Wah Nobel Chemicals Limited

Balance Sheet
as at June 30, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	170,642,211	148,721,633
Long term investment	5	-	22,642,137
Deferred tax assets	19	5,958,521	-
Total non-current assets		176,600,732	171,363,770
Current assets			
Stores, spares and loose tools	6	44,516,967	39,734,694
Stock in trade	7	187,227,753	112,713,920
Trade debts	8	423,456,278	396,261,226
Advances	9	26,461,654	2,550,711
Trade deposits		82,608	40,070
Accrued interest income	10	108,122	122,761
Other receivables	11	16,591,633	8,774,834
Short-term investment	12	2,582,666	2,582,666
Taxation - net	13	129,614,957	131,398,647
Cash and bank balances	14	4,384,163	7,795,339
Total current assets		835,026,801	701,974,868
Total assets		1,011,627,533	873,338,638
Share capital and reserves			
Issued, subscribed and paid up capital	15	90,000,000	90,000,000
Capital reserves	16	944,404	944,404
General reserves	17	425,000,000	375,000,000
Unappropriated profit		142,666,376	95,819,297
Total share capital and reserves		658,610,780	561,763,701
Non-current liabilities			
Provision for accumulated compensated absences	18	5,444,971	4,294,302
Deferred tax liabilities	19	-	1,200,749
Total non-current liabilities		5,444,971	5,495,051
Current liabilities			
Trade and other payables	20	124,024,930	150,422,100
Due to holding company	21	4,626,833	1,772,300
Accrued mark-up	22	951,583	2,313,009
Short term running finance - secured	23	217,968,436	151,572,477
Total current liabilities		347,571,782	306,079,886
Total equity and liabilities		1,011,627,533	873,338,638
Contingencies and commitments	24		

The annexed notes from 1 to 45 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE

Profit and Loss Account
for the year ended June 30, 2017

	Note	**2017 Rupees**	2016 Rupees
Turnover-net	25	**1,250,740,289**	1,181,517,750
Cost of sales	26	**(980,288,459)**	(945,171,338)
Gross profit		**270,451,830**	236,346,412
Operating Expenses			
Administrative and general expenses	27	**(31,497,018)**	(34,104,858)
Selling and distribution expenses	28	**(30,786,997)**	(51,708,786)
Operating profit		**208,167,815**	150,532,768
Finance cost	29	**(7,641,174)**	(14,975,505)
Other operating expenses	30	**(14,575,846)**	(9,958,268)
Other income	31	**4,510,831**	2,558,788
Share in loss of associated company-net of tax	5.1	**(1,401,980)**	(8,072,984)
Profit before taxation		**189,059,646**	120,084,799
Provision for taxation	32	**(57,954,960)**	(41,615,541)
Profit for the year		**131,104,686**	78,469,258
Other comprehensive income for the year			
Loss on remeasurement of staff defined benefit plan		**2,489,133**	(236,632)
Deferred tax credit relating to remeasurement of staff defined benefit plan		**(746,740)**	70,989
		1,742,393	(165,643)
Total comprehensive income for the year		**132,847,079**	78,303,615
Earnings per share - basic and diluted	33	**14.57**	8.72

The annexed notes from 1 to 45 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE

Cash Flow Statement

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Cash flows from operating activities			
Profit before taxation		189,059,646	120,084,799
Adjustment for non cash and other items	34	58,277,603	57,632,109
Changes in working capital			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(4,782,273)	7,110,475
Stock in trade		(74,513,833)	(7,597,406)
Trade debts		(46,220,149)	(45,818,988)
Advances		(23,910,943)	18,234,490
Trade deposits		(42,538)	-
Short term investment		-	
Other receivables		(7,816,799)	12,460,610
(Decrease) / increase in current liabilities:			
Trade and other payables		(21,176,386)	22,521,093
		(178,462,921)	6,910,274
Cash generated from operations		68,874,328	184,627,182
(Payments for) / Receipts of:			
Financial charges		(8,796,781)	(17,601,907)
Workers' profit participation fund	20.3	(12,088,622)	(6,370,393)
Gratuity	20.2.2	(4,000,000)	(5,000,000)
Accumulated compensated absences	18.1	(1,117,736)	(4,140,934)
Bank interest	31.1	-	81,211
Taxation	13	(64,077,280)	(58,140,116)
		(90,080,419)	(91,172,139)
Net cash (used in) / generated from operating activities		(21,206,091)	93,455,043
Cash flows from investing activities			
Payments for capital expenditure		(35,597,495)	(2,786,787)
Sales proceeds from disposal of shares		22,500,000	
Interest on term deposit receipts		496,450	192,489
Net cash generated / used in investing activities		(12,601,045)	(2,594,298)
Cash flows from financing activities			
Dividends paid		(36,000,000)	(9,000,000)
Net cash used in financing activities		(36,000,000)	(9,000,000)
Net (decrease) / increase in cash and cash equivalents		(69,807,136)	81,860,745
Cash and cash equivalents at beginning of the year		(143,777,137)	(225,637,882)
Cash and cash equivalents at the end of the year	35	(213,584,273)	(143,777,137)

The annexed notes from 1 to 45 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE

Statement of Changes in Equity

for the year ended June 30, 2017

	Issued Subscribed and paid-up share capital	Capital reserve	Revenue reserves		Total
			General reserve	Un-appropriated profit	
Balance as at June 30, 2015	90,000,000	944,404	360,000,000	41,515,682	492,460,086
Total comprehensive income	-	-	-	78,303,615	78,303,615
Transactions with owners recorded directly in equity					
Final dividend @ Rs. 1.00 per share	-	-	-	(9,000,000)	(9,000,000)
Others					
Transfer to general reserve	-	-	15,000,000	(15,000,000)	-
Balance as at June 30, 2016	90,000,000	944,404	375,000,000	95,819,297	561,763,701
Total comprehensive income	-	-	-	132,847,079	132,847,079
Transactions with owners recorded directly in equity					
Dividend @ Rs. 4.00 per share	-	-	-	(36,000,000)	(36,000,000)
Others					
Transfer to general reserve	-		50,000,000	(50,000,000)	-
Balance as at June 30, 2017	90,000,000	944,404	425,000,000	142,666,376	658,610,780

The annexed notes from 1 to 45 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE

Notes to the Financial Statements
for the year ended June 30, 2017

1 **Legal Status and 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 Ordinance, 1984) and its shares are quoted on the 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 **Basis of Preparation**

2.1 **Basis of Measurement**

During the year on 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 17 of 2017 dated 20 July 2017 has advised the Companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

These financial statements have been prepared under the historical cost convention except for the following material items in the balance sheet:

Obligations under certain employee benefits have been measured at value determined by actuary.

These financial statements have been prepared under the accrual basis of accounting except cash flow statement.

2.2 **Functional and presentation currency**

The financial statements are presented in Pakistani Rupees (PKR) which is the Company's functional currency. All the financial information presented in PKR has been rounded off to the nearest rupee.

2.3 **Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as are notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provisions or directives of the Companies Ordinance 1984 shall prevail.

2.4 **Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with International Financial Reporting Standards IFRSs) require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to these financial statements:

2.4.1 **Contingencies**

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of future event cannot be predicted with certainty. The Company based on the availability of latest information estimates the value of contingent assets and liabilities which may differ on occurrence / non-occurrence of uncertain future events.

Notes to the Financial Statements
for the year ended June 30, 2017

2.4.2 Provision for doubtful debts

The Company revises the recoverability of its trade debts on annual basis and provides for doubtful debts based on its experience. Trade debts considered irrecoverable are written off while no provision is made in respect of the active customers which are considered good.

2.4.3 Employee benefit costs

Defined benefit plan and compensated absences are provided for employees of the Company. The plan 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.

2.4.4 Property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment.

2.4.5 Taxation

In making the estimates for income taxes currently payable by the Company, management considers the current income tax laws and decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken of 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 accounts are shown as contingent liability / assets.

2.5 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 Income Taxes are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 Statement of Cash Flows are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

Notes to the Financial Statements
for the year ended June 30, 2017

- Transfers of Investment Property (Amendments to IAS 40 Investment Property-effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

a) Amendments to IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2017)clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The amendments are not likely to have an impact on Company's financial statements.

b) Amendments to IAS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

c) IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognised. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognised. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

d) IFRIC 23 Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

e) IRFS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" are effective from period beginning after 01 July 2018. The Compnay is initiating a process for acessing the impact of these standards on these financial statements.

Notes to the Financial Statements
for the year ended June 30, 2017

3 Summary of significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 Staff retirement benefits

The Company has the following plans for its employees:

a) Defined benefit gratuity scheme

The Company maintains an unfunded gratuity scheme for all its eligible employees.The calculation of defined benefit obligations in respect of gratuity is performed annually by a qualified actuary using the projected unit current method.The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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 and loss account of related year.

c) Defined contributory provident fund

The Company also operates an approved defined contributory provident fund for all eligible employees for which contributions are charged to the profit and loss account.

d) 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 balance sheet date and related expense thereof is charged to the profit and loss account. The provision and related cost is recognized on the basis of actuarial valuation which is summarized in note 18.

3.2 Taxation

Taxation for the year comprises current and deferred tax. Taxation is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits, rebates and exemptions available, if any.

Deferred taxation

Deferred tax liability is accounted for using the balance sheet liability method on all taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liability are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

Notes to the Financial Statements
for the year ended June 30, 2017

3.3 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.4 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.

3.5 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss.

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

Depreciation is charged to income at rates given below applying the reducing balance method . The Company has a policy to depreciate the expansion in plant and machinery on written down value in proportion to utilized capacity till such time the expanded production capacity is fully utilized. Leasehold land is amortized over the period of the lease. Depreciation on additions during the year is calculated from the month of acquisition to the end of the financial year and depreciation on deletions is calculated up to the date of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replaced, if any, are retired.

Gain/loss on disposal of property, plant and equipment is taken to profit and loss account in the year of disposal.

Applicable depreciation rates of the items are as under:

Office building	5%
Factory building	10%
Tube well	10%
Plant and machinery - old	10%
Plant and machinery - new	6.67%
UFMC Plant	10%
Furniture and fittings	10%
Office equipment	10%
Tools and workshop equipment	10%
Computer installations	20%
Motor vehicles	20%
Leasehold land	Period of lease: 30 Years

Notes to the Financial Statements
for the year ended June 30, 2017

Leased assets

Assets held under finance leases are initially recorded at the lower of the present value of the minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future periods are shown as liability and classified as current and long term depending upon the timing of payment.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability.

Amortization on the lease assets is charged to the profit and loss account applying the rate and method used for similar owned assets so as to write off the assets over their estimated useful lives in view of certainty of ownership of the assets at the end of the lease.

3.6 Impairment

The Company's asses at each reporting date whether there is any objective evidence that a financial asset or a group of financial asset is impaired. A financial asset or group of financial asset is deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "lost event") and that lost event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortized cost are recognized in profit and loss account.

The Company assesses at each reporting date whether there is an indication that an asset or a group of asset is impaired. If any indication exists or when annual impairment testing for an asset is required the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less cost to sell an appropriate valuation model is used.

A previously recognized impairment loss is reversed only if there has been change in assumption used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount nor exceeds the carrying amount that would have been determined net of depreciation had no impairment loss been recognized for the asset in prior year. Such reversal is recognized in profit and loss account.

3.7 Investment in associates

Long term investment in an associated Company is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit and loss of the investee after the date of acquisition less any impairment in the value of investment. The Company's share of the profit and loss of investee is recognized in profit and loss account. Distribution received from the investee reduces the carrying amount of the investment.

Notes to the Financial Statements
for the year ended June 30, 2017

3.8 Stores, spares and loose tools

These are valued at lower of cost and net realizable value (NRV) less allowance for obsolete and slow moving items. Cost is determined using the weighted average method and comprise cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale. The Company reviews the carrying amount of stores, spares and loose tools on regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

3.9 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 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, labour 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.

3.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value and bank overdrafts. In balance sheet overdrafts are shown in current liabilities while favourable balance is shown in cash and bank.

3.11 Revenue recognition

Sale is recorded on transfer of significant risks and rewards of products when the Company retains neither continuing managerial involvement to degree usually associated with ownership nor effective control, the amount of revenue can be measured reliably, it is probable that economic benefit associated with transactions will flow to the Company and cost incurred or to be incurred in respect of transaction can be measured reliably which occurs as on achievement of delivery of products to customers. Revenue from sale of products is measure at the fair value of consideration received or receivable.

Income on bank deposits is accounted for on time apportioned basis by reference to the principal outstanding and applicable rate of return. Income on investment is recorded on time proportion basis taking into account the effective yield of such securities. While dividend income is recognized when right to receive is established.

3.12 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 and loss account in the year when incurred as "finance cost".

3.13 Transactions with related parties

All transactions with related parties are carried out on terms as approved by the Board.

Notes to the Financial Statements
for the year ended June 30, 2017

3.14 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized at the time when the Company transfers substantially all the risks and rewards of ownership of the financial asset. If the Company neither transfers nor returns substantially all the risks and rewards of ownership of the financial asset, the principal assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset and financial liability is derecognized at the time when the obligation specified in the contract is discharged or cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the profit and loss account currently. All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given and received, respectively, and subsequently carried at fair value, amortized cost or cost, as the case may be.

3.14.1 Financial assets

Financial assets of the Company include held-to-maturity investment and loan and receivables.

a) **Investment held to maturity (HTM)**

Investments held-to-maturity are non-derivative financial assets which carry fixed or determinable payments and fixed maturities other than loan and receivables. Investments are classified as HTM if the Company has the positive intention and ability to hold to maturity. The Company currently holds Term Deposits Receipts designated into this category. HTM investments are measured subsequently at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

b) **Loan and receivables**

Loan and receivables include trade debts, deposits and other receivables. After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Trade and other receivables are assessed on regular basis for impairment and if there is any doubt about the recoverability of these receivables, appropriate amount to provision is made. Balances considered bad and irrecoverable are written off against the provision. Provision for doubtful debts is charged to profit and loss account currently.

3.14.2 Financial Liabilities

The Company financial liabilities include trade and other payables.

a) Trade and other payable include due to the joint venture operators, trade creditors and other payables. Subsequent to initial recognition trade and other payables are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3.15 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.16 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 PKR at the exchange rates ruling at the balance sheet date. Exchange differences are recognized in the profit and loss account.

Notes to the Financial Statements
for the year ended June 30, 2017

3.17 **Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

		Note	2017 Rupees	2016 Rupees
4	**Property, plant and equipment**			
	Operating fixed assets	4.1	142,171,886	148,721,633
	Capital work in progress - note 4.2	4.2	28,470,325	-
			170,642,211	148,721,633

Notes to the Financial Statements
for the year ended at June 30, 2017

4.1 OPERATING FIXED ASSETS

Gross carrying value basis:

Particulars	Buildings on leasehold land			Plant and Machinery	Furniture and Fixture	Equipment		Computer Installations	Motor Vehicles	Total Owned assets	Leased assets	TOTAL
	Office	Factory	Tube well			Office	Tools and Workshop				Leasehold land	
Carrying amount June 30, 2015	1,010,104	32,564,266	25,808	121,725,271	806,115	229,251	1,341,295	467,895	855,572	159,025,577	4,661	159,030,238
Gross carrying amount	2,406,019	48,044,389	547,920	263,019,484	1,669,910	925,008	3,774,398	2,260,085	4,754,375	327,401,588	1,701,971	329,103,559
Accumulated depreciation	(1,446,420)	(18,441,505)	(524,692)	(148,113,447)	(944,981)	(718,056)	(2,567,231)	(1,858,369)	(4,069,916)	(178,684,616)	(1,697,310)	(180,381,926)
Carrying amount June 30, 2016	959,599	29,602,884	23,228	114,906,038	724,929	206,952	1,207,167	401,716	684,459	148,716,972	4,661	148,721,633
Gross carrying amount	**2,406,019**	**48,044,389**	**547,920**	**270,127,753**	**1,669,910**	**925,008**	**3,774,398**	**2,278,985**	**4,754,375**	**334,528,757**	**1,701,971**	**336,230,728**
Accumulated depreciation	**(1,494,399)**	**(21,106,749)**	**(527,018)**	**(158,639,867)**	**(1,017,487)**	**(738,684)**	**(2,689,778)**	**(1,940,742)**	**(4,206,809)**	**(192,361,532)**	**(1,697,310)**	**(194,058,842)**
Carrying amount June 30, 2017	**911,620**	**26,937,640**	**20,902**	**111,487,886**	**652,423**	**186,324**	**1,084,620**	**338,243**	**547,566**	**142,167,225**	**4,661**	**142,171,886**

Net carrying value basis:

Particulars	Buildings on leasehold land			Plant and Machinery	Furniture and Fixture	Equipment		Computer Installations	Motor Vehicles	Total Owned assets	Leased assets	TOTAL
	Office	Factory	Tube well			Office	Tools and Workshop				Leasehold land	
Carrying amount June 30, 2015	1,010,104	29,613,817	25,808	124,675,720	806,115	229,251	1,341,295	467,895	855,572	159,025,577	4,661	159,030,238
Additions	-	-	-	2,754,887		-		31,900	-	2,786,787	-	2,786,787
Depreciation	(50,505)	(2,961,382)	(2,580)	(9,574,121)	(81,186)	(22,299)	(134,128)	(98,079)	(171,113)	(13,095,393)	-	(13,095,393)
Carrying amount June 30, 2016	959,599	26,652,435	23,228	117,856,487	724,929	206,952	1,207,167	401,716	684,459	148,716,972	4,661	148,721,633
Additions	-	-	-	**7,108,269**		-		**18,900**		**7,127,169**	-	**7,127,169**
Depreciation	**(47,979)**	**(2,665,244)**	**(2,326)**	**(10,526,420)**	**(72,506)**	**(20,628)**	**(122,547)**	**(82,373)**	**(136,893)**	**(13,676,916)**	-	**(13,676,916)**
Carrying amount June 30, 2017	**911,620**	**23,987,191**	**20,902**	**114,438,336**	**652,423**	**186,324**	**1,084,620**	**338,243**	**547,566**	**142,167,225**	**4,661**	**142,171,886**

4.1.1 Leasehold land measuring 10 acres was acquired on August 01, 1983 from the Cantonment Board, Wah, for an initial period of 30 years and subsequently renewed for another 30 years. The lease is further renewable for a period of another 30 years.

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
4.1.2	Depreciation charge for the year has been allocated as under:			
	Cost of sales	26.1	13,451,862	12,855,642
	Administrative expenses	27	225,054	239,750
			13,676,916	13,095,392
4.2	Capital work in progress			
	Carrying value at the beginning of the year		-	-
	Additions during the year		28,470,325	-
	Transferred to operating fixed assets		-	-
	Carrying value at the end of the year		28,470,325	-

This reperent cost incurred to date on procurement of machinary in relation to the expansion of Urea Formaldehyde Plant.

		Note	2017 Rupees	2016 Rupees
5	Long term investment			
	Investments in related party: Wah Nobel Acetate Limited			
	Carrying amount of investment	5.1	-	22,642,137
5.1	2,500,000 shares of Rs. 10/- each. (equity held: 8.33%)		25,000,000	25,000,000
	Share of profit of prior periods		(2,357,863)	5,715,121
	Share of profit / (loss) of current period-net of tax		(1,401,980)	(8,072,984)
			(3,759,843)	(2,357,863)
			21,240,157	22,642,137
	Sales proceeds from disposal of shares		22,500,000	-
	Gain on disposal of shares	31.1	(1,259,843)	-
			21,240,157	-
	Net carrying value of investment		-	22,642,137

This invetmnet has been sold to Wah Nobel (Private) Limited (the holding Company).

		2017 Rupees	2016 Rupees
6	Store, spares and loose tools		
	Stores	15,343,246	10,997,549
	Spares	28,769,522	28,406,166
	Loose tools	404,199	330,979
		44,516,967	39,734,694

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
7	**Stock in trade**			
	Raw and packing material	26.2	84,583,965	74,843,965
	Work in process	26.1	372,768	650,703
	Finished goods	26	21,057,142	19,785,179
	Goods in transit	7.1	81,213,878	17,434,073
			187,227,753	112,713,920

7.1 Goods in transit includes in-bonded raw material.

		Note	2017 Rupees	2016 Rupees
8	**Trade debts - unsucured**			
	Considered good		423,456,278	396,261,226
	Considered doubtful		98,404,866	79,379,769
			521,861,144	475,640,995
	Provision for doubtful debts	8.1	(98,404,866)	(79,379,770)
			423,456,278	396,261,225
8.1	**Reconciliation of provision for doubtful debts**			
	Opening provision		79,379,769	71,341,439
	Charge for the year	27	19,036,166	22,444,015
			98,415,935	93,785,454
	Debts written off		(11,069)	(14,405,685)
	Balance at the end of the year		98,404,866	79,379,769
9	**Advances**			
	Advances - unsecured, considered good			
	to suppliers		25,643,706	1,967,862
	to employees for expenses		817,948	582,849
			26,461,654	2,550,711

9.1 The maximum aggregate amount of advances due from Chief Executive Officer, Directors, Executives and from associated undertakings at the end of any month during the year was Rs. Nil (2016 : Rs Nil).

		Note	2017 Rupees	2016 Rupees
10	**Accrued interest income**			
	Profit receivable on term deposit receipts		108,122	122,761
11	**Other receivables**			
	Sales tax refundable		1,101,142	8,593,934
	Collateral placed against bank guarantee	11.1	15,000,000	-
	Others		490,491	180,900
			16,591,633	8,774,834

11.1 This represents amount placed in bank account as collateral against bank guarantee issued by the bank on behalf of the Compnay.

Notes to the Financial Statements
for the year ended June 30, 2017

		2017 Rupees	2016 Rupees
12	**Short-term-investment**		
	Term deposit receipts with bank	2,582,666	2,582,666
		2,582,666	2,582,666

Term deposit receipts (TDRs) having maturity up to 1 year and average profit rate 3.75% per annum (2016:5%).

		2017 Rupees	2016 Rupees
13	**Taxation**		
	Opening balance	(131,398,647)	(117,544,427)
	Current tax		
	- Current	65,860,970	44,285,896
	Income tax paid / withheld during the year	(64,077,280)	(58,140,116)
		(129,614,957)	(131,398,647)
14	**Cash and bank balances**		
	Cash in hand	134,063	80,756
	Cash with banks:		
	in current accounts	4,250,100	7,714,583
		4,384,163	7,795,339

15 **Share capital**

2017 Number	2016 Number		2017 Rupees	2016 Rupees
Authorized				
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000
Issued, subscribed and paid up capital				
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

15.1 Wah Nobel (Private) Limited (the holding Company) held 4,970,395 (2016: 4,970,395) ordinary shares of Rs. 10 each at balance sheet date. Further 132,102 (2016: 132,102) and 5 (2016: 5) shares were held by associated companies and directors respectively at the year end. Directors held these shares as nominee(s) of Wah Nobel (Pvt) Ltd. The ultimate ownership remains with Wah Nobel (Pvt) Ltd.

15.2 The Company has no r served or potential ordinary shares for issuance under options and sales contract.

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
16	**Capital reserve**			
	Capital reserve	16.1	944,404	944,404

16.1 Represents exchange gain arising on the translation of foreign currency accounts held by the Company and interest thereon, up to the date of allotment of shares to the overseas Pakistani shareholders who, under an agreement, had subscribed in foreign currency at the rate of Rs. 13 /- per US Dollar.

		2017 Rupees	2016 Rupees
17	**General reserve**		
	Balance at the beginning of the year	375,000,000	360,000,000
	Transfer during the year	50,000,000	15,000,000
		425,000,000	375,000,000

		Note	2017 Rupees	2016 Rupees
18	**Provision for accumulated compensated absences**			
	Provision for accumulated compensated absences	18.1	5,444,971	4,294,302

		2017 Rupees	2016 Rupees
18.1	**The amounts recognized in the balance sheet are determined as follows:**		
	Opening present value of defined benefit obligations	4,294,302	6,463,646
	Charge for the year	2,268,406	1,971,590
	Benefits paid during the year	(1,117,736)	(4,140,934)
		5,444,971	4,294,302
18.2	**The amounts recognized in the profit and loss account are as follows:**		
	Current service cost	1,434,874	1,413,104
	Interest cost	270,819	428,335
	Actuarial loss on present value of defined benefit obligation	562,713	130,148
		2,268,406	1,971,587

		2017	2016
18.3	**The principal actuarial assumptions used were as follows:**		
	Discount rate	7.25%	7.25%
	Expected rate of increase in salary	6.75%	6.25%
	Average number of leaves accumulated per annum by the officers	9 days	9 days
	Average number of leaves accumulated per annum by the staff	5 days	5 days
	Average number of leaves accumulated per annum by the workers	3 days	3 days

Notes to the Financial Statements
for the year ended June 30, 2017

			2017 Rupees	2016 Rupees
19	Deferred taxation -net			
	Deferred tax liability - July 01,		(1,200,749)	(3,942,093)
	Credited to profit and loss for the year		7,906,010	2,670,355
	Credited to other comprehensive income		(746,740)	70,989
	Net deferred tax asset / (liability) - June 30,	19.1	5,958,521	(1,200,749)
19.1	The deferred tax liability comprises of the following:			
	Deferred tax liability on taxable temporary differences			
	Accelerated tax depreciation		(25,209,228)	(26,826,723)
	Share in profit from associates		-	(235,786)
	Deferred tax asset on deductible temporary differences			
	Provision for doubtful debts		29,521,460	23,813,931
	Provision for staff retirement and other benefits		1,633,491	1,288,291
	Provision for gratuity scheme - routed through other comprehensive income		12,799	759,539
			5,958,521	(1,200,749)
20	Trade and other payables			
	Trade creditors	20.1	25,085,950	38,125,691
	Advances from customers		6,270,470	3,505,814
	Accrued expenses		39,967,821	54,734,070
	Bonus payable		19,236,465	12,608,862
	Sales tax payable		2,450,488	7,895,992
	Unclaimed dividends		4,039,819	3,468,121
	Payable to employees gratuity fund	20.2	742,087	5,341,382
	Workers' profit participation fund	20.3	228,874	1,882,803
	Workers' welfare fund	20.4	22,930,507	19,043,535
	Payable to employees' provident fund	20.5	473,871	470,277
	Other liabilities		2,598,578	3,345,553
			124,024,930	150,422,100

Trade creditors includes payable to Nobel Energy (an associated compnay) amounting to Rs. 5,857,462 (2016:Nil)

		Note	2017 Rupees	2016 Rupees
20.2	The amounts recognized in the balance sheet are as follows:			
	Present value of defined benefit obligations	20.2.1	27,626,099	24,503,107
	Fair value of plan assets	20.2.2	(26,884,012)	(19,161,725)
	Balance at end of the year		742,087	5,341,382
20.2.1	Movement in the present value of funded obligation is as follows:			
	Present value of defined benefit obligation at beginning		24,503,107	29,891,036
	Current service cost		1,664,650	1,678,862
	Interest cost		1,776,475	2,447,827
	Experience adjustment		(340,557)	171,811
	Benefits paid / adjustments		22,424	(9,686,429)
	Present value of defined benefit obligation at end		27,626,099	24,503,107

Notes to the Financial Statements
for the year ended June 30, 2017

		2017 Rupees	2016 Rupees
20.2.2	**Movement in the fair value of plan assets is as follows:**		
	Fair value of plan assets at beginning	19,161,725	21,981,141
	Interest income on plan assets	1,551,287	1,931,834
	Return on plan assets excluding interest income	2,171,000	(181,004)
	Contributions	4,000,000	5,000,000
	Benefits paid	-	(9,570,246)
	Fair value of plan assets at end	26,884,012	19,161,725
20.2.3	**Charge for the year is as follows:**		
	Current service cost	1,664,650	1,678,862
	Interest cost	1,776,475	2,447,827
	Interest income on plan assets	(1,551,287)	(1,931,834)
	Charge for the year	1,889,838	2,194,854
20.2.4	**Remeasurement chargeable in Other comprehensive income (OCI)**		
	Acturial (loss)/gain from change in financial assumptions	(22,424)	116,183
	Experience adjustment	340,557	(171,811)
	Return on plan assets, excluding interest income	2,171,000	(181,004)
	Remeasurement loss recognized in OCI	2,489,133	(236,632)
20.2.5	**Movement in liability recognised in balance sheet**		
	Balance at beginning of year	5,341,383	7,909,896
	Cost for the year	1,889,838	2,194,854
	Remeasurement recognized in OCI during the year	(2,489,133)	236,633
	Contributions during the year	(4,000,000)	(5,000,000)
	Balance at end of year	742,087	5,341,383
20.2.6	**Plan assets comprise of:**		
	Bond	70.95%	22.17%
	Equity	2.38%	30.89%
	Cash/deposits and Other	26.67%	47.00%
		100%	100%

Notes to the Financial Statements
for the year ended June 30, 2017

20.2.7 **The principal actuarial assumptions used in the actuarial valuation are as follows:**

	2017	2016
Discount rate used for interest cost in P&L Charge	7.25%	9.75%
Discount rate used for year end obligation	7.75%	7.25%
Expected rate of salary growth		
Salary increase	NA	6.25%
Salary increase FY 2017 onward	6.25%	6.25%
Mortality rate	SLIC 2001-2005 set back 1 year	SLIC 2001-2005 set back 1 year
Withdrawal rates	age based	age based
Retirement assumption	Age 60	Age 63 for officers and 60 for staff and workers
Estimated charge to profit and loss account for the next year	1,674,696	1,666,243

20.2.8 **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.

	Effect of 1% increase	Effect of 1% decrease
Discount rate	25,586,272	29,978,499
Future salary growth	30,004,244	25,527,443

20.2.9 The average duration of the defined benefit obligation as at June 30, 2017 is 8 years (2016: 9 years).

		Note	2017 Rupees	2016 Rupees
20.3	**Workers' profit participation fund**			
	Balance at the beginning of the year		1,882,803	1,328,623
	Interest for the period on fund utilized by the Company	29	205,819	41,770
	Payments during the year		(12,088,622)	(6,370,393)
	Allocation for the year	30	10,228,874	6,882,803
	Balance at the end of the year		228,874	1,882,803
20.4	**Workers' welfare fund**			
	Balance at the beginning of the year		19,043,535	16,428,070
	Allocation for the year	30	3,886,972	2,615,465
	Balance at the end of the year		22,930,507	19,043,535
20.5	**Payable to employees' provident fund**			
	Opening payable		470,277	523,566
	Contribution/withheld during the year		5,573,227	4,277,342
	Payments during the year		(5,569,633)	(4,330,631)
	Balance at the end of the year		473,871	470,277

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
21	Due to holding company			
	Wah Nobel (Private) Limited - holding company		4,626,833	1,772,300
22	Accrued mark up			
	On short term running finance - secured		951,583	2,313,009
			951,583	2,313,009
23	SHORT TERM RUNNING FINANCE - SECURED			
	Bank Al-Habib	23.1	95,150,491	65,482,760
	Allied Bank Limited	23.1		25,753,129
	MCB Bank Limited	23.1	28,647,102	19,257,437
	Askari Bank Ltd	23.1	94,170,843	41,079,151
	Short term running finance - secured		217,968,436	151,572,477

23.1 Facilities related to short term running finance - secured

The Compnay has the following running finance facility aggregating to Rs. 360 million (2016: 360 million) out which amount amount aggregating to Rs. 143.39 (2016: 238.05) remained unavailed at the year end.

Banks	Markup	Limits 2017	Limits 2016
Bank Al-Habib Limited	3 months average KIBOR plus 0.5%	120 million	120 million
Allied Bank Limited	1 month KIBOR plus 0.5%	100 million	100 million
MCB Bank Limited	1 month KIBOR plus 0.5%	40 million	40 million
Askari Bank Ltd	3 month KIBOR plus 0.35%	100 million	100 million

23.2 The mark up on the facilities are without a floor or cap, payable quarterly.

23.3 Facilities secured against

Bank	Security description
Bank Al Habib Limited	1st pari passu charge on present & future, current and fixed assets of the Company for Rs. 210 million and Rs. 150 million respectively.
Allied Bank Limited	1st pari passu charge on all present and future current & fixed assets of the Company, with 25% margin.
MCB Bank Limited	1st pari passu charge of Rs. 146 million over stock and 1st floating charge of Rs. 146 million over book debts & receivables of the Company. 1st pari passu charge of Rs. 146 million over fixed assets of the Company in shape of equitable mortgage of project land building and machinary.
Askari Bank Limited	1st pari passu charge amounting to Rs.133 million on present and future current assets of the Company

23.4 Facilities of letter of guarantee and letter of credit

Following banks have extended facilities of letter of guarantee and letter of credit

	Note	Letter of guarantee 2017	Letter of guarantee 2016	Letter of credit 2017	Letter of credit 2016
		(Figures in Rupees)			
Bank Al Habib Limited	23.4.1	20,000,000	20,000,000	250,000,000	120,000,000
Allied Bank limited	23.4.2	-	-	100,000,000	100,000,000
MCB Bank Limited	23.4.3	10,000,000	10,000,000	240,000,000	100,000,000
Askari Bank Limited	23.4.4	38,000,000	-	100,000,000	100,000,000

Notes to the Financial Statements
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23.4.1 This is secured by 1st pari passu charge on present & future, current and fixed assets of the Company for Rs. 210 million and Rs. 150 million respectively. Further, letter of guarantee and letter of credit are secured against master counter guarantee from the Company, lien on shipping documents,accepted drafts, cash margin and promissory notes respectively.

23.4.2 This is secured by 1st pari passu charge on all present and future current & fixed assets of the Company, with 25% margin and lien on valid import documents.

23.4.3 These are secured by lien over import documents covering the consignment of raw material, spare parts and chemicals, 100%cash margin in shape on lien over MCB's own term deposit receipt or partially cash or 100% cash margin for bank guarantees to be issued in favour of Excise and Taxation and 1st pari passu charge of Rs. 146 million over fixed assets of the Company in shape of equitable mortgage of project land building and machinary.

23.4.4 Theses are sured by 1st pari pasu chargeamounting to Rs. 133 million on present and future current assets of the Compnay and lien on import documents/ accepted drafts.

24 Contingencies and commitments

24.1 Contingencies

24.1.1 In 1990, the Government of Sindh levied excise duty @ Rs. 4 per bulk gallon on transport of imported Methanol outside the province of Sindh under the Sindh Abkari Act, 1878. The Company filed a Constitutional Petition No. D - 123/91 in the High Court of Sindh that the duty was ultra vires of article 151 of the Constitution. The Court granted interim relief by permitting the Company to remove Methanol by submitting bank guarantees in lieu of payment of excise duty. Accordingly, the Company has submitted bank guarantees of Rs. 8,707,220 (2016 : Rs. 8,707,220) for transport of 7200 tons of Methanol outside Sindh.

On August 12, 2004 the High Court Sindh decided the case in favour of the Company. Excise Department Sindh has filed a leave to appeal in the Supreme Court on September 07, 2004 against the said judgment which is pending adjudication by the Supreme Court.

24.1.2 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.

Notes to the Financial Statements
for the year ended June 30, 2017

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. 986 million (2016 : Rs. 926 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 has 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 financial statements.

24.1.3 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 High Court, Lahore and obtained stay order against these levies. The case is pending adjudication by the High Court, Lahore.

24.1.4 The Assistant Commissioner inland Revenueof Income Tax (Auditvll) has amended the assessment under Section 122 (1)of the Income Tax Ordinance, 2001 for the tax year 2008.Whereby, further tax of Rs. 7,520,068 was determined to be payable by the Company . Being aggrieved, the Company filed an an appeal before the Commissioner Inland Revenue (Appeals-I), which is still pending. The Company is confident that the case will be decided in its favour and therefore, no provision for any liability has been made in these financial statements.

		2017 Rupees	2016 Rupees
24.2	**Commitments in respect of:**		
24.2.1	Letters of credit for purchase of stocks	105,448,875	82,030,000
24.2.2	Post dated cheques issued in favour of collector of customs against custom duties and other levies on methanol kept in bonded ware house.	31,595,742	20,401,111
24.2.3	Guarantees issued by banks on behalf of the Company	15,000,000	-
25	**Turnover**		
	Gross revenue - manufacturing	1,476,445,682	1,393,958,819
	Sales tax	(225,705,393)	(212,441,069)
	Net turnover	1,250,740,289	1,181,517,750

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
26	**Cost of sales**			
	Cost of goods manufactured	26.1	974,858,124	945,534,955
	Packing material consumed		6,702,298	6,300,806
			981,560,422	951,835,761
	Opening stock of finished goods		19,785,179	13,120,756
	Closing stock of finished goods	7	(21,057,142)	(19,785,179)
			980,288,459	945,171,338
26.1	**Cost of goods manufactured**			
	Raw material consumed	26.2	782,156,913	761,540,212
	Stores and spares consumed		37,974,767	38,922,986
	Salaries, wages and other benefits	28.1	85,039,095	71,187,164
	Fuel and power		46,781,306	49,634,451
	Rent, rates and taxes		546,129	426,601
	Insurance		799,962	821,409
	Repairs and maintenance of vehicles		1,608,588	948,898
	Outside security charges		1,481,120	2,349,179
	Miscellaneous expenses		4,740,447	6,652,055
	Depreciation	4.1.2	13,451,862	12,855,642
	Manufacturing cost		974,580,189	945,338,597
	Opening stock of work in process		650,703	847,061
	Closing stock of work in process	7	(372,768)	(650,703)
			974,858,124	945,534,955
26.2	**Raw material consumed**			
	Opening stock	7	74,843,965	48,173,811
	Purchases during the year		791,896,913	788,210,366
			866,740,878	836,384,177
	Closing stock	7	(84,583,965)	(74,843,965)
			782,156,913	761,540,212
27	**Administrative and general expenses**			
	Salaries, wages and other benefits	28.1	7,581,079	5,728,271
	Corporate service charges		900,000	900,000
	Office rent		162,811	133,961
	Postage, telephone and telex		378,835	366,999
	Printing and stationery		611,112	362,173
	Travelling and conveyance		684,740	785,900
	Entertainment		135,367	142,004
	Legal and professional charges		514,998	1,295,949
	Fees and subscription		386,602	503,687
	Advertisement and publicity		108,120	461,328
	Maintenance expenses		77,731	164,841
	Provision for doubtful debts	8.1	19,036,166	22,444,015
	Miscellaneous expenses		694,403	575,980
	Depreciation	4.1.2	225,054	239,750
			31,497,018	34,104,858

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
28	**Selling and distribution expenses**			
	Salaries, wages and other benefits	28.1	8,089,753	10,937,331
	Postage, telephone and telex		86,654	157,653
	Printing and stationery		77,380	13,214
	Travelling and conveyance		723,253	527,681
	Carriage		20,490,544	26,141,176
	UFMC Sales Commission		-	12,226,627
	Vehicle running expenses		142,250	38,171
	Transit insurance		739,980	849,226
	Entertainment		65,355	33,550
	Miscellaneous expenses		371,828	784,157
			30,786,997	51,708,786

28.1 Related amounts include contribution towards pension fund of Rs. Nil (2016: Rs. 1,464,573), provident fund of Rs. 1,997,584 (2016: Rs. 1,928,892), expense for accumulating absences of Rs. 2,268,406 (2016: Rs. 1,971,590), gratuity of Rs 1,889,838. (2016: Rs.2,194,854) and provision for bonus to employees of Rs. 19,236,465 (2016: Rs. 12,608,862).

		Note	2017 Rupees	2016 Rupees
29	**Finance cost**			
	Interest on workers' profit participation fund		205,819	41,770
	Mark up on short term running finance - secured		6,920,113	14,810,844
	Bank charges		515,242	122,891
			7,641,174	14,975,505
30	**Other operating expenses**			
	Workers' profit participation fund		10,228,874	6,882,803
	Workers' welfare fund		3,886,972	2,615,465
	Auditors' remuneration	30.1	460,000	460,000
			14,575,846	9,958,268
30.1	**Auditors' remuneration**			
	Annual audit fee		350,000	350,000
	Half yearly review		110,000	110,000
			460,000	460,000
31	**Other income**			
	Income from financial assets	31.1	1,741,654	214,815
	Income from non-financial assets	31.2	2,769,177	2,343,973
			4,510,831	2,558,788
31.1	**Income from financial assets**			
	Interest on term deposit receipts		481,811	133,604
	Bank interest		-	81,211
	Gain on sale of Investment		1,259,843	-
			1,741,654	214,815
31.2	**Income from non-financial assets**			
	Sale of scrap		2,769,177	2,343,973
			2,769,177	2,343,973

Notes to the Financial Statements
for the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees
32	Taxation			
	Provision for the year			
	- Current for the year		65,860,970	44,285,896
	- Deferred	19	(7,906,010)	(2,670,355)
			57,954,960	41,615,541
32.1	Tax charge reconciliation			
	Accounting profit		189,059,646	120,084,799
	Tax rate		31 %	32%
	Tax on accounting profit at applicable rate		58,608,490	38,427,135
	Others - permanent differences		(653,530)	3,188,406
			57,954,960	41,615,541
33	Earnings per share - basic and diluted			
	Profit for the year		131,104,686	78,469,258
	Number of ordinary shares outstanding during the year	15	9,000,000	9,000,000
	Earnings per share-basic and diluted		14.57	8.72

34 Adjustment for non-cash items

The following non-cash and other items have been adjusted in profit before taxation for the year to arrive at operating cash flow:

	Note	2017 Rupees	2016 Rupees
Adjustments			
Depreciation	4.1.2	13,676,916	13,095,392
Interest on term deposit receipts	31.1	(481,811)	(133,604)
Bank interest	31.1	-	(81,211)
Financial charges		7,435,355	14,933,735
Interest on workers' profit participation fund	29	205,819	41,770
Gain on disposal of shares		(1,259,843)	-
Provision for gratuity fund	20.2.3	1,889,838	2,194,855
Share in profit of associated company	5.1	1,401,980	8,072,984
Workers' profit participation fund (WPPF)	30.0	10,228,874	6,882,803
Workers' welfare fund (WWF)	30.0	3,886,972	2,615,465
Provision for accumulated compensated absences	18.2	2,268,406	1,971,590
Debts written off		(11,069)	(14,405,685)
Provision for doubtful debts/write off	8.1	19,036,166	22,444,015
		58,277,603	57,632,109

Notes to the Financial Statements
for the year ended June 30, 2017

		2017 Rupees	2016 Rupees
35	**Cash and cash equivalent**		
	Cash and bank balances	4,384,163	7,795,339
	Short term running finance - secured	(217,968,436)	(151,572,476)
		(213,584,273)	(143,777,137)

36 **Staff provident fund**

36.1 The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance 1984, and the rules formulated for this purpose. The salient information of the fund is as follows:

		2017 (Unaudited) Rupees	2016 (Audited) Rupees
	Size of fund/trust	57,958,016	49,695,030
	Cost of investment made	51,055,915	44,204,540
	Percentage of investment (%)	88.09%	88.95%
	Fair value of investment	65,860,088	52,217,189
36.2	The break-up of fair value of investment is:		
	Regular income certificates (RIC)	26,950,000	26,950,000
	N.I.T units	9,619,047	7,483,650
	Cash at Bank	2,483,284	15,631,909
	Shares in Wah Nobel Chemicals Limited.	6,807,757	2,151,630
	Investment -NRSP-MFB	20,000,000	-
		65,860,088	52,217,189

		Percentage	
36.3	**Percentage of investment made is:**		
	Regular income certificates (RIC)	41%	52%
	N.I.T units	15%	14%
	Cash at Bank	4%	30%
	Shares in Wah Nobel Chemicals Limited.	10%	4%
	Investment -NRSP-MFB	30%	0%

37 **Financial risk management objectives and policies**

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The board of directors have the overall responsibility for to establishment and oversight of Company's risk management framework and policies. Audit committee 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 risks faced by the Company with the assistance of internal audit function.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies & processes for measuring and managing risks and the Company's management of capital. Further quantitative disclosure are presented through out these financial statements.

Notes to the Financial Statements
for the year ended June 30, 2017

a) **Market risks**

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Company's income or the value of its holding of financial instrument. The objective of market risk management is to manage and control market risks' exposure within acceptable parameters, while optimizing the return on risk. At the year end the company does not holds any financial instruments denominated in foreign currancy, therefore the company is not exposed to foreign currancy risk.

i) **Interest rate risk**

The interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's running finance facilities with floating interest rates. The Company manages its interest rate risk by having investment in fixed interest bearing financial assets like term deposits receipts and deposits in savings accounts in the banks.

Profile:

At the reporting date the Company's interest bearing financial instruments are:

	Note	2017 Rupees	2016 Rupees
Financial Assets			
Short-term investment	12	2,582,666	2,582,666
		2,582,666	2,582,666
Financial Liabilities			
Short term running finance - secured	23	217,968,436	151,572,477
Net financial liabilities		(215,385,770)	(148,989,811)

The effective markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2017 would decrease / increase by Rs. 1,372,749 (2016: Rs. 742,673). This is mainly attributable to the Company's exposure to markup rates on its variable rate borrowings.

b) **Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transaction. Out of the total financial assets of Rs. 430,613,837 (2016: Rs. 406,802,062), the financial assets that are subject to credit risk amounted to Rs. 430,970,265 (2016: Rs. 406,902,206).

Notes to the Financial Statements
for the year ended June 30, 2017

The maximum exposure to credit risk as at June 30, 2017, along with comparative is tabulated below:

	Note	2017 Rupees	2016 Rupees
Financial Assets			
Trade debts	8	423,456,278	396,261,226
Trade deposits		82,608	40,070
Other receivables		490,491	180,900
Accrued interest income	10	108,122	122,761
Short-term-investment		2,582,666	2,582,666
Bank balances		4,250,100	7,714,583
		430,970,265	406,902,206

The bank balances including short-term investments along with credit ratings are tabulated below:

	Rating agency	Rating Short term	Rating Long term	2017 Rupees
National Bank of Pakistan	JCR-VIS	A-1+	AAA	878,783
Askari Bank Limited	PACRA	A1+	AA+	14,959
Bank-Al Falah Limited	PACRA	A1+	AA+	1,960,607
MCB Bank Limited	PACRA	A1+	AAA	17,758,428
Bank-Al Habib Limited	PACRA	A1+	AA+	1,128,857
Habib Bank Limited	JCR-VIS	A-1+	AAA	3,039
Allied Bank Limited	PACRA	A1+	AA+	88,092
				21,832,765

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligation to the Company.

For trade receivables, internal risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are fixed based on internal or external ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored. Accordingly the credit risk is minimal and the Company also believes that it is not exposed to major concentration of credit risk.

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

	Note	2017 Rupees	2016 Rupees
Neither past due nor provided for		178,549,316	196,467,640
Past due but not provided for:			
- within 90 days		86,694,374	49,348,816
- within 91 to 180 days		83,952,252	41,866,458
- over 180 days		172,665,202	187,958,081
Total		521,861,144	475,640,995
Past dues provided for		(98,404,866)	(79,379,769)
Considered good	8	423,456,278	396,261,226

Notes to the Financial Statements
for the year ended June 30, 2017

c) **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 manages its liquidity needs by monitoring cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and on the basis of a rolling 90-days projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified in 90 days projection.

The Company maintains cash to meet its liquidity requirements for up to 20-days periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities, dividend payout policy and additional equity injection by the sponsor of the Company.

As at June 30, 2017, The Company's financial liabilities have contractual/probable maturities which are summarized below:

June 30, 2017	Current	
	Within 6 months	**6 to 12 months**
Trade and other payables	88,979,423	-
Due to holding company	4,626,833	-
Accrued mark-up	951,583	-
Short term running finnace - secured	217,968,436	-
	312,526,275	-

These financial liabilities are compared to the maturity of the Company's financial liabilities in the previous year as follow:

June 30, 2016	Current	
	Within 6 months	**6 to 12 months**
Trade and other payables	109,276,861	-
Due to holding company	1,772,300	-
Accrued mark-up	2,313,009	-
Short term running finnace - secured	151,572,477	-
	264,934,647	-

Notes to the Financial Statements
for the year ended June 30, 2017

d) **Fair value of financial instruments**

i) **Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

Level 2: inputs other than quoted prices included within 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 fall into 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 leve

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred

ii) **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

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.

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.

Notes to the Financial Statements
for the year ended June 30, 2017

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fairvalue.

June 30, 2017	Loans and receivables	Other financial liabilities	Total
Financial assets not measured at fair value			
Trade and other receivables *	423,456,278		423,456,278
Cash and cash equivalents*	4,384,163		4,384,163
Short term investments*	2,582,666		2,582,666
Accrued interest*	108,122		108,122
Deposit*	82,608		82,608
Financial liabilities not measured at fair value			
Trade and other payables*		(124,024,930)	(124,024,930)
Short term running finance - secured*		(217,968,436)	(217,968,436)
Accrued mark-up*		(951,583)	(951,583)
Due to holding company*		(4,626,833)	(4,626,833)
June 30, 2016			
Financial assets not measured at fair value			
Trade and other receivables *	396,261,226		396,261,226
Cash and cash equivalents*	7,795,339		7,795,339
Short term investments*	2,582,666		2,582,666
Accrued interest*	122,761		122,761
Deposit*	40,070		40,070
Financial liabilities not measured at fair value			
Trade and other payables*		(150,422,100)	(150,422,100)
Short term running finance - secured*		(151,572,477)	(151,572,477)
Accrued mark-up*		(2,313,009)	(2,313,009)
Due to holding company*		(1,772,300)	(1,772,300)

*The Company has not disclosed the fair values 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.

Notes to the Financial Statements
for the year ended June 30, 2017

38 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.

39 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amount charged in these financial statements in respect of remuneration and allowances, including all benefits, to chief executives and executives of the Company are given below:

	Executives	
	2017	2016
	Rupees	Rupees
Managerial remuneration	6,500,136	8,176,082
Leave encashment	426,738	4,326,436
Retirement benefits	669,180	1,736,563
Bonus and incentives	1,171,052	1,220,120
	8,767,106	15,459,201
Number of persons	6	8

39.1 No fee or remuneration was paid by the Company to Chief Executive Officer and Directors except for the lump sum amount of Rs. 900,000/- (2016: Rs. 900,000/-) charged by Wah Nobel (Private) Limited, as corporate service fee as disclosed in note 27.

40 Capacity and production

	Designed annual capacity		Actual production	
	2017	2016	2017	2016
	Metric Tones			
Formaldehyde and Formalin solvent	30,000	30,000	23,973	22,849
Urea / Phenol Formaldehyde	19,000	19,000	11,207	16,175
UFMC	4,800	4,000	4,507	3,913

Notes to the Financial Statements
for the year ended June 30, 2017

41 **Transaction with related parties**

The Company is a subsidiary of Wah Nobel (Private) Limited (the hloding compnay)and the ultimate holding Compnay is Wah industries Limited, therefore, all subsidiaries and associated undertakings of the holding compnay and ultimate holding compnay 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 are able to exercise influence.

Details of transactions with these related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2017 Rupees	2016 Rupees
Expenses incurred (on behalf of) / by the group companies net	1,954,533	841,278
Corporate service fee charged by holding company	900,000	900,000
Purchase of Electricity from associate company	17,987,579	8,932,948
Sales to associate company	33,289	3,833,552
Dividend paid to the holding company	19,881,600	4,970,400
Other related parties		
Payment to:		
Employees' pension fund trust	-	1,464,573
Employees' provident fund trust	5,573,227	4,330,631
Workers' profit participation fund	12,088,622	6,924,573
Employees' gratuity fund	4,000,000	5,000,000

42 **Number of employees**

Total number of employees as at June 30, 2017 is 133 (2016 : 101) and average number of employees over the period were 133 (2016: 94)

43 **Non-adjusting event after balance sheet date**

The Board of directors at the meeting held on October 04, 2017 have proposed for the year ended June 30, 2017 cash dividend of Rs. 6.00 per share (2016: Rs. 4.00 per share), amounting to Rs 54 million subject to approval of members at the annual general meeting.

44 **Date of authorization**

These financial statements were authorized for issue by the Board of Directors of the Compnay on October 04, 2017.

45 **General**

Figures have been rounded off to the nearest rupee.

DIRECTOR

CHIEF EXECUTIVE

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 34rd Annual General Meeting of the Company to be held on Monday, October 04, 2017 at 1100 hrs and /or any adjournment thereof.

Signed this ________ day of October, 2017.

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).

Wah Nobel Chemicals Limited

مختارنامہ (پراکسی فارم)

34ویں سالانہ اجلاسِ عامہ

میں/ہم ------------------------------------ ساکن ------------بحیثیت رکن واہ نوبل کیمیکلز لمیٹڈ

اور حامل-----------------------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 34ویں

سالانہ اجلاسِ عامہ میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ جس کا انعقاد بروز سوموار 30 اکتوبر 2017 کو 11 بجے دن یا اس کے ملتوی شدہ اجلاس میں۔

دستخط/مہر اور کی طرف سے بھیج دیا گیا:----------------------------مورخہ--------اکتوبر 2017

۱۔ نام گواہ:-----------------------------

دستخط:-----------------------------

شناختی کارڈ نمبر:-----------------------------

پتہ:-----------------------------

۲۔ نام گواہ:-----------------------------

دستخط:-----------------------------

شناختی کارڈ نمبر:-----------------------------

پتہ:-----------------------------

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر

ہدایات:

۱۔ مختار (پراکسی) کا کمپنی کا رکن (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 مختارنامہ (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 دستاویزات ساتھ لانا ضروری ہے۔

۴۔ مختارنامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔