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& OHSAS 18000 CERTIFIED

WAH NOBEL CHEMICALS LTD

THIRD QUARTERLY
FINANCIAL STATEMENTS
(UNAUDITED)
MARCH 31, 2012

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 third quarter ended 31st March, 2012.

The company has been able to achieve record net sales revenue of Rs.854.077 million during the first three quarters of the current financial year as against Rs.484.230 million during the corresponding period of the last year. The company earned pre-tax profit of Rs.97.308 million as compared to Rs.73.110 million during the last year. After-tax profit for the period ended 31st March is Rs.63.994 as against Rs.47.811 million during the previous year. The management succeeded in maintaining the profitability level of the company through enhancement of its sales volume. The earning per share has increased to Rs.7.11 as against Rs.5.31 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.

As regards Vend fee and Permit fee, the case is pending in the Supreme Court of Pakistan for adjudication. In view of the merits of the case and previous decision of the Sindh High Court, the management expects a favorable decision from the apex court.

The Directors wish to express their appreciation of the strenuous efforts and hard work of the management, officers, staff and 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: April 24, 2012

(SHABBIR AHMED)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2012

	Note	March 31, 2012 (Rupees in '000')	Audited June 30, 2011
ASSETS			
Non-current assets			
Property, plant and equipment	4	95,584	100,181
Long term investment	5	<u>36,042</u>	<u>35,886</u>
Total non-current assets		131,626	136,067
Current assets			
Stores, spares and loose tools		35,897	33,775
Stock in trade		55,452	37,284
Trade debts	6	<u>252,703</u>	<u>230,111</u>
Advances		7,334	6,865
Trade deposits and prepayments		506	40
Other receivables		7,439	2,805
Short-term investment		2,583	2,680
Cash and bank balances		<u>138,738</u>	<u>71,904</u>
Total current assets		500,652	385,464
Total assets		<u>632,278</u>	<u>521,531</u>
EQUITY AND LIABILITIES			
Equity			
<i>Authorized capital</i>			
20,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital:			
9,000,000 (June 30, 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		260,000	233,000
Unappropriated profit		<u>69,461</u>	<u>77,467</u>
Total equity		420,405	401,411
Non-current liabilities			
Deferred tax liability		6,336	6,884
Accumulated compensated absences		<u>3,010</u>	<u>3,421</u>
Total non-current liabilities		9,346	10,305
Current liabilities			
Trade and other payables		177,444	89,150
Accrued mark-up		-	60
Provision for taxation - net		<u>25,083</u>	<u>20,605</u>
Total current liabilities		202,527	109,815
Total liabilities		211,873	120,120
Contingencies and commitments	7		
Total equity and liabilities		<u>632,278</u>	<u>521,531</u>

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 24.04.2012

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	Nine months ended March 31, 2012	Nine months ended March 31, 2011	Quarter ended March 31, 2012	Quarter ended March 31, 2011
(Rupees in '000')				
Gross sales	989,212	571,154	392,705	216,789
Sales tax	(135,135)	(81,492)	(53,761)	(30,939)
Special excise duty	-	(5,432)	-	(2,461)
Net sales	854,077	484,230	338,944	183,389
Cost of sales	(710,120)	(367,483)	(280,491)	(138,747)
Gross profit	143,957	116,747	58,453	44,642
Administrative and general expenses	(9,752)	(9,147)	(3,759)	(2,868)
Selling and distribution expenses	(31,453)	(25,197)	(11,667)	(8,368)
Other operating income	2,352	362	1,310	244
Operating profit	105,104	82,765	44,337	33,650
Financial and other charges:				
Finance cost	(408)	(4,132)	(53)	(756)
Other expenses	(7,544)	(5,705)	(3,131)	(2,335)
Share in profit of associated company - net of tax	156	182	-	-
Profit before taxation	97,308	73,110	41,153	30,559
Provision for taxation	(33,314)	(25,299)	(15,247)	(11,995)
Profit for the period	63,994	47,811	25,906	18,564
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	63,994	47,811	25,906	18,564
Earning per share - basic and diluted	Rs. 7.11	Rs. 5.31	Rs. 2.88	Rs. 2.06

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 24.04.2012

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	97,308	73,110
Adjustment for non cash charges and other items:		
Depreciation	4,603	3,491
Financial and other charges	233	3,926
Other accrued charges	175	206
Provision against doubtful debts	-	(118)
Interest on bank balance	(2,352)	-
Share in profit of associated company	(156)	(182)
Allocation of Workers' Profit Participation Fund (WPPF)	5,218	3,917
Workers' Welfare Fund (WWF)	1,983	1,488
Provision for employee's gratuity fund	600	878
Provision for accumulated compensated absences	600	698
Interest on Term Deposit Receipts	-	(90)
	10,904	14,214
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(2,121)	(5,723)
Stock in trade	(18,168)	3,203
Trade debts	(22,592)	1,443
Advances	(469)	(2,631)
Trade deposits and prepayments	(466)	(433)
Other receivables	(4,669)	(198)
Increase/(decrease) in current liabilities:		
Trade and other payables	88,021	(9,013)
	39,536	(13,352)
Cash generated from operations	147,748	73,972
(Payment for)/Receipt of:		
Taxation	(29,385)	(27,695)
Financial and other charges paid	(292)	(3,876)
WPPF paid	(5,285)	(6,470)
WWF paid	(2,384)	-
Interest on bank balance	2,352	-
Compensated absences paid	(1,011)	(579)
	(36,005)	(38,620)
Net cash generated from/(used in) operating activities	111,743	35,352

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	(Rupees in '000')	
Net cash generated from/(used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(6)	(6)
Receipt of interest on term deposit receipts	97	178
Net cash from in investing activities	91	172
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	-	1,597
Dividends paid	(45,000)	(45,000)
Net cash (used in) financing activities	(45,000)	(43,403)
Net (decrease) in cash and cash equivalents	66,834	(7,879)
Cash and cash equivalents at beginning of the period	71,904	24,373
Cash and cash equivalents at end of the period	138,738	16,494

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 24.04.2012

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

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

This condensed interim financial information is unaudited and are being circulated to the shareholders in compliance with section 245 of the Companies Ordinance, 1984. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are same as those applied in the preparation of financial statements for the year ended June 30, 2011.

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

4 PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

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

	<u>Un-Audited</u>	<u>Audited</u>
	<u>March 31,</u>	<u>June 30,</u>
	<u>2012</u>	<u>2011</u>
	<u>Rupees in '000'</u>	
Opening book value	100,181	105,209
Additions during the period / year		
Furniture and Fixture	<u>6</u>	<u>19</u>
	100,187	105,228
Depreciation for the period / year	<u>4,603</u>	<u>5,047</u>
Closing book value	<u><u>95,584</u></u>	<u><u>100,181</u></u>

5 LONG TERM INVESTMENT

Wah Nobel Acetate Limited

2,500,000 shares of Rs. 10 each. (equity held: 8.33%)

Share of profit of prior periods

Share of profit of current period / year

25,000	25,000
<u>10,886</u>	<u>8,106</u>
<u>156</u>	<u>2,780</u>
<u>11,042</u>	<u>10,886</u>
<u><u>36,042</u></u>	<u><u>35,886</u></u>

6 TRADE DEBTS

Considered good

Considered doubtful

Provision for doubtful debts

252,703	230,111
<u>43,497</u>	<u>43,497</u>
296,200	273,608
<u>(43,497)</u>	<u>(43,497)</u>
<u><u>252,703</u></u>	<u><u>230,111</u></u>

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 690 million to Rs. 735 million on account of further import of Methanol from July 01, 2011 to March 31, 2012.

	Un-Audited	Audited
	March 31,	June 30,
	2012	2011
	Rupees in '000'	
7.2 Commitments in respect of:		
Letters of credit for purchase of stocks	59,727	72,516
Post dated cheques issued in favor of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	7,145	15,605

8 RELATED PARTY TRANSACTIONS

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

	Un-Audited	Un-Audited
	March 31,	March 31,
	2012	2011
	Rupees in '000'	
Expenses incurred on behalf of the group companies-net	(2,227)	(646)
Management services by holding company	675	675
Purchases from associate Company	1,051	-
Sales to associate company	38	-
Dividend paid to the holding company	24,852	24,852

9 General

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 24, 2012 by the Board of Directors of the Company.

DIRECTOR

WAH CANTT DATED 24.04.2012

CHIEF EXECUTIVE