



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

*Half Yearly
Financial Statements
(Unaudited)*
December 31, 2012



Wah Nobel Chemicals Ltd

VISION STATEMENT

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

CORPORATE MISSION

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lt. Gen. Muhammad 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. Riaz Ahmad : Director
Mr. Muhammad Asif : Director
Mr. Muhammad Rizwan : Director

CHIEF EXECUTIVE : Syed Naseem Raza

AUDIT COMMITTEE

Mr. Riaz Ahmad : Chairman
Mr. Feroze Khan Malik : Member
Mr. Muhammad Rizwan : Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Riaz Ahmad : Chairman
Mr. Muhammad Rizwan : Member
Syed Naseem Raza : 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/wnc.htm

FACTORY

: Wah Cantt.

WAH NOBEL CHEMICALS LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the company are pleased to present their Report alongwith Condensed Interim Financial Information of the company, duly reviewed by the auditor's , for the first half year ended December 31,2012.

During the period under review the business environment and economic conditions remained challenging due to continuous energy crisis, poor law and order situation, currency devaluation and persistent inflation however, despite these challenges your company performed well. Net Sales grew by 10.5% to Rs 569.215 million as compared to net sales of Rs 515.133 million of previous corresponding period.

Company earned after tax profit of Rs 48.376 million during the period under review against Rs 38.088 of previous corresponding period i.e an increase of 27%. Net profit ratio has also improved from 7.4 % to 8.5 %.

The management has made strenuous efforts to maintain the profit level through increase in sales volume, price rationalization and efficient working capital management. The Company has a positive out look and will continue its efforts to further improve profitability in remaining half year.

As regards vend fee and permit fee case, Sindh High Court has already pronounced favourable judgment. Presently the case is pending with the learned Supreme Court of Pakistan. In view of the merits of the case and favourable decision of the Sindh High Court, the management is expecting a favourable decision from the apex court and is making necessary efforts to continue as a going concern.

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: February 26, 2013

(SYED NASEEM RAZA)
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, 2012** 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 months period then ended. Management is responsible for the preparation and fair presentation of this condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for condensed 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. 774 million on methanol to the Excise and Taxation Department, Government of Sindh. The ultimate outcome of matter cannot be determined presently and therefore no provision for any liability that may result has been made in the condensed interim financial information. In the event of an 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, 2012 have not been reviewed and we do not express a conclusion on them as we are required to review the cumulative figures only for the six-month period ended December 31, 2012.

Karachi
Date: February 26, 2013

Anjum Asim Shahid Rahman
Chartered Accountants
Shahzada Saleem Chughtai

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2012

	Note	December 31,	Audited
		2012	June 30, 2012
(Rupees in '000')			
Non-current assets			
Property, plant and equipment	4	89,669	92,989
Long term investment	5	36,329	36,165
Total non-current assets		125,998	129,154
Current assets			
Stores, spares and loose tools		41,779	41,938
Stock in trade		90,112	111,785
Trade debts	6	226,159	218,068
Advances		10,056	6,166
Trade deposits and prepayments		1,001	40
Accrued interest income		-	299
Other receivables		2,945	7,019
Short-term investment		2,583	2,583
Cash and bank balances		147,137	103,739
Total current assets		521,772	491,637
Total assets		647,770	620,791
Equity			
<i>Authorized capital:</i>			
20,000,000 ordinary shares of Rs.10/- each			
<i>Issued, subscribed and paid up capital:</i>			
9,000,000 (June 30, 2012: 9,000,000) ordinary shares of Rs.10/- each, fully paid up in cash			
		90,000	90,000
Capital reserve		944	944
General reserve		290,000	260,000
Unappropriated profit		52,576	79,200
Total equity		433,520	430,144
Non current liabilities			
Deferred tax liability		4,099	4,903
Accumulated compensated absences		4,448	3,852
Total non-current liabilities		8,547	8,755
Current liabilities			
Trade and other payables		198,706	169,874
Due to associated companies		-	2
Taxation (net)		6,997	12,016
Total current liabilities		205,703	181,892
Total liabilities		214,250	190,647
Total equity and liabilities		647,770	620,791
Contingencies and commitments	7		

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.02.2013

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2012

	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
(Rupees in '000')				
Gross sales	660,391	596,507	366,053	346,612
Sales tax	<u>(91,176)</u>	<u>(81,374)</u>	<u>(50,612)</u>	<u>(47,272)</u>
Net sales	569,215	515,133	315,441	299,340
Cost of sales	<u>(464,358)</u>	<u>(429,629)</u>	<u>(257,663)</u>	<u>(253,279)</u>
Gross profit	104,857	85,504	57,778	46,061
Administrative and general expenses	<u>(6,208)</u>	<u>(5,993)</u>	<u>(3,492)</u>	<u>(3,672)</u>
Selling and distribution expenses	<u>(22,196)</u>	<u>(19,786)</u>	<u>(12,024)</u>	<u>(10,856)</u>
Other operating income	<u>5,770</u>	<u>1,042</u>	<u>3,426</u>	<u>660</u>
Operating profit	82,223	60,767	45,688	32,193
Financial and other charges:				
Finance cost	<u>(357)</u>	<u>(355)</u>	<u>(180)</u>	<u>(302)</u>
Other expenses	<u>(5,893)</u>	<u>(4,413)</u>	<u>(3,262)</u>	<u>(2,370)</u>
Share in profit of associated company - net of tax	<u>164</u>	<u>156</u>	<u>164</u>	<u>156</u>
Profit before taxation	76,137	56,155	42,410	29,677
Provision for taxation	<u>(27,761)</u>	<u>(18,067)</u>	<u>(15,208)</u>	<u>(9,915)</u>
Profit for the period	48,376	38,088	27,202	19,762
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>48,376</u>	<u>38,088</u>	<u>27,202</u>	<u>19,762</u>
Earning per share - basic and diluted	<u>Rs. 5.38</u>	<u>Rs. 4.23</u>	<u>Rs. 3.02</u>	<u>Rs. 2.2</u>

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.02.2013

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2012

	December 31, 2012	December 31, 2011
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	76,137	56,155
Adjustment for non cash charges and other items:		
Depreciation	3,348	3,065
Bank interest	(2,425)	(1,042)
Financial and other charges	217	180
Other accrued charges	140	175
Share in profit of associated company	(164)	(156)
Workers' profit participation fund (WPPF)	4,080	3,008
Workers' welfare fund (WWF)	1,550	1,143
Provision for employees' gratuity fund	600	400
Provision for accumulated compensated absences	600	400
	7,946	7,173
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	160	(3,368)
Stock in trade	21,673	(2,102)
Trade debts	(8,090)	(26,353)
Advances	(3,891)	3,585
Trade deposits and prepayments	(961)	(932)
Other receivables	4,075	(10,446)
Increase/(decrease) in current liabilities:		
Trade and other payables	23,876	34,245
	36,842	(5,371)
Cash generated from operations	120,925	57,957
Payment for / receipt of:		
Taxation	(33,585)	(19,319)
Financial and other charges	(217)	(224)
WPPF	(1,418)	(5,285)
WWF	-	(2,384)
Interest on bank balance	2,425	1,042
Compensated absences	(3)	(34)
	(32,798)	(26,204)
Net cash generated from/(used in) operating activities	88,127	31,753
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(28)	(6)
Interest on term deposit receipts	299	97
Net cash used in investing activities	271	91
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	-	-
Dividends paid	(45,000)	(45,000)
Net cash (used in)/generated from financing activities	(45,000)	(45,000)
Net increase/(decrease) in cash and cash equivalents	43,398	(13,156)
Cash and cash equivalents at beginning of the period	103,739	71,904
Cash and cash equivalents at end of the period	147,137	58,748

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.02.2013

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2012

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves		Total
			General reserve	Unappropriated profit	
					(Rupees in '000')
Balance as at July 1, 2011	90,000	944	233,000	77,467	401,411
Total comprehensive income for the period	-	-	-	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
Balance as at July 1, 2012	90,000	944	260,000	79,200	430,144
Total comprehensive income for the period	-	-	-	48,376	48,376
Transfer to general reserve	-	-	30,000	(30,000)	-
Final dividend (Rs. 5 per share)	-	-	-	(45,000)	(45,000)
Balance as at December 31, 2012	90,000	944	290,000	52,576	433,520

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.02.2013

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2012

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, 2012.

This condensed interim financial information is unaudited 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 information are same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2012.

4. PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

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

	Un-Audited	Audited
	December 31,	June 30,
	2012	2012
	Rupees in '000'	
Opening book value	92,989	100,181
Additions during the period / year		
Furniture and fixture	19	13
Office equipment	-	55
Computer installations	9	-
	93,017	100,249
Depreciation for the period / year	3,348	7,260
Closing book value	89,669	92,989

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2012

	Un-Audited	Audited
	December 31, 2012	June 30, 2012
	Rupees in '000'	
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	11,165	10,886
Share of profit / (loss) of current period / year	164	279
	<u>11,329</u>	<u>11,165</u>
	<u>36,329</u>	<u>36,165</u>
6 TRADE DEBTS		
Considered good	226,159	218,068
Considered doubtful	56,497	56,497
	<u>282,656</u>	<u>274,565</u>
Provision for doubtful debts	<u>(56,497)</u>	<u>(56,497)</u>
	<u>226,159</u>	<u>218,068</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. 750 million to Rs.774 million on account of further import of Methanol from July 01, 2012 to December 31, 2012.		
7.2 Commitments in respect of:		
7.2.1 Letters of credit for purchase of stocks	<u>45,203</u>	<u>36,572</u>
7.2.2 Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	<u>8,827</u>	<u>7,644</u>
8 RELATED PARTY TRANSACTIONS		
Significant transactions with related parties during the period / year were as follows:		
Expenses incurred on behalf of the group companies	<u>(812)</u>	<u>(898)</u>
Management services by holding company	<u>450</u>	<u>900</u>
Sales to associated company	<u>433</u>	<u>405</u>
Purchases from associated company	<u>-</u>	<u>1,051</u>
Dividend paid to the holding company	<u>24,852</u>	<u>24,852</u>
9 GENERAL		
9.1 Figures have been rounded off to the nearest thousand of rupees.		
10 DATE OF AUTHORIZATION FOR ISSUE		
This condensed interim financial information was authorized for issue on February 26,2013 by the Board of Directors of the Company.		

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.02.2013