

THIRD QUARTERLY ACCOUNTS
(Un-audited)



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

**WAH
NOBEL
CHEMICALS
LTD**

REPORT AND UNAUDITED
ACCOUNTS FOR THE THIRD QUARTER
ENDED MARCH 31, 2008

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. Syed Sabahat Husain, HI (M)	:	Chairman
Mr. Rolf Ekberg	:	Vice Chairman
Mr. Syed Naseem Raza	:	Director
Mr. Feroze Khan Malik	:	Director
Mr. Shahid Ahmed	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Aftab Iqbal	:	Director

CHIEF EXECUTIVE : Mr. Shabbir Ahmed

AUDIT COMMITTEE

Mr. Shahid Ahmed	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. Aftab Iqbal	:	Member

COMPANY SECRETARY : Mr. Tauqir Sadiq

**ACTING GENERAL MANAGER
FINANCE & ACCOUNTS** : Mr. Tanveer Elahi

AUDITORS : Anjum Asim Shahid Rahman,
Chartered Accountants

LEGAL ADVISORS : The Law Firm of Basit Musheer

BANKERS : Muslim Commercial Bank Limited
Askari Commercial Bank 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

CABLE : DYNAMITE WAH CANTT.

FAX : (051) 4545241, (051) 4535862

E.MAIL : wahnobel@comsats.net.pk
wahnobel@micro.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 third quarter ended 31st March, 2008.

The company has been able to achieve net sales revenue of Rs.491.356 million during the first three quarters of the current financial year as against Rs.356.700 million during the corresponding period of the last year, and earned pre-tax profit of Rs.93.208 million as compared to Rs.16.504 million. The after-tax profit for the period ended 31st March is Rs.59.108 million as against Rs.10.278 million during the previous year. The management succeeded in increasing the profitability of the company through enhancement of its market share. The earning per share has increased to Rs.6.57 as against Rs.1.19 of the corresponding period of the last year.

The management of the company looks forward to the future with confidence and envisages better performance in the last quarter of the current financial year.

The Directors wish to express their appreciation of the good performance of the management, officers, staff & workers and are confident that they will continue to make concerted efforts for the growth of the company.

On behalf of the Board

Wah Cantt.
Dated: 29.04.2008.

(SHABBIR AHMED)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2008

		March 31, 2008	June 30, 2007
		(Rupees in '000')	
	Note		
NON CURRENT ASSETS			
Property, Plant and Equipment	4	112,417	117,470
Long Term Investment	5	27,603	25,703
CURRENT ASSETS			
Stores, spares and loose tools		19,325	21,872
Stock in trade		33,892	57,345
Trade debts		209,973	157,117
Advances, deposits and prepayments		5,611	8,512
Other receivables		4,102	4,880
Advance income tax - net		-	2,859
Cash and bank balances		16,866	30,576
		289,769	283,161
		429,789	426,334
NON CURRENT LIABILITIES			
Deferred tax liability		18,680	21,680
Accumulated compensated absences		2,161	2,401
CURRENT LIABILITIES			
Trade and other payables		82,759	79,445
Current portion of liability under finance lease		336	581
Accrued mark-up		4,232	3,247
Short term borrowings - secured		28,996	85,103
Taxation (Net)		27,015	-
Current portion of long term financing - secured		9,375	18,750
		152,713	187,126
		173,554	211,207
NET ASSETS			
		256,235	215,127
REPRESENTED BY			
SHARE CAPITAL AND RESERVES			
Authorized capital:			
20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital:			
9,000,000 (June 2007: 9,000,000) ordinary shares of			
Rs.10/- each, fully paid up in cash			
		90,000	90,000
Capital reserve		944	944
General reserve		103,000	98,000
Unappropriated profit		62,291	26,183
Contingencies and Commitments			
	6		
		256,235	215,127

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

DIRECTOR

CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

	Nine months ended March 31, 2008	Nine months ended March 31, 2007	Quarter ended March 31, 2008	Quarter ended March 31, 2007
(Rupees in '000')				
Gross sales	568,938	410,000	235,201	146,426
Sales tax / SED	77,582	53,300	30,653	19,098
Net sales	491,356	356,700	204,548	127,328
Cost of sales	345,484	300,792	136,602	106,910
Gross profit	145,872	55,908	67,946	20,418
Trading income	444	1,174	444	-
	146,316	57,082	68,390	20,418
Operating expenses				
Administrative and general expenses	16,741	10,337	4,026	2,231
Selling and distribution expenses	20,664	16,322	9,420	5,212
	37,405	26,659	13,446	7,443
Operating profit	108,911	30,423	54,944	12,975
Other Operating income	104	55	52	1
	109,015	30,478	54,996	12,976
Financial and other charges:				
Financial charges	12,901	13,105	4,121	4,301
Workers' profit participation fund	4,806	869	2,544	434
	17,707	13,974	6,665	4,735
	91,308	16,504	48,331	8,241
Share in Profit of Associated Company	1,900	-	-	-
Profit before taxation	93,208	16,504	48,331	8,241
Provision for taxation	34,100	5,776	18,135	2,884
Profit after taxation	59,108	10,728	30,196	5,357
Earning Per Share - basic and diluted	Rs. 6.57	Rs. 1.19	Rs. 3.36	RS. 0.60

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

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2008

WAH NOBEL CHEMICALS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

	March 31, 2008	March 31, 2007
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	93,208	16,504
Adjustment for non cash charges and other items:		
Depreciation	5,055	5,282
Gain on insurance claim of fixed assets	-	(2)
Financial and other charges	12,901	13,105
Share in profit of associated company	(1,900)	-
Provision against doubtful debts	9,625	3,583
Allocation of Workers' Profit Participation Fund (WPPF)	4,806	869
Provision for accumulated compensated absences	250	500
Interest on TDRs	(104)	(55)
	30,633	23,282
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	2,547	1,067
Stock in trade	23,453	(26,192)
Trade debts	(62,481)	(29,032)
Advances, deposits and prepayments	2,902	305
Other receivables	776	21,132
Increase/(decrease) in current liabilities:		
Trade and other payables	84	20,840
	(32,719)	(11,880)
Cash generated from operations	91,122	27,906
Taxation	(7,226)	(1,344)
Financial and other charges paid	(11,916)	(11,776)
WPPF paid	(1,575)	(1,862)
Compensated absences paid	(490)	(479)
Interest received	104	55
	(21,103)	(15,406)
Net cash generated from/(used in) operating activities	70,019	12,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(2)	(352)
Receipt on insurance claim of fixed assets	-	7
Net cash used in investing activities	(2)	(345)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayment	(9,375)	(9,375)
Short term borrowings	(56,107)	11,315
Repayment against finance lease	(245)	-
Dividends paid	(18,000)	(18,000)
Net cash (used in)/generated from financing activities	(83,727)	(16,060)
Net increase/(decrease) in cash and cash equivalents	(13,710)	(3,905)
Cash and cash equivalents at beginning of the period	30,576	8,854
Cash and cash equivalents at end of the period	16,866	4,949

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2008

WAH NOBEL CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

	Share Capital	Capital Reserve	General Reserve	Un-appropriated Profit	Total
	(Rupees in '000')				
Balance as at June 30, 2006 (Restated)	90,000	944	98,000	25,288	214,232
Final dividend @ Rs. 2 per share	-	-	-	(18,000)	(18,000)
Profit for the period ended March 31, 2007	-	-	-	10,728	10,728
Balance as at March 31, 2007	<u>90,000</u>	<u>944</u>	<u>98,000</u>	<u>18,016</u>	<u>206,960</u>
Balance as at June 30, 2007	90,000	944	98,000	26,183	215,127
Final dividend @ Rs. 2 per share	-	-	-	(18,000)	(18,000)
Transfer to General Reserve	-	-	5,000	(5,000)	-
Profit for the period ended March 31, 2008	-	-	-	59,108	59,108
Balance as at March 31, 2008	<u>90,000</u>	<u>944</u>	<u>103,000</u>	<u>62,291</u>	<u>256,235</u>

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2008

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

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

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

3. ACCOUNTING POLICIES

- 3.1** The accounting policies adopted in preparation of these financial statements are same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2007.

4. PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

	March 31, 2008	June 30, 2007
	Rupees in '000'	
Opening net book value	117,470	123,390
Additions during the period / year		
Plant and machinery	-	160
Tools and workshop equipments	-	11
Office equipment	-	14
Computer installations	2	178
	2	363
	117,472	123,753
Net book value of assets disposed off during the period / year	-	5
Depreciation for the period / year	5,055	6,278
Closing net book value	112,417	117,470

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	703	1,210
Share of Profit / (Loss) for current period (Dec31,2007) / year	1,900	(507)
	2,603	703
	27,603	25,703

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

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. 490 million to Rs. 527 million on account of further import of Methanol from July 01, 2007 to March 31, 2008.

	March 31, 2008	June 30, 2007
	Rupees in '000'	
6.2 Commitments in respect of:		
6.2.1 Letters of credit for purchase of stocks	74,107	37,250
6.2.2 Rentals payable under non-cancelable vehicle lease arrangements:		
- not later than one year	336	581
- later than one year but not later than five years	-	-
	March 31, 2008	June 30, 2007
	Rupees in '000'	

7. RELATED PARTY TRANSACTIONS

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

Receipts of funds from the holding company	-	31,430
Repayment of funds to the holding company	-	32,920
Expenses incurred (on behalf of)/ by the group companies	2,872	1,135
Dividend paid to the holding company	9,941	9,941

8. DATE OF AUTHORIZATION FOR ISSUE

- 8.1** These financial statements were authorized for issue on April 29, 2008 by the Board of Directors of the Company.

9. GENERAL

- 9.1** Figures have been rounded off to the nearest thousand rupees.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2008