



ISO 9001:2000, 14000:2004 &
OHSAS 18000:2007 CERTIFIED

*Half Yearly
Financial Statements
(Unaudited)*

December 31, 2011



Wah Nobel Chemicals Limited

VISION STATEMENT

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

CORPORATE MISSION

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lt. Gen. Muhammed Ahsan Mahmood, : Chairman
HI (M)
Mr. Torbjorn Saxmo : Vice Chairman
Mr. Feroze Khan Malik : Director
Mr. Muhammad Nawaz Tishna : Director (N.I.T. Nominee)
Mr. Khalid Pervaiz : Director
Mr. Riaz Ahmad : Director
Mr. Muhammad Asif : Director

CHIEF EXECUTIVE : Mr. Shabbir Ahmed

AUDIT COMMITTEE

Mr. Riaz Ahmad : Chairman
Mr. Feroze Khan Malik : Member
Mr. Khalid Pervaiz : Member

COMPANY SECRETARY AND

CHIEF FINANCIAL OFFICER : Mr. Tanveer Elahi, FCA

AUDITORS : Anjum Asim Shahid Rehman
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: 051-4102626-7, Fax: 051-4102628
Email: iilyas@hotmail.com

BANKERS : MCB Bank Limited
Allied Bank of Pakistan Limited
Bank Al-Habib 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 : wahnobel@comsats.net.pk

WEBSITE : www.wahnobel.com

FACTORY : Wah Cantt.

WAH NOBEL CHEMICALS LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present un-audited financial statements of your Company, duly reviewed by the auditors, for the half year ended 31st Dec 2011.

The Company has been able to achieve net sales revenue of Rs. 515.133 million during the half year under review vis-à-vis Rs. 300.841 million and earned the pre-tax profit of Rs. 56.155 million compared to Rs. 42.550 million earned respectively in the corresponding period of the last year.

The management has made strenuous efforts to maintain the profit level through increase in sales volume of core products. The management of the Company also envisages further enhancing the sales and improving the overall profit of the Company by financial year ending 30th June 2012.

As regards Vend and Permit fee, the case was heard in the Supreme Court of Pakistan in July-2010. In view of the merit of the case and previous decision of the Sindh High Court, the management expects a favorable decision from the apex court.

The Directors wish to express their appreciation of the team of dedicated officers and staff/workers who have made concerted efforts towards growth of the Company's business.

On behalf of the Board

WAH CANTT.
Dated: 21.02.2012.

(SHABBIR AHMED)
CHIEF EXECUTIVE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
ON REVIEW OF CONDENSED INTERIM FINANCIAL
INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Wah Nobel Chemicals Limited** (the Company) as at **December 31, 2011** and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information"), for the six month period then ended. Management is responsible for the preparation and fair 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 the approved accounting standards as applicable in Pakistan for interim reporting.

Emphasis of matter

We draw attention to note 7.1 to the condensed interim financial information. The Company is defendant in a law suit alleging non-payment of vend and permit fee of Rs. 717 million on methanol to the Excise and

Taxation Department, Government of Sindh. The ultimate outcome of the matter cannot be determined presently and therefore no provision for any liability that may result has been made in this condensed interim financial information. In the event of unfavorable outcome, there is a substantial doubt that the Company will be able to continue as a going concern. Our conclusion is not qualified on this matter.

Other matters

The figures of the condensed interim profit and loss account for the quarter ended December 31, 2011 have not been reviewed and we do not express a conclusion on them as we are required to review the cumulative figures only for six month period ended December 31, 2011.

Karachi
Dated: 21.02.2012.

Anjum Asim Shahid Rahman
Chartered Accountants
Shahzada Saleem Chughtai

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2011

	December 31, 2011	Audited June 30, 2011
Note	(Rupees in '000')	
ASSETS		
Non-current assets		
Property, plant and equipment	4 97,122	100,181
Long term investment	5 36,042	35,886
Total non-current assets	133,164	136,067
Current assets		
Stores, spares and loose tools	37,143	33,775
Stock in trade	39,385	37,284
Trade debts	6 256,464	230,111
Advances	3,280	6,865
Trade deposits and prepayments	972	40
Other receivables	13,218	2,805
Short-term investment	2,583	2,680
Cash and bank balances	58,748	71,904
Total current assets	411,793	385,464
Total assets	544,957	521,531
EQUITY AND LIABILITIES		
Equity		
<i>Authorized capital</i>		
20,000,000 ordinary shares of Rs.10 each		
Issued, subscribed and paid-up capital:		
9,000,000 (June 30, 2011: 9,000,000) ordinary shares of		
Rs. 10 each, fully paid-up in cash		
	90,000	90,000
Capital reserve	944	944
General reserve	260,000	233,000
Unappropriated profit	43,555	77,467
Total equity	394,499	401,411
Non-current liabilities		
Deferred tax liability	6,282	6,884
Accumulated compensated absences	3,787	3,421
Total non-current liabilities	10,069	10,305
Current liabilities		
Trade and other payables	120,416	89,150
Accrued mark-up	16	60
Provision for taxation - net	19,957	20,605
Total current liabilities	140,389	109,815
Total liabilities	150,458	120,120
Contingencies and commitments	7	
Total equity and liabilities	544,957	521,531

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 21.02.2012.

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

	Half year ended Dec 31, 2011	Half year ended Dec 31, 2010	Quarter ended Dec 31, 2011	Quarter ended Dec 31, 2010
(Rupees in '000')				
Gross sales	596,507	354,365	346,612	184,162
Sales tax	(81,374)	(50,553)	(47,272)	(25,952)
Special excise duty	-	(2,971)	-	(1,525)
Net sales	515,133	300,841	299,340	156,685
Cost of sales	(429,629)	(228,736)	(253,279)	(114,638)
Gross profit	85,504	72,105	46,061	42,047
Administrative and general expenses	(5,993)	(6,279)	(3,672)	(2,697)
Selling and distribution expenses	(19,786)	(16,829)	(10,856)	(8,641)
Other operating income	1,042	118	660	86
Operating profit	60,767	49,115	32,193	30,795
Financial and other charges:				
Finance cost	(355)	(3,376)	(302)	(2,201)
Other expenses	(4,413)	(3,370)	(2,370)	(2,080)
Share in profit of associated company - net of tax	156	182	156	182
Profit before taxation	56,155	42,551	29,676	26,695
Provision for taxation	(18,067)	(13,304)	(9,915)	(9,185)
Profit for the period	38,088	29,247	19,762	17,510
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	38,088	29,247	19,762	17,510
Earning per share - basic and diluted	Rs. 4.23	Rs. 3.25	Rs. 2.2	Rs. 1.95

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 21.02.2012.

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

	December 31, 2011	December 31, 2010
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	56,155	42,550
Adjustment for non cash charges and other items:		
Depreciation	3,065	2,328
Financial and other charges	180	3,171
Other accrued charges	175	206
Interest on bank balance	(1,042)	-
Share in profit of associated company	(156)	(182)
Allocation of Workers' Profit Participation Fund (WPPF)	3,008	2,275
Workers' Welfare Fund (WWF)	1,143	865
Provision for employee's gratuity fund	400	653
Provision for accumulated compensated absences	400	523
Interest on term deposit receipts	-	(65)
	7,173	9,774
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(3,368)	(6,956)
Stock in trade	(2,102)	(17,103)
Trade debts	(26,353)	(7,159)
Advances	3,585	3,505
Trade deposits and prepayments	(932)	(871)
Other receivables	(10,446)	(253)
Increase/(decrease) in current liabilities:		
Trade and other payables	34,245	(13,082)
	(5,371)	(41,919)
Cash generated from operations	57,957	10,405
(Payment for)/Receipt of:		
Taxation	(19,319)	(13,540)
Financial and other charges paid	(224)	(1,991)
WPPF paid	(5,285)	(6,470)
WWF paid	(2,384)	-
Interest on bank balance	1,042	-
Compensated absences paid	(34)	(33)
	(26,204)	(22,034)
Net cash generated from/(used in) operating activities	31,753	(11,629)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(6)	(6)
Receipt of interest on term deposit receipts	97	88
Net cash from in investing activities	91	82
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	-	42,646
Dividends paid	(45,000)	(45,000)
Net cash (used in) financing activities	(45,000)	(2,354)
Net (decrease) in cash and cash equivalents	(13,156)	(13,901)
Cash and cash equivalents at beginning of the period	71,904	24,373
Cash and cash equivalents at end of the period	58,748	10,472

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

DIRECTOR

WAH CANTT DATED 21.02.2012.

CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

	Revenue reserves				Total
	Issued Subscribed and paid-up share capital	Capital reserve - share premium	General reserve	Unappro- priated profit	
	(Rupees in '000')				
Balance as at July 1, 2010	90,000	944	183,000	108,173	382,117
Total comprehensive income	-	-	-	29,246	29,246
Transfer to general reserve	-	-	50,000	(50,000)	-
Final dividend (Rs. 5 per share)	-	-	-	(45,000)	(45,000)
Balance as at December 31, 2010	90,000	944	233,000	42,419	366,363

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

	Issued Subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves			
			General reserve	Unapprop- riated profit	Total	
						(Rupees in '000')
Balance as at July 1, 2011	90,000	944	233,000	77,467	401,411	
Total comprehensive income	-	-	-	38,088	38,088	
Transfer to general reserve	-	-	27,000	(27,000)	-	
Final dividend (Rs. 5 per share)	-	-	-	(45,000)	(45,000)	
Balance as at December 31, 2011	90,000	944	260,000	43,555	394,499	

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

_____ **DIRECTOR**

_____ **CHIEF EXECUTIVE**

WAH CANTT DATED 21.02.2012.

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

1 STATUS AND NATURE OF BUSINESS

1.1

Wah Nobel Chemicals Limited (the Company) was incorporated in Pakistan on May 31, 1983 as a public limited company under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The holding company of the Company is Wah Nobel (Private) Limited and the ultimate holding company is Wah Industries Limited. The registered office and manufacturing facilities of the Company are situated in Wah Cantt, Pakistan.

- 1.2** The principal activity of the Company is to manufacture Formaldehyde and Formaldehyde based liquid resins for use as bonding agent in the chip board, plywood and flush door manufacturing industries. It is also engaged in erection of plants and trading activities.

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

This condensed interim financial information is un-audited but have been subject to limited scope review by the auditors as required by the Code of Corporate Governance adopted by the Company.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are same as those applied in the preparation of financial statements for the year ended June 30, 2011.

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

4 PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

Following is the statement of additions to operating assets during the period / year:

	<u>Un-Audited</u> December 31, 2011	<u>Audited</u> June 30, 2011
	<u>Rupees in '000'</u>	
Opening book value	100,181	105,209
Additions during the period / year		
Furniture and Fixture	<u>6</u>	<u>19</u>
	100,187	105,228
Depreciation for the period / year	<u>3,065</u>	<u>5,047</u>
Closing book value	<u><u>97,122</u></u>	<u><u>100,181</u></u>

5 LONG TERM INVESTMENT

Wah Nobel Acetate Limited

2,500,000 shares of Rs. 10 each. (equity held: 8.33%)

	25,000	25,000
Share of profit of prior periods	<u>10,886</u>	<u>8,106</u>
Share of profit of current period / year	<u>156</u>	<u>2,780</u>
	<u>11,042</u>	<u>10,886</u>
	<u><u>36,042</u></u>	<u><u>35,886</u></u>

6 TRADE DEBTS

Considered good	256,464	230,111
Considered doubtful	<u>43,497</u>	<u>43,497</u>
	299,961	273,607
Provision for doubtful debts	<u>(43,497)</u>	<u>(43,497)</u>
	<u><u>256,464</u></u>	<u><u>230,110</u></u>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 690 million to Rs. 717 million on account of further import of Methanol from July 01, 2011 to December 31, 2011.

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

	<u>Un-Audited</u>	<u>Audited</u>
	December 31,	June 30,
	2011	2011
	Rupees in '000'	
7.2 Commitments in respect of:		
Letters of credit for purchase of stocks	43,924	72,516
Post dated cheques issued in favor of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	5,121	15,605

8 RELATED PARTY TRANSACTIONS

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

	<u>Un-Audited</u>	<u>Un-Audited</u>
	December 31,	December 31,
	2011	2010
	Rupees in '000'	
Expenses incurred on behalf of the group companies-net	(1,617)	(441)
Vehicles lease rentals paid by the holding company	-	-
Management services by holding company	450	450
Sales to associate company	38	-
Dividend paid to the holding company	24,852	24,852

9 General

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

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 21, 2012 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 21.02.2012.