

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 SEPTEMBER 30, 2009

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. Shujaat Zamir Dar, HI (M), S.Bt.	:	Chairman
Mr. Torbjorn Saxmo	:	Vice Chairman
Mr. Mr. Feroze Khan Malik	:	Director
Mr. Shahid Aziz	:	Director (N.I.T. Nominee)
Mr. Syed Naseem Raza	:	Director
Mr. Khalid Pervaiz	:	Director
Mr. Riaz Ahmad	:	Director

CHIEF EXECUTIVE : Mr. Shabbir Ahmed

AUDIT COMMITTEE

Mr. Riaz Ahmad	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. Khalid Pervaiz	:	Member

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

: Mr. Tanveer Elahi, FCA

AUDITORS

: Anjum Asim Shahid Rehman
Chartered Accountants

LEGAL ADVISORS

: The Law Firm of Basit Musheer

SHARES REGISTRAR

: Ilyas Saeed Associates (Pvt.) Ltd.,
Management Consultants,
Office # 26, 2nd Floor, Rose Plaza,
I-8 Markaz, Islamabad.
Tel: 051-4102626-7, Fax: 051-4102628
Email: iilyas@hotmail.com

BANKERS

: MCB Bank Limited
Allied Bank of Pakistan 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

FAX

: (051) 4545241, (051) 4535862

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, 2009.

In spite of adverse economic and market conditions, the Company has performed fairly well, and has achieved net sales revenue of Rs.163.356 Million during the period under review vis-à-vis Rs.170.200 Million during corresponding period of previous year.

Management of the Company endeavoured hard to enhance profitability of the Company. The Company has earned pre-tax profit of Rs.32.573 Million during the 1st quarter of the year 2009-10 against pre-tax profit of 31.112 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 to the team of dedicated officers and staff/workers who continue to make concerted efforts for the growth of the Company.

Wah Cantt.
Dated: 27.10.2009.

(SHABBIR AHMED)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2009

		September 30, 2009	Audited June 30, 2009
		(Rupees in '000')	
Assets	Note		
NON CURRENT ASSETS			
Property, Plant and Equipment	4	108,473	110,111
Long Term Investment		32,507	32,507
		140,980	142,618
CURRENT ASSETS			
Stores, spares and loose tools		32,939	32,043
Stock in trade		53,535	50,339
Trade debts		311,740	283,805
Advances, deposits and prepayments		5,387	5,706
Other receivables		4,517	4,653
Short-term Investment		2,647	2,647
Cash and bank balances		15,181	18,653
		425,946	397,846
Total assets		566,926	540,464
Equity			
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		133,000	133,000
Unappropriated profit		149,355	127,182
Total equity		373,299	351,126
Liabilities			
NON CURRENT LIABILITIES			
Deferred tax liability		11,270	11,770
Accumulated compensated absences		3,196	2,923
		14,466	14,693
CURRENT LIABILITIES			
Trade and other payables		70,829	69,420
Due to associated companies		28	23
Accrued mark-up		2,198	3,160
Short term borrowings - secured		60,002	60,537
Taxation (Net)		46,104	41,505
		179,161	174,645
Total Liabilities		193,627	189,338
		566,926	540,464

Contingencies and Commitments

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2009.

WAH NOBEL CHEMICALS LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

	July-Sep 2009	July-Sep 2008
	(Rupees in '000')	
Manufactured goods		
Gross sales	191,098	199,040
Sales tax / SED	(27,742)	(28,840)
Net sales	163,356	170,200
Cost of sales	(115,838)	(124,263)
Gross profit	47,518	45,937
Operating expenses		
Administrative and general expenses	(2,787)	(2,633)
Selling and distribution expenses	(7,473)	(6,054)
Other Operating Income	173	38
Operating profit	37,431	37,288
Finance Cost	(2,387)	(4,538)
Other expenses	(2,471)	(1,638)
Profit before taxation	32,573	31,112
Provision for taxation	(10,400)	(10,575)
Profit after taxation	22,173	20,537
Earning Per Share - basic and diluted	RS. 2.46	RS. 2.28

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.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2009.

WAH NOBEL CHEMICALS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	32,573	31,112
Adjustment for non cash charges and other items:		
Depreciation	1,618	2,067
Profit on sale of property, plant and equipment	(173)	-
Financial and other charges	2,200	4,538
Interest on WPPF	187	-
Workers' Profit Participation Fund (WPPF)	1,749	1,638
Workers' Welfare Fund (WWF)	652	-
Provision for accumulated compensated absences	275	250
Provision for doubtful debts	879	-
Profit on TDRs	-	(38)
	7,387	8,455
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(896)	(2,379)
Stock in trade	(3,195)	12,345
Trade debts	(28,814)	(41,330)
Advances, deposits and prepayments	319	4,521
Other receivables	136	2,860
Increase/(decrease) in current liabilities:		
Trade and other payables	5,012	(45,294)
	(27,438)	(69,277)
Cash generated from operations	12,522	(29,710)
Payments for:		
Taxation	(6,301)	(4,738)
Financial and other charges paid	(3,162)	(1,733)
WPPF paid	(6,187)	(3,000)
Compensated absences paid	(2)	(31)
	(15,652)	(9,502)
Net cash generated from/(used in) operating activities	(3,130)	(39,212)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	-	(4)
Proceed from sale of property, plant and equipment	193	-
Net cash used in investing activities	193	(4)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	(535)	42,272
Net cash (used in)/generated from financing activities	(535)	42,272
Net increase/(decrease) in cash and cash equivalents	(3,472)	3,056
Cash and cash equivalents at beginning of the period	18,653	9,405
Cash and cash equivalents at end of the period	15,181	12,461

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2009.

WAH NOBEL CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

	Share Capital	Capital Reserve	General Reserve	Un-appropriated Profit	Total
	(Rupees in '000')				
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>
Balance as at June 30, 2009	90,000	944	133,000	127,182	351,126
After tax profit for the period ended September 30 ,2009	-	-	-	22,173	22,173
Balance as at September 30, 2009	<u>90,000</u>	<u>944</u>	<u>133,000</u>	<u>149,355</u>	<u>373,299</u>

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2009.

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

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 June30,2009.

4. PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

Following is the statement of additions to operating assets during the period / year:

	(Un-audited) September,30 2009	(Audited) June 30, 2009
Rupees in '000'		
Opening book value	110,111	109,852
Plant and machinery	-	6,878
Furniture and Fixture	-	4
Tools and workshop equipments	-	-
Office equipment	-	-
Computer installations	-	-
	110,111	116,734
Book value of assets disposed off during the period / year	20	123
Depreciation for the period / year	1,618	6,500
Closing book value	108,473	110,111

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. 589 million to Rs. 605 million on account of further import of Methanol from July 01, 2009 to September 30, 2009.

(Un-audited) September,30 2009	(Audited) June 30, 2008
Rupees in '000'	

5.2 Commitments in respect of:

- 5.2.1 Letters of credit for purchase of stocks

<u>37,844</u>	<u>20,450</u>
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6. RELATED PARTY TRANSACTIONS

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

Expenses incurred (on behalf of)/ by the group companies-net	<u>(328)</u>	<u>(2,461)</u>
Vehicles lease rentals paid by the holding company	<u>108</u>	<u>1,117</u>
Purchases from Associate Company	<u>-</u>	<u>40</u>
Dividend paid to the holding company	<u>-</u>	<u>24,852</u>

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 27, 2009 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.10.2009.