



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

WAH NOBEL CHEMICALS LTD

FIRST QUARTERLY
FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2011

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. Mr. Feroze Khan Malik : Director
Mr. Muhammad Nawaz Tishna : Director (N.I.T. Nominee)
Mr. Riaz Ahmad : Director
Mr. Muhammad Asif : Director
Mr. Khalid Pervaiz : 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 LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report and the un-audited accounts of your Company for the 1st quarter ended 30th September, 2011.

It is a matter of satisfaction to report that despite over all economic stagnation in the country and slow down of industrial and manufacturing activities especially in the month of Ramadan (August, 2011), the Company has performed fairly well during the first quarter of the CFY. It achieved net sales revenue of Rs.215.793 million as against Rs.144.156 million during corresponding period of last year. During the period under review the company posted pre-tax profit of Rs.26.478 million and after tax profit of Rs.18.326 million as compared to Rs.15.855 million and Rs.11.736 million in the corresponding period of previous year; an increase of 67% and 56% respectably.

As regards Vend and Permit fee, the case was heard by the Supreme Court of Pakistan in July, 2010 but the hearing was not concluded. In view of the merits of the case and previous favourable decision by the Sindh High Court, the management hopes for a positive outcome.

The management of the Company looks forward to the future with confidence and envisages better performance during the current financial year as compared to the previous year.

The Directors wish to express their appreciation of the strenuous efforts and hard work of the management, officers, staff and workers.

On behalf of the Board

Wah Cantt.
Dated: October 27, 2011

(SHABBIR AHMED)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2011

		Sept. 30, 2011	Audited June 30, 2011
	Note	(Rupees in '000)	
Assets			
NON CURRENT ASSETS			
Property, Plant and Equipment	4	98,643	100,181
Long Term Investment	5	35,886	35,886
		<u>134,529</u>	<u>136,067</u>
CURRENT ASSETS			
Stores, spares and loose tools		36,295	33,775
Stock in trade		61,959	37,284
Trade debts	6	239,563	230,111
Advances		3,873	6,865
Trade deposits and prepayments		1,302	40
Other receivables		8,189	2,805
Short-term Investment		2,583	2,680
Cash and bank balances		50,996	71,904
		<u>404,760</u>	<u>385,464</u>
Total assets		<u>539,289</u>	<u>521,531</u>
Equity			
Authorized capital:		200,000	200,000
20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital:			
9,000,000 (June30, 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		233,000	233,000
Unappropriated profit		95,793	77,467
Total equity		<u>419,737</u>	<u>401,411</u>
Liabilities			
Non current liabilities			
Deferred tax liability		6,596	6,884
Accumulated compensated absences		3,621	3,421
		<u>10,217</u>	<u>10,305</u>
CURRENT LIABILITIES			
Trade and other payables		86,019	89,150
Accrued mark-up		-	60
Taxation (Net)		23,316	20,605
		<u>109,335</u>	<u>109,815</u>
Total liabilities		<u>119,552</u>	<u>120,120</u>
		<u>539,289</u>	<u>521,531</u>
Contingencies and Commitments	7		

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2011

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	July-Sep 2011	July-Sep 2010
	(Rupees in '000')	
Manufactured goods		
Gross sales	249,895	170,203
Sales tax	(34,102)	(24,601)
Special excise duty	-	(1,446)
Net sales	215,793	144,156
Cost of sales	(176,350)	(114,098)
Gross profit	39,443	30,058
Operating expenses		
Administrative and general expenses	(2,321)	(3,582)
Selling and distribution expenses	(8,930)	(8,188)
Other Operating Income	382	32
Operating profit	28,574	18,320
Financial and other charges:		
Finance Cost	(53)	(1,175)
Other expenses	(2,043)	(1,290)
Profit before taxation	26,478	15,855
Provision for taxation	(8,152)	(4,119)
Profit after taxation	18,326	11,736
Other comprehensive income for the period	-	-
Total comprehensive income for the period	18,326	11,736
Earning Per Share - basic and diluted	Rs. 2.04	Rs1.30

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

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2011

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	Sept. 30, 2011	Sept. 30, 2010
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,478	15,855
Adjustment for non cash charges and other items:		
Depreciation	1,538	2,005
Financial and other charges	53	1,175
Bank Interest	(382)	
Allocation of Workers' Profit Participation Fund (WPPF)	1,422	851
Workers' Welfare Fund (WWF)	540	323
Provision for employee's gratuity fund	200	203
Provision for accumulated compensated absences	200	173
Interest on Term Deposit Receipts	-	(32)
	3,571	4,698
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(2,520)	1,392
Stock in trade	(24,675)	(16,243)
Trade debts	(9,453)	(28,499)
Advances	2,992	(4,393)
Trade deposits and prepayments	(1,262)	
Other receivables	(5,416)	(3,280)
Increase/(decrease) in current liabilities:		
Trade and other payables	1,123	(112)
	(39,211)	(51,135)
Cash generated from operations	(9,162)	(30,582)
Payment for:		
Taxation	(5,729)	(5,078)
Financial and other charges paid	(112)	(650)
WPPF paid	(4,000)	(5,000)
WWF paid	(2,384)	-
Compensated absences paid	-	(33)
	(12,225)	(10,761)
Net cash generated from/(used in) operating activities	(21,387)	(41,343)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	-	-
Interest on Term Deposit Receipts	97	88
Bank Interest	382	
Proceed from sale of property, plant and equipment	-	-
Net cash used in investing activities	479	88
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	-	22,810
Dividends paid	-	-
Net cash (used in)/generated from financing activities	-	22,810
Net increase/(decrease) in cash and cash equivalents	(20,908)	(18,445)
Cash and cash equivalents at beginning of the period	71,904	24,373
Cash and cash equivalents at end of the period	50,996	5,928

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

DIRECTOR

WAH CANTT DATED 27.10.2011

CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	Issued Subscribed and paid-up share capita	Capital reserve - share premium	Revenue reserves		Total
			General reserve	Unappropriat ed profit	
(Rupees in '000')					
Balance as at July 1, 2010	90,000	944	183,000	108,173	382,117
Total Comprehensive income for the Period					
Net profit for the period ended September 30, 2010	-	-	-	11,736	11,736
Other comprehensive income	-	-	-	-	-
			-	11,736	11,736
	90,000	944	183,000	119,909	393,853
Total transactions with owner	-	-	-	-	-
Balance as at September 30, 2010	90,000	944	183,000	119,909	393,853
Balance as at July 1, 2011	90,000	944	233,000	77,467	401,411
Total Comprehensive income for the Period					
Net profit for the period ended September 30, 2011	-	-	-	18,326	18,326
Other comprehensive income	-	-	-	-	-
			-	18,326	18,326
	90,000	944	233,000	95,793	419,737
Total transactions with owner	-	-	-	-	-
Balance as at September 30, 2011	90,000	944	233,000	95,793	419,737

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

DIRECTOR

WAH CANTT DATED 27.10.2011

CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 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

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". In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

3 ACCOUNTING POLICIES

The accounting policies and basis of preparation 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 June 30, 2011.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

4 PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

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

	Un- Audited	Audited
	Sept. 30, 2011	June 30, 2011
	Rupees in '000'	
Opening book value	100,181	105,209
Additions during the period / year		
Furniture and Fixture	-	19
	<u>100,181</u>	<u>105,228</u>
Book value of assets disposed off during the period / year	-	-
Depreciation for the period / year	1,538	5,047
Closing book value	<u>98,643</u>	<u>100,181</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	10,886	8,106
Share of Profit / (Loss) of current period / year	-	2,780
	<u>10,886</u>	<u>10,886</u>
	<u>35,886</u>	<u>35,886</u>
6 TRADE DEBTS		
Considered good	239,563	230,111
Considered doubtful	43,497	43,497
	<u>283,060</u>	<u>273,608</u>
Provision for doubtful debts	(43,497)	(43,497)
	<u>239,563</u>	<u>230,111</u>
7 CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		

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

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

7.1.1 The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 690 million to Rs. 703 million on account of further import of Methanol from July 01, 2011 to September 30, 2011.

7.2 **Commitments in respect of:**

	Sept. 30, 2011	June 30, 2011
	Rupees in '000'	
7.2.1 Letters of credit for purchase of stocks	51,271	72,516
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	10,430	15,605

8 RELATED PARTY TRANSACTIONS

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

	Sept. 30, 2011	June 30, 2011
Expenses incurred (on behalf of) by the group companies-r	(975)	(1,006)
Vehicles lease rentals paid by the holding company	-	34
Management services by holding company	225	900
Sales to Associate Company	-	202
Dividend paid to the holding company	-	24,852

9 General

9.1 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 October 27, 2011 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2011