



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

WAH NOBEL CHEMICALS LTD

Third Quarterly
Financial Statements
(Unaudited)
March 31, 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. 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. Muhammad Asif	:	Director
Mr. Riaz Ahmad	:	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 LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report and the un-audited accounts of your company for the three quarters ended 31st March, 2011.

In spite of unfavourable business environment, severe energy crisis, high cost of inputs and extremely fierce competition in the market; rather price war like situation due to imbalance in supply-demand equation, the company has performed fairly well. It achieved net sales revenue of Rs. 484.230 million during the first three quarters of the current financial year as against Rs.538.295 million during the corresponding period of the last year and earned pre-tax profit of Rs.73.110 million as compared to Rs.99.890 million. The after-tax profit for the period ended 31st March is Rs.47.811 million as against Rs.65.888 million during the previous year.

The net profit declined due to increase in the cost of inputs, high power tariff and very high transportation cost as well as practical constraints in passing on all the increases in the sales price due to extremely fierce competition in the market.

As regards Vend and Permit fee, the case was heard in the Supreme Court of Pakistan in July, 2010. In view of the merits of the case and previous decision of the Sindh High Court, the management is expecting a positive outcome.

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 strenuous efforts and hard work of the management, officers, staff and workers.

On behalf of the Board

WAH CANTT.
Dated: 26.04.2011.

(SHABBIR AHMED)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2011

		March 31, 2011	Audited June 30, 2010
	Note	(Rupees in '000')	
Assets			
NON CURRENT ASSETS			
Property, Plant and Equipment	4	101,724	105,209
Long Term Investment	5	33,288	33,106
		135,012	138,315
CURRENT ASSETS			
Stores, spares and loose tools		36,248	30,525
Stock in trade		48,220	51,423
Trade debts	6	240,175	241,500
Advances		8,903	6,272
Trade deposits and prepayments		473	40
Other receivables		927	1,607
Short-term Investment		2,583	2,671
Cash and bank balances		16,494	24,373
		354,023	358,411
Total assets		489,035	496,726
Equity			
Authorized capital:			
20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital:			
9,000,000 (June30, 2010: 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	183,000
Unappropriated profit		60,984	108,173
Total equity		384,928	382,117
Liabilities			
Non current liabilities			
Deferred tax liability		7,823	7,983
Accumulated compensated absences		3,160	3,042
		10,983	11,025
CURRENT LIABILITIES			
Trade and other payables		68,882	78,783
Due to associated companies		86	57
Accrued mark-up		666	616
Short term borrowings - secured		2,259	662
Taxation (Net)		21,231	23,466
		93,124	103,584
Total liabilities		104,107	114,609
		489,035	496,726
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 NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011

	Nine months ended March 31, 2011	Nine months ended March 31, 2010	Quarter ended March 31, 2011	Quarter ended March 31, 2010
(Rupees in '000')				
Manufactured goods				
Gross sales	571,154	629,685	216,789	229,814
Sales tax	(81,492)	(86,019)	(30,939)	(31,429)
Special excise duty	(5,432)	(5,371)	(2,461)	(1,958)
Net sales	484,230	538,295	183,389	196,427
Cost of sales	(367,483)	(378,283)	(138,747)	(139,488)
Gross profit	116,747	160,012	44,642	56,939
Operating expenses				
Administrative and general expenses	(9,147)	(16,907)	(2,868)	(9,046)
Selling and distribution expenses	(25,197)	(28,393)	(8,368)	(9,364)
Other Operating Income	362	223	244	11
Operating profit	82,765	114,935	33,650	38,540
Financial and other charges:				
Finance Cost	(4,132)	(6,375)	(756)	(1,880)
Other expenses	(5,705)	(7,770)	(2,335)	(2,602)
Share in profit/(loss) of associated company-net of tax	182	(900)	-	(663)
Profit before taxation	73,110	99,890	30,559	33,395
Provision for taxation	(25,299)	(34,002)	(11,995)	(11,421)
Profit after taxation	47,811	65,888	18,564	21,974
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	47,811	65,888	18,564	21,974
Earning Per Share - basic and diluted	Rs. 5.31	Rs. 7.32	Rs. 2.06	Rs. 2.44

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 26.04.2011

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011

	March 31, 2011	March 31, 2010
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	73,110	99,890
Adjustment for non cash charges and other items:		
Depreciation	3,491	5,978
Profit on sale of property, plant and equipment	-	(173)
Financial and other charges	3,926	6,188
Interest on WPPF	206	187
Share in profit of associated company	(182)	900
Provision against doubtful debts	(118)	10,234
Allocation of Workers' Profit Participation Fund (WPPF)	3,917	5,413
Workers' Welfare Fund (WWF)	1,488	2,057
Provision for employee's gratuity fund	878	120
Provision for accumulated compensated absences	698	500
Interest on Term Deposit Receipts	(90)	(39)
	14,214	31,365
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(5,723)	(1,927)
Stock in trade	3,203	(8,589)
Trade debts	1,443	19,458
Advances	(2,631)	(11,212)
Trade deposits and prepayments	(433)	(406)
Other receivables	(198)	1,503
Increase/(decrease) in current liabilities:		
Trade and other payables	(9,013)	20,222
	(13,352)	19,049
Cash generated from operations	73,972	150,304
Payment for:		
Taxation	(27,695)	(44,299)
Financial and other charges paid	(3,876)	(7,516)
WPPF paid	(6,470)	(8,177)
Compensated absences paid	(579)	(544)
	(38,620)	(60,536)
Net cash generated from/(used in) operating activities	35,352	89,768
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(6)	(2,512)
Interest on Term Deposit Receipts	178	104
Proceed from sale of property, plant and equipment	-	193
Net cash used in investing activities	172	(2,215)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	1,597	(50,527)
Dividends paid	(45,000)	(45,000)
Net cash (used in)/generated from financing activities	(43,403)	(95,527)
Net increase/(decrease) in cash and cash equivalents	(7,879)	(7,974)
Cash and cash equivalents at beginning of the period	24,373	18,653
Cash and cash equivalents at end of the period	16,494	10,679

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.04.2011

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTRIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011

	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
Comprehensive income for the period					
Net profit for the period ended March 31, 2010	-	-	-	65,888	65,888
<i>Other comprehensive income</i>	-	-	-	-	-
Transfer to General reserve	-	-	50,000	(50,000)	-
Total other comprehensive income	-	-	50,000	(50,000)	-
Total comprehensive income for the period ended March 31, 2010	-	-	50,000	15,888	65,888
<i>Transaction with owners</i>	-	-	-	-	-
Final dividend for the year ended June 30, 2009 (Rs. 5 per share)	-	-	-	(45,000)	(45,000)
Total transactions with owner	-	-	-	(45,000)	(45,000)
Balance as at March 31, 2010	90,000	944	183,000	98,070	372,014
Profit for the 4th Qtr ended June 30, 2010	-	-	-	10,103	10,103
Balance as at July 1, 2010	90,000	944	183,000	108,173	382,117
Comprehensive income for the period					
Net profit for the period ended March 31, 2011	-	-	-	47,811	47,811
<i>Other comprehensive income</i>	-	-	-	-	-
Transfer to General reserve	-	-	50,000	(50,000)	-
Total other comprehensive income	-	-	50,000	(50,000)	-
Total comprehensive income for the period ended March 31, 2011	-	-	50,000	(2,189)	47,811
<i>Transaction with owners</i>	-	-	-	-	-
Final dividend for the year ended June 30, 2010 (Rs. 5 per share)	-	-	-	(45,000)	(45,000)
Total transactions with owner	-	-	-	(45,000)	(45,000)
Balance as at March 31, 2011	90,000	944	233,000	60,984	384,928

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

DIRECTOR

CHIEF EXECUTIVE

WAH CAN'T DATED 26.04.2011

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 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, 2010.

4 PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

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

	Un-Audited	Audited
	March 31,	June 30,
	2011	2010
	Rupees in '000'	
Opening book value	105,209	110,111
Plant and machinery	-	2,512
Furniture and Fixture	6	-
Tools and workshop equipments	-	-
Office equipment	-	-
Computer installations	-	-
Vehicles	-	675
	105,215	113,298
Book value of assets disposed off during the period / year	-	20
Adjustments during the period / year	-	-
Depreciation for the period / year	3,491	8,069
Closing book value	101,724	105,209
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	8,106	7,507
Share of Profit / (Loss) of current period / year	182	599
	8,288	8,106
	33,288	33,106

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011

	Un-Audited	Audited
	March 31, 2011	June 30, 2010
6 TRADE DEBTS		
	Rupees in '000'	
Considered good	240,175	241,500
Considered doubtful	43,497	43,615
	283,672	285,115
Provision for doubtful debts	(43,497)	(43,615)
	<u>240,175</u>	<u>241,500</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

- 7.1.1** The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 642 million to Rs. 674 million on account of further import of Methanol from July 01, 2010 to March 31, 2011.

	Un-Audited	Audited
	March 31, 2011	June 30, 2010
7.2 Commitments in respect of:		
	Rupees in '000'	
7.2.1 Letters of credit for purchase of stocks	58,728	43,615
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	10,502	7,644

8 RELATED PARTY TRANSACTIONS

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

Expenses incurred (on behalf of)/ by the group companies	(646)	(1,750)
Vehicles lease rentals paid by the holding company	-	884
Management services by holding company	675	900
Purchases from Associate Company	-	72
Dividend paid to the holding company	24,852	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 April 26, 2011 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 26.04.2011