

FIRST QUARTERLY ACCOUNTS
(Un-audited)



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

**WAH
NOBEL
CHEMICALS
LTD**

REPORT AND UNAUDITED
ACCOUNTS FOR THE FIRST QUARTER
ENDED 30TH SEPTEMBER, 2006

VISION STATEMENT

The Company's vision is to be the market leader and serve the needs of customers with total dedication, cater for their current requirement and anticipate their future needs, create value for customers, stakeholders, employees and the community at large.

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. Syed Sabahat Husain, HI (M)	:	Chairman
Mr. Rolf Ekberg	:	Vice Chairman
Mr. Shabbir Ahmed	:	Director & Chief Executive
Mr. Feroze Khan Malik	:	Director
Mr. Shahid Ahmed	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Mohammad Alamgir	:	Director

AUDIT COMMITTEE

Mr. Shahid Ahmed	:	Chairman
Mr. Feroze Khan Malik	:	Member

COMPANY SECRETARY	:	Mr. Tauqir Sadiq
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ACTING GENERAL MANAGER FINANCE & ACCOUNTS	:	Mr. Tanveer Elahi
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AUDITORS	:	Ford Rhodes Sidat Hyder & Co., Chartered Accountants
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LEGAL ADVISORS	:	The Law Firm of Basit Musheer
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BANKERS	:	Muslim Commercial Bank Limited Askari Commercial Bank Limited
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REGISTERED OFFICE	:	G.T. Road, Wah Cantt.
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PHONES	:	(051) 5568760, 4545243-6 (4 Lines) (051) 9314101-21 (21 Lines) Ext. 22236
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CABLE	:	DYNAMITE WAH CANTT.
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FAX	:	(051) 4545241, (051) 4535862
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E.MAIL	:	wahnobel@comsats.net.pk wahnobel@micro.net.pk
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WEBSITE	:	www.wahnobel.com
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FACTORY	:	Wah Cantt.
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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, 2006.

The Company has been able to achieve net sales revenue of Rs.115.900 million during the period under review vis-à-vis Rs.150.817 million during corresponding period of previous year. The Company has earned a pre-tax profit of Rs.1.693 million during the 1st quarter of the year 2006-07 against pre-tax Profit of Rs.11.549 million earned in the corresponding period of the previous year. The net profit declined due to abnormal increase in input cost and the market conditions did not allow to increase the selling prices of the products to that level which could absorb the full impact of increased cost of inputs.

The management of the Company looks forward to the future with confidence to achieve the maximum share of its products in the market.

On behalf of the Board

WAH CANTT.

DATED: 31.10.2006.

(SHABBIR AHMED)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
UN-AUDITED BALANCE SHEET AS AT 30TH SEPTEMBER 2006

Rupees in Million

Unaudited 30th Sept, 2006	Unaudited 30th June, 2006
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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

90.000

90.000

Capital reserve

0.944

0.944

General reserve

98.000

98.000

Unappropriated profit

18.934

17.833

207.878

206.777

Long term loan - secured

18.750

18.750

Deferred liabilities

27.493

27.493

Current liabilities and provisions:

Short term borrowings - secured

91.466

81.545

Current maturity of long term loan

18.750

18.750

Creditors, provisions, accrued charges and other payables

47.753

56.173

157.971

156.468

412.092

409.488

PROPERTY AND ASSETS

Fixed capital expenditure - at cost less depreciation

120.670

122.532

Long term investment

25.000

25.000

Current assets:

Stores, spares and loose tools

18.966

20.194

Stock in trade

23.326

46.328

Trade debtors - unsecured

176.663

147.498

Advances, deposits, prepayments and other receivables

33.288

32.819

Advance tax - net of payments

6.982

6.323

Cash and bank balances

7.197

8.794

266.422

261.956

412.092

409.488

SHAHID AHMED
DIRECTOR

SHABBIR AHMED
CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2006

WAH NOBEL CHEMICALS LIMITED
UN-AUDITED PROFIT AND LOSS ACCOUNT FOR
THE 1ST QUARTER ENDED 30TH SEPTEMBER 2006

Rupees in Million

	3 Months ended	
	30th Sept, 2006	30th Sept, 2005
Gross sales	132.852	173.215
Less: Sales tax	16.952	22.398
Net Sales	115.900	150.817
Less: Cost of sales	102.797	129.364
Gross profit	13.103	21.453
Trading income	1.163	-
	14.266	21.453
<u>Operating expenses:</u>		
Administrative and general expenses	2.267	1.808
Selling and distribution expenses	6.685	4.714
	8.952	6.522
Operating profit	5.314	14.931
Other income	0.051	0.032
	5.365	14.963
<u>Financial and other charges:</u>		
Financial charges	3.583	2.806
Workers' profit participation fund	0.089	0.608
	3.672	3.414
Net profit for the period before taxation	1.693	11.549
Provision for taxation	0.592	4.042
Net profit after taxation	1.101	7.507
Unappropriated profit brought forward	17.833	24.853
Unappropriated profit carried to balance sheet	18.934	32.360
Earning per share	Rs.0.12	Rs.0.83

SHAHID AHMED
DIRECTOR

SHABBIR AHMED
CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2006.

WAH NOBEL CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE 1ST QUARTER
ENDED 30TH SEPTEMBER 2006

Rupees in Million

3 Months ended	
30th Sept, 2006	30th Sept, 2005

CASH FLOW FROM OPERATING ACTIVITIES

Net profit before taxation	1.693	11.549
ADJUSTMENT OF ITEMS NOT INVOLVING MOVEMENT OF CASH:		
Depreciation	1.891	1.750
	3.584	13.299
 (INCREASE)/DECREASE IN CURRENT ASSETS:		
Stores, spares and loose tools	1.228	2.753
Stock in trade	23.002	2.538
Trade debtors	(29.165)	(17.975)
Advances, deposits, prepayments and other receivables	(0.469)	(2.158)
	(5.404)	(14.842)
INCREASE/(DECREASE) IN CURRENT LIABILITIES		
Creditors, provisions, accrued charges & other payables	(8.420)	2.206
(INCREASE)/DECREASE IN WORKING CAPITAL	(1.240)	(12.636)
 Income tax (paid)	(1.250)	(0.479)
NET CASH INFLOW/(OUT FLOW) FROM OPERATING ACTIVITIES	(11.490)	0.184

CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES:

Purchase of assets	(0.028)	-
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CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES:

Short term borrowing	9.921	(2.718)
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Net increase/(decrease) in cash and cash equivalents	(1.597)	(2.534)
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CASH AND CASH EQUIVALANT AS AT 1ST JULY 2006	8.794	13.418
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CASH AND CASH EQUIVALANT AS AT 30TH SEPTEMBER 2006	7.197	10.884
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SHAHID AHMED
DIRECTOR

SHABBIR AHMED
CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2006.

WAH NOBEL CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER 2006

Rupees in Million

	Share Capital	Capital Reserve	General Reserve	Unappro- priated Profit	Total
Balance as at 30th June 2006	90.000	0.944	98.000	17.833	206.778
After tax profit for the year ended 30th September 2006	-	-	-	1.101	1.101
Balance as at 30th September 2006	<u>90.000</u>	<u>0.944</u>	<u>98.000</u>	<u>18.934</u>	<u>207.878</u>
Balance as at 30th June 2005	75.000	0.944	100.000	24.853	200.797
After tax profit for the period ended 30th September 2005	-	-	-	7.507	7.507
Balance as at 30th September 2005	<u>75.000</u>	<u>0.944</u>	<u>100.000</u>	<u>32.306</u>	<u>208.304</u>

SHAHID AHMED
DIRECTOR

SHABBIR AHMED
CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2006.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE ACCOUNTS
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2006

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 PREPARATION**

These unaudited accounts are being submitted to the shareholders, in accordance with section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting".

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, 2005.

4. **CHANGES IN CONTINGENCIES AND COMMITMENTS**

The contingencies reported in the last published annual financial statements for the year ended 30th June, 2005 have undergone the following changes

4.1 The Company's contingent liability on account of vend fee and permit fee has increased from Rs.355 million to Rs.458 million on

account of further import of Methanol from 1st July, 2005 to 30th September, 2006 (June 06: Rs.430 million).

5. **CAPITAL COMMITMENTS**

Capital commitments as at 30th September, 2006 are Rs.38.070.

6. **DATE OF AUTHORISATION**

These financial statements were authorized for issue on October 31st, 2006 by the Board of Directors of the Company.

7. The opening balances in these accounts are unaudited since the audit of annual accounts has not been finalized and the Company has applied to the Commission for extension in time for holding the Annual General Meeting.

8. Corresponding figures for the prior period have been rearranged, wherever necessary for the purposes of comparison.

**SHAHID AHMED
DIRECTOR**

**SHABBIR AHMED
CHIEF EXECUTIVE**

WAH CANTT DATED 31.10.2006.