620,146	41,989,581
Administrative and general expenses	24	148,193	163,787
		38,768,339	42,153,368
6 DEFERRED TAX ASSET - NET			
Deferred taxation	6.1	47,784,700	19,298,657
6.1 The movement of deferred tax below is as follows:			
Balance at 1 July		19,298,657	486,795
Tax credit / (charge) recognized in profit or loss		24,558,786	20,432,999
Tax credit / (charge) recognized in other comprehensive income		3,927,257	(1,621,137)
Balance at 30 June		47,784,700	19,298,657
6.2 Deferred tax balances comprises of the following:			
Deferred tax liability on taxable temporary differences			
Property, plant and equipment		(55,274,836)	(56,646,584)
Deferred tax asset on deductible temporary differences			
Provisions		103,059,536	75,945,241
		47,784,700	19,298,657
6.3 Deferred tax has been calculated at rate of 39% (2023: 39%).			
7 STORES, SPARES AND LOOSE TOOLS			
Stores		31,796,499	31,012,692
Spares		59,860,620	44,421,386
Loose tools		569,185	454,382
Provision for slow-moving items		(13,000,000)	-
		79,226,304	75,888,460
8 STOCK IN TRADE			
Raw material		292,303,858	300,539,833
Work in process		2,251,731	1,860,693
Finished goods		161,526,698	134,761,554
Goods in transit	8.1	349,960,371	60,633,317
		806,042,658	497,795,397
8.1 Goods in transit includes in-bonded raw material amounted Rs. 259,675,841 (2023: Rs. 60,633,317).			
9 TRADE DEBTS			
Trade debts		1,478,206,136	1,492,971,327
Less: Allowance for expected credit losses	9.2	(222,729,051)	(177,589,644)
		1,255,477,085	1,315,381,683
9.1 Trade debts include receivable from parent company of Rs. 1,734,422 (2023: Rs. 1,737,455) which is outstanding for less than three months. Maximum aggregating amount receivable from parent company at any time during the year is Rs.11,411,620 (2023: Rs. 9,647,934).			
9.2 Movement in allowance for expected credit losses is as follows:			
Balance at 01 July		177,589,644	132,590,660
Charge for the year		45,139,407	44,998,984
Balance at 30 June		222,729,051	177,589,644

Notes to the Financial Statements

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
10 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Advances	10.1	40,320,656	9,688,058
Prepayment to employees gratuity fund	16.2	-	1,433,398
Prepayment to workers profit participation fund	16.3	3,272,545	-
Deposits		273,410	346,910
Other receivables	10.2	27,452,897	71,525,036
		71,319,508	82,993,402
10.1 Advances - unsecured, considered good			
To suppliers - non interest bearing		39,298,950	8,811,500
To employees - non interest bearing		1,021,706	876,558
		40,320,656	9,688,058
10.2 Other receivables			
Sales tax refundable		27,271,997	16,558,198
Margin against letter of credit		-	54,785,938
Others		180,900	180,900
		27,452,897	71,525,036
11 SHORT-TERM INVESTMENT- AT AMORTIZED COST			
Term deposit receipt	11.1	-	2,582,666
Accrued interest		-	242,125
		-	2,824,791
11.1	This carries profit rate of 12.50% per annum (2023: 12.50%) having maturity period of one year. This term deposit receipt was encashed during the year.		
12 CASH AND BANK BALANCES			
Cash in hand		104,745	154,136
Cash at banks			
- local currency current accounts		360,713,894	79,799,088
- local currency saving accounts	12.1	8,401,081	120,984,947
		369,114,975	200,784,035
		369,219,720	200,938,171
12.1	Balance in saving accounts carry effective interest rates ranging from 20% to 20.75% (2023: 13.40% to 20%) per annum.		
13 SHARE CAPITAL			
13.1 Authorized share capital			
This represents 20,000,000 (2023: 20,000,000) ordinary shares of Rs. 10 each amounting to Rs. 200,000,000 (2023: Rs. 200,000,000).			

Notes to the Financial Statements

for the year ended June 30, 2024

13.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
Number	Number		Rupees	Rupees
6,750,000	6,750,000	Ordinary shares of Rs. 10 each fully paid in cash	67,500,000	67,500,000
2,250,000	2,250,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	22,500,000	22,500,000
9,000,000	9,000,000		90,000,000	90,000,000

13.3 Wah Nobel (Private) Limited (the Parent Company) held 4,970,395 (2023: 4,970,395) ordinary shares of Rs. 10 each at reporting date. Further 132,102 (2023: 132,102) and 505 (2023: 505) shares were held by associated undertakings and directors respectively at the year end.

13.4 The Company has no reserved or potential ordinary shares for issuance under options and sales contract.

13.5 The Company has only one class of ordinary shares which carries no right to fixed income. All ordinary share holders are entitled to receive dividend as declared from time to time and have same rights regarding voting, board selection, right of first refusal and block voting.

14 LONG TERM FINANCING

Note

Bank Al Habib	14.1	39,291,757	57,959,852
		39,291,757	57,959,852
Current portion of long term financing		(22,563,538)	(23,947,673)
		16,728,219	34,012,179

14.1 Bank Al Habib

Term finance facility - secured	14.1.1	57,959,852	75,417,874
Repayment of principal amount		(20,933,633)	(21,107,695)
Accrued markup		2,265,538	3,649,673
		39,291,757	57,959,852
Less: current portion of long term financing		(22,563,538)	(23,947,673)
		16,728,219	34,012,179

14.1.1 It 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 tenure of the facility is 5 years repayable in 16 equal quarterly installments from September, 2022. The facility is secured by registration of specific charge on fixed assets of the Company for Rs. 112 million.

15 DEFERRED LIABILITIES

Accumulated compensated absences	15.1.1	16,831,082	17,131,758
15.1 Changes in present value of defined benefit obligations:			
Present value of defined benefit obligation		17,131,758	11,379,326
Current service cost		4,327,476	3,199,480
Past service cost (credit)		-	821,778
Interest cost on defined benefit obligation		2,416,362	1,317,613
Benefit due but not paid (payables)		-	(9,985)
Benefits paid		(4,523,679)	(2,860,169)
Remeasurements:			
Acturial (gains)/losses from changes in financial assumptions		3,926	3,210,102
Experience adjustments		(2,524,761)	73,613
Present value of defined benefit obligation		16,831,082	17,131,758

Notes to the Financial Statements

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
15.1.1 Movement in liability recognised in statement of financial position:			
Balance at 01 July		17,131,758	11,379,326
Charge for the year	15.1.2	4,223,003	8,622,586
Benefit due but not paid (payables)		-	(9,985)
Benefits paid		(4,523,679)	(2,860,169)
Balance at 30 June		<u>16,831,082</u>	<u>17,131,758</u>
15.1.2 The amount recognized in the statement of profit or loss is as follows:			
Current service cost		4,327,476	3,199,480
Past service cost		-	821,778
Interest cost		2,416,362	1,317,613
Actuarial loss / (gain) from changes in financial assumptions		(2,520,835)	3,283,715
		<u>4,223,003</u>	<u>8,622,586</u>

15.1.3 Actuarial assumptions

Actuarial valuation of this plan was carried out at 30 June 2024 using projected unit credit method. Significant actuarial assumptions used were as follows:

	2024	2023
Discount rate for interest cost	16.25%	13.25%
Discount rate for year end obligation	14.75%	16.25%
Expected rate of increase in salary	13.75%	42.00%
Average number of leaves accumulated per annum - officers	9 days	9 days
Average number of leaves accumulated per annum - staff	5 days	5 days
Average number of leaves accumulated per annum - workers	3 days	3 days

15.1.4 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of a change in respective assumptions by one percent.

	2024		2023	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees	Rupees	Rupees	Rupees
Discount rate	15,352,293	18,558,340	15,604,551	18,916,094
Future salary growth	18,537,402	15,346,796	18,864,289	15,624,420

15.1.5 Risk associated with the scheme**(a) Final salary risk**

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(b) Demographic risks

- (i) Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Notes to the Financial Statements

for the year ended June 30, 2024

- (ii) Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

15.1.6 The average duration of defined benefit obligation is 9.7 years (2023: 8 years).

16 TRADE AND OTHER PAYABLES	Note	2024 Rupees	2023 Rupees
Trade creditors	16.1	353,537,352	143,049,627
Contract liability		13,173,401	19,113,410
Accrued liabilities		118,789,632	93,443,511
Sales tax payable		8,333,868	7,539,174
Accrued markup		63,944	64,985
Payable to employees gratuity fund	10 & 16.2.5	11,695,086	-
Workers' profit participation fund	16.3	-	2,554,643
Workers' welfare fund	16.4	56,198,839	51,245,534
Payable to employees' provident fund	16.5	1,064,682	946,682
Payable to employees' pension fund	16.6	-	-
Other liabilities	16.7	5,369,346	3,109,372
		<u>568,226,150</u>	<u>321,066,938</u>
16.1 Trade creditors includes payable to Pakistan Ordinance Factory (ultimate parent) amounting to Rs. 3,685,245 (2023: Rs. 90,989), Wah Nobel (Pvt) Limited (parent company) Rs. 3,277,445 (2023: 1,523,329) and Nobel Energy Limited (an associated company) Rs. Nil (2023: Rs. 2,152,150) against procurement of electricity.			
16.2 <i>Gratuity - reconciliation of the liability recognized in the statement of financial position</i>			
Present value of defined benefit obligation	16.2.1	65,011,955	45,745,572
Fair value of plan assets	16.2.2	(53,316,869)	(47,178,970)
		<u>11,695,086</u>	<u>(1,433,398)</u>
Presented as short term prepayment	10	-	1,433,398
		<u>11,695,086</u>	<u>-</u>
16.2.1 <i>Movement in the present value of defined benefit obligations is as follows:</i>			
Balance at 01 July		45,745,572	41,780,718
Current service cost	16.2.3	3,291,520	3,023,477
Interest cost	16.2.3	7,171,542	5,458,145
Benefits due but not paid (payable)		-	(289,094)
Benefits paid / adjustments	16.2.2	(3,226,012)	(885,247)
Remeasurement recognised in OCI			
- Actuarial gain from changes in financial assumption	16.2.4	(156,784)	(3,235,349)
- Experience adjustment	16.2.4	12,186,117	(107,078)
Balance at 30 June		<u>65,011,955</u>	<u>45,745,572</u>
16.2.2 <i>Movement in the fair value of plan assets is as follows:</i>			
Balance at 01 July		47,178,970	34,496,799
Interest income on plan assets	16.2.3	7,404,469	5,042,178
Contributions during the year		-	8,000,000
Benefits due but not paid (payable)		-	(289,094)
Benefits paid		(3,226,012)	(885,247)
Return on plan asset, excluding interest income	16.2.4	1,959,442	814,334
Balance at 30 June		<u>53,316,869</u>	<u>47,178,970</u>

Notes to the Financial Statements

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
16.2.3 Amount recognised in statement of profit or loss is as follows:			
Current service cost		3,291,520	3,023,477
Interest cost		7,171,542	5,458,145
Interest income on plan assets		(7,404,469)	(5,042,178)
		<u>3,058,593</u>	<u>3,439,444</u>
16.2.4 Amount recognised in other comprehensive income:			
Actuarial (gain) / loss from change in financial assumptions		(156,784)	(3,235,349)
Experience adjustment		12,186,117	(107,078)
Return on plan asset, excluding interest income		(1,959,442)	(814,334)
		<u>10,069,891</u>	<u>(4,156,761)</u>
16.2.5 Movement in liability recognised in statement of financial position:			
Balance at 01 July		(1,433,398)	7,283,919
Amount recognised in profit or loss	16.2.3	3,058,593	3,439,444
Amount recognised in other comprehensive income	16.2.4	10,069,891	(4,156,761)
Contributions during the year	16.2.2	-	(8,000,000)
Balance at 30 June		<u>11,695,086</u>	<u>(1,433,398)</u>
16.2.6 Expected benefit payments for the next year.			
		<u>4,499,840</u>	<u>2,163,079</u>
16.2.7 Plan assets comprise of:			
		2024 Percentage	2023 Percentage
Bond		0.00%	25.91%
Equity		0.39%	0.47%
Cash and / or deposits		99.61%	73.62%
		<u>100%</u>	<u>100%</u>
16.2.8 The expected return on plan assets is based on the market expectations and depend upon the asset portfolio of the Funds, at the beginning of the year, for returns over the entire life of the related obligations.			
16.2.9 Actuarial assumptions			
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).			
Discount rate used for interest cost in profit or loss charge		16.25%	13.25%
Discount rate used for year end obligation		14.75%	16.25%
Salary increase in 2024		NA	7.00%
Salary increase 2025 onward		13.75%	15.25%
Mortality rate		SLIC 2001-2005 set back 1 year	SLIC 2001-2005 set back 1 year
Withdrawal rate		Age based (per appendix)	Age based (per appendix)
Retirement assumption		Age 60	Age 60
Estimated charge to profit or loss for the next year (Rupees)		6,146,887	2,408,593

16.2.10 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

Notes to the Financial Statements

for the year ended June 30, 2024

	2024		2023	
	Effect of 1% increase (Rupees)	Effect of 1% decrease (Rupees)	Effect of 1% increase (Rupees)	Effect of 1% decrease (Rupees)
Discount rate	60,284,111	70,441,931	42,556,798	49,396,090
Salary increase	70,506,121	60,148,275	49,467,749	42,441,290
16.2.11 Maturity analysis			2024	2023
			Rupees	Rupees
Within one year			4,499,840	2,163,079
Two to five years			34,203,225	28,560,355
Six to ten years			48,746,120	27,594,747
More than ten years			1,117,365,331	1,233,096,741
16.2.12	The average duration of the defined benefit obligation is 8 years (2023: 7 years).			
16.2.13	The Company contributes to the gratuity fund on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.			
16.2.14 Risk associated with defined benefit plan				
(a) Final salary risk	The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.			
	The average duration of the defined benefit obligation is 7 years (2023: 7 years)			
(b) Demographic risks				
(i)	Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.			
(ii)	Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.			
(c) Investment risk	The risk of the investment underperforming and being not sufficient to meet the liabilities.			
16.3 Workers' profit participation fund	Note	2024 Rupees	2023 Rupees	
Balance at 01 July		2,554,643	1,831,516	
Charge for the year	27	48,727,455	35,954,643	
Interest for the year on funds utilized by the Company	26	-	155,052	
Payments during the year		(54,554,643)	(35,386,568)	
Balance at 30 June		(3,272,545)	2,554,643	
Presented as short term prepayment	10	3,272,545	-	
		-	2,554,643	
16.4 Workers' welfare fund				
Balance at 01 July		51,245,534	43,154,940	
Payments during the year		(14,537,677)	(6,291,263)	
Expense for the year	27	19,490,982	14,381,857	
Balance at 30 June		56,198,839	51,245,534	
16.5 Payable to employees' provident fund				
Balance at 01 July		946,682	745,514	
Contribution for the year		11,991,812	10,876,710	
Payments during the year		(11,873,812)	(10,675,542)	
Balance at 30 June		1,064,682	946,682	

Notes to the Financial Statements

for the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
16.6 Payable to employees' pension fund			
Balance at 01 July		-	311,951
Contribution for the year		1,866,163	1,873,304
Payments during the year		(1,866,163)	(2,185,255)
Balance at 30 June		-	-

16.7 This includes securities deposits of Rs. 3,350,720 (2023: Rs. 2,200,720) received from transporters.

17 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.

18 INCOME TAX PAYABLE

Balance at 01 July		13,640,703	(161,865,567)
Income tax expense for the year	29	381,475,512	239,958,897
Income tax paid / withheld during the year		(357,796,578)	(121,135,896)
Refunds received during the year		(52,583,855)	(56,683,269)
Balance at 30 June		89,903,492	13,640,703

19 LOAN FROM PARENT COMPANY

Loan from Wah Nobel (Private) Limited	19.1	-	300,000,000
Accrued markup			16,514,631
		-	316,514,631

19.1 This represented short-term loan and related mark-up extended from Wah Nobel (Private) Limited (parent company) to meet the working capital requirements. This is unsecured and carries markup at 3 months KIBOR per annum and payable within one year.

19.2 The company has un-utilized facility duly approved by the parent company amounting upto Rs. 400 million for a period of one year to meet its working capital requirements. The facility is unsecured and carries markup @ 3 months kibar per annum.

20 SHORT-TERM BORROWINGS

Running finance availed from:			
- Bank Al-Habib Limited		-	40,041,491
- Allied Bank Limited		-	-
- Askari Bank Limited		-	-
- MCB Bank Limited		-	-
Accrued markup		-	-
		-	40,041,491

20.1 Facilities related to short term borrowings - secured

The Company has the following running finance facilities aggregating to Rs. 1,090,000,000 (2023: Rs. 890,000,000) out of which amount aggregating to Rs. 1,090,000,000 (2023: Rs. 849,958,509) remained unutilized at the year end.

Banks	Markup	Draw down limit	
		2024	2023
		Rupees	
Bank Al-Habib Limited	1 month KIBOR plus 0.35%	350,000,000	350,000,000
Allied Bank Limited	1 month KIBOR plus 0.35%	300,000,000	300,000,000
MCB Bank Limited	3 month KIBOR plus 0.35%	40,000,000	40,000,000
Askari Bank Limited	1 month KIBOR plus 0.35%	200,000,000	200,000,000
Faysal Bank Limited	3 month KIBOR plus 0.35%	200,000,000	-
		1,090,000,000	890,000,000

Notes to the Financial Statements

for the year ended June 30, 2024

20.2 The mark up on the facilities are without a floor or cap and are payable quarterly.

20.3 Facilities secured against:

Bank	Security description
Bank Al Habib Limited	First pari passu charge on present and future, current and fixed assets of the Company for Rs. 430 million and Rs. 377 million respectively.
Allied Bank Limited	Facility upto Rs. 350 million is secured against first pari passu hypothecation charge on all present and future current and fixed assets of the Company with 25% margin and constructive equitable mortgage over property.
MCB Bank Limited	First pari passu charge of Rs. 146 million over current assets and fixed assets of the Company.
Askari Bank Limited	First pari passu charge amounting to Rs. 266.67 million on present and future current assets of the Company.
Faysal Bank Limited	First pari passu charge of Rs. 267 million over current assets and fixed assets (except land and building) of the Company.

20.4 Facilities for letter of guarantee and letter of credit

Following banks have extended facilities of letter of guarantee and letter of credit to the Company:

Bank	Note	Letter of guarantee		Letter of credit	
		2024	2023	2024	2023
		Rupees			
Bank Al Habib Limited	20.4.1	20,000,000	20,000,000	700,000,000	700,000,000
Allied Bank limited	20.4.2	-	-	550,000,000	550,000,000
MCB Bank Limited	20.4.3	10,000,000	10,000,000	240,000,000	240,000,000
Askari Bank Limited	20.4.4	100,000,000	100,000,000	200,000,000	200,000,000
Faysal Bank Limited	20.4.5	-	-	200,000,000	-

20.4.1 These are secured against master counter guarantee from the Company, lien on shipping documents, accepted drafts, cash margin and promissory note.

20.4.2 Facility is secured against lien on valid import documents/ accepted bills of exchange.

20.4.3 These are secured by lien over import documents covering the consignment of raw material, spare parts and chemicals.

20.4.4 These are secured by ranking charge amounting to Rs. 110 million on current assets of the Company and lien on import documents / accepted drafts.

20.4.5 Facility is secured against lien on valid import documents/ accepted bills of exchange.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 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.

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.

Notes to the Financial Statements

for the year ended June 30, 2024

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. In case of fresh demand from the department the Company is exposed to an aggregate obligation of Rs. 1,174,000,000 (2023: Rs. 1,031,000,000) 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, the management believes that there is almost 'nil' chance of any liability. Therefore, no provision for this has been made in these financial statements.

- 21.1.2 Under the Punjab Excise Act, 1914, Excise Commissioner / Director General, Excise and Taxation Department, Punjab has issued a notification dated June 30, 2003 by which the department has levied fees on the import, possession, industrial use and sale of methanol. The Company and other manufacturers, importers and vendors of Methanol have filed writ petitions in the Lahore High Court and obtained stay order against these levies. The case is pending adjudication by the Lahore High Court.
- 21.1.3 The Additional Commissioner, Punjab Revenue Authority (PRA), Rawalpindi has issued the demand of Rs. 7,142,274 under Section 52 (2) of the Punjab Sales Tax on Services Act 2012 for the tax year 2018. Being aggrieved, after dismissal of the Company's appeal by Commissioner (Appeals) PRA, Lahore the Company filed appeal before the Appellate Tribunal Punjab Revenue Authority on dated April 11, 2022 which is concluded after the hearing. The management is confident that the ultimate outcome of the appeal would be in favour of the Company.
- 21.1.4 Further, the Company has also filed an appeal with Commissioner (Appeal) against sales tax on services order of Rs. 15,182,730 in term of section 52 of the Punjab Sales Tax on Services Act, 2012 relevant to tax years from 2017 to 2021. Being aggrieved, after dismissal of the Company's appeal by Commissioner (Appeals) PRA, Lahore the Company filed appeal before the Appellate Tribunal Punjab Revenue Authority on dated October 13, 2023 which is subjudice till to date. The management is confident that the ultimate outcome of the appeal would be in favour of the Company.
- 21.1.5 The tax authority framed order under section 122(1) of the Ordinance for the Tax Year 2019 due to alleged discrepancy in the assessment i.e. claim of excess tax credit of Rs. 7,843,826 on account of investment in plant & machinery. Being aggrieved with the Appellate order of the CIR (A) the Company filed an appeal before the Appellate Tribunal Inland Revenue on dated April 30, 2024 which is subjudice till to date. The management is confident that the ultimate outcome of the appeal would be in favour of the Company.

21.2 Commitments in respect of:

	2024	2023
	Rupees	Rupees
21.2.1 Letters of credit for purchase of stocks	460,194,500	371,578,491

22 REVENUE - NET

Local sales	5,197,514,892	5,182,756,300
Export	329,121,808	-
	5,526,636,700	5,182,756,300
Less: sales tax	(828,434,671)	(790,820,492)
Discount	(13,480,871)	(8,499,411)
	4,684,721,158	4,383,436,397
22.1 Disaggregation of revenue based on product categories:		
Formaldehyde and Formalin solvent	1,517,397,964	1,918,665,818
Urea / Phenol Formaldehyde	405,586,733	463,164,992
Urea Formaldehyde Moulding compound	2,665,165,103	1,930,070,437
Others	96,571,358	71,535,150
	4,684,721,158	4,383,436,397
22.2 Revenue amounting to Rs. 19,113,410 (2023: Rs. 20,353,968) included in the opening contract liability balance has been recognized during the year.		

Notes to the Financial Statements

for the year ended June 30, 2024

23 COST OF SALES	Note	2024 Rupees	2023 Rupees
Cost of goods manufactured	23.1	3,559,431,437	3,446,708,362
Packing material consumed		38,621,985	31,393,654
Transit insurance		1,640,996	1,728,304
Carriage		56,649,296	48,462,670
		<u>3,656,343,714</u>	<u>3,528,292,990</u>
Opening stock of finished goods	8	134,761,554	105,989,757
Closing stock of finished goods	8	<u>(161,526,698)</u>	<u>(134,761,554)</u>
		<u>3,629,578,570</u>	<u>3,499,521,193</u>
23.1 Cost of goods manufactured			
Raw material consumed	23.2	3,027,022,662	3,040,209,631
Stores spares and loose tools consumed		120,737,790	87,138,341
Provision for slow-moving items		13,000,000	-
Salaries, wages and other benefits	25.1	279,144,136	213,893,826
Fuel and power		68,251,475	46,660,249
Rent, rates and taxes		934,106	474,521
Insurance		831,689	586,338
Repairs and maintenance		2,277,886	1,263,640
Outside security charges		3,086,880	2,771,160
Depreciation	5.1.2	38,620,146	41,989,581
Miscellaneous expenses		5,915,705	11,306,183
Manufacturing cost		<u>3,559,822,475</u>	<u>3,446,293,470</u>
Opening stock of work in process	8	1,860,693	2,275,585
Closing stock of work in process	8	<u>(2,251,731)</u>	<u>(1,860,693)</u>
		<u>3,559,431,437</u>	<u>3,446,708,362</u>
23.2 Raw material consumed			
Opening stock	8	300,539,833	260,798,404
Purchases during the year		3,018,786,687	3,079,951,060
		<u>3,319,326,520</u>	<u>3,340,749,464</u>
Closing stock	8	<u>(292,303,858)</u>	<u>(300,539,833)</u>
		<u>3,027,022,662</u>	<u>3,040,209,631</u>
24 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages and other benefits	25.1	17,704,398	13,347,998
Corporate service fee		900,000	900,000
Office rent		78,180	78,180
Postage, telephone and telex		568,132	334,456
Printing and stationery		683,026	660,263
Travelling and conveyance		124,083	48,963
Entertainment		192,546	142,612
Legal and professional charges		1,967,812	1,616,370
Fees and subscription		870,572	982,384
Advertisement and publicity		377,790	185,660
Directors fee		450,000	350,000
Maintenance		760,485	427,229
Depreciation	5.1.2	148,193	163,787
Miscellaneous		603,402	623,972
		<u>25,428,619</u>	<u>19,861,874</u>

Notes to the Financial Statements

for the year ended June 30, 2024

		2024	2023
	Note	Rupees	Rupees
25 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	25.1	19,575,230	14,941,382
Postage, telephone and telex		40,688	36,999
Printing and stationery		233,160	36,600
Travelling and conveyance		1,969,537	2,354,523
Vehicle running expenses		2,105,245	1,166,055
Entertainment		116,160	187,243
Miscellaneous		1,785,497	1,096,992
		<u>25,825,517</u>	<u>19,819,794</u>
25.1	Other benefits include contribution towards pension fund of Rs. 1,866,163 (2023: Rs. 1,873,304), provident fund of Rs. 3,537,206 (2023: Rs. 3,409,455), gratuity of Rs. 3,058,593 (2023: Rs.3,439,444), and expense for accumulating compensated leaves absences of Rs. 4,223,003 (2023: Rs. 8,622,586).		
26 FINANCE COST			
Mark up on short term borrowings		757,480	33,652,695
Markup on loan from parent company		20,131,496	52,598,139
Mark up on long term financing		3,893,271	5,869,662
Interest on workers' profit participation fund	16.3	-	155,052
Bank charges		3,964,992	581,157
		<u>28,747,239</u>	<u>92,856,705</u>
27 OTHER EXPENSES			
Workers' profit participation fund	16.3	48,727,455	35,954,643
Workers' welfare fund	16.4	19,490,982	14,381,857
Auditors' remuneration	27.1	775,000	675,000
		<u>68,993,437</u>	<u>51,011,500</u>
27.1	Breakup of auditors' remuneration is as follows:		
Annual audit fee		665,000	565,000
Half yearly review		110,000	110,000
		<u>775,000</u>	<u>675,000</u>
28 OTHER INCOME			
Income from financial assets	28.1	22,332,217	6,678,612
Income from non-financial assets	28.2	22,990,087	6,711,401
		<u>45,322,304</u>	<u>13,390,013</u>
28.1	Income from financial assets		
Interest on term deposit receipts		80,708	253,492
Interest on saving accounts		22,251,509	6,425,120
		<u>22,332,217</u>	<u>6,678,612</u>
28.2	Income from non-financial assets		
Gain on sale of property, plant and equipment		-	534,923
Gain on foreign exchange		690,517	-
Bad debt recovered		7,777,313	1,887,000
Sale of scrap		14,522,257	4,289,478
		<u>22,990,087</u>	<u>6,711,401</u>

Notes to the Financial Statements

for the year ended June 30, 2024

		2024	2023
29 TAXATION	Note	Rupees	Rupees
Provision for taxation:			
- Current year	29.1	378,603,136	239,958,897
- Prior year		2,872,376	-
		<u>381,475,512</u>	<u>239,958,897</u>
Deferred tax	6.1	(24,558,786)	(20,432,999)
		<u>356,916,726</u>	<u>219,525,898</u>
29.1	This include super tax charge calculated at the rate of 10% (2023: 4%) which is in accordance with the rates prescribed for tax year 2024 vide Finance Act, 2023 (2023: Finance Act, 2022).		
29.2	During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime to be shown separately as a levy instead of showing it in current tax. This guidance has no impact on these financial statements.		
29.3	Reconciliation of tax expense for the year is as follows:		
Accounting profit		<u>906,330,673</u>	<u>668,756,360</u>
Tax rate @ 29% (2023 : 29%)			
Tax on accounting profit		262,835,895	193,939,345
Effect of prior year tax		2,872,376	-
Effect of super tax		90,633,067	26,750,254
Others		575,388	(1,163,701)
		<u>356,916,726</u>	<u>219,525,898</u>
30 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year		<u>549,413,947</u>	<u>449,230,462</u>
Number of ordinary shares outstanding during the year		<u>9,000,000</u>	<u>9,000,000</u>
Earnings per share - basic and diluted in rupees		<u>61.05</u>	<u>49.91</u>
31 ADJUSTMENTS FOR NON-CASH ITEMS			
Depreciation	5.1.2	38,768,339	42,153,368
Interest on workers' profit participation fund	26	-	155,052
Interest on term deposit receipts	28.1	(80,708)	(253,492)
Gain on disposal of property, plant and equipment	28.2	-	(534,923)
Provision for gratuity fund	16.2.5	3,058,593	3,439,444
Workers' profit participation fund (WPPF)	27	48,727,455	35,954,643
Workers' welfare fund (WWF)	27	19,490,982	14,381,857
Provision for accumulated compensated absences	15.1.2	4,223,003	8,622,586
Provision of provident fund	16.5	11,991,812	10,876,710
Provision in respect of pension fund	16.6	1,866,163	1,873,304
Markup on loan from parent company		20,131,496	52,598,139
Accrued markup on long term financing	14.1	2,265,538	3,649,673
Allowance for expected credit losses and bad debts	9.2	45,139,407	44,998,984
		<u>195,582,080</u>	<u>217,915,345</u>
32 CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	369,219,720	200,938,171
Short term borrowings - secured	20	-	(40,041,491)
		<u>369,219,720</u>	<u>160,896,680</u>

Notes to the Financial Statements

for the year ended June 30, 2024

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

33.1 The following table shows the carrying amounts of financial assets and financial liabilities by categories:

	Note	2024 Rupees	2023 Rupees
Financial assets - amortized cost			
Trade debts	9	1,255,477,085	1,315,381,683
Deposits	10	273,410	346,910
Other receivables	10.2	180,900	54,966,838
Short-term investment	11	-	2,824,791
Cash and bank balances	12	369,219,720	200,938,171
		1,625,151,115	1,574,458,393
Financial liabilities - amortized cost			
Long term financing	14	39,291,757	57,959,852
Trade and other payables	16	477,760,274	239,667,495
Due to parent company	17	1,239,385	670,629
Unclaimed dividends		8,797,571	7,862,929
Loan from parent company	19	-	316,514,631
Short-term borrowings	20	-	40,041,491
		527,088,987	662,717,027

33.2 The Company has not disclosed the fair value for these financial assets and financial liabilities, as these are either short term in nature or reprised periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

33.3 The Company has exposure to the credit risk, liquidity risk and market risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Financial Statements

for the year ended June 30, 2024

33.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade debts from customers.

The carrying amount of financial assets represent the maximum credit exposure.

Expected credit losses on financial assets are recognised in statement of profit or loss are as follows.

	2024 Rupees	2023 Rupees
Allowance for expected credit loss on trade debts	(222,729,051)	(177,589,644)

i) Trade debts

The Company's exposure to credit risk is influenced mainly by the individual's characteristics of each customer. However, management also considers the factors that may influence the credit risk of customer base, including the default risk associated with the industry and the region in which the customers operate.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Credit limits are established for each customer and are reviewed regularly. Any sales exceeding those limits require approval from the Chief Executive Officer of the Company.

Majority of the Company's customers have been transacting with the Company for many years and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, their geographical location, industry, trading history with the Company and existence of previous financial difficulties.

The Company has no collateral in respect of financial assets exposed to credit risk.

A summary of the Company's exposure to credit risk for trade debts is as follows:

	2024 Rupees	2023 Rupees
Customers without external credit rating	1,478,206,136	1,492,971,327
Gross carrying amount	1,478,206,136	1,492,971,327
Allowance for expected credit losses	(222,729,051)	(177,589,644)
	1,255,477,085	1,315,381,683

The ageing of trade debts at June 30 is as follows:

Current	206,692,572	256,494,570
31 - 60 Days	305,861,404	386,135,423
61-90 Days	195,303,566	202,419,242
91-180 Days	177,750,113	155,550,747
181 - 365 Days	230,093,949	166,295,727
Over 365 Days	362,504,532	326,075,618
	1,478,206,136	1,492,971,327
Allowance for expected credit losses	(222,729,051)	(177,589,644)
	1,255,477,085	1,315,381,683

Expected credit loss assessment for customers as at 01 July 2023 and 30 June 2024

The Company allocates each exposure to a credit risk based on data that is determined to be predictive of the loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projection and available press information about customers) and applying experienced credit judgment. Credit risk are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definition from agencies (Rating agencies Pakistan Credit Rating Agency (PACRA) and JCR - VIS.

Notes to the Financial Statements

for the year ended June 30, 2024

Exposure within each credit risk is segmented by geographical region and an expected credit loss (ECL) rate is calculated for each segment based on delinquency status and actual credit loss experience over the three years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the trade debts.

The Company uses an allowance matrix to measure the ECLs of trade debts.

Loss rates are calculated using "roll rate" method based on the probability of a trade debt progressive through successive stages of delinquency to calculate the weighted average loss rate. Roll rates are calculated separately for exposure in different segments based on following common characteristics - geographic region and age of customer relationship.

The following table provides information about the exposure to credit risk and ECL for trade debts at 30 June 2024:

	Gross carrying amount	Allowance for expected credit losses Rupees	Credit impaired
Current	206,692,572	8,899,871	No
31 - 60 Days	305,861,404	12,647,672	No
61-90 Days	195,303,566	10,229,642	No
91-180 Days	177,750,113	19,091,858	No
181 - 365 Days	230,093,949	54,963,707	No
Over 365 Days	362,504,532	116,896,302	No
Unsecured trade debts	1,478,206,136	222,729,051	

ii) Short term investments

The Company holds short term investments amounting to Rs. Nil (2023: Rs. 2,824,791) with the Bank. The credit ratings of the counterparty as per JCR-VIS and PCRA are A1+ (short term) and AAA (long term).

Impairment on short term investments has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its short term investments have low credit risk based on external credit rating of the counterparty.

iii) Other receivables

The Company other receivables mainly included margin against letter of credit amounting to Rs. Nil (2023: Rs. 54,785,938) and bank guarantee amounting to Rs. Nil (2023: Rs. Nil) with the Bank. The credit ratings of the counterparty as per JCR-VIS and PCRA are A1+ (short term) and AAA (long term).

Impairment on other receivables has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its short term investments have low credit risk based on external credit rating of the counterparty.

iv) Bank balances

The Company holds cash at various banks, which are rated A1+ (short term rating) as per JCR-VIS and PACRA rating.

Impairment on cash at bank has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its cash at bank have low credit risk based on external credit rating of the counterparties. The credit ratings of the banks as per JCR-VIS and PACRA are as follows.

	Short term rating	Long term Rating	2024 Rupees	2023 Rupees
Bank Al Habib Limited	A1+	AAA	65,670,544	120,999,942
National Bank of Pakistan	A1+	AAA	1,096,717	765,686
Askari Bank Limited	A1+	AA+	1,433,366	1,840,878
Meezan Bank Limited	A1+	AAA	285,401,425	64,717,825
Bank Al Falah Limited	A1+	AA+	8,589,384	780,067
MCB Bank Limited	A1+	AAA	3,344,339	5,116,287
Allied Bank Limited	A1+	AAA	2,647,581	6,563,350
Faysal Bank Limited	A1+	AA	931,618	-
			369,114,975	200,784,035

Notes to the Financial Statements

for the year ended June 30, 2024

v) Short term deposit

The Company holds short term deposits of Rs. 273,410 at 30 June 2024 (2023: Rs. 346,910). These deposits are recoverable from Lady Reading hospital and other parties.

Impairment on short term deposits has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its short term deposits have low credit risk.

33.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintain lines of credit as mentioned in note 20 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Maturity up to one year	Maturity after one year and up to five years	Maturity after five years
			Rupees		
Long term financing	39,291,757	42,683,079	21,733,319	20,949,760	-
Trade and other payables	477,760,274	477,760,274	477,760,274	-	-
Due to parent company	1,239,385	1,239,385	1,239,385	-	-
Unclaimed dividends	8,797,571	8,797,571	8,797,571	-	-
Short-term borrowings	-	-	-	-	-
Loan from parent company	-	-	-	-	-
June 30, 2024	527,088,987	530,480,309	509,530,549	20,949,760	-
Long term financing	57,959,852	64,800,114	22,550,244	42,249,870	-
Trade and other payables	239,667,495	239,667,495	239,667,495	-	-
Due to parent company	670,629	670,629	670,629	-	-
Unclaimed dividends	7,862,929	7,862,929	7,862,929	-	-
Short-term borrowings	40,041,491	40,041,491	40,041,491	-	-
Loan from parent company	316,514,631	316,514,631	316,514,631	-	-
June 30, 2023	662,717,027	669,557,289	627,307,419	42,249,870	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

The contractual cash flow relating to long term financing and short term borrowings have been determined on the basis of expected mark up rates.

33.6 Fair Value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

Notes to the Financial Statements

for the year ended June 30, 2024

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
Rupees				
Financial assets - amortized cost				
Trade debts	1,255,477,085	1,255,477,085	1,315,381,683	1,315,381,683
Deposits	273,410	273,410	346,910	346,910
Other receivables	180,900	180,900	54,966,838	54,966,838
Short-term investment	-	-	2,824,791	2,824,791
Cash and bank balances	369,219,720	369,219,720	200,938,171	200,938,171
	1,625,151,115	1,625,151,115	1,574,458,393	1,574,458,393
Financial liabilities - amortized cost				
Long term financing	39,291,757	39,291,757	57,959,852	57,959,852
Trade and other payables	477,760,274	477,760,274	239,667,495	239,667,495
Due to parent company	1,239,385	1,239,385	670,629	670,629
Unclaimed dividends	8,797,571	8,797,571	7,862,929	7,862,929
Loan from parent company	-	-	316,514,631	316,514,631
Short-term borrowings	-	-	40,041,491	40,041,491
	527,088,987	527,088,987	662,717,027	662,717,027

The basis for determining fair values is as follows:

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

33.7 Market risk

Market risk is the risk that changes in market prices e.g. foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market price management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

33.7.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies. The Company has minimal exposure to currency risk.

33.7.2 Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loan, short term investments and short term borrowings. At the reporting date, the interest rate risk profile of the Company's interest bearing financial instruments is:

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2024	2023	2024	2023
	%	%	Rupees	Rupees
Fixed rate instrument				
- Financial assets				
Short-term investment - TDRs	12.50%	12.50%	-	2,824,791
- Financial liabilities				
Loan from Bank Al Habib	4.00%	4.00%	39,291,757	57,959,852
Variable rate instrument				
- Financial liabilities				
Short-term borrowings	Refer note 19	Refer note 20	-	40,041,491
Loan from parent company	Refer note 18	Refer note 19	-	316,514,631

Notes to the Financial Statements

for the year ended June 30, 2024

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not have derivatives as hedging instruments recognized under fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased / decreased profit or loss by Rs. Nil (2023: Rs. 3,165,955).

33.7.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk.

33.7.4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, 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:

i) **Investment in fair value through profit or loss**

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date.

ii) **Non-derivative financial assets**

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

iii) **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

34 CAPITAL RISK MANAGEMENT

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to company's approach to the capital management during the year and the company is not subject to externally imposed capital requirement.

35 EMPLOYEES CONTRIBUTORY FUNDS

All the investments out of pension fund and provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No fee or remuneration was paid by the Company to Chief Executive and Directors except for meeting fee of Rs 450,000 (2023: 350,000) paid to two non-executive directors.

No employee of the Company falls under the criteria of the executives as defined by the Companies Act, 2017.

Notes to the Financial Statements

for the year ended June 30, 2024

37 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities			
	Loan from parent company	Long term loan	Unclaimed dividend	Total
	Rupees			
Balance at 01 July 2023	316,514,631	57,959,852	7,862,929	382,337,412
Changes from financing cash flows				
Dividend paid	-	-	(89,065,358)	(89,065,358)
Other changes:				
Dividend announced	-	-	90,000,000	90,000,000
Installments paid	(300,000,000)	(20,933,633)	-	(320,933,633)
Interest paid	(36,646,127)	(1,627,733)	-	(38,273,860)
Interest charged and accrued	20,131,496	3,893,271	-	24,024,767
Balance at 30 June 2024	-	39,291,757	8,797,571	48,089,328
Balance at 01 July 2022	308,893,069	75,417,874	7,522,648	391,833,591
Changes from financing cash flows				
Receipt of loan	-	-	-	-
Repayment of long term loan	-	-	-	-
Dividend paid	-	-	(44,659,719)	(44,659,719)
Other changes:				
Dividend announced	-	-	45,000,000	45,000,000
Installments paid	-	(21,107,695)	-	(21,107,695)
Interest paid	(44,976,577)	(2,219,989)	-	(47,196,566)
Interest accrued	52,598,139	5,869,662	-	58,467,801
Balance at 30 June 2023	316,514,631	57,959,852	7,862,929	382,337,412

38 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.

38.1 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%
Wah Industries Limited (WIL)	Intermediary parent company	-	0.00%
Pakistan Ordinance Factory (POF)	Ultimate parent company	-	0.00%
WNPL Employees Provident Fund	Staff retirement fund	99,000	1.10%
WNCL Employees Provident Fund	Staff retirement fund	33,102	0.37%
Wah Nobel Acetates Limited (WNAL)	Associated company	-	0.00%
Nobel Energy Limited (NEL)	Associated company	-	0.00%
Wah Construction (Pvt) Limited	Associated company	-	0.00%
Mr. Tariq Rangoonwala	Director	500	0.01%
Mr. Manzoor Ali Shaikh	Director	-	0.00%

Notes to the Financial Statements

for the year ended June 30, 2024

38.2 Transactions with related parties, other than those disclosed elsewhere in these financial statements are as follows:

	2024 Rupees	2023 Rupees
Transactions and balances with related parties		
Expenses incurred on behalf or by parent company - net	15,710,973	9,939,100
Payment (by) / to parent company against expenses - net	(16,279,729)	(10,376,062)
Purchase of electricity from Nobel Energy Limited	20,185,252	18,429,255
Purchase of raw material from WNAL	19,086	129,232
Payment to employees' provident fund	11,873,812	10,675,542
Payment to employees' pension fund	1,866,163	2,185,255
Payment to employees' gratuity fund	-	8,000,000
Dividend paid to parent company	49,704,000	24,852,000
Dividend paid to WNCL Employees Provident Fund	331,020	165,510
Dividend paid to WNPL Employees Provident Fund	990,000	495,000
Interest expense incurred on loan from parent company	20,131,496	52,598,139
Interest paid to parent company	36,646,127	44,976,577
Payments to Wah Constructions (Pvt) Limited	-	1,483,954
Sales to parent company	48,886,392	55,199,820
Purchase from parent company	28,118,324	-
Purchase of electricity from Pakistan Ordinance Factory (ultimate parent)	31,764,564	13,048,220
Purchase of electricity from parent company	16,301,659	15,182,774
Payment to non-executive directors for attending board of director meetings	450,000	350,000

39 CAPACITY AND PRODUCTION

	Designed annual capacity		Actual production	
	2024	2023	2024	2023
	Metric tones			
Formaldehyde and Formalin solvent	80,000	80,000	24,231	27,102
Urea / Phenol Formaldehyde	19,000	19,000	4,829	6,419
Urea Formaldehyde Moulding compound	13,000	13,000	10,488	9,812

The shortfall in production of all products is due to market demand.

40 NUMBER OF PERSONS EMPLOYED

	2024 Numbers	2023 Numbers
Total employees of the Company at year end	179	180
Average employees of the Company during the year	180	181

41 OPERATING SEGMENT

The financial statements have been prepared on the basis of single reportable segment. Major revenue of the Company is earned in Pakistan. All non-current assets of the Company at June 30, 2024 are located in Pakistan.

42 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES

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

	2024 Rupees	2023 Rupees
Loans/ advances obtained as per Islamic mode	13,173,401	19,113,410
Shariah compliant bank deposits/bank balances	360,713,894	79,799,088
Revenue earned from a shariah compliant business segment	4,684,721,158	4,383,436,397
Profits earned on any conventional investment	22,332,217	6,678,612
Interest paid on any conventional loan or advance	68,542,680	76,873,130

Notes to the Financial Statements

for the year ended June 30, 2024

43 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

- 43.1 The Board of directors at the meeting held on **October 01, 2024** have proposed for the year ended June 30, 2024 cash dividend of Rs **10** per share (2023: Rs. 10 per share), amounting to **Rs. 90,000,000** (2023: Rs. 90,000,000) subject to approval of members at the annual general meeting.
- 43.2 The Board of directors at the meeting held on October 01, 2024 have approved to transfer **Rs. 455,000,000** (2023: Rs. 360,000,000) to general reserves.

44 GENERAL

These financial statements were authorized for issue by the Board of Directors of the Company on October 01, 2024.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

چیرمین کی طرف سے جائزہ کی رپورٹ

مجھے 30 جون 2024 کے اختتام پر کمپنی کے مقاصد حاصل کرنے کے لیے کمپنی کی کارکردگی، بورڈ کی مجموعی کارکردگی اور بورڈ کے مؤثر کردار پر جائزہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

مالی سال 2023-24 کمپنی کے لیے معاشی اور کاروباری لحاظ سے پیدا ہونے والے چیلنجوں کے دوران مالی کارکردگی کے لحاظ سے ایک اور کامیاب سال تھا۔ سال کے دوران کمپنی نے اب تک کی سب سے زیادہ خالص فروخت 4,685 ملین روپے کی۔ جب کہ گزشتہ سال کی 4,383 ملین روپے کی خالص فروخت کے مقابلے میں 7 فیصد اضافہ دیکھا گیا۔ مزید یہ کہ بعد از ٹیکس منافع 449 ملین روپے سے 22 فیصد بڑھ کر 549 ملین روپے ہو گیا۔

کمپنی کی سالانہ فی شیئر آمدنی (EPS) 61.05 روپے رہی جو کہ گزشتہ سال 49.91 روپے تھی۔ مالی کارکردگی کی بنیاد پر بورڈ نے حتمی نقد منافع 100 فیصد یعنی 10 روپے فی شیئر کی سفارش کی ہے۔ کمپنی نے زیر جائزہ سال کے دوران مختلف سرکاری محصولات، ٹیکسوں اور درآمدی محصولات کی مد میں قومی خزانے میں 1,252 ملین روپے کا حصہ ڈالا۔

بورڈ ممبران کے پاس کمپنی کے معاملات کو منظم کرنے کے لیے مناسب مہارت، تجربہ اور علم موجود ہے۔ بورڈ نے اپنے فرائض اور ذمہ داریوں کو تندہی سے نبھایا، کمپنی کے اسٹریٹجک امور اور کمپنی کے وژن کو بڑھانے میں مؤثر کردار ادا کیا ہے۔

بورڈ، کمپنی کے انتظامی امور کا ذمہ دار ہونے کے ناطے، مسلسل ترقی کو یقینی بنانے کے لئے تمام اہم پالیسیاں اور حکمت عملی تیار کرتا ہے۔ بورڈ نے مینجمنٹ کی پرفارمنس مانیٹر کرنے اور بڑے خطرے والے حصوں کا جائزہ لینے میں بھی کلیدی کردار ادا کیا ہے۔ تمام بورڈ ممبران بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل میں مکمل طور پر حصہ لیا اور تعاون کیا۔

بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے سلسلے میں اپنی ذمہ داری کو تسلیم کرتا ہے اور اسٹیک ہولڈرز کی قدر کو محفوظ رکھنے کے لئے کارپوریٹ گورننس کے اعلیٰ معیارات کو یقینی بنانے کیلئے پرعزم ہے۔ بورڈ نے اپنی تمام لازمی ذمہ داریوں کو پورا کیا ہے جس میں کمپنی کے لئے تمام متعلقہ قانونی ریگولیٹری تقاضوں کی تعمیل کو یقینی بنانا شامل ہے۔ زیر نظر سال کے دوران بورڈ کی طرف سے سہ ماہی، ششماہی، اور سالانہ مالیاتی نتائج کا اچھی طرح جائزہ لیا گیا اور مضبوط نظم و نسق، انکشافات میں شفافیت، پالیسیوں کی پابندی، ریگولیٹری تعمیل کے ساتھ ہم آہنگی کو یقینی بنانے کے لئے باقاعدگی سے انتظامیہ کو اپنی رہنمائی فراہم کی۔ بورڈ نے کمپنی کے مالیاتی بجٹ اور سرمائے کے اخراجات کی ضرورت کا بھی جائزہ لیا اور اس کی منظوری دی۔

بورڈ اور انتظامیہ آنے والے چیلنجوں سے پوری طرح آگاہ ہیں اور مطلوبہ وژن، علم اور تجربے کے ساتھ ان سے نمٹنے کے لیے پوری طرح تیار ہیں۔ میں آپ کی کمپنی کی مسلسل کامیابی کے لیے اللہ سے دعا کرتا ہوں اور اگلے سال کے چیلنجوں کا مقابلہ کرنے کے لیے مزید اعتماد کے ساتھ کامیابی کا منتظر ہوں۔ آخر میں بورڈ کی جانب سے میں تمام اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون کے لئے ان کا تہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ میں ہر سطح پر اپنے ملازمین کی لگن اور محنت کا اعتراف اور شکریہ ادا کرتا ہوں اور ان کے مسلسل تعاون کا خواہاں ہوں۔ میں کمپنی کو اسٹریٹجک قیادت فراہم کرنے میں اپنے ساتھی ڈائریکٹرز اور سی ای او (CEO) کی قابل ستائش کوششوں اور عزم کی بھی تعریف کرنا چاہتا ہوں گا۔



لیفٹیننٹ جنرل طاہر حمید شاہ، ہلال امتیاز (ملٹری)

چیرمین

واہ کیمٹ

مورخہ 01 اکتوبر 2024

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2024ء کا مالی سال اختتام پذیر ہونے پر کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی کارکردگی کا جائزہ

مالی سال 2023-24 کے دوران معیشت میں مجموعی طور پر سست روی اور ملک میں ایک چیلنجنگ سیاسی صورت حال کے باوجود کمپنی نے اب تک کی سب سے زیادہ خالص فروخت 4,685 ملین روپے کی۔ جس میں 7 فیصد اضافہ دیکھا گیا جو کہ گزشتہ سال 4,383 ملین روپے تھی۔

زیادہ فروخت، لاگت پر قابو پانے اور پیداواری صلاحیتوں کی بدولت اعلیٰ مجموعی منافع ممکن ہوا جو گزشتہ سال کے 884 ملین روپے سے 19 فیصد بڑھ کر 1,055 ملین روپے ہو گیا ہے۔

مہنگائی کے مجموعی اثرات کی وجہ سے زیر جائزہ سال کے دوران انتظامی اور عمومی اخراجات 28 فیصد جبکہ فروخت اور تقسیم کے اخراجات گزشتہ سال کے مقابلے میں 30 فیصد زیادہ ہوئے۔

زیر جائزہ سال کے دوران وسائل کے موثر استعمال کی بدولت مالیاتی لاگت گزشتہ سال کے 93 ملین روپے سے 69 فیصد نمایاں طور پر کم ہو کر 29 ملین روپے ہو گئی ہے۔

دیگر آپریٹنگ اخراجات گزشتہ سال کے مقابلے میں زیادہ رہے جس کی بنیادی وجہ منافع میں اضافے کی بدولت ورکرز پرافٹ پارٹیشننگ (WPPF) اور ورکرز ویلفیئر (WWF) فنڈز کی زیادہ فراہمی ہے۔

کمپنی نے گزشتہ سال کے 449 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں زیر جائزہ سال کے دوران 549 ملین روپے کا ریکارڈ منافع کمایا۔ خالص منافع میں 22 فیصد یعنی 100 ملین روپے کا اضافہ ہوا۔

بعد از ٹیکس منافع میں اضافہ، قیمتوں میں معقولیت، بہتر سیلز مکس، صلاحیت کا بہترین استعمال، دستیاب سرمائے کا موثر انتظام اور طے شدہ اخراجات میں بچت کی بدولت ہے۔

مالیاتی نتائج

گزشتہ سال سے تقابلی جائزہ کے ساتھ زیر جائزہ سال کی لئے کمپنی کے آپریٹنگ نتائج کا خلاصہ حسب ذیل ہے:

تبدیلی فیصد	2022 - 23	2023 - 24		
	(روپے ہزاروں میں)			
07	4,383,436	4,684,721	Net Sales	خالص فروخت
19	883,915	1,055,143	Gross Profit	مجموعی منافع
19	844,234	1,003,888	Operating Profit	آپریٹنگ منافع
36	668,756	906,331	Profit Before Taxation	قبل از ٹیکس منافع
22	449,230	549,414	Profit After Taxation	بعد از ٹیکس منافع
22	49.91	61.05	Earnings Per Share (Rs.)	فی شیئر آمدنی (روپے)

بعد کی تخصیصات

ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لئے مندرجہ ذیل تخصیصات کی سفارش منظور دی ہے جو کمپنی کے بعد کے مالی گوشواروں میں ظاہر ہوں گی۔

ڈیویڈنڈ

ڈائریکٹرز کی جانب سے نقد ڈیویڈنڈ 10 روپے فی حصص (یعنی 100 فیصد) کی ادائیگی کی سفارش کی ہے۔ جو کہ آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

مجموعی ذخائر

ڈائریکٹرز نے 455 ملین روپے غیر مختص منافع سے جنرل ریزرو میں منتقل کرنے کی تجویز منظوری بھی دی ہے۔

مستقبل پر ایک نظر (2024-25)

پاکستان کی معیشت اس وقت سنگین تناؤ کا سامنا کر رہی ہے۔ اور مدد کے لیے بین الاقوامی مالیاتی فنڈ (IMF) پر بہت زیادہ انحصار کر رہی ہے آنے والا سال بہت زیادہ چیلنجنگ متوقع ہے۔ سخت مالیاتی پالیسیوں پر عمل کرتے ہوئے قوم میکرو اکنامک استحکام کے لیے کوشاں ہے۔ معاشی بحالی کا زیادہ تر انحصار سیاسی استحکام اور آئی ایم ایف کے حالیہ پروگرام کی اصلاحات کے مسلسل نفاذ پر ہوگا۔

کمپنی انتہائی مسابقتی ماحول میں کام کرتی ہے اور موجودہ صنعت کاروں اور صنعت میں نئے داخل ہونے والوں کے شدید مقابلے کی توقع کرتی ہے۔ سخت مقابلے، بنیادی خام مال کی قیمت میں اضافے، غیر معقول حد تک ٹیکسوں کی زیادتی، غیر دوستانہ کاروباری ماحول، یوٹیٹی ٹیرف میں غیر معمولی اضافے، اور غیر یقینی سیاسی صورتحال کی وجہ سے کمپنی مارجن پر دباؤ کی توقع کرتی ہے۔

مذکورہ چیلنجوں کے باوجود کمپنی کی انتظامیہ ان خطرات کے منفی اثرات کو کم کرنے کے لئے تمام ممکنہ اقدامات کر رہی ہے اور مالی سال 25-2024 کے دوران ترقی اور منافع میں اضافے کے لئے پُر عزم ہے۔

کمپنی کی حکمت عملی کے مطابق بورڈ نے قابل قدر مصنوعات کے فروغ کے لیے سالانہ 6,000 میٹرک ٹن کے اضافی یوریا فارملڈی ہائیڈرولڈنگ کمپاؤنڈ پلانٹ کے تنصیب کی منظوری دے دی ہے۔ مجموعی صلاحیت کو سالانہ 19,000 میٹرک ٹن تک بڑھایا جائے گا جس سے کمپنی کے منافع کو بہتر بنانے میں مدد ملے گی۔

اندرونی مالیاتی کنٹرول

کمپنی قابل اعتماد اور شفاف مالیاتی رپورٹنگ کو یقینی بنانے کے لئے ڈیزائن کردہ اندرونی کنٹرول اور طریقہ کار کا ایک نظام برقرار رکھتی ہے۔ اندرونی مالیاتی کنٹرول کا وقتاً فوقتاً جائزہ لیا جاتا ہے تاکہ یہ یقینی بنایا جاسکے کہ آیا یہ مؤثر ہیں اور بدلتے ہوئے قوانین اور ضوابط کے ساتھ آپ ڈیٹ ہیں۔ اندرونی آڈٹ ڈیپارٹمنٹ اندرونی کنٹرول کی تعمیل کی نگرانی کرتا ہے۔ آڈیٹرز (اندرونی اور بیرونی دونوں) کے ساتھ بات چیت کے ذریعے وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کئے گئے ہیں۔ بورڈ کو یقین ہے کہ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو اور نگرانی کی گئی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

اس حقیقت کے باوجود کہ کمپنی کی مالی کارکردگی حالیہ برسوں کے دوران مسلسل اچھی رہی پھر بھی کمپنی کو بعض موروثی خطرات اور غیر یقینی صورتحال کا سامنا ہے، جیسے مسابقت، میتھانول کے بنیادی خام مال پروینڈ اور پرمٹ فیس کا نفاذ، بڑھتی ہوئی افراط زر کی وجہ سے ان پٹ لاگت میں اضافہ، شرح مبادلہ میں اتار چڑھاؤ، منفی شرح سود اور حکومت کے متضاد ضابطے، ٹیکس رپالیسی وغیرہ جو کمپنی کے مستقبل کے مالیاتی رپورٹس پر اثر انداز ہو سکتے ہیں۔ انتظامیہ وقتاً فوقتاً کاروبار کو درپیش بڑے مالیاتی اور آپریٹنگ خطرات کا جائزہ لیتی ہے جو کہ مذکورہ خطرات کے ممکنہ اثرات کو کم کرنے کے لئے اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتی ہے۔

متعلقہ جماعت کے ساتھ لین دین

متعلقہ جماعتوں کے ساتھ تمام لین دین معمول کے مطابق کاروبار کے دوران کئے گئے ہیں اور متعلقہ نوٹس کے تحت مالی گوشواروں میں ظاہر کئے گئے ہیں۔

کارپوریٹ بریفنگ سیشن

پاکستان اسٹاک ایکسچینج کے لسٹنگ کے ضوابط کی تعمیل میں، کمپنی سرمایہ کاروں اور مالیاتی تجزیہ کاروں سمیت مختلف اسٹیک ہولڈرز کے سوالات کے جوابات دینے کے لئے کارپوریٹ بریفنگ سیشن کا اہتمام کرتی ہے۔

آخری کارپوریٹ بریفنگ سیشن جمعرات 18 دسمبر 2023 کو ویڈیولنک کے ذریعے حصص یافتگان، سرمایہ کاروں اور تجزیہ کاروں کو 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کی مالی کارکردگی اور کمپنی کے مستقبل کے نقطہ نظر کے بارے میں بریف کرنے کے لئے منعقد کیا گیا تھا۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی اچھی کارپوریٹ گورننس کیلئے پرعزم ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت لازمی ہے۔ ڈائریکٹرز ذیل کی اطلاع دیتے ہوئے خوشی محسوس کر رہے ہیں۔

- ★ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کے موجودہ شفاف معاملات، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کی تفصیل مرتب کی گئی ہے۔

- ★ کمپنی نے باقاعدہ درست کھاتہ جات مرتب کر رکھے ہیں۔
- ★ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے۔ اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

- ★ مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ کے معیار اور کمپنیز ایکٹ 2017 کی شقیں جو کہ پاکستان میں قابل عمل ہیں کا اطلاق کیا گیا ہے۔ اور کسی بھی نئے عمل کو مناسب طریقے سے بتایا اور سمجھایا گیا ہے۔

- ★ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کر کے اس کی نگرانی کی گئی ہے۔
- ★ کمپنی کے موجودہ حیثیت میں کام جاری رکھنے میں کسی رکاوٹ یا واضح شبہ کی گنجائش نہیں ہے
- ★ (میتھانول کے بنیادی خام مال پروبند اور پرمٹ فیس کا نفاذ) اس رپورٹ میں الگ سے پیش کیا گیا ہے۔
- ★ کوڈ آف کارپوریٹ گورننس کے بہترین طرز عمل سے ہٹ کر کوئی عمل نہیں ہوا۔ جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) قواعد و ضوابط 2019 میں بتایا گیا ہے۔

- ★ ٹیکس، ڈیوٹی لیویز اور دیگر چارجز کی مد میں کمپنی کی طرف سے کچھ بھی بقایا جات نہیں ہیں۔ سوائے ان کے جو معمول کے کاروبار میں کئے جاتے ہیں اور مالیاتی گوشواروں میں ظاہر کئے گئے ہیں۔

- ★ گزشتہ 6 مالی سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔

- ★ 30 جون 2024 تک ریٹائرمنٹ فوائد فنڈ کی طرف سے کی جانے والی سرمایہ کاری کی غیر آڈٹ شدہ مالیت بشمول بینک ڈیپازٹس درج ذیل ہیں:

روپے	فنڈز
91,694,560	پراویڈنٹ فنڈ
53,316,870	گرہجویٹی فنڈ
33,496,243	پنشن فنڈ

بورڈ آف ڈائریکٹرز

درج ذیل تفصیل کے مطابق ڈائریکٹرز کی کل تعداد (بشمول چیف ایگزیکٹو) آٹھ (8) ہیں۔

آٹھ (08)	مرد	الف۔
کوئی نہیں	خواتین	ب۔

بورڈ کی ساخت مندرجہ ذیل ہے۔

دو (02)	آزاد ڈائریکٹرز	(i)
پانچ (05)	دیگر غیر ایگزیکٹو ڈائریکٹرز	(ii)
ایک (01)	ایگزیکٹو ڈائریکٹرز	(iii)

سال کے دوران بورڈ میں درج ذیل تبدیلیاں ہوئیں۔

30 اگست 2023 کو مسز کشور احسن کے مستعفی ہونے پر میجر جنرل ممتاز حسین، ہلال امتیاز (ملٹری) تمنغہ بسالت کو کمپنی کے بورڈ کا ڈائریکٹر مقرر کیا گیا۔

جناب منظور علی شیخ کے کمپنی کی ڈائریکٹر شپ سے مستعفی ہونے پر 26 اکتوبر 2023 کو انکی جگہ جناب شاہد اقبال بلوچ کو کمپنی کا ڈائریکٹر مقرر کیا گیا۔

لیفٹیننٹ جنرل علی عامر اعوان، ہلال امتیاز (ملٹری) سابق چیئرمین، کی سروس سے ریٹائرمنٹ کے نتیجے میں، لیفٹیننٹ جنرل طاہر حمید شاہ، ہلال امتیاز (ملٹری) کو انکی

جگہ 08 جنوری 2024 کو ڈائریکٹر / چیئرمین مقرر کیا گیا۔

بورڈ آف ڈائریکٹرز نے کمپنی سے سبکدوش ہونے والے ڈائریکٹرز / چیئرمین کی جانب سے گرانقدر تعاون کے لئے تعریفی کلمات کو ریکارڈ کروایا اور کمپنی کے بورڈ میں

نئے ڈائریکٹرز / چیئرمین کا پُر تپاک خیر مقدم کیا۔

زیر جائزہ سال کے دوران بورڈ کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی اجلاسوں میں شرکت کی تعداد درج ذیل رہی:-

سیریل نمبر	ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
1-	لیفٹیننٹ جنرل طاہر حمید شاہ، ہلال امتیاز (ملٹری) چیئرمین	02
2-	لیفٹیننٹ جنرل علی عامر اعوان، ہلال امتیاز (ملٹری) (سابق چیئرمین)	02
3-	جناب میٹس اولوف رائڈ برگ	04
4-	میجر جنرل ممتاز حسین، ہلال امتیاز (ملٹری) تمنغہ بسالت	03
5-	میجر جنرل راشد محمود، ہلال امتیاز (ملٹری)	04
6-	جناب عثمان علی بھٹی	04
7-	جناب طارق ایم رنگون والا	04

میٹنگز میں شرکت کی تعداد	ڈائریکٹرز کے نام	سیریل نمبر
-	مسز کشور احسن	-8
02	جناب منظور علی شیخ	-9
03	جناب شہد اقبال بلوچ	-10
04	بریگیڈئیر (ر) شیراز اللہ چوہدری، ستارہ امتیاز (ملٹری)	-11

سال کے دوران آڈٹ کمیٹی نے چار (4) اجلاس منعقد کئے اور ہر رکن نے حسب ذیل شرکت کی:

میٹنگز میں شرکت کی تعداد	ڈائریکٹرز کے نام	سیریل نمبر
03	جناب طارق ایم رنگون والا	-1
01	میجر جنرل ممتاز حسین، ہلال امتیاز (ملٹری) تمغہ بسالت	-2
04	جناب عثمان علی بھٹی	-3

زیر نظر سال کے دوران ہیومن ریورس اور معاوضہ کمیٹی کا ایک (1) اجلاس منعقد ہوا جس میں ہر رکن نے حسب ذیل شرکت کی۔

میٹنگز میں شرکت کی تعداد	ڈائریکٹرز کے نام	سیریل نمبر
-	جناب طارق ایم رنگون والا	-1
01	میجر جنرل ممتاز حسین، ہلال امتیاز (ملٹری) تمغہ بسالت	-2
01	بریگیڈئیر (ر) شیراز اللہ چوہدری، ستارہ امتیاز (ملٹری)	-3

بورڈ کمیٹی کے ان ارکان کو غیر حاضری کی چھٹی دی گئی جو اجلاس میں شرکت کرنے سے قاصر رہے۔

ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ، اجلاسوں میں شرکت کیلئے اپنے ڈائریکٹرز کے معاوضے فیس کا تعین کرنے کا مجاز ہے۔ بورڈ نے واہ نوبل (پرائیویٹ) لمیٹڈ کے نامزد امیدواروں کے علاوہ نان ایگزیکٹو ڈائریکٹرز کے بورڈ اجلاس میں شرکت کیلئے ڈائریکٹرز کے معاوضے کی منظوری دے دی ہے۔ تاہم بورڈ کے اجلاسوں کی کمیٹی میں شرکت کیلئے، جنرل میٹنگ میں شرکت کیلئے اور کسی بھی کاروباری میٹنگ میں شرکت کیلئے کوئی معاوضہ ادا نہیں کیا جائے گا۔ کمپنی تمام ڈائریکٹرز کو میٹنگ میں شرکت کیلئے کیے جانے والے سفری، ہوٹل اور دیگر اخراجات کا معاوضہ ادا کرے گی۔

کارپوریٹ۔ سماجی ذمہ داری (CSR)

سماجی طور پر ذمہ دار کارپوریٹ ادارہ ہونے کی حیثیت سے کمپنی اپنی کمیونٹیز کے لئے پر عزم ہے جیسا کہ کسٹمرز، شیئرز ہولڈرز اور ملازمین کیلئے ہے۔ کمپنی اخلاقی طور پر کارکنان، اُن کے خاندانوں، مقامی کمیونٹیز اور ان کی معاشرتی زندگی کو بہتر بنانے کے لئے معاشی ترقی میں حصہ ڈالنے کے لئے پر عزم ہے، کمپنی توانائی کے تحفظ، صنعتی تعلقات، خصوصی افراد کی ملازمت، پیشہ وارانہ سیفٹی (حفاظت) اور صحت، کاروباری اخلاقیات، قومی خزانے میں شرکت کے لئے فعال کارپوریٹ شہریت کی حامل ہے۔ کمپنی نے زیر جائزہ سال کے دوران انکم ٹیکس، سپرنٹیکس، جنرل سیلز ٹیکس، ایکسائز ڈیوٹی، کسٹم ڈیوٹی اور وینڈر پرمٹ فیس وغیرہ کی مد میں قومی خزانے میں 1,206 ملین روپے جبکہ گزشتہ سال 935 ملین روپے کی خطیر رقم کا حصہ ڈالا۔

ویب سائٹ

موجودہ مالی سال کے لئے کمپنی کے متواتر مالی گوشوارے بشمول گزشتہ پانچ سالوں کی سالانہ متواتر رپورٹیں کمپنی کی ویب سائٹ پر شیئرز ہولڈرز اور دیگر کی معلومات کے لئے دستیاب ہیں۔

www.wahnobel.com

وینڈر فیس اور پرمٹ فیس

جنوری 2022 میں محکمہ ایکسائز اینڈ ٹیکسیشن، حکومت سندھ کی درخواست پر معزز سپریم کورٹ آف پاکستان (SCP) نے میتھانول پروپینڈ اور پرمٹ فیس عائد کرنے سے متعلق کمپنی کے خلاف دی گئی ان کی درخواست کو نمٹا دیا ہے۔ سپریم کورٹ آف پاکستان کے حکم کے مطابق، محکمہ ایکسائز اینڈ ٹیکسیشن 1990 سے 30 اکتوبر 2002 تک انڈیمینٹی بانڈز سرٹڈ کرے گا اور اس تاریخ کے بعد، 14 فروری 2002 کے نوٹیفیکیشن کے مطابق قابل ادائیگی رقم کے لیے ایک نیا مطالبہ اٹھایا جائے گا۔ جو سندھ (ترمیمی) آبکاری آرڈیننس 30 اکتوبر 2002 میں نوٹیفائی ہوا تھا۔ محکمہ ایکسائز کی جانب سے ابھی تک کوئی مطالبہ نہیں کیا گیا ہے، تاہم، کمپنی محکمہ کی جانب سے نئے مطالبے کی وصولی پر کیس کا دفاع کرنے کے لئے متعلقہ عدالت سے رجوع کرنے کا ارادہ رکھتی ہے۔ انتظامیہ کو توقع ہے کہ کیس کے میرٹ اور سندھ ہائی کورٹ کے پہلے سے سازگار فیصلے کی بنیاد پر کمپنی کے پاس اس طرح کے مطالبے کو چیلنج کرنے کی مضبوط بنیادیں ہیں اور اس چیلنج کے کامیاب ہونے کا امکان ہے۔

ذیلی تقریبات

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی بڑی تبدیلیاں یا وعدے نہیں ہوئے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس، 41 ویں سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہونے والے ہیں۔ اہل ہونے کی وجہ سے انہوں نے خود کو اگلے مالی سال 2024-25 کے لئے دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ میسرز گرانٹ تھورنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے قانونی آڈیٹرز کے طور پر تقرری کی سفارش کرتا ہے جو کمپنی کے آئندہ سالانہ جنرل اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

پیٹرن آف شیئر ہولڈنگ

کمپنی کی شیئر ہولڈنگ کا نمونہ اور اس کے بارے میں 30 جون 2024 تک کی اضافی معلومات اس رپورٹ میں شامل ہیں۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکریٹری، چیف فنانشل آفیسر، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص کی کوئی تجارت نہیں کی۔

اعتراف

ڈائریکٹرز کمپنی کی مینجمنٹ اور ملازمین کی کمپنی کی ترقی کیلئے کی گئی سخت محنت، عزم اور کمپنی کی خاطر اپنے آپ کو وقف کرنے کے جذبے کو مخلصانہ طور پر سراہتے ہیں۔ ڈائریکٹرز اپنے قابل قدر شیئر ہولڈرز، گاہکوں، سپلائرز اور بینکرز کی مسلسل حمایت کے لئے شکریہ کا اظہار کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

برگیدٹ شیر شیراز اللہ چوہدری، ستارہ امتیاز (ملٹری) (ر)
چیف ایگزیکٹو

جناب عثمان علی بھٹی
ڈائریکٹر

واہ کینٹ

مورخہ: 01 اکتوبر 2024

Proxy Form

I/We _____
of _____ being a member(s) of
Wah Nobel Chemicals Limited hereby appoint _____
of _____ or failing him/her
_____ of _____ as my/our proxy in
my/our absence to attend and vote for me/us and on my/our behalf at the 41st Annual General
Meeting of the Company to be held on Monday, October 28, 2024 at 1100 hrs and /or any
adjournment thereof.

Signed this _____ day of October, 2024

Folio No	CDC Participant ID No	CDC Account / Sub-Account No	No.of Shares held	Signature on Five Rupees Revenue Stamp

Witness 1

Signature _____
Name _____
CNIC No. _____
Address _____

Witness 2

Signature _____
Name _____
CNIC No. _____
Address _____

Note:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the _____ Company, G.T.Road, Wah Cantt not less than 48 hours before the time of holding the meeting.
2. The Proxy must be a member of the Company.
3. Signature(s) should agree with the specimen signature/s registered with the Company.
4. For CDC Account Holders/Corporate Entities
In addition to the above the following requirements have to be met.
 - (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - (iii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the Company).

مختار نامہ (پراکسی فارم)

41 ویں سالانہ اجلاس عامہ

میں اہم _____ ساکن _____ بحیثیت رکن واہ نوبل کیمیکلز لمیٹڈ
اور حال _____ حصص مقرر کرتا ہوں بطور نائب _____ محترم / محترمہ
برائے _____ یا ان کی عدم موجودگی کی صورت میں _____ محترم / محترمہ
برائے _____، جو واہ نوبل کیمیکلز لمیٹڈ کے ممبر بھی ہے، میری غیر موجودگی کی صورت میں بطور میرے نائب کے 41 ویں
سالانہ اجلاس عامہ جس کا انعقاد بروز پیر 28 اکتوبر 2024 کو 11 بجے دن یا اس کے ملتی شدہ اجلاس میں شرکت کر کے حق رائے دہی استعمال کر سکتے ہیں۔

دستخط _____ مورخہ _____ اکتوبر 2024

۱۔ نام گواہ: _____	۲۔ نام گواہ: _____
دستخط: _____	دستخط: _____
شناختی کارڈ نمبر: _____	شناختی کارڈ نمبر: _____
پتہ: _____	پتہ: _____
_____	_____

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر

ہدایات:

- ۱۔ مختار (پراکسی) کا کمپنی کارکن (ممبر) ہونا ضروری ہے۔
- ۲۔ ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ سے مماثلت ہونا ضروری ہے۔
- ۳۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناخت کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق تصدیقات ساتھ لانا ضروری ہے۔
- ۴۔ مختار نامہ (پراکسی فارم) مکمل پر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔

صرف صاف کافی نہیں

SUPER SAAF اب ہر گھر ہوگا

نوبل
فلور کلیئر

نوبل
فنائل

نوبل
ٹائلٹ کلیئر

نوبل
ہینڈ سینیٹائزر



✓ بہتر صفائی -- زیادہ چمک

✓ جراثیم سے بہتر حفاظت ✓ قیمت میں کم

ملک بھر میں تمام **CSD** سٹورز اور

آن لائن **Daraz** پر دستیاب ہے

99.9%

جراثیم کا خاتمہ!

• آزما کر دیکھ لیں!



WAH NOBEL GROUP

A joint-venture of Pakistan Ordnance Factories,
SAAB Group (Sweden) and Al-Misehal (Saudi Arabia)

GT Road, Wah Cantt, Pakistan
ce@wahnobel.com
wahnobel.com
+92-51-4545243-6

ISO 9001

ISO 14001

OHSAS 18001



Wah Nobel Chemicals Limited
A Company of Wah Nobel Group

Wah Nobel Group

A Joint Venture of Pakistan Ordnance Factories,
SAAB-AB, Sweden & Almisehal Co., Saudi Arabia