



ISO 9001-2000, 14001, 17025
& OHSAS 18001 CERTIFIED

FIRST QUARTERLY ACCOUNTS
(Un-audited)

WAH NOBEL CHEMICALS LIMITED

REPORT AND UNAUDITED
ACCOUNTS FOR THE FIRST QUARTER
ENDED SEPTEMBER 30, 2004



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

Maj. Gen. Muhammad Javed HI (M)	:	Chairman
Mr. Rolf Ekberg	:	Vice Chairman
Mr. Syed Kaukab Mohyuddin	:	Chief Executive
Mr. Feroze Khan Malik	:	Director
Mr. Shabbir Ahmed	:	Director
Mr. Azhar Nawaz Khan	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)

AUDIT COMMITTEE

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

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr. Amanullah Khan, FCA :

LEGAL ADVISORS

: Messrs Khan & Piracha

BANKERS

: Muslim Commercial Bank Ltd.
: United Bank Limited
: Askari Commercial Bank 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 WAH CANTT.

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, 2004.

The Company has earned a pre-tax profit of Rs.9.995 million during the 1st quarter of the year 2004-05 against pre-tax profit of Rs.7.141 million earned in the corresponding period of the previous year.

By the grace of Almighty Allah, the new formaldehyde plant of the Company has successfully started commercial production since 1st July, 2004.

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

**(SYED KAUKAB MOHYUDDIN)
CHIEF EXECUTIVE**

WAH CANTI.

Dated : 29.10.2004.

WAH NOBEL CHEMICALS LIMITED
UN-AUDITED BALANCE SHEET AS AT 30TH SEPTEMBER 2004

Rupees in Million

3 Months ended 30th Sept, 2004	30th June, 2004
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CAPITAL AND LIABILITIES

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

100.000

100.000

Unappropriated profit

7.506

1.011

183.450

176.955

Long term loan - secured

56.250

56.250

Deferred liabilities - taxation

5.289

5.289

Current liabilities and provisions:

Short term borrowings - secured

63.407

57.586

Current maturity of long term loan

18.750

18.750

Creditors, provisions, accrued charges and other payables

30.702

50.132

Dividend payable/proposed

26.250

26.250

139.109

152.718

384.098

391.212

PROPERTY AND ASSETS

Fixed capital expenditure - at cost less depreciation

133.315

25.286

Capital work in progress

-

109.527

Long term investment

25.000

25.000

Current assets:

Stores, spares and loose tools

17.512

15.217

Stock in trade

24.424

38.899

Trade debtors - unsecured

122.674

127.233

Advances, deposits, prepayments and other receivables

23.564

19.346

Advance tax - net of payments

8.217

8.369

Cash and bank balances

29.392

22.335

225.783

231.399

384.098

391.212

AZHAR NAWAZ KHAN
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 29.10.2004.

WAH NOBEL CHEMICALS LIMITED
UN-AUDITED PROFIT AND LOSS ACCOUNT FOR
THE 1ST QUARTER ENDED 30TH SEPTEMBER 2004

Rupees in Million

	3 Months ended	
	30th Sept, 2004	30th Sept, 2003
Gross sales	96.791	62.964
Less: Sales tax	12.628	8.214
Net sales	84.163	54.750
Less: Cost of sales	69.710	45.584
Gross profit	14.453	9.166
<u>Operating expenses:</u>		
Administrative and general expenses	1.376	0.988
Selling and distribution expenses	1.942	1.260
	3.318	2.248
Operating profit	11.135	6.918
Add: Trading profit	1.352	0.319
" Other income	0.034	0.697
	1.386	1.016
	12.521	7.934
<u>Financial and other charges:</u>		
Financial charges	1.786	0.265
Workers' profit participation fund	0.536	0.383
Workers welfare fund	0.204	0.145
	2.526	0.793
Net profit for the period before taxation	9.995	7.141
Provision for taxation	3.500	2.500
Net profit after taxation	6.495	4.641
Unappropriated profit brought forward	1.011	0.457
Unappropriated profit carried to balance sheet	7.506	5.098
Earning per share	Rs.0.87	Rs.0.62

AZHAR NAWAZ KHAN
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 29.10.2004.

WAH NOBEL CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE 1ST QUARTER
ENDED 30TH SEPTEMBER 2004

Rupees in Million

	3 Months ended	
	30th Sept, 2004	30th Sept, 2003
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit before taxation	9.995	7.141
ADJUSTMENT OF ITEMS NOT INVOLVING MOVEMENT OF CASH:		
Depreciation	1.500	0.686
	11.495	7.827
(INCREASE)/DECREASE IN CURRENT ASSETS:		
Stores, spares and loose tools	(2.295)	0.398
Stock in trade	14.475	1.129
Trade debtors	4.559	(5.991)
Advances, deposits, prepayments and other receivables	(4.218)	8.310
	12.521	3.846
INCREASE/(DECREASE) IN CURRENT LIABILITIES		
Creditors, provisions, accrued charges & other payables	(19.430)	(2.231)
(INCREASE)/DECREASE IN WORKING CAPITAL	(6.909)	1.615
Income tax (paid)	(3.348)	(3.014)
NET CASH INFLOW/(OUT FLOW) FROM OPERATING ACTIVITIES	1.238	6.428
<u>CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES:</u>		
Purchase of assets	(0.002)	(0.169)
Capital work in progress	-	(10.974)
	(0.002)	(11.143)
<u>CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES:</u>		
Long term loan	-	35.000
Short term borrowing	5.821	(28.088)
	5.821	6.912
Net increase/(decrease) in cash and cash equivalents	7.057	2.197
CASH AND CASH EQUIVALANT AS AT 1ST JULY 2004	22.335	14.249
CASH AND CASH EQUIVALANT AS AT 30TH SEPTEMBER 2004	29.392	16.446

AZHAR NAWAZ KHAN
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 29.10.2004.

WAH NOBEL CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER 2004

Rupees in Million

	Share Capital	Capital Reserve	General Reserve	Unappro- priated Profit	Total
Balance as at 30th June 2004	75.000	0.944	100.000	1.011	176.955
After tax profit for the year ended 30th September 2004	-	-	-	6.495	6.495
Balance as at 30th September 2004	<u>75.000</u>	<u>0.944</u>	<u>100.000</u>	<u>7.506</u>	<u>183.450</u>
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	<u>75.000</u>	<u>0.944</u>	<u>92.000</u>	<u>5.098</u>	<u>173.042</u>

AZHAR NAWAZ KHAN
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 29.10.2004.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE ACCOUNTS
FOR THE 1st QUARTER ENDED 30TH SEPTEMBER, 2004

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 at Wah Cantt. The Company is also engaged in the 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, 2004.

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.295 million to Rs.311 million on account of further import of Methanol from 1st July, 2004 to 30th September, 2004.
- 4.2 In 1990, the Government of Sindh levied Excise Duty @ Rs.4 per bulk gallon on transport of imported Methanol outside the Province of Sindh under the Sindh Abkari Act, 1878. The Company filed a Constitutional Petition No. D - 123/91 in the High Court of Sindh that the Duty was ultra vires of Article 151 of the Constitution. The Court granted interim relief by permitting the Company to remove Methanol by submitting Bank Guarantees in lieu of payment of Excise Duty. Accordingly the Company submitted Bank Guarantees of Rs.9,058,521 (2003: Rs.9,058,521) for transport of 7200 tons of Methanol outside Sindh.

On 12th August, 2004 the High Court, Sindh declared the case in favour of Wah Nobel Chemicals Limited. Excise Department, Sindh have filed a Leave to Appeal in the Supreme Court on 7th September, 2004 against the said judgment.

5. **CAPITAL COMMITMENTS**

Capital commitments as at 30th September, 2004 are nil.

AZHAR NAWAZ KHAN
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 29.10.2004.