

FIRST QUARTERLY ACCOUNTS  
(Un-audited)



ISO 9001:2000, 14001, IEC 17025  
& OHSAS 18000 CERTIFIED

**WAH  
NOBEL  
CHEMICALS  
LTD**

REPORT AND UNAUDITED  
ACCOUNTS FOR THE FIRST QUARTER  
ENDED SEPTEMBER 30, 2010

## **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. Shujaat Zamir Dar, HI (M), S.Bt.	:	Chairman
Mr. Torbjorn Saxmo	:	Vice Chairman
Mr. Mr. Feroze Khan Malik	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Syed Naseem Raza	:	Director
Mr. Khalid Pervaiz	:	Director
Mr. Riaz Ahmad	:	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, 2<sup>nd</sup> Floor, Rose Plaza,  
I-8 Markaz, Islamabad.  
Tel: 051-4102626-7,  
Fax: 051-4102628  
Email: [iilyas@hotmail.com](mailto: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](mailto:wahnobel@comsats.net.pk)

### WEBSITE

: [www.wahnobel.com](http://www.wahnobel.com)

### FACTORY

: Wah Cantt.

**WAH NOBEL CHEMICALS LIMITED**  
**DIRECTORS REPORT TO THE SHAREHOLDERS**

Directors are pleased to present their report and the un-audited accounts of your Company for the 1<sup>st</sup> quarter ended September 30, 2010.

Recent unprecedented and worst floods in the history caused immense damage to the life, property, infrastructure and economy of the country. The business and market conditions got affected most adversely especially in the areas in which major customers of the company are located. Despite these adverse economic and market conditions, the Company has performed reasonably well, and has achieved net sales revenue of Rs. 144.156 million during the period under review vis-à-vis Rs. 163.356 million during the corresponding period of previous year.

Management of the Company endeavoured hard to maintain profitability of the Company. The Company has earned pre-tax profit of Rs.15.855 Million during the 1<sup>st</sup> quarter of the year 2010-11 against pre-tax profit of 32.573 Million earned in the corresponding period of the previous year.

After having passed through a very difficult period in the first quarter, the market and business situation is slowly improving. It is expected that business of the company and profitability would improve in the 2<sup>nd</sup> quarter. The management of the Company looks forward to the future with confidence and envisages better performance in the next quarters.

The Directors wish to express their appreciation to the team of dedicated employees who continue to make concerted efforts for the growth of the Company.

Wah Cantt.  
Dated: 28.10.2010.

**(SHABBIR AHMED)**  
**CHIEF EXECUTIVE**

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2010**

		Un-audited September 30, 2010	Audited June 30, 2010
		(Rupees in '000')	
	Note		
<b>Assets</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	4	103,204	105,209
Long Term Investment		33,106	33,106
		<b>136,310</b>	<b>138,315</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		29,133	30,525
Stock in trade		67,666	51,423
Trade debts	5	269,999	241,500
Advances		9,379	6,272
Trade deposits and prepayments		1,326	40
Other receivables		4,684	1,607
Short-term Investment		2,615	2,671
Cash and bank balances		5,928	24,373
		390,730	358,411
<b>Total assets</b>		<b>527,040</b>	<b>496,726</b>
<b>Equity</b>			
Issued, subscribed and paid up capital 9,000,000 ( June 30 2009: 9,000,000 ) ordinary shares of Rs.10		90,000	90,000
Capital reserve		944	944
General reserve		183,000	183,000
Unappropriated profit		119,909	108,173
<b>Total equity</b>		<b>393,853</b>	<b>382,117</b>
<b>Liabilities</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liability		7,609	7,983
Accumulated compensated absences		3,181	3,042
		<b>10,790</b>	<b>11,025</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		74,603	78,783
Due to associated companies		300	57
Accrued mark-up		1,141	616
Short term borrowings - secured		23,472	662
Taxation (Net)		22,881	23,466
		122,397	103,584
Total Liabilities		133,187	114,609
		<b>527,040</b>	<b>496,726</b>

**Contingencies and Commitments**

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The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2010.

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010**

	July-Sep 2010	July-Sep 2009
	<b>(Rupees in '000')</b>	
<b>Manufactured goods</b>		
Gross sales	170,203	191,098
Sales tax	(24,601)	(26,109)
Special excise duty	(1,446)	(1,633)
Net sales	144,156	163,356
Cost of sales	(114,098)	(115,838)
Gross profit	30,058	47,518
<b>Operating expenses</b>		
Administrative and general expenses	(3,582)	(2,787)
Selling and distribution expenses	(8,188)	(7,473)
Other Operating Income	32	173
<b>Operating profit</b>	<b>18,320</b>	37,431
Finance Cost	(1,175)	(2,387)
Other expenses	(1,290)	(2,471)
<b>Profit before taxation</b>	<b>15,855</b>	32,573
Provision for taxation	(4,119)	(10,400)
<b>Profit after taxation</b>	<b>11,736</b>	22,173
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>11,736</b>	<b>22,173</b>
Earning Per Share - basic and diluted	RS. 1.30	RS. 2.46

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2010.

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010**

	September 30, 2010	September 30, 2009
	(Rupees in '000')	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,855	32,573
Adjustment for non cash charges and other items:		
Depreciation	2,005	1,618
Profit on sale of property, plant and equipment	-	(173)
Financial and other charges	1,175	2,200
Interest on WPPF	-	187
Workers' Profit Participation Fund (WPPF)	851	1,749
Workers' Welfare Fund (WWF)	323	652
Provision for accumulated compensated absences	173	275
Provision for gratuity	203	-
Provision for doubtful debts net	-	879
Profit on TDRs	(32)	-
	4,698	7,387
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	1,392	(896)
Stock in trade	(16,243)	(3,195)
Trade debts	(28,499)	(28,814)
Advances, deposits and prepayments	(4,393)	319
Other receivables	(3,280)	136
Increase/(decrease) in current liabilities:		
Trade and other payables	(112)	5,012
	(51,135)	(27,438)
Cash generated from operations	(30,582)	12,522
Payments for:		
Taxation	(5,078)	(6,301)
Financial and other charges paid	(650)	(3,162)
WPPF paid	(5,000)	(6,187)
Compensated absences paid	(33)	(2)
	(10,761)	(15,652)
Net cash generated from/(used in) operating activities	(41,343)	(3,130)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit on TDRs	88	-
Proceed from sale of property, plant and equipment	-	193
Net cash used in investing activities	88	193
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings	22,810	(535)
Net cash (used in)/generated from financing activities	22,810	(535)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(18,445)	(3,472)
<b>Cash and cash equivalents at beginning of the period</b>	24,373	18,653
<b>Cash and cash equivalents at end of the period</b>	5,928	15,181

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2010.

WAH NOBEL CHEMICALS LIMITED  
CONDENSED INTRIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010

	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, 2009	90,000	944	133,000	127,182	351,126
<b>Comprehensive income for the period</b>					
Net profit for the period ended September 30, 2009	-	-	-	22,173	22,173
<i>Other comprehensive income</i>	-	-	-	-	-
<b>Total comprehensive income for the period ended September 30, 2009</b>	-	-	-	22,173	22,173
<i>Transaction with owners</i>	-	-	-	-	-
<b>Balance as at September 30, 2009</b>	<b>90,000</b>	<b>944</b>	<b>133,000</b>	<b>149,355</b>	<b>373,299</b>
Balance as at July 1, 2010	90,000	944	183,000	108,173	382,117
<b>Comprehensive income for the period</b>					
Net profit for the period ended September 30, 2010	-	-	-	11,736	11,736
<i>Other comprehensive income</i>	-	-	-	-	-
<b>Total comprehensive income for the period ended September 30, 2010</b>	-	-	-	11,736	11,736
<i>Transaction with owners</i>	-	-	-	-	-
<b>Balance as at September 30, 2010</b>	<b>90,000</b>	<b>944</b>	<b>183,000</b>	<b>119,909</b>	<b>393,853</b>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF EXECUTIVE

WAH CANTT DATED 28.10.2010.



**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010**

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**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**

These condensed interim financial statements are unaudited and are being circulated to the shareholders in compliance with section 245 of the Companies Ordinance, 1984. These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as applicable in Pakistan.

**3. ACCOUNTING POLICIES**

The accounting policies adopted in preparation of these condensed interim financial statements are same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June30,2010.

**4. PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE**

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

	<b>(Un-audited)</b> <b>September,30</b> <b>2010</b>	<b>(Audited)</b> <b>June 30,</b> <b>2010</b>
<b>Rupees in '000'</b>		
Opening book value	105,209	110,111
Plant and machinery	-	2,512
Furniture and Fixture	-	-
Tools and workshop equipments	-	-
Office equipment	-	-
Computer installations	-	-
Vehicles	-	675
	<b>105,209</b>	<b>113,298</b>
Book value of assets disposed off during the period / year	-	20
Depreciation for the period / year	2,005	8,069
Closing book value	<b>103,204</b>	<b>105,209</b>

<b>(Un-audited)</b> <b>September,30</b> <b>2010</b>	<b>(Audited)</b> <b>June 30,</b> <b>2010</b>
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**Rupees in '000'**

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**5 TRADE DEBTS-SECURED**

Considered good	269,999	241,500
Considered doubtful	43,615	43,615
	<u>313,614</u>	<u>285,115</u>
Provision for doubtful debts	(43,615)	(43,615)
	<u>269,999</u>	<u>241,500</u>

**6. CONTINGENCIES AND COMMITMENTS**

**6.1 Contingencies**

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

- 6.1.1** The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 642 million to Rs. 653 million on account of further import of Methanol from July 01, 2010 to September 30, 2010.

<b>(Un-audited)</b> <b>September,30</b> <b>2010</b>	<b>(Audited)</b> <b>June 30,</b> <b>2010</b>
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**Rupees in '000'**

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**6.2 Commitments in respect of:**

<b>6.2.1</b> Letters of credit for purchase of stocks	<u>45,323</u>	<u>43,615</u>
<b>6.2.2</b> Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	<u>12,030</u>	<u>7,644</u>

<b>7. RELATED PARTY TRANSACTIONS</b>	<b>(Un-audited) September,30 2010</b>	<b>(Audited) June 30, 2010</b>
Significant transactions with related parties during the period / year were as follows:		
Expenses incurred (on behalf of)/ by the group companies-net	19	(1,750)
Vehicles lease rentals paid by the holding company	-	884
Management Services by holding Company	225	900
Purchases from Associate Company	-	72
Dividend paid to the holding company	-	24,852

## **8 CORRESPONDING FIGURES**

**8.1** Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of comparison.

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

## **9 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on October 28, 2010 by the Board of Directors of the Company.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2010.