

ISO 9001:2008, 14001:2004 &
OHSAS 18001:2007 Certified

WAH NOBEL CHEMICALS LTD

First Quarterly
Financial Statements
(Unaudited)
September 30, 2013

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. Muhammad Ahsan Mahmood, HI (M)	:	Chairman
Mr. Torbjorn Saxmo	:	Vice Chairman
Mr. Mr. Feroze Khan Malik	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Riaz Ahmad	:	Director
Mr. Muhammad Asif	:	Director
Mr. Muhammad Rizwan	:	Director
CHIEF EXECUTIVE	:	Syed Naseem Raza

AUDIT COMMITTEE

Mr. Riaz Ahmad	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. Muhammad Rizwan	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr.Riaz Ahmad	:	Chairman
Mr. Muhammad Rizwan	:	Member
Syed Naseem Raza	:	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
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 un-audited accounts of your Company for the 1st quarter ended September 30, 2013.

The company has been able to achieve net sales revenue of Rs.281.605 million during the first quarter of the current financial year as against Rs.253.774 million during the corresponding period of the last year; and earned pre-tax profit of Rs.22.288 million as compared to Rs.33.727 million during the previous year. The after-tax profit for the period ended 30th September, 2013 is Rs.14.316 million as against Rs.21.174 million during the previous year. The comparatively lesser profit during the current period under review is the result of unprecedented price hike in the cost of inputs and other incidental charges which increased the cost of all the products of the company and depressed its profit margin.

As regard Vend fee and Permit fee, presently the case is pending with the learned Supreme Court of Pakistan. In view of the merits of the case and previous favourable decision by the Sindh High Court, the management is expecting a favourable decision from the apex court and is making necessary efforts to continue as a going concern.

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 strenuous efforts and hard work of the management, officers, staff and workers and are confident that they will continue to make concerted efforts for the growth of the company.

On behalf of the Board

Wah Cantt.
Dated: 30.10.2013

(SYED NASEEM RAZA)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2013

			Audited
		September 30, 2013	June 30, 2013
Deferred taxation	Note	(Rupees in '000')	
Non-current assets			
Property, plant and equipment	4	**167,389**	109,571
Long term investment	5	**36,295**	36,295
Deferred taxation		**816**	470
Total non-current assets		**204,500**	**146,336**
Current assets			
Stores, spares and loose tools		**56,185**	40,786
Stock in trade		**118,570**	77,621
Trade debts	6	**276,677**	222,564
Advances		**11,482**	4,897
Trade deposits and prepayments		**1,542**	40
Accrued interest income		**-**	198
Other receivables		**16,775**	11,422
Short-term investment		**2,583**	2,583
Taxation - net		**25,656**	20,447
Cash and bank balances		**5,896**	164,175
Total current assets		**515,366**	544,733
Total assets		**719,866**	691,069
Equity			
Authorized capital: 20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital: 9,000,000 (June 30, 2013: 9,000,000) ordinary shares of Rs.10/- each, fully paid up in cash		**90,000**	90,000
Capital reserve		**944**	944
General reserve		**290,000**	290,000
Unappropriated profit		**133,757**	119,441
Total equity		**514,701**	500,385
Non current liabilities			
Accumulated compensated absences		**6,473**	5,973
Total non-current liabilities		**6,473**	5,973
Current liabilities			
Trade and other payables		**174,856**	184,711
Due to associated companies		**1,659**	-
Accrued mark-up		**466**	
Short term borrowings - secured		**21,711**	-
Total current liabilities		**198,692**	184,711
Total liabilities		**205,165**	190,684
Total equity and liabilities		**719,866**	691,069
Contingencies and commitments	7		

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE OFFICER**

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

	July-Sep 2013	July-Sep 2012
	(Rupees in '000')	
Gross sales	329,083	294,338
Sales tax	(47,477)	(40,564)
Net sales	281,606	253,774
Cost of sales	(244,757)	(206,695)
Gross profit	36,849	47,079
Administrative and general expenses	(4,599)	(2,716)
Selling and distribution expenses	(10,600)	(10,172)
Other operating income	2,919	2,344
Operating profit	24,569	36,535
Financial and other charges:		
Finance cost	(498)	(177)
Other expenses	(1,783)	(2,631)
Profit before taxation	22,288	33,727
Provision for taxation	(7,972)	(12,553)
Profit for the period	14,316	21,174
Other comprehensive income for the period	-	-
Total comprehensive income for the period	14,316	21,174
Earning per share - basic and diluted	Rs. 1.59	Rs. 2.35

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE OFFICER**

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

	July- Sep 2013	July- Sep 2012
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**22,288**	33,727
Adjustment for non cash charges and other items:		
Depreciation	**1,658**	1,673
Interest on term deposit receipts	**(40)**	-
Bank interest	**(550)**	(975)
Financial and other charges	**498**	177
Provision for doubtful debts	**(488)**	-
Workers' profit participation fund (WPPF)	**1,197**	1,811
Workers' welfare fund (WWF)	**455**	688
Provision for employees' gratuity fund	**800**	300
Provision for accumulated compensated absences	**500**	300
	4,030	3,974
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	**(15,399)**	1,097
Stock in trade	**(40,949)**	2,247
Trade debts	**(53,626)**	(34,648)
Advances	**(6,585)**	(1,480)
Trade deposits and prepayments	**(1,502)**	
Other receivables	**(5,352)**	926
Increase/(decrease) in current liabilities:		
Trade and other payables	**(10,648)**	(16,531)
	(134,061)	(48,389)
Cash generated from operations	**(107,743)**	(10,688)
Payment for / receipt of:		
Taxation	**(13,527)**	(23,253)
Financial and other charges	**(32)**	(32)
Interest on bank balance	**550**	975
Compensated absences	**-**	(3)
	(13,009)	(22,313)
Net cash generated from/(used in) operating activities	**(120,752)**	(33,001)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	**(59,476)**	(28)
Interest on term deposit receipts	**238**	299
Net cash used in investing activities	**(59,238)**	271
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	**21,711**	-
Net cash (used in)/generated from financing activities	**21,711**	-
Net increase/(decrease) in cash and cash equivalents	**(158,279)**	(32,730)
Cash and cash equivalents at beginning of the period	**164,175**	103,739
Cash and cash equivalents at end of the period	**5,896**	71,009

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE OFFICER**

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Revenue reserves		Total
			General reserve	Unappropriated profit	
	(Rupees in '000')				
Balance as at July 1, 2012	90,000	944	260,000	79,200	430,144
Total comprehensive income for the period	-	-	-	21,174	21,174
Balance as at September 30, 2012	90,000	944	260,000	100,374	451,318
Balance as at July 1, 2013	**90,000**	**944**	**290,000**	**119,441**	**500,385**
Total comprehensive income for the period	**-**	**-**	**-**	**14,316**	**14,316**
Balance as at September 30, 2013	**90,000**	**944**	**290,000**	**133,757**	**514,701**

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE OFFICER**

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUD
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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

This condensed interim financial information has been prepared in accordance with the requirements of the international Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance , 1984.

This condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2013.

3 ACCOUNTING POLICIES

The accounting policies and metods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2013.

4 PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

	Note	Un-Audited Sep 30, 2013	Audited June 30, 2013
		Rupees in '000'	
Operating fixed assets	4.1	**85,269**	**86,924**
Capital work in progress		**82,120**	**22,647**
		167,389	109,571

4.1 OPERATING FIXED ASSETS

Opening book value	**86,924**	92,989
Additions during the period / year		
Furniture and fixture	**-**	19
Tools and workshop equipments	**-**	995
Computer installations	**3**	98
	86,927	94,101
Depreciation for the period / year	**1,658**	7,177
Closing book value	**85,269**	86,924

5 LONG TERM INVESTMENT

	Un-Audited Sep 30, 2013	Audited June 30, 2013
Wah Nobel Acetate Limited		
2,500,000 shares of Rs. 10 each. (equity held: 8.33%)	**25,000**	25,000
Share of profit of prior periods	**11,295**	11,165
Share of profit / (loss) of current period / year	**-**	130
	11,295	11,295
	36,295	36,295

		Sep 30, 2013	June 30, 2013
6	**TRADE DEBTS**	**Rupees in '000'**	
	Considered good	**276,677**	222,564
	Considered doubtful	**66,009**	66,497
		342,686	289,060
	Provision for doubtful debts	**(66,009)**	(66,497)
		276,677	222,563

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 798 million to Rs.810 million on account of further import of Methanol from July 01, 2013 to September 30, 2013.

		Un-Audited	Audited
		Sep 30, 2013	June 30, 2013
		Rupees in '000'	
7.2	**Commitments in respect of:**		
7.2.1	Letters of credit for purchase of stocks	**55,650**	72,813
	Capital expenditure contracted but not incurred	-	48,428
7.2.2	Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	**7,167**	7,644

8 RELATED PARTY TRANSACTIONS

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

Expenses incurred (on behalf of) / by the group companies net	**1,468**	935
Management services by holding company	**225**	900
Sales to associated company	**41**	440
Purchases from associated company	**-**	-
Dividend paid to the holding company	**-**	24,852

9 GENERAL

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

10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 30,2013 by the Board of Directors of the Company.

DIRECTOR **CHIEF EXECUTIVE OFFICER**