

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE ACCOUNTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2003

1. **THE COMPANY AND ITS OPERATIONS**

1.1 The Company was incorporated in Pakistan on 31 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 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 quarterly financial statements are the same as those of the published annual financial statements for the year ended 30 June, 2002.

4. **CHANGES IN CONTINGENCIES AND COMMITMENTS**

4.1 There were no contingent liabilities as at 31 March 2003.

4.2 The contingencies reported in the last annual report no longer exist after the Sindh High Court has upheld the Company's petition

challenging the legality of the Vend Fee and Permit Fee demanded by the Sindh Excise Department under the Sindh Abkari Act, 1878.

The learned court has declared that Methanol is not liquor and not subject to the provisions of Sindh Abkari Act 1878 and has termed the various levies by the Sindh Excise Department as unlawful.

5. **CAPITAL COMMITMENTS**

Capital commitments in respect of plant expansion amounted to Rs.45.000 million as at 31st March, 2003.

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

MUHAMMAD SHARIF
DIRECTOR

SYED KAUKAB MOHYUDDIN
CHIEF EXECUTIVE

WAH CANTT DATED 28.04.2003.