

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, 2009

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. Torbjorn Saxmo	:	Director
Mr. Syed Naseem Raza	:	Director
Mr. Feroze Khan Malik	:	Director
Mr. Shahid Ahmed	:	Director
Mr. Shahid Aziz	:	Director (N.I.T. Nominee)
Mr. Khalid Pervaiz	:	Director

CHIEF EXECUTIVE : Mr. Shabbir Ahmed

AUDIT COMMITTEE

Mr. Shahid Ahmed	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. Khalid Pervaiz	:	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

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 : Muslim Commercial 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
wahnobel@micro.net.pk

WEBSITE : www.wahnobel.com

FACTORY : Wah Cantt.

WAH NOBEL CHEMICALS LTD

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, 2009.

The Company has been able to achieve net sales revenue of Rs.539.942 million during the period under review vis-à-vis Rs.491.356 million (an increase of Rs.48.586 million i.e 9.89%) and earned a pre-tax profit of Rs.106.418 million compared to Rs.93.208 million earned in the previous corresponding period. The after-tax profit for the period ended 31st March, 2009 is Rs.69.418 million against Rs.59.108 million for the previous corresponding period.

The Management of the company made concerted efforts to maintain the profitability level and it looks forward to the future with confidence and envisages sustained performance in the last quarter of the current year.

The Directors wish to express their appreciation of the dedicated efforts and good performance of the officers, staff and workers who continue to put in concerted efforts for the growth of the company's business.

On behalf of the Board

**WAH CANTT.
Dated: 30.04.2009.**

**(SHABBIR AHMED)
CHIEF EXECUTIVE**

WAH NOBEL CHEMICALS LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2009

		March 31, 2009	Audited June 30, 2008
	Note	(Rupees in '000')	
Assets			
NON CURRENT ASSETS			
Property, Plant and Equipment	4	112,416	109,852
Long Term Investment	5	30,905	31,405
		143,321	141,257
CURRENT ASSETS			
Stores, spares and loose tools		26,372	20,031
Stock in trade		44,669	117,445
Trade debts		271,940	247,918
Advances, deposits and prepayments		5,469	16,369
Other receivables		7,665	17,673
Cash and bank balances		40,828	9,405
		396,943	428,841
Total assets		540,264	570,098
Equity			
Authorized capital:			
20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital:			
9,000,000 (June 2008: 9,000,000) ordinary shares of			
Rs.10/- each, fully paid up in cash		90,000	90,000
Capital reserve		944	944
General reserve		133,000	103,000
Unappropriated profit		99,594	105,176
Total equity		323,538	299,120
Liabilities			
Non current liabilities			
Deferred tax liability		12,800	14,516
Accumulated compensated absences		2,378	3,220
		15,178	17,736
CURRENT LIABILITIES			
Trade and other payables		61,433	120,736
Due to associated companies		52	341
Accrued mark-up		6,343	1,622
Short term borrowings - secured		92,102	87,091
Taxation (Net)		41,618	43,452
		201,548	253,242
Total liabilities		216,726	270,978
		540,264	570,098
Contingencies and Commitments	6		

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 30.04.2009.

WAH NOBEL CHEMICALS LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

	Nine months ended March 31, 2009	Nine months ended March 31, 2008	Quarter ended March 31, 2009	Quarter ended March 31, 2008
(Rupees in '000')				
Manufactured goods				
Gross sales	631,576	568,938	220,679	235,201
Sales tax / SED	(91,634)	(77,582)	(32,142)	(30,653)
Net sales	539,942	491,356	188,537	204,548
Cost of sales	(372,632)	(345,484)	(124,313)	(136,602)
Gross profit	167,310	145,872	64,224	67,946
Profit from trading activity	1,569	444	1,494	444
	168,879	146,316	65,718	68,390
Operating expenses				
Administrative and general expenses	(12,280)	(16,741)	(2,552)	(4,026)
Selling and distribution expenses	(25,465)	(20,664)	(9,478)	(9,420)
Other operating income	116	104	39	52
Operating result	131,250	109,015	53,727	54,996
Financial charges	(16,442)	(12,901)	(5,293)	(4,121)
Workers profit participation fund	(5,752)	(4,806)	(2,393)	(2,544)
Workers welfare fund	(2,138)	-	(2,138)	-
Share in Profit/ (Loss) of Associated Company	(500)	1,900	(692)	-
Profit before taxation	106,418	93,208	43,211	48,331
Provision for taxation	(37,000)	(34,100)	(16,089)	(18,135)
Profit after taxation	69,418	59,108	27,122	30,196
Earning Per Share - basic and diluted	Rs. 7.71	Rs. 6.57	Rs. 3.01	Rs. 3.36

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 30.04.2009.

WAH NOBEL CHEMICALS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

	March 31, 2009	March 31, 2008
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	106,418	93,208
Adjustment for non cash charges and other items:		
Depreciation	4,318	5,055
Financial and other charges	16,442	12,901
Share in profit of associated company	500	(1,900)
Provision against doubtful debts	5,100	9,625
Allocation of Workers' Profit Participation Fund (WPPF)	5,752	4,806
Provision for accumulated compensated absences	500	250
Interest on TDRs	(116)	(104)
	32,496	30,633
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(6,341)	2,547
Stock in trade	72,776	23,453
Trade debts	(29,122)	(62,481)
Advances, deposits and prepayments	10,900	2,902
Other receivables	10,008	776
Increase/(decrease) in current liabilities:		
Trade and other payables	(57,441)	84
	780	(32,719)
Cash generated from operations	139,694	91,122
Payment for:		
Taxation	(40,550)	(7,226)
Financial and other charges paid	(10,920)	(11,916)
WPPF paid	(8,705)	(1,575)
Compensated absences paid	(1,341)	(490)
Interest received	116	104
	(61,400)	(21,103)
Net cash generated from/(used in) operating activities	78,294	70,019
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(6,882)	(2)
Net cash used in investing activities	(6,882)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayment	-	(9,375)
Short term borrowings	5,011	(56,107)
Repayment against finance lease	-	(245)
Dividends paid	(45,000)	(18,000)
Net cash (used in)/generated from financing activities	(39,989)	(83,727)
Net increase/(decrease) in cash and cash equivalents	31,423	(13,710)
Cash and cash equivalents at beginning of the period	9,405	30,576
Cash and cash equivalents at end of the period	40,828	16,866

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 30.04.2009.

WAH NOBEL CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

	Share Capital	Capital Reserve	General Reserve	Un- appropriated Profit	Total
	(Rupees in '000')				
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>
Balance as at June 30, 2008	90,000	944	103,000	105,176	299,120
Final dividend @ Rs. 5 per share				(45,000)	(45,000)
Transfer to General Reserve	-		30,000	(30,000)	-
Profit for the period ended March 31, 2009				69,418	69,418
Balance as at March 31, 2009	<u>90,000</u>	<u>944</u>	<u>133,000</u>	<u>99,594</u>	<u>323,538</u>

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 30.04.2009.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

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 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 30,2008.

4 PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

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

	March 31, 2009	June 30, 2008
	Rupees in '000'	
Opening book value	109,852	117,470
Plant and machinery	6,878	-
Furniture and Fixture	4	3
Tools and workshop equipments	-	-
Office equipment	-	-
Computer installations	-	2
	116,734	117,475
Book value of assets disposed off during the period / year	-	203
Adjustments during the period /year		387
Depreciation for the period / year	4,318	7,420
Closing book value	112,416	109,852

5 LONG TERM INVESTMENT

	March 31, 2009	June 30, 2008
	Rupees in '000'	
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	6,405	703
Share of Profit / (Loss) of current period	(500)	5,702
	5,905	6,405
	30,905	31,405

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

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. 555 million to Rs. 582 million on account of further import of Methanol from July 01, 2008 to March 31, 2009.

	March 31, 2009	June 30, 2008
Rupees in '000'		
6.2 Commitments in respect of:		
6.2.1 Letters of credit for purchase of stocks	27.100	36.312

7 RELATED PARTY TRANSACTIONS

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

Expenses incurred (on behalf of)/ by the group companies	(289)	1,010
Sale to holding company	-	3,340
Dividend paid to the holding company	24,852	9,941

8 General

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

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 30, 2009 by the Board of Directors of the Company.

DIRECTOR

WAH CANTT DATED 30.04.2009.

CHIEF EXECUTIVE