



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

**Half Yearly
Financial Statements
(Unaudited)
December 31, 2017**

Wah Nobel Chemicals Ltd.



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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

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

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

: Mr. Tanveer Elahi, FCA

AUDITORS

: KPMG Taseer Hadi & Co
Chartered Accountants

LEGAL ADVISORS

: The Law Firm of Basit Musheer

SHARES REGISTRAR

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

BANKERS

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

REGISTERED OFFICE

: G.T. Road, Wah Cantt.

PHONES

: (051) 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 half year ended December 31, 2017.

The performance of the Company during the period under review has been par excellence. It achieved Gross Sales Revenue of Rs 991.190 million vis-à-vis Rs 671.142 million as compared to previous year's corresponding period (increased by 48%). The Company earned Pre-tax Profit of Rs 154.716 million as compared to Rs 87.447 million (increased by 77%) and After Tax Profit of Rs 105.774 million during the period under review against Rs 59.014 million (increased by 79%) 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: 27-02-2018

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز بمسرت یہ رپورٹ غیر آڈٹ شدہ مالی نتائج بابت ششماہی 31 دسمبر 2017 پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی کارکردگی شاندار رہی ہے۔ اس دوران کمپنی کی خالص آمدنی 991.190 ملین روپے ہے۔ جبکہ گزشتہ سال یہ 671.142 ملین روپے تھی۔ کمپنی نے پری ٹیکس منافع 154.716 ملین روپے حاصل کیا جبکہ گزشتہ سال سے 87.447 ملین حاصل کیا ہے (اضافہ 77%)۔

زیر جائزہ مدت میں منافع بعد از ٹیکس 105.774 ملین روپے ہے جو کہ گزشتہ سال 59.014 ملین روپے تھا۔ (اضافہ 79%)۔

گزشتہ سال کی نسبت منافع میں حد درجہ اضافے کی بنیادی وجہ پیداواری لاگت میں کمی اور اسکے علاوہ مختلف مصنوعات کی مناسب منافع پر فروخت ہے۔

کمپنی کے مستقبل کے امکانات مثبت ہیں اور وہ اپنی بہترین کوشش سے بقیہ مالیاتی سال 2017-18 میں کمپنی اور اسکے کرم فرماؤں کے لئے مسلسل بڑھوتی آپریشنل کارکردگی اور زیادہ سے زیادہ بہتر نتائج کے لیے سرگرم عمل ہے۔

حوالے کے طور پر سندھ ہائی کورٹ کے وینڈ فیس اور پرمیٹ فیس کے موافق فیصلوں کے بعد اب کیس معزز سپریم کورٹ آف پاکستان کے زیر سماعت ہے کیس کی قانونی مضبوطی اور سندھ ہائی کورٹ کے موافق فیصلوں کی بدولت انتظامیہ توقع رکھتی ہے کہ فیصلہ کمپنی کے حق میں ہوگا۔

ڈائریکٹرز دل کی اتھاہ گہرا ہوں سے اپنے ملازمین کی ہر شعبے میں محنت، لگن اور انتھک کوششوں کو سراہتے ہیں۔ ہم کمپنی کے گاہکوں جو کہ ہماری مسلسل سرپرستی اور حمایت کرتے ہیں کے شکر گزار ہیں۔

واہ کینٹ۔

مورخہ: 27 فروری 2018ء

بریگیڈیر (ر) شیراز اللہ چودھری

چیف ایگزیکٹو

WAH NOBEL CHEMICALS LTD

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Wah Nobel Chemicals Limited ("the Company") as at 31 December 2017, and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended ("here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to Note 8.1(b) to the condensed interim financial information, which describes that the uncertainty relating to the outcome of pending lawsuit alleging non-payment of vend and permit on methanol to the Excise and Taxation Department, Government of Sindh. Our conclusion is not modified in respect of this matter.

Other matter

The figures included in the condensed interim profit and loss account for the three months period ended December 31, 2017 and 2016 have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.
Chartered Accountants
Atif Zamurrad Malik

Islamabad
Dated: 27-02-2018

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2017

		December 31 2017	June 30 2017
	Note	(Rupees in '000')	
		(Un-audited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	168,555	170,642
Deferred tax asset		6,463	5,959
		175,018	176,601
Current assets			
Stores, spares and loose tools		38,934	44,517
Stock in trade		164,640	187,227
Trade debts	7	419,927	423,456
Advances		17,653	26,461
Trade deposits and prepayments		801	83
Accrued interest income		42	108
Other receivables		15,181	16,592
Short-term investment		2,583	2,583
Taxation - net		121,884	129,615
Cash and bank balances		14,337	4,384
		795,982	835,026
Total assets		971,000	1,011,627
Equity			
Authorized capital:			
20,000,000 ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid up capital		90,000	90,000
Capital reserve		944	944
General reserve		505,000	425,000
Unappropriated profit		114,440	142,666
Total equity		710,384	658,610
Liabilities			
Non current liabilities			
Accumulated compensated absences		6,231	5,445
Current liabilities		6,231	5,445
Trade and other payables		180,843	124,025
Due to holding company		160	4,627
Accrued mark-up		1,766	952
Short term borrowings		71,616	217,968
Total liabilities		254,385	347,572
Total equity and liabilities		260,616	353,017
Contingencies and commitments	8	971,000	1,011,627

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 27-02-2018

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Six months ended		Three months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in '000')			
Gross sales	991,190	671,142	510,949	393,749
Less: sales tax	(152,100)	(102,788)	(78,327)	(60,401)
Net sales	839,090	568,354	432,622	333,348
Cost of sales	(649,136)	(449,784)	(330,331)	(255,783)
Gross profit	189,954	118,570	102,291	77,565
Operating expenses				
Administrative and general expenses	(7,735)	(5,447)	(4,173)	(2,763)
Selling and distribution expenses	(12,845)	(15,386)	(6,174)	(7,192)
Operating profit	169,374	97,737	91,944	67,610
Finance cost	(4,092)	(3,785)	(1,400)	(1,499)
Other operating expenses	(11,752)	(6,858)	(6,424)	(4,794)
Other income	1,186	1,598	969	1,437
Share in loss of associated company, net of tax	-	(1,245)	-	(1,245)
Profit before taxation	154,716	87,447	84,749	61,509
Taxation	(48,942)	(28,433)	(26,812)	(19,536)
Profit for the year	105,774	59,014	57,937	41,973
Other comprehensive income	-	-	-	-
Total comprehensive income	105,774	59,014	57,937	41,973
Earnings per share - basic and diluted (Rupees)	11.75	6.56	6.44	4.66

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 27-02-2018

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Note	December 31 2017	December 31 2016
		(Rupees In '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		154,716	87,447
Adjustment for non cash charges and other items:			
Depreciation		7,763	6,194
Interest on term deposit receipts		(205)	(212)
Bank interest		(94)	-
Financial and other charges		4,076	3,785
Interest on workers' profit participation fund		15	-
Share in loss of associated company		-	1,245
Debts Written-off		(38)	
Workers' profit participation fund (WPPF)		8,308	4,763
Workers' welfare fund (WWF)		3,157	1,810
Gain on disposal of fixed asset		(465)	
Provision for employees' gratuity fund		1,600	1,600
Provision for accumulated compensated absences		1,200	1,100
Changes in working capital		25,317	20,285
-Increase/(decrease) in current assets:			
-Stores, spares and loose tools		5,583	(1,110)
-Stock in trade		22,588	14,379
-Trade debts		3,568	5,200
-Advances		8,809	503
-Trade deposits and prepayments		(718)	(856)
-Short term investment		-	(15,000)
-Other receivables		1,411	8,594
Increase / (decrease) in current liabilities:			
-Trade and other payables		39,514	52,269
		80,755	63,979
Cash generated from operations		260,788	171,711
(Payment for) / Receipt of:			
Taxation		(41,716)	(20,859)
Financial and other charges		(3,262)	(4,701)
WPPF		(244)	(1,883)
Gratuity		-	(4,000)
Compensated absences		(414)	-
		(45,636)	(31,443)
Net cash generated from operating activities		215,152	140,268
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capital expenditure		(5,692)	(1,217)
Interest on term deposit receipts		271	68
Sales proceeds from disposal of fixed asset		480	-
Bank Interest		94	151
Net cash used in investing activities		(4,847)	(998)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(54,000)	(36,000)
Net cash used in financing activities		(54,000)	(36,000)
Net Increase in cash and cash equivalents		156,305	103,270
Cash and cash equivalents at beginning of the period		(213,584)	(143,777)
Cash and cash equivalents at end of the period	9	(57,279)	(40,507)

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Issued, subscribed and paid-up share	Capital reserve Share premium	Revenue reserves General reserve	Unappropriate d	Total
	(Rupees in '000')				
Balance as at July 1, 2016	90,000	944	375,000	95,820	561,764
Total comprehensive income for the period					
Profit for the year	-	-	-	59,014	59,014
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	59,014	59,014
Transfer to general reserve	-	-	50,000	(50,000)	-
Transactions with owners of the Company					
Final dividend - 30 June 2016 @ Rs. 4.00 per share	-	-	-	(36,000)	(36,000)
Balance as at December 31, 2016	90,000	944	425,000	68,834	584,778
Balance as at July 1, 2017	90,000	944	425,000	142,666	658,610
Total comprehensive income for the period					
Profit after taxation	-	-	-	105,774	105,774
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	105,774	105,774
Transfer to general reserve	-	-	80,000	(80,000)	-
Transactions with owners of the Company					
Final dividend - 30 June 2017 @ Rs. 6.00 per share	-	-	-	(54,000)	(54,000)
Balance as at December 31, 2017	90,000	944	505,000	114,440	710,384

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 27-02-2018

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

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 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. 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. STATEMENT OF COMPLIANCE

- 2.1 The Companies Act, 2017 (the Act) was enacted on May 30, 2017, which replaced and repealed the Companies Ordinance, 1984. However, the Securities and Exchange Commission of Pakistan (SECP) through its circular no. 23 of 2017 dated October 4, 2017 has clarified that the companies whose financial year, including interim period, closes on or before December 31, 2017 shall prepare their financial statements, including interim financial information, in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 34 Interim Financial Reporting and provisions of and the directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 shall prevail.
- 2.2 This condensed interim financial information should be read in conjunction with the Company's last annual financial statements as at and for the year ended June 30, 2017 ('last annual financial statements'). This condensed interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with the approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.3 The condensed interim financial information is un-audited and is prepared for submission to the members and the Pakistan Stock Exchange as required under section 237 of the Companies Act, 2017.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing this condensed interim financial information, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key source of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Measurement of fair values

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

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. 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 valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised 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).

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 might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS

A number of new standards and amendments to the standards are effective for the annual periods beginning after July 01, 2017. Management believes that adoption of these new standards and amendments will not have any significant impact on the Company's condensed interim financial information.

As stated in note 2.1, the Companies Act, 2017 was enacted on May 30, 2017 which replaced and repealed the Companies Ordinance, 1984 and will be applicable for financial year ending after December 31, 2017. The Act requires certain additional disclosures and changes for certain accounting treatments and enhanced disclosures in the financial statements. Currently, the Company is assessing the impact of these requirements on the financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

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

6. PROPERTY, PLANT AND EQUIPMENT

During the six months period ended December 31, 2017, the Company made additions to property, plant and equipment aggregating Rs. 5,692 thousand (December 31, 2016: Rs. 1,217 thousand) inclusive of additions to capital work in progress. Property, plant and equipment with carrying amounts of Rs.15 thousands were disposed off during the six months period ended December 31, 2017 (December 31, 2016: nil) resulting in a gain on disposal of Rs.465 thousand (December 31, 2016: Rs. nil).

Depreciation amounting to Rs. 7,763 thousand was charged for the six months period ended December 31, 2017 (December 31, 2016: Rs. 6,194 thousand).

7. TRADE DEBTS

Considered good

Considered doubtful

Provision for doubtful debts

December 31	June 30
2017	2017
(Rupees in '000')	
(Un-audited)	(Audited)
419,927	423,456
98,366	98,405
518,293	521,861
(98,366)	(98,405)
419,927	423,456

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

(a) Guarantees

Letter of guarantee issued by bank on behalf of the Company

December 31	June 30
2017	2017
(Rupees in '000')	
(Un-audited)	(Audited)
15,000	15,000

(b) Litigation

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 August 20, 1996 in the High Court of Sindh 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 High Court of Sindh in the case of Crescent Board Limited. The case was decided in the favour of the Company on June 12, 2001 by the High Court, but Sindh Government moved an appeal in the Supreme Court against the decision of the 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 High Court Sindh for adjudication on all points of law and fact. Vide its judgment dated March 26, 2003, High Court Sindh again decided the matter in favour of the Company and other manufacturers. Excise Department filed a leave to appeal in the Supreme Court on June 12, 2003. The Court has admitted the appeal for regular hearing. The case is now awaiting adjudication by the Supreme Court.

Currently all imports of Methanol are being released on payment of Rs. 3/- per bulk gallon in cash and submission of guarantee @ Rs. 14/- per bulk gallon in the form of indemnity bonds. Accordingly, in case of an unfavorable decision of the Supreme Court, the Company is exposed to an aggregate obligation of Rs. 1,017 million (30 June 2017 : Rs. 986 million) on account of vend fee and permit fee based on the guarantees issued against methanol imported and released up to the balance sheet date. However, keeping in view the facts, previous decisions which have been in the favour of the Company and on advise of the legal advisor of the company the management is confident that no such exposure will arise to the Company, therefore, no provision for this has been made in these condensed interim financial information.

Other than litigations as disclosed above, there are no significant changes in the status of litigations as disclosed in the last annual financial statements.

December 31	June 30
2017	2017
(Rupees in '000')	
(Un-audited)	(Audited)

8.2 Commitments

Letters of credit for purchase of stocks and plant	202,386	105,449
Post dated cheques issued in favour of Collector of Customs		
kept in bonded Ware house	9,202	31,596

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

December 31	June 30
2017	2016

(Rupees in '000')

9 CASH AND CASH EQUIVALENTS

Cash and bank balances	14,337	55,033
Short term running finance - secured	(71,616)	(95,540)
	(57,279)	(40,507)

10 RELATED PARTY TRANSACTIONS

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

December 31	December 31
2017	2016

(Rupees in '000')

Expenses incurred (on behalf of) / by the group companies - net	(4,916)	(3,355)
Corporate service fee charged by holding company	450	450
Purchase of Electricity from associated company	8,183	3,875
Purchase of raw material from associated company	9,892	-
Dividend paid to the holding company	29,822	19,882
Contribution to:		
- Employee Provident Fund Trust	997	1,154
- Workers' Profit Participation Fund	244	1,882

Balances with related parties were as follows:

December 31	June 30
2017	2017

(Rupees in '000')

(Un-audited)		(Audited)
Payable to associated companies		5,857
Due to holding company	160	4,627

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

11 FINANCIAL INSTRUMENTS

11.1 Accounting classification

The following table shows the classification of financial assets and financial liabilities by categories.

	31 December 2017				30 June 2017			
	Loans and receivables	Other financial liabilities	Total		Loans and receivables	Other financial liabilities	Total	
	(Un-audited)		Rupees '000		(Audited)			
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	419,927	-	419,927	423,456	-	-	423,456	40
Trade deposits and prepayments	85	-	85	40	-	-	40	108
Accrued interest income	42	-	42	108	-	-	108	15,000
Other receivables	15,000		15,000	15,000	-	-	15,000	2,583
Short-term investment	2,583		2,583	2,583	-	-	2,583	4,384
Cash and bank balances	14,337		14,337	4,384	-	-	4,384	445,571
	451,974	-	451,974	445,571	-	-	445,571	
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	(158,281)	(158,281)	-	(114,996)	(114,996)	(114,996)	(4,627)
Due to holding company	-	(160)	(160)	-	(4,627)	(4,627)	(4,627)	(952)
Accrued mark-up	-	(1,766)	(1,766)	-	(952)	(952)	(952)	(217,968)
Short term borrowings	-	(71,616)	(71,616)	-	(217,968)	(217,968)	(217,968)	(338,543)
	-	(231,823)	(231,823)	-	(338,543)	(338,543)	(338,543)	

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

12. FAIR VALUES

12.1 The Company has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or repriced over short-term. Therefore, the carrying amounts are reasonable approximations of their values.

12.2 Determination of fair values

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

Financial assets

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

Financial liabilities

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

13. GENERAL

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

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 27, 2018 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Wah Cantt. Dated 27-02-2018