



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

WAH NOBEL CHEMICALS LTD

First Quarter
Financial Statements
(Unaudited)
September 30, 2017

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

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

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

: Mr. Tanveer Elahi, FCA

AUDITORS

: KPMG Taseer Hadi & Co
Chartered Accountants

LEGAL ADVISORS

: The Law Firm of Basit Musheer

SHARES REGISTRAR

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

BANKERS

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

REGISTERED OFFICE

: G.T. Road, Wah Cantt.

PHONES

: (051) 5568760, 4545243-6 (4 Lines)
(051) 9314101-21 (21 Lines) Ext. 22236

FAX

: (051) 4545241, (051) 4535862

E.MAIL

: ce@wahnobel.com

WEBSITE

: www.wahnobel.com

FACTORY

: Wah Cantt.

WAH NOBEL CHEMICALS LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the company are pleased to present Condensed Interim Financial Information (unaudited) for the quarter ended September 30, 2017.

The performance of the Company during the period under review has been par excellence. It achieved Gross Sales Revenue of Rs 480.241 million vis-à-vis Rs 277.393 million as compared to previous year's corresponding period (increased by 73.13%). The Company earned Pre-tax Profit of Rs 69.967 million as compared to Rs 25.937 million (increased by 169.75%) and After Tax Profit of Rs 47.837 million during the period under review against Rs 17.041 million (increased by 180.72%) of the previous year's corresponding period.

The increase in profit is mainly attributed to increase in sales, reduction in Cost of Production and besides better Product Sales Mix and selling of products with reasonable profit.

The management has a positive outlook and geared up to ensure continued growth, operational efficiency and optimum results for the company and its stakeholders in the remaining period of Financial Year 2017-18.

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

The Directors are pleased to place on record their deep appreciation for the earnest efforts and dedication to the cause, by all employees of the company for achieving record sales / profit and pay vivid gratitude to all its customers for their continued patronage, support and trust.

On behalf of the Board

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

**Wah Cantt
Dated: 30-10-2017**

ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر بمسرت یہ رپورٹ غیر آڈٹ شدہ مالی نتائج بابت پہلی سہ ماہی 30 ستمبر 2017 پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی کارکردگی شاندار رہی ہے۔ اس دوران کمپنی کی خالص آمدنی 480.241 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 277.393 ملین روپے تھی (اضافہ 73.13%)۔ کمپنی نے پری ٹیکس منافع 69.967 ملین روپے حاصل کیا سے جو کہ، گزشتہ سال کے منافع 25.937 ملین تھا (اضافہ 169.75%)۔

زیر جائزہ مدت میں منافع بعد از ٹیکس 47.837 ملین روپے ہے جو کہ گزشتہ سال 17.041 ملین روپے تھا۔ (اضافہ 180.72%)۔

گزشتہ سال کی نسبت منافع میں اضافے کی بنیادی طور پر فروخت میں اضافہ، پیداواری لاگت میں کمی اور مختلف مصنوعات کی مناسب منافع پر فروخت ہے۔

انتظامیہ مثبت نقطہ نظر رکھتی ہے اور وہ اپنی بہترین کوشش سے بقیہ مالیاتی سال 18-2017 میں کمپنی اور اسکے کرم فرماؤں کے لیے مسلسل بڑھتی آپریشنل کارکردگی اور زیادہ سے زیادہ بہتر نتائج کو یقینی بنانے کے لیے سرگرم عمل ہے۔

حوالے کے طور پر سندھ ہائی کورٹ کے وینڈ فیس اور پرمیٹ فیس کے موافق فیصلوں کے بعد اب کیس معزز سپریم کورٹ آف پاکستان کے زیر سماعت ہے کیس کے امتیازات اور خصوصیات سندھ ہائی کورٹ کے موافق فیصلوں کی بدولت انتظامیہ عدالت عظمیٰ سے کمپنی کے حق میں فیصلہ کی توقع رکھتی ہے۔

ڈائریکٹر ذیل کی اتھاہ گہراہوں سے اپنے ملازمین کی ہر شعبے میں محنت لگن اور انتھک کوششوں کو سراہتے ہیں۔ ہم کمپنی کے گاہکوں جو کہ ہماری مسلسل سرپرستی اور حمایت کرتے ہیں کے شکر گزار ہیں۔

واہ کینٹ۔

بریگیڈیر (ر) شیراز اللہ چوہدری

مورخہ: 30 اکتوبر 2017ء

چیف ایگزیکٹو

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2017

		Un-Audited September 30, 2017	Audited June 30, 2017
		(Rupees in '000')	
Assets	Note		
Non-current assets			
Property, plant and equipment	4	172,720	170,642
Deferred tax assets		5,991	5,959
Total non-current assets		178,711	176,601
Current assets			
Stores, spares and loose tools		35,829	44,517
Stock in trade		160,655	187,227
Trade debts	5	422,486	423,456
Advances		11,435	26,461
Trade deposits and prepayments		1,155	83
Accrued interest income		-	108
Other receivables		15,181	16,592
Short-term investment		2,583	2,583
Taxation - net		132,004	129,615
Cash and bank balances		7,726	4,384
Total current assets		789,054	835,026
Total assets		967,765	1,011,627
Equity			
<i>Authorized capital:</i>			
20,000,000 ordinary shares of Rs.10/- each			
<i>Issued, subscribed and paid up capital:</i>			
9,000,000 (June 30, 2017: 9,000,000) ordinary shares of Rs.10/- each, fully paid up in cash			
		90,000	90,000
Capital reserve		944	944
General reserve		425,000	425,000
Unappropriated profit		190,503	142,666
Total equity		706,447	658,610
Non current liabilities			
Accumulated compensated absences		5,631	5,445
Total non-current liabilities		5,631	5,445
Current liabilities			
Trade and other payables		146,087	118,168
Due to holding company		4,402	4,627
Due to associated company (Nobel Energy Ltd)		4,230	5,857
Accrued mark-up		2,289	952
Short term borrowings - secured		98,679	217,968
Total current liabilities		255,687	347,572
Total liabilities		261,318	353,017
Total equity and liabilities		967,765	1,011,627
Contingencies and commitments	7		

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 30-10-2017

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	July-Sep 2017	July-Sep 2016
	(Rupees in '000')	
Gross sales	480,241	277,393
Sales tax	(73,773)	(42,387)
Net sales	406,468	235,007
Cost of sales	(318,805)	(194,001)
Gross profit	87,663	41,006
Administrative and general expenses	(3,562)	(2,684)
Selling and distribution expenses	(6,671)	(8,195)
Operating profit	77,430	30,128
Financial and other charges:		
Finance cost	(2,352)	(2,286)
Other expenses	(5,328)	(2,065)
Other income	217	161
Profit before taxation	69,967	25,938
Provision for taxation	(22,130)	(8,897)
Profit for the period	47,837	17,041
Other comprehensive income for the period	-	-
Total comprehensive income for the period	47,837	17,041
Earning per share - basic and diluted	Rs. 5.32	Rs. 1.89

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 30-10-2017

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	69,967	25,938
Adjustment for non cash charges and other items:		
Depreciation	3,191	3,171
Interest on term deposit receipts	(163)	(148)
Bank interest	(46)	-
Financial and other charges	2,352	2,286
Debts written off	-	(11,070)
Provision for doubtful debts	-	11,070
Workers' profit participation fund (WPPF)	3,757	1,393
Workers' welfare fund (WWF)	1,427	529
Provision for employees' gratuity fund	800	800
Provision for accumulated compensated absences	600	600
	11,918	8,631
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	8,688	4,754
Stock in trade	26,573	(5,247)
Trade debts	971	1,840
Advances	15,026	(4,768)
Trade deposits	(1,072)	(1,124)
Other receivables	1,411	8,594
Increase/(decrease) in current liabilities:		
Trade and other payables	20,081	2,006
	71,678	6,055
Cash generated from operations	153,563	40,624
(Payment for) / Receipts of:		
Taxation	(24,552)	(8,421)
Financial and other charges	(1,014)	(2,348)
Bank interest	46	-
Accumulated compensated absences	(414)	-
	(25,934)	(10,769)
Net cash (used in) / generated from operating activities	127,629	29,855
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(5,269)	-
Interest on term deposit receipts	271	148
Net cash generated / used in investing activities	(4,998)	148
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	122,631	30,003
Cash and cash equivalents at beginning of the period	(213,584)	(143,777)
Cash and cash equivalents at end of the period	6 (90,953)	(113,774)

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 30-10-2017

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves		Total
			General reserve	Unappropriated profit	
	(Rupees in '000')				
Balance as at July 1, 2016	90,000	944	375,000	95,819	561,763
Total comprehensive income for the period	-	-	-	17,041	17,041
Balance as at September 30, 2016	90,000	944	375,000	112,860	578,804
Balance as at July 1, 2017	90,000	944	425,000	142,666	658,610
Total comprehensive income for the period	-	-	-	47,837	47,837
Balance as at September 30, 2017	90,000	944	425,000	190,503	706,447

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 30-10-2017

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1** Wah Nobel Chemicals Limited (the Company) was incorporated in Pakistan on May 31, 1983 as a public limited company under the Companies Act, 1913, (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange. The holding company of the Company is Wah Nobel (Private) Limited and the ultimate holding company is Wah Industries Limited. The registered office and manufacturing facilities of the Company are situated in Wah Cantt, Pakistan.
- 1.2** 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.

2. BASIS OF PREPARATION

As per the circular # 23 of 2017 dated October, 04 2017 issued by Securities and Exchange Commission of Pakistan (SECP), further clarified by Institute of Chartered Accountants of Pakistan through its circular # 17/2017 dated October 06, 2017 that companies shall prepare their interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 for the periods ending on or before December 31, 2017. Accordingly, this condensed interim financial information has been prepared in accordance with the requirements of the international Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

This condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2017. Comparative condensed interim balance sheet is extracted from annual financial statements as of June 30, 2017 whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the period ended 30 September 2016.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2017.

4. PROPERTY, PLANT AND EQUIPMENT

		<u>Un-Audited</u> <u>September 30,</u> <u>2017</u>	<u>Audited</u> <u>June 30,</u> <u>2017</u>
		<u>Rupees in '000'</u>	
Operating fixed assets	4.1	172,720	142,172
Capital work in progress	4.2	-	28,470
		<u>172,720</u>	<u>170,642</u>

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	<u>Un-Audited</u> <u>September 30,</u> <u>2017</u>	<u>Audited</u> <u>June 30,</u> <u>2017</u>
	<u>Rupees in '000'</u>	
4.1 Opening book value	142,172	148,722
Additions / Trf from CWIP during the period / year		
Building	591	
Plant and machinery	33,148	7,108
Computer installations	-	19
	<u>175,911</u>	<u>155,849</u>
Depreciation for the period / year	3,191	13,677
Closing book value	<u>172,720</u>	<u>142,172</u>
4.2 Opening Balance	28,470	-
Addition during the period	4,103	28,470
Transfer to fixed assets	(32,573)	
Closing Balance	<u>-</u>	<u>28,470</u>
	<u>September 30,</u> <u>2017</u>	<u>June 30,</u> <u>2017</u>
	<u>Rupees in '000'</u>	
5 TRADE DEBTS		
Considered good	422,486	423,456
Considered doubtful	98,405	98,405
	<u>520,891</u>	<u>521,861</u>
Provision for doubtful debts	(98,405)	(98,405)
	<u>422,486</u>	<u>423,456</u>
6 CASH AND CASH EQUIVALENT	<u>Un-Audited</u> <u>September 30,</u> <u>2017</u>	<u>Un-Audited</u> <u>September 30,</u> <u>2016</u>
	<u>Rupees in '000'</u>	
Cash and bank balances	7,726	2,562
Short term running finance - secured	(98,679)	(116,336)
	<u>(90,953)</u>	<u>(113,774)</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

The contingencies reported in the preceding annual financial statements have undergone the following change:

The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 986 million to Rs.1000 million on account of further import of Methanol from July 01, 2017 to September 30, 2017.

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	<u>Un-Audited</u> <u>September 30,</u> <u>2017</u>	<u>Audited</u> <u>June 30,</u> <u>2017</u>
	<u>Rupees in '000'</u>	
7.2 Commitments in respect of:		
7.2.2 Letters of credit for purchase of stocks	<u>100,354</u>	<u>105,449</u>
Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	<u>27,389</u>	<u>31,596</u>

8 RELATED PARTY TRANSACTIONS

Significant transactions with related parties during the period / year were as follows:

Expenses incurred (on behalf of) / by the group companies net	<u>450</u>	<u>(1,955)</u>
Management services by holding company	<u>225</u>	<u>900</u>
Purchase of Electricity from associated company	<u>4,828</u>	<u>17,988</u>
Purchase of Material from associated company	<u>4,219</u>	
Sales to associated company	<u>-</u>	<u>33</u>
Dividend paid to the holding company	<u>-</u>	<u>19,882</u>

9 GENERAL

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

10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 30, 2017 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 30-10-2017