



ISO 9002 & ISO 14001 CERTIFIED

FIRST QUARTERLY ACCOUNTS
(Un-audited)

WAH NOBEL CHEMICALS LIMITED

REPORT AND UNAUDITED
ACCOUNTS FOR THE FIRST QUARTER
ENDED SEPTEMBER 30, 2003



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.

COMPANY INFORMATION

BOARD OF DIRECTORS

Lt. Gen. Abdul Qayyum <i>HI(M).</i>	:	Chairman
Mr. Rolf Ekberg	:	Vice Chairman
Mr. Syed Kaukab Mohyuddin	:	Managing Director/Chief Executive
Mr. Feroze Khan Malik	:	Director
Mr. Shabbir Ahmad	:	Director
Mr. Azhar Masood	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)

AUDIT COMMITTEE

Mr. Azhar Masood	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. S.K. Mohyuddin	:	Member

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr. Amanullah Khan, FCA :

AUDITORS

: Messrs Tariq Ayub, Anwar & Co.
Chartered Accountants

LEGAL ADVISORS

: Messrs Khan & Piracha

BANKERS

: Muslim Commercial Bank Ltd
United Bank Limited
Allied Bank Of Pakistan Ltd

REGISTERED OFFICE

: G.T. Road, Wah Cantt.

PHONES

: (051) 5568760, (0596) 545243-6 (4 Lines)
(0596) 9314101-21 (21 Lines) Ext. 22236

CABLE

: DYNAMITE

FAX

: 0596-545241
0596-535862

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 unaudited accounts of your Company for the 1st quarter ended 30th September, 2003.

The Company has earned a pre-tax profit of Rs.7.141 million during the 1st quarter ended 30th September, 2003 against corresponding period's pre-tax profit of Rs.6.981 million.

By the grace of Almighty Allah the expansion plan of doubling the capacity of formaldehyde plant of the Company has been completed successfully. The testing of installed plant and equipment is in progress. Full commissioning on trial basis would commence soon.

The management of the Company looks forward to the future with confidence and envisages sustained performance in the next quarters.

The Directors wish to express their appreciation of the team of dedicated officers and staff/workers who continue to make concerted efforts for the growth of the Company.

On behalf of the Board

WAH CANTT.

Dated : 20.10.2003.

(SYED KAUKAB MOHYUDDIN)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
UN-AUDITED BALANCE SHEET AS AT 30TH SEPTEMBER 2003

	<u>Rupees in Million</u>	
	<u>30th Sept, 2003</u>	<u>30th June, 2003</u>
<u>CAPITAL AND LIABILITIES</u>		
Share capital and reserves		
Authorised capital:		
20,000,000 Ordinary shares of Rs.10/- each	200,000	200,000
Issued, subscribed and paid up capital	75.000	75.000
Capital reserve	0.944	0.944
General reserve	92.000	92.000
Unappropriated profit	5.098	0.457
	173.042	168.401
Long term loans	65.625	35.000
Deferred liabilities - taxation	5.557	5.557
Current liabilities and provisions:		
Short term borrowings	2.817	30.905
Current portion of long term loans	9.375	5.000
Creditors, provisions, accrued charges and other payables	39.845	42.076
Provision for taxation - net of advance	0.381	0.895
Dividend payable/proposed	22.500	22.500
	74.918	101.376
	<u>319.142</u>	<u>310.334</u>
<u>PROPERTY AND ASSETS</u>		
Fixed capital expenditure - at cost less depreciation	27.100	27.617
Capital work in progress	90.004	79.030
Long term investment	25.000	25.000
Current assets:		
Stores, spares and loose tools	14.892	15.290
Stock in trade	24.750	25.879
Trade debtors	87.856	81.865
Advances, deposits, prepayments and other receivables	18.094	26.404
Short term deposits	15.000	15.000
Cash and bank balances	16.446	14.249
	177.038	178.687
	<u>319.142</u>	<u>310.334</u>

AZHAR MASOOD
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 20.10.2003.

WAH NOBEL CHEMICALS LIMITED
UN-AUDITED PROFIT AND LOSS ACCOUNT FOR
THE 1ST QUARTER ENDED 30TH SEPTEMBER 2003

	<u>Rupees in Million</u>	
	<u>30th Sept, 2003</u>	<u>30th Sept, 2002</u>
Gross sales	62.964	52.961
Less: Sales tax	8.214	7.075
Net sales	<u>54.750</u>	<u>45.886</u>
Less: Cost of sales	43.972	35.334
Gross profit	<u>10.778</u>	<u>10.552</u>
Operating expenses		
Administrative and general expenses	0.988	1.180
Selling and distribution expenses	2.872	1.962
	<u>3.860</u>	<u>3.142</u>
Operating profit	6.918	7.410
Add: Trading profit	0.319	-
" Other income	0.697	0.286
	<u>1.016</u>	<u>0.286</u>
	7.934	7.696
<u>Financial and other charges:</u>		
Financial charges	0.265	0.198
Workers' profit participation fund	0.383	0.375
Workers welfare fund	0.145	0.142
	<u>0.793</u>	<u>0.715</u>
Net profit for the period before taxation	7.141	6.981
Provision for taxation	<u>2.500</u>	<u>2.440</u>
Net profit after taxation	4.641	4.541
Unappropriated profit brought forward	<u>0.457</u>	<u>0.560</u>
Unappropriated profit carried to balance sheet	<u><u>5.098</u></u>	<u><u>5.101</u></u>
Earning per share	<u><u>Rs.0.62</u></u>	<u><u>Rs.0.61</u></u>

AZHAR MASOOD
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 20.10.2003.

WAH NOBEL CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER 2003

Rupees in Million

	Right Shares	Share Capital	Capital Reserve	General Reserve	Unappro- priated Profit	Total
Balance as at 30th June 2003	-	75.000	0.944	92.000	0.457	168.401
After tax profit for the period ended 30th September 2003		-	-	-	4.641	4.641
Balance as at 30th September 2003	-	75.000	0.944	92.000	5.098	173.042
Balance as at 30th June 2002	36.399	37.500	0.944	87.500	0.560	162.903
Right share deposit	1.101	-	-	-	-	1.101
After tax profit for the year ended 30th September 2002		-	-	-	4.541	4.541
Balance as at 30th September 2002	37.500	37.500	0.944	87.500	5.101	168.545

AZHAR MASOOD
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 20.10.2003.

WAH NOBEL CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE 1ST QUARTER
ENDED 30TH SEPTEMBER 2003

	<u>Rupees in Million</u>	
	<u>30th Sept,</u> <u>2003</u>	<u>30th Sept,</u> <u>2002</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit before taxation	7.141	6.981
ADJUSTMENT OF ITEMS NOT INVOLVING MOVEMENT OF CASH:		
Depreciation	0.686	0.738
	<u>7.827</u>	<u>7.719</u>
 (INCREASE)/DECREASE IN CURRENT ASSETS:		
Stores, spares and loose tools	0.398	0.285
Stock in trade	1.129	(3.015)
Trade debtors	(5.991)	(6.871)
Advances, deposits, prepayments and other receivables	8.310	(1.401)
	3.846	(11.002)
INCREASE/(DECREASE) IN CURRENT LIABILITIES		
Creditors, provisions, accrued charges & other payable	(2.231)	(10.519)
(INCREASE)/DECREASE IN WORKING CAPITAL	1.615	(21.521)
 Income tax (paid)	<u>(3.014)</u>	<u>(1.982)</u>
NET CASH INFLOW/(OUT FLOW) FROM OPERATING ACTIVITIES	6.428	(15.784)
 <u>CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES:</u>		
Right shares subscription	-	1.101
Purchase of assets	(0.169)	-
Capital work in progress	(10.974)	(18.221)
	(11.143)	(17.120)
 <u>CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES:</u>		
Long term loan	35.000	-
Short term borrowing	(28.088)	-
	<u>6.912</u>	<u>-</u>
 Net increase/(decrease) in cash and cash equivalents	2.197	(32.904)
 CASH AND CASH EQUIVALANT AS AT 1ST JULY 2003	14.249	70.002
 CASH AND CASH EQUIVALANT AS AT 30TH SEPTEMBER 2003	<u>16.446</u>	<u>37.098</u>

AZHAR MASOOD
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 20.10.2003.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE ACCOUNTS
FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER, 2003

1. **THE COMPANY AND ITS OPERATIONS**

1.1 The Company was incorporated in Pakistan on 31st May 1983 as a public limited company. Its shares are listed on the Karachi, Lahore and Islamabad Stock Exchanges.

1.2 The Company is principally engaged in the manufacture of formaldehyde and formaldehyde based liquid resins for use as bonding agent in the chipboard, plywood and flush door manufacturing industries. The manufacturing facilities of the Company are situated in Wah Cantt. The Company is also engaged in erection of plants and trading activities.

2. **BASIS OF PREPARTION**

These unaudited accounts are being submitted to the shareholders, in accordance with the Notification, SRO No.764(1)/2001 dated November 5, 2001, issued by Securities and Exchange Commission of Pakistan and have been prepared in accordance with the requirements of international Accounting Standard 34 "Interim Financial Reporting" and Companies Ordinance, 1984.

3. **ACCOUNTING POLICIES**

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those of the published annual financial statements for the year ended 30th June, 2003.

4. **CHANGES IN CONTINGENCIES AND COMMITMENTS**

The contingencies reported in the last annual report have undergone the following changes:

- 4.1 The Company's contingent liability on account of vend fee and permit fee has increased from Rs.245 million to Rs.255 million on account of further import of Methanol from 1st July, 2003 to 30th September, 2003.
- 4.2 After hearing the appeal of Excise Department Sindh against the Company and other Formaldehyde manufacturers, the Supreme Court remanded the case of levy of Vend Fee and Permit Fee to the High Court Sindh for adjudication on all points of law and fact. Vide its judgement dated March 26, 2003, High Court Sindh again decided the matter in favour of the Company and other manufacturers. Excise Department filed a leave to appeal in the Supreme Court on June 12, 2003. The Court has admitted the appeal for regular hearing. The case is now awaiting adjudication by the Supreme Court.
- 4.3 Under the Punjab Excise Act, 1940, Excise Commissioner/ Director General , Excise and Taxation Department, Punjab has issued a notification dated June 30, 2003 by which the Department has levied fees on the import, possession, industrial use and sale of Methanol. The Company and other manufacturers, importers and vendors of Methanol have filed writ petitions in the High Court, Lahore and obtained stay order against these levies.
5. **CAPITAL COMMITMENTS**
- Capital commitments in respect of plant expansion, not accounted for in these accounts, amounted to Rs.10.000 million as at 30th September, 2003.

AZHAR MASOOD
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 20.10.2003.