

FIRST QUARTERLY ACCOUNTS  
(Un-audited)



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

**WAH  
NOBEL  
CHEMICALS  
LTD**

REPORT AND UNAUDITED  
ACCOUNTS FOR THE 1<sup>ST</sup> QUARTER  
ENDED SEPTEMBER 30, 2008

## **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. Syed Sabahat Husain, HI (M)	:	Chairman
Mr. Rolf Ekberg	:	Vice Chairman
Mr. Syed Naseem Raza	:	Director
Mr. Feroze Khan Malik	:	Director
Mr. Shahid Ahmed	:	Director
Mr. Aftab Iqbal	:	Director
Mr. Shahid Aziz	:	Director (N.I.T. Nominee)

**CHIEF EXECUTIVE** : Mr. Shabbir Ahmed

### **AUDIT COMMITTEE**

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

**COMPANY SECRETARY** : Mr. Tauqir Sadiq

**ACTING GENERAL MANAGER  
FINANCE & ACCOUNTS** : Mr. Tanveer Elahi

**AUDITORS** : Anjum Asim Shahid Rahman,  
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** : Muslim Commercial Bank Limited  
Askari Commercial Bank 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

**CABLE** : DYNAMITE WAH CANTT.

**FAX** : (051) 4545241, (051) 4535862

**E.MAIL** : wahnobel@comsats.net.pk  
wahnobel@micro.net.pk

**WEBSITE** : [www.wahnobel.com](http://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 1<sup>st</sup> quarter ended 30<sup>th</sup> September, 2008.

The Company has been able to achieve net sales revenue of Rs.170.200 Million during the period under review vis-à-vis Rs.147.003 Million (an increase of Rs. 23.197 Million i.e about 16%). The management of the Company made tenacious efforts to maintain the profitability through increase in sales volume and better management sales strategy.

The Company has earned to pre-tax profit of Rs.31.112 Million during the 1<sup>st</sup> quarter of the year 2008-09 against pre-tax profit of Rs.17.062 Million earned in the corresponding period of the previous year.

The management of the Company looks forward to the future with confidence and envisages better 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: 28.10.2008

**( SHABBIR AHMED )**  
Chief Executive

**WAH NOBEL CHEMICALS LIMITED**  
**BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2008**

		September 30, 2008	Audited June 30, 2008
		(Rupees in '000')	
	Note		
<b>Assets</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	4	107,788	109,852
Long Term Investment		31,405	31,405
		<b>139,193</b>	<b>141,257</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		22,410	20,031
Stock in trade		105,100	117,445
Trade debts		289,248	247,918
Advances, deposits and prepayments		11,848	16,369
Other receivables		14,852	17,673
Cash and bank balances		12,461	9,405
		455,919	428,841
<b>Total assets</b>		<b>595,112</b>	<b>570,098</b>
<b>Equity</b>			
Issued, subscribed and paid up capital 9,000,000 ( June 30 2008: 9,000,000 ) ordinary shares of Rs.10 each		90,000	90,000
Capital reserve		944	944
General reserve		103,000	103,000
Unappropriated profit		125,713	105,176
<b>Total equity</b>		319,657	299,120
<b>Liabilities</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liability		14,191	14,516
Accumulated compensated absences		3,438	3,220
		<b>17,629</b>	<b>17,736</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		73,449	120,735
Due to associated companies		972	342
Accrued mark-up		4,428	1,622
Short term borrowings - secured		129,363	87,091
Taxation (Net)		49,614	43,452
		257,826	253,242
<b>Total Liabilities</b>		<b>275,455</b>	<b>270,978</b>
		<b>595,112</b>	<b>570,098</b>

**Contingencies and Commitments**

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The annexed notes from 1 to 8 form an integral part of these financial statements.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2008

**WAH NOBEL CHEMICALS LIMITED**  
**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008**

	<b>July-Sep 2008</b>	<b>July-Sep 2007</b>
	<b>(Rupees in '000')</b>	
<b>Manufactured goods</b>		
Gross sales	199,040	169,841
Sales tax / SED	(28,840)	(22,838)
Net sales	170,200	147,003
Cost of sales	(124,263)	(117,209)
Gross profit	45,937	29,794
<b>Operating expenses</b>		
Administrative and general expenses	(2,633)	(2,242)
Selling and distribution expenses	(6,054)	(5,737)
Other Operating Income	38	52
<b>Operating results</b>	<b>37,288</b>	21,867
Finance Cost	(4,538)	(5,090)
Workers' profit participation fund	(1,638)	(839)
Share in Profit of Associated Company	-	1,124
<b>Profit before taxation</b>	<b>31,112</b>	17,062
Provision for taxation	(10,575)	(5,578)
<b>Profit after taxation</b>	<b>20,537</b>	11,484
Earning Per Share - basic and diluted	RS. 2.28	RS. 1.28

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 8 form an integral part of these financial statements.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2008

**WAH NOBEL CHEMICALS LIMITED**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008**

	<b>September 30, 2008</b>	<b>September 30, 2007</b>
	<b>(Rupees in '000')</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	31,112	17,062
Adjustment for non cash charges and other items:		
Depreciation	2,067	1,851
Financial and other charges	4,538	3,759
Share in profit of associated company	-	(1,124)
Allocation of Workers' Profit Participation Fund (WPPF)	1,638	839
Provision for accumulated compensated absences	250	-
Profit on TDRs	(38)	(52)
	8,455	5,273
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(2,379)	2,182
Stock in trade	12,345	17,143
Trade debts	(41,330)	(18,854)
Advances, deposits and prepayments	4,521	4,856
Other receivables	2,860	3,640
Increase/(decrease) in current liabilities:		
Trade and other payables	(45,294)	(32,074)
	(69,277)	(23,107)
Cash generated from operations	(29,710)	(772)
Payments for:		
Taxation	(4,738)	(670)
Financial and other charges paid	(1,733)	(2,632)
WPPF paid	(3,000)	-
Compensated absences paid	(31)	-
	(9,502)	(3,302)
Net cash generated from/(used in) operating activities	(39,212)	(4,074)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(4)	-
Net cash used in investing activities	(4)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings	42,272	11,661
Repayment against finance lease	-	(54)
Net cash (used in)/generated from financing activities	42,272	11,607
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,056</b>	<b>7,533</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>9,405</b>	<b>30,577</b>
<b>Cash and cash equivalents at end of the period</b>	<b>12,461</b>	<b>38,110</b>

The annexed notes from 1 to 8 form an integral part of these financial statements.

**DIRECTOR**

**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2008

**WAH NOBEL CHEMICALS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008**

	Share Capital	Capital Reserve	General Reserve (Rupees in '000')	Un- appropriated Profit	Total
Balance as at June 30, 2007	90,000	944	98,000	26,183	215,127
After tax profit for the period ended September 30 ,2007	-	-	-	11,484	11,484
Balance as at September 30, 2007	<u>90,000</u>	<u>944</u>	<u>98,000</u>	<u>37,667</u>	<u>226,611</u>
Balance as at June 30, 2008	90,000	944	103,000	105,176	299,120
After tax profit for the period ended September 30 ,2008	-	-	-	20,537	20,537
Balance as at September 30, 2008	<u>90,000</u>	<u>944</u>	<u>103,000</u>	<u>125,713</u>	<u>319,657</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

\_\_\_\_\_  
**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2008

**WAH NOBEL CHEMICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008**

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**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**

These financial statements are unaudited and are being circulated to the shareholders in compliance with section 245 of the Companies Ordinance, 1984. These financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as applicable in Pakistan.

**3. ACCOUNTING POLICIES**

The accounting policies adopted in preparation of these financial statements are same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30,2008.

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

**Following additions / deletions were made during the period :**

	<b>Additions</b>	<b>Deletions</b>
	<b>Rupees in '000'</b>	
Furniture & Fixture	3,700	-

**5. CONTINGENCIES AND COMMITMENTS**

**5.1 Contingencies**

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

**5.1.1** The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 548 million to Rs. 555 million on account of further import of Methanol from July 01, 2008 to September 30, 2008.

		<b>(Un-audited)</b> <b>September,30</b> <b>2008</b>	<b>(Audited)</b> <b>June 30,</b> <b>2008</b>
		<b>Rupees in '000'</b>	
<b>5.2</b>	<b>Commitments in respect of:</b>		
<b>5.2.1</b>	Letters of credit for purchase of stocks	36,324	36,312

		<b>(Un-audited)</b> <b>September,30</b> <b>2008</b>	<b>(Audited)</b> <b>June 30,</b> <b>2008</b>
		<b>Rupees in '000'</b>	

**6. RELATED PARTY TRANSACTIONS**

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

Expenses incurred (on behalf of)/ by the group companies	391	1,010
Vehicles lease rentals paid by the holding company	239	951
Sale to holding company	-	3,340
Dividend paid to the holding company	-	9,941

**7. CORRESPONDING FIGURES**

**7.1** Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of comparison.

**7.2** Figures have been rounded off to the nearest thousand of rupees.

**8. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on October 28, 2008 by the Board of Directors of the Company.

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**DIRECTOR**

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**CHIEF EXECUTIVE**

WAH CANTT DATED 28.10.2008