



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

First Quarterly

Financial Statements (Unaudited)

For The Period Ended September 30, 2023

Wah Nobel Chemicals Limited

VISION STATEMENT

The Company's vision is to be the market leader and serve the needs of customers with total dedication, supply them the current and anticipate their future needs, create value for customers, shareholders, employees and the community

CORPORATE MISSION

- **To meet the current needs of its customers and anticipate their future needs.**
- **To maintain close and direct contacts with the customers to ensure their complete satisfaction.**
- **Constantly improve the quality of all our activities through operational excellence.**
- **To give fullest regard to the safety and health of employees and customers.**
- **To promote professionalism at all levels through constant education, training and development of human resources.**
- **To safeguard the environment and the community from pollution.**
- **To create a conducive work environment and inspire people to perform to their fullest potential and to reward talent.**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lt. Gen. Ali Amir Awan, HI(M)	:	Chairman
Mr. Mats-Olof Rydberg	:	Director
Maj Gen Rashid Mahmood	:	Director
Maj Gen Mumtaz Hussain, HI(M), TBt	:	Director
Mr. Tariq M. Rangoonwala	:	Director
Mr. Shahid Iqbal Baloch	:	Director
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), TBt	:	Member
Mr. Usman Ali Bhatti	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Tariq M. Rangoonwala	:	Chairman
Maj Gen Mumtaz Hussain, HI(M), TBt	:	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

REGISTERED OFFICE : G.T. Road, Wah Cantt.

PHONES : (051) 4545243-6 (4 Lines)

(051) 905525204

FAX : (051) 4545241, (051) 4535862

E.MAIL : ce@wahnobel.com

WEBSITE : www.wahnobel.com

FACTORY : Wah Cantt.

WAH NOBEL CHEMICAL LTD

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors of the Company is pleased to present Condensed Interim Financial Information (un-audited) of the Company for the 1st Quarter ended September 30, 2023.

During the period under review Company has achieved Net Sales Revenue of Rs 1,247 million vis-à-vis Rs 861 million as compared to previous year's corresponding period (increased by 45%).

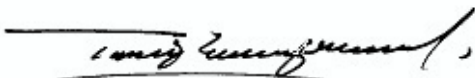
Despite, challenging economic conditions, during the three months of FY 2023-24, the Company earned After Tax Profit of Rs 146 million vis-à-vis Rs 42 million as compared to previous year's corresponding period (increased by 248%).

The profitability level increased, due to enhanced sales volume, better Product Sales Mix with reasonable profit margins during first quarter of FY 2023-24.

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

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

On behalf of the Board



DIRECTOR



DIRECTOR

Wah Cantt

Dated: October 26, 2023

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت یہ رپورٹ غیر آڈٹ شدہ مالی نتائج بابت پہلی سہ ماہیِ مختتمہ 30 ستمبر 2023 پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی خالص آمدنی 1,247 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 861 ملین روپے تھی۔ (اضافہ 45%)۔

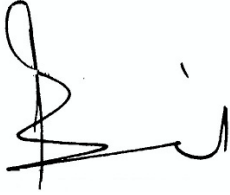
مشکل معاشی حالات کے باوجود سال 2023-24 کے تین ماہ کے دوران کمپنی نے بعد از ٹیکس منافع 146 ملین روپے حاصل کیا۔ جبکہ گزشتہ سال یہ 42 ملین روپے تھا۔ (اضافہ 248%)

مالی سال 2023-24 پہلی سہ ماہی کے دوران کمپنی کے مناسب منافع کے مارجن کے ساتھ بہتر پروڈکٹ سیلز مکس فروخت کے بڑھے ہوئے حجم کی وجہ سے منافع کی سطح میں اضافہ ہوا۔

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

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

ڈائریکٹرز بورڈ کی طرف سے



ڈائریکٹر



ڈائریکٹر

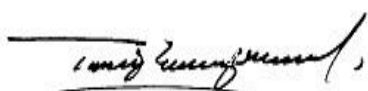
واہ کینٹ۔

مورخہ: مورخہ: 26 اکتوبر 2023ء

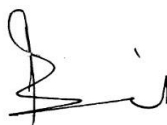
WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30 2023	June 30 2023
	Note	(Rupees in '000')	
		Unaudited	Audited
Assets			
Property, plant and equipment	5	375,196	384,889
Deferred tax		20,662	19,299
Non-current assets		395,858	404,187
Stores, spares and loose tools		68,125	75,888
Stock in trade		588,560	497,795
Trade debts	6	1,321,661	1,315,382
Advances, deposits, prepayments and other receivables		81,468	82,993
Short-term investment		2,825	2,825
Cash and bank balances		279,227	200,938
Current assets		2,341,866	2,175,822
Total assets		2,737,724	2,580,009
Equity and liabilities			
Share capital		90,000	90,000
Capital reserve		944	944
Revenue reserves		1,859,848	1,714,176
Total equity		1,950,792	1,805,120
Liabilities			
Long term financing	7	31,952	34,012
Deferred liabilities		18,889	17,132
Non-current liabilities		50,841	51,144
Current portion of long term financing	7	21,589	23,948
Trade and other payables	8	314,376	321,067
Unclaimed dividend		7,854	7,863
Due to parent company	9	830	670
Incometax payable		124,126	13,641
Loan from parent company - unsecured		267,316	316,515
Short term borrowings		-	40,041
Current liabilities		736,091	723,745
Total liabilities		786,932	774,889
Total equity and liabilities		2,737,724	2,580,009
Contingencies and commitments	10		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



DIRECTOR



DIRECTOR

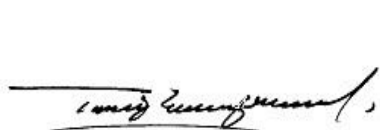


CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Note	Three months ended	
		September 30, 2023	September 30, 2022
		(Rupees in '000')	
Gross sales		1,483,450	1,017,389
Sales tax		(234,221)	(154,472)
Discount		(1,898)	(1,974)
Net sales	11	1,247,331	860,943
Cost of sales		(972,067)	(757,164)
Gross profit		275,264	103,779
Administrative expenses		(6,229)	(4,198)
Distribution expenses		(5,393)	(4,357)
Operating profit		263,642	95,224
Finance cost		(19,040)	(30,427)
Other expenses		(18,284)	(4,767)
Other income		13,613	1,064
Profit before taxation		239,931	61,094
Provision for taxation		(94,259)	(18,986)
Net profit after taxation		145,672	42,108
Other comprehensive income for the period		-	-
Total comprehensive income for the period		145,672	42,108
Earnings per share - basic and diluted		16.19	4.68

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



DIRECTOR



DIRECTOR



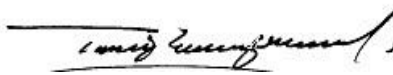
CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023


	September 30 2023	September 30 2022
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	239,931	61,094
Adjustment for non cash items:		
Depreciation	9,693	10,513
Interest on term deposit receipts	-	(98)
Provision for gratuity fund	1,000	1,500
Workers' profit participation fund (WPPF)	12,899	3,285
Workers' welfare fund (WWF)	5,160	1,314
Provision for accumulated compensated absences	2,250	1,000
Provision for provident fund	2,947	2,686
Markup on loan from parent company	17,316	11,584
Markup on loan from State Bank of Pakistan	1,291	796
	52,556	32,580
Changes in:		
Stores, spares and loose tools	7,764	4,890
Stock in trade	(90,764)	(65,998)
Trade debts	(6,280)	(113,660)
Advances, deposits, prepayments and other receivables	525	4,761
Due to parent company	160	(44)
Trade and other payables	(21,408)	(255,355)
	(110,003)	(425,406)
Cash generated from/ (used in) operating activities	182,484	(331,732)
Payment for:		
Workers' profit participation fund	(3,400)	(1,832)
Interest paid to parent company	(16,515)	(8,893)
Accumulated Compensated absences	(492)	-
Provident fund	(2,891)	(2,539)
Pension fund	-	(312)
Taxation	(37,721)	(21,642)
Tax refund received	52,584	-
	(8,435)	(35,218)
Net cash generated from/ (used in) operating activities	174,049	(366,950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	-	(106)
Net cash used in investing activities	-	(106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	(5,710)	(5,884)
Short term loan from parent company (repaid) /received	(50,000)	-
Dividends paid	(9)	-
Net cash used in financing activities	(55,719)	(5,884)
Net increase/ (decrease) in cash and cash equivalents	118,330	(372,940)
Cash and cash equivalents at beginning of the period	160,897	(193,816)
Cash and cash equivalents at end of the period	279,227	(566,756)

12

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

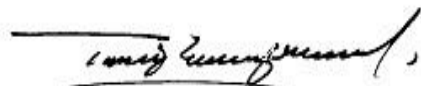
WAH NOBEL CHEMICALS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid-up share capital	Capital reserve-share premium	Revenue reserves		Sub-total	Total
			General reserve	Unappropriated profit		
(Rupees in '000')						
Balance as at July 01 , 2022	90,000	944	1,100,000	207,410	1,307,410	1,398,354
Total comprehensive income for the period	-	-	-	42,108	42,108	42,108
Balance as at September 30, 2022	90,000	944	1,100,000	249,518	1,349,518	1,440,462
Balance as at July 1, 2023	90,000	944	1,260,000	454,176	1,714,176	1,805,120
Total comprehensive income for the period	-	-	-	145,672	145,672	145,672
Others						
Transfer to general reserve	-	-	360,000	(360,000)	-	-
Balance as at September 30, 2023	90,000	944	1,620,000	239,848	1,859,848	1,950,792

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

1 STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 The disclosures in these condensed interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of June 30, 2023, where as comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial statements for three months period ended September 30, 2022.

These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3 ACCOUNTING POLICIES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended June 30, 2023.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.2 Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual audited financial statements as at and for the year ended June 30, 2023.

5 PROPERTY, PLANT AND EQUIPMENT

		September 30 2023	June 30 2023
		(Rupees in '000')	
	Note	(Un-Audited)	(Audited)
5.1 Operating fixed assets			
Balance at 01 July		384,889	417,857
Additions during the period/ year		-	9,837
Disposal of Fixed Assets	5.2	-	(652)
Depreciation charged during the period/ year		(9,693)	(42,153)
Balance at period/ year end		<u>375,196</u>	<u>384,889</u>

6 TRADE DEBTS

Trade debts		1,499,251	1,492,971
Less: Allowance for expected credit losses	6.1	(177,590)	(177,590)
		<u>1,321,661</u>	<u>1,315,382</u>
6.1 Movement in allowance for expected credit losses:			
Balance at 01 July		177,590	132,591
Charge for the period/ year		-	44,999
Balance at period/ year end		<u>177,590</u>	<u>177,590</u>

WAH NOBEL CHEMICALS LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30 2023	June 30 2023
	(Rupees in '000')	
	(Un-Audited)	(Audited)
7 LONG TERM FINANCING		
Bank Al Habib	53,541	57,960
Current portion of long term financing	<u>(21,589)</u>	<u>(23,948)</u>
	<u>31,952</u>	<u>34,012</u>
Bank Al Habib		
Term finance facility - secured	57,960	75,418
Repayment during the period/ year	(5,710)	(21,108)
Accrued markup	<u>1,291</u>	<u>3,650</u>
	53,541	57,960
Less: current portion of long term financing	<u>(21,589)</u>	<u>(23,948)</u>
	<u>31,952</u>	<u>34,012</u>

7.1 This represents utilized amount of long term finance facility under State Bank of Pakistan (SBP) temporary economic refinance facility for payment of capital asset procurement with cumulative sanctioned limit of Rs. 84 million. The facility carries fixed mark-up of 4% of the utilized amount. The tenor of the facility is 5 years repayable in 16 equal quarterly instalments from September 2022. The facility is secured by registration of specific charge on fixed assets of the Company for 112 M.

8 TRADE AND OTHER PAYABLES

This includes payable to Pakistan Ordinance Factory (ultimate parent) amounting to Rs. Nil (June 30, 2023: Rs. 91 thousand), Wah Nobel Private limited (Parent company) amounting to Rs. 1,523 thousand (June 30, 2023 Rs. 1,699 thousand) and Nobel Energy Limited (an associated company) amounting to Rs. 2,152 thousand (June 30, 2023 Rs. 2,206 thousand).

9 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.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

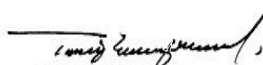
As regards levy of vend fee and permit fee on methanol, on January 19, 2022 the Honorable Supreme Court of Pakistan has disposed off the appeal of Provincial Government of Sindh. As per the order, the Provincial Government shall surrender the Indemnity Bonds from 1990 to October 30, 2002 and subsequent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

Currently, all imports of methanol are being released on payment of Rs. 3/- per bulk gallon in cash which is being expensed out and submission of guarantee @ Rs. 14/- per bulk gallon in the form of indemnity bonds.

In case of fresh demand from the department, the Company is exposed to an aggregate obligation of Rs. 1,125 Million (June 30, 2023: Rs. 1,103 million) 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 and based on advice of the legal advisor 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.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30 2023	June 30 2023
	(Rupees in '000')	
	(Un-Audited)	(Audited)
10.2 Commitments		
10.2.1 Letters of credit for purchase of stocks	510,456	371,578
	September 30 2023	September 30 2022
	(Rupees in '000")	
	(Un-Audited)	(Un-Audited)
11 NET SALES		
Local sales	1,211,462	860,943
Export	35,869	-
	1,247,331	860,943
11.1 Disaggregation of Revenue		
Urea Formaldehyde Moulding compound	653,487	355,294
Urea Formaldehyde Glue	125,729	81,902
Formaldehyde and Formalin solvent	452,367	416,045
Others	15,747	7,702
	1,247,331	860,943
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	279,227	66,649
Short term running finance - secured	-	(633,405)
	279,227	(566,756)
13 RELATED PARTY TRANSACTIONS		
Significant transactions with related parties during the period were as follows:		
Expenses incurred on behalf of or by the parent companies - net	4,065	269
Corporate service fee charged by holding company	225	225
Payment to/ (by) parent company against expenses- net	(4,000)	-
Purchase of electricity from NEL	5,527	4,551
Purchase of electricity from parent company	3,648	3,164
Sales to parent company	13,709	5,968
Interest paid to the parent company	16,515	8,893
Interest incurred on loan from parent company	17,316	11,584
Loan from holding company-unsecured	267,316	311,584
Due to holding company	830	189
Prepayment / (Payable) to employee's gratuity fund	433	(8,284)
Payable to employee's provident fund	1,002	893
14 NON ADJUSTING EVENT AFTER THE REPORTING DATE		
14.1 The Board of directors at the meeting held on September 07, 2023 have proposed for the year ended June 30, 2023 cash dividend of. Rs 10 per share (2022: Rs. 05 per share), amounting to Rs. 90 million (2022: Rs 45 Million) subject to approval of members at the annual general meeting.		
15 DATE OF AUTHORIZATION FOR ISSUE		
These condensed interim financial statements were authorized for issue on October 26, 2023 by the Board of Directors of the Company.		
16 GENERAL		
Figures have been rounded off to the nearest thousand of rupees.		



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER