

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE ACCOUNTS
FOR THE HALF YEAR ENDED 31ST DECEMBER 2002

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 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 half-yearly financial statements are the same as those of the published annual financial statements for the year ended 30th June, 2002.

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. 214 million to Rs.230 million on account of further import of Methanol from 1st July, 2002 to 31st December, 2002.
- 4.2 After hearing the appeal of Excise Department Sindh against the Company and other Formaldehyde manufacturers, the Supreme Court has 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. The case has been heard by the learned court and the judgement of the case is pending with court.
5. **CAPITAL COMMITMENTS**
Capital commitments in respect of plant expansion amounted to Rs.69.000 million as at 31st December, 2002.
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 28.02.2003.