



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

# **WAH NOBEL CHEMICALS LTD**

Third Quarterly  
Financial Statements  
(Unaudited)  
March 31, 2013

## **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. Muhammad Ahsan Mahmood, HI (M)	:	Chairman
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. Muhammad Rizwan	:	Director

**CHIEF EXECUTIVE** : Syed Naseem Raza

### AUDIT COMMITTEE

Mr. Riaz Ahmad	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. Muhammad Rizwan	:	Member

### HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Riaz Ahmad	:	Chairman
Mr. Muhammad Rizwan	:	Member
Syed Naseem Raza	:	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, 2<sup>nd</sup> Floor, Rose Plaza,  
I-8 Markaz, Islamabad.  
Tel: 051-4102626-7,  
Fax: 051-4102628  
Email: [iilyas@hotmail.com](mailto: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](mailto:wahnobel@comsats.net.pk)

### WEBSITE

: [www.wahnobel.com](http://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 nine months ended March 31, 2013.

During the period under review the business environment and economic conditions remained challenging due to continuous energy crisis, poor law and order situation, currency devaluation and persistent inflation however, despite these challenges your company performed well. Net sales revenue increased to Rs. 887.180 million as against Rs. 854.077 million during the corresponding period of last year.

Company earned after tax profit of Rs 79.200 million during the period under review against Rs. 63.994 million of previous corresponding period i.e an increase of 24 %. Earning per share has improved to Rs.8.80 as against Rs.7.11 in the same period last year.

The management has made strenuous efforts to maintain the profit level through increase in sales volume, price rationalization and efficient working capital management. The Company has a positive out look and will continue its efforts to further improve profitability in the last quarter of the financial year.

As regards vend fee and permit fee case, Sindh High Court has already pronounced favourable judgment. Presently the case is pending with the learned Supreme Court of Pakistan. In view of the merits of the case and favourable decision of the Sindh High Court, the management is expecting a favourable decision from the apex court and is making necessary efforts to continue as a going concern.

The Directors wish to express their appreciation of the team of dedicated officers and staff/workers who have made concerted efforts towards growth of the Company's business.

**On behalf of the Board**

**Wah Cantt.**  
Dated: 29.04.2013

**(SYED NASEEM RAZA)**  
**CHIEF EXECUTIVE**

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2013**

	Note	March 31, 2013 (Rupees in '000')	Audited June 30, 2012
<b>Non-current assets</b>			
Property, plant and equipment	4	88,030	92,989
Long term investment	5	36,329	36,165
<b>Total non-current assets</b>		<b>124,359</b>	<b>129,154</b>
<b>Current assets</b>			
Stores, spares and loose tools		43,465	41,938
Stock in trade		81,165	111,785
Trade debts	6	248,393	218,068
Advances		5,270	6,166
Trade deposits and prepayments		527	40
Accrued interest income		-	299
Other receivables		2,751	7,019
Short-term investment		2,583	2,583
Cash and bank balances		125,173	103,739
<b>Total current assets</b>		<b>509,327</b>	<b>491,637</b>
<b>Total assets</b>		<b>633,686</b>	<b>620,791</b>
<b>Equity</b>			
<i>Authorized capital:</i>			
20,000,000 ordinary shares of Rs.10/- each			
<i>Issued, subscribed and paid up capital:</i>			
9,000,000 (June 30, 2012: 9,000,000) ordinary shares of			
Rs.10/- each, fully paid up in cash			
		90,000	90,000
Capital reserve		944	944
General reserve		290,000	260,000
Unappropriated profit		83,400	79,200
<b>Total equity</b>		<b>464,344</b>	<b>430,144</b>
<b>Non current liabilities</b>			
Deferred tax liability		3,926	4,903
Accumulated compensated absences		4,085	3,852
<b>Total non-current liabilities</b>		<b>8,011</b>	<b>8,755</b>
<b>Current liabilities</b>			
Trade and other payables		155,032	169,674
Due to associated companies		-	2
Taxation (net)		6,299	12,016
<b>Total current liabilities</b>		<b>161,331</b>	<b>181,692</b>
<b>Total liabilities</b>		<b>169,342</b>	<b>190,647</b>
<b>Total equity and liabilities</b>		<b>633,686</b>	<b>620,791</b>
<b>Contingencies and commitments</b>	7		

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

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2013

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2013**

	Nine months ended March 31, 2013	Nine months ended March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	(Rupees in '000')			
Gross sales	1,028,357	989,212	367,966	392,705
Sales tax	(141,177)	(135,135)	(50,002)	(53,761)
<b>Net sales</b>	<b>887,180</b>	<b>854,077</b>	<b>317,964</b>	<b>338,944</b>
Cost of sales	(715,179)	(710,120)	(250,821)	(280,491)
Gross profit	172,001	143,957	67,143	58,453
Administrative and general expenses	(10,508)	(9,752)	(4,300)	(3,759)
Selling and distribution expenses	(33,899)	(31,453)	(11,703)	(11,667)
Other operating income	7,768	2,352	1,998	1,310
<b>Operating profit</b>	<b>135,362</b>	<b>105,104</b>	<b>53,138</b>	<b>44,337</b>
<b>Financial and other charges:</b>				
Finance cost	(387)	(408)	(30)	(53)
Other expenses	(9,633)	(7,544)	(3,740)	(3,131)
Share in profit of associated company - net of tax	164	156	-	-
<b>Profit before taxation</b>	<b>125,505</b>	<b>97,308</b>	<b>49,368</b>	<b>41,153</b>
Provision for taxation	(46,305)	(33,314)	(18,544)	(15,247)
<b>Profit for the period</b>	<b>79,200</b>	<b>63,994</b>	<b>30,824</b>	<b>25,906</b>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>79,200</b>	<b>63,994</b>	<b>30,824</b>	<b>25,906</b>
<b>Earning per share - basic and diluted</b>	<b>Rs. 8.8</b>	<b>Rs. 7.11</b>	<b>Rs. 3.42</b>	<b>Rs. 2.88</b>

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

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2013

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2013**

	March 31, 2013	March 31, 2012
	(Rupees in '000')	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	125,505	97,308
Adjustment for non cash charges and other items:		
Depreciation	5,022	4,803
Bank interest	(4,236)	(2,352)
Financial and other charges	247	233
Other accrued charges	140	175
Share in profit of associated company	(164)	(156)
Workers' profit participation fund (WPPF)	6,732	5,218
Workers' welfare fund (WWF)	2,558	1,983
Provision for employees' gratuity fund	1,530	600
Provision for accumulated compensated absences	1,044	600
	12,873	10,904
Changes in working capital (Increase)/decrease in current assets:		
Stores, spares and loose tools	(1,527)	(2,121)
Stock in trade	30,620	(18,168)
Trade debts	(30,324)	(22,592)
Advances	896	(469)
Trade deposits and prepayments	(487)	(486)
Other receivables	4,268	(4,669)
Increase/(decrease) in current liabilities:		
Trade and other payables	(24,388)	88,021
	(20,942)	39,536
Cash generated from operations	117,436	147,748
Payment for / receipt of:		
Taxation	(52,999)	(29,385)
Financial and other charges	(247)	(292)
WPPF	(1,418)	(5,285)
WWF	-	(2,384)
Interest on bank balance	4,236	2,352
Compensated absences	(810)	(1,011)
	(51,238)	(36,005)
Net cash generated from/(used in) operating activities	66,198	111,743
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(63)	(6)
Interest on term deposit receipts	299	97
Net cash used in investing activities	236	91
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings	-	-
Dividends paid	(45,000)	(45,000)
Net cash (used in)/generated from financing activities	(45,000)	(45,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>21,434</b>	<b>66,834</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>103,739</b>	<b>71,904</b>
<b>Cash and cash equivalents at end of the period</b>	<b>125,173</b>	<b>138,738</b>

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

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2013

**WAH NOBEL CHEMICALS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2013**

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves		Total
			General reserve	Unappropriated profit	
	90,000	944	233,000	77,467	401,411
Balance as at July 1, 2011					
Total comprehensive income for the period	-	-	-	63,994	63,994
Transfer to general reserve	-	-	27,000	(27,000)	-
Final dividend (Rs. 5 per share)	-	-	-	(45,000)	(45,000)
Balance as at March 31, 2012	90,000	944	260,000	69,461	420,405
Balance as at July 1, 2012	90,000	944	260,000	79,200	430,144
Total comprehensive income for the period	-	-	-	79,200	79,200
Transfer to general reserve	-	-	30,000	(30,000)	-
Final dividend (Rs. 5 per share)	-	-	-	(45,000)	(45,000)
Balance as at March 31, 2013	90,000	944	290,000	83,400	464,344

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

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF EXECUTIVE

WAH CANTT DATED 26.04.2013



**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2013**

**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 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 is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information do 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, 2012.

**3. ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2012.

**4. PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE**

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

	<b>Un-Audited</b>	<b>Audited</b>
	<b>March 31,</b>	<b>June 30,</b>
	<b>2013</b>	<b>2012</b>
	<b>Rupees in '000'</b>	
Opening book value	<b>92,989</b>	100,181
Additions during the period / year		
Furniture and fixture	<b>19</b>	13
Office equipment	<b>-</b>	55
Computer installations	<b>44</b>	-
	<b>93,052</b>	100,249
Depreciation for the period / year	<b>5,022</b>	7,260
Closing book value	<b>88,030</b>	92,989

**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2013**

	Un-Audited	Audited
	March 31, 2013	June 30, 2012
	Rupees in '000'	
<b>5 LONG TERM INVESTMENT</b>		
<b>Wah Nobel Acetate Limited</b>		
2,500,000 shares of Rs. 10 each. (equity held: 8.33%)	25,000	25,000
Share of profit of prior periods	11,165	10,886
Share of profit / (loss) of current period / year	164	279
	11,329	11,165
	36,329	36,165
<b>6 TRADE DEBTS</b>		
Considered good	248,393	218,068
Considered doubtful	56,497	56,497
	304,890	274,565
Provision for doubtful debts	(56,497)	(56,497)
	248,393	218,068
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1 Contingencies</b>		
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. 750 million to Rs.785 million on account of further import of Methanol from July 01, 2012 to March 31, 2013.		
	March 31, 2013	June 30, 2012
	Rupees in '000'	
<b>7.2 Commitments in respect of:</b>		
<b>7.2.1</b> Letters of credit for purchase of stocks	33,736	36,572
<b>7.2.2</b> Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	3,952	7,644
<b>8 RELATED PARTY TRANSACTIONS</b>		
Significant transactions with related parties during the period / year were as follows:		
Expenses incurred on behalf of the group companies	(2,299)	(898)
Management services by holding company	675	900
Sales to associated company	433	405
Purchases from associated company	-	1,051
Dividend paid to the holding company	24,852	24,852
<b>9 GENERAL</b>		
<b>9.1</b> Figures have been rounded off to the nearest thousand of rupees.		
<b>10 DATE OF AUTHORIZATION FOR ISSUE</b>		
This condensed interim financial information was authorized for issue on April 29,2013 by the Board of Directors of the Company.		

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF EXECUTIVE

WAH CANTT DATED 29.04.2013