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

Half Yearly Financial Statements (Unaudited) December 31, 2014

Wah Nobel Chemicals Ltd.



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. Feroze Khan Malik	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Riaz Ahmad	:	Director
Mr. Muhammad Asif Hussain	:	Director
Mr. Asif Ali Siddiqui	:	Director

CHIEF EXECUTIVE : Syed Naseem Raza

AUDIT COMMITTEE

Mr. Riaz Ahmad	:	Chairman
Mr. Feroze Khan Malik	:	Member
Mr. Asif Ali Siddiqui	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Riaz Ahmad	:	Chairman
Mr. Asif Ali Siddiqui	:	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
Askari Bank 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/wnc.htm

FACTORY : Wah Cantt.

WAH NOBEL CHEMICALS LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the company present their Report along with Condensed Interim Financial Information of the company, duly reviewed by the Auditors, for the first half year ended December 2014.

During the period under review the company has been able to achieve gross sale revenue of Rs.706.329 million during the period under review vis-à-vis Rs.736.023 million and earned a pre-tax profit of Rs.4.851 million as against profit of Rs.50.270 million during the corresponding period of the previous year.

Due to excessive supply of formaldehyde and resin over its demand in the Chipboard industry sector in Pakistan, the tough competition in the market made it difficult to pass on increase in cost of the products fully to the customers. Therefore, the management of the company is putting more emphasis on maximizing the sale volume in order to maintain the profitability

The company has a positive outlook and will continue its best efforts to ensure continued growth, operational efficiency and optimum results for the company and its stakeholders in the second half of the financial year 2015.

As regards Vend fee and permit fee case, Sindh High Court has already pronounced favorable judgment. Presently the case is pending with the learned Supreme Court of Pakistan. In view of the merits of the case and favorable decision of the Sindh High Court, the management is expecting a favorable decision from the apex court and is making necessary efforts to continue as a going concern.

The Directors wish to place on record their deep appreciation for the hard work, loyalty and devotion to duty by all the employees of the company at all levels and thanks all its customers for their continued patronage and support.

On behalf of the Board

Wah Cantt.
Dated: 26.02.2015

(SYED NASEEM RAZA)
CHIEF EXECUTIVE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Wah Nobel Chemicals Limited** (the Company) as at **December 31, 2014** and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information"), for the six-months then ended. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarter ended December 31, 2014 have not been reviewed, as we are required to review the cumulative figures only for the half year ended December 31, 2014.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for condensed interim reporting.

Emphasis of matter

We draw attention to note 8.1 to the condensed interim financial information. The company is defendant in a law suit alleging non-payment of vend and

permit fee of Rs. 861 million on methanol to the Excise and Taxation Department, Government of Sindh. The ultimate outcome of matter cannot be determined presently and therefore no provision for any liability that may result has been made in the condensed interim financial information. In the event of an unfavorable outcome, there is a substantial doubt that the Company will be able to continue as a going concern. Our conclusion is not qualified on this matter.

Anjum Asim Shahid Rahman
Chartered Accountants
Engagement Partner: **Nadeem Tirmizi**

Islamabad
Date: February 26, 2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2014

	Note	December 31, 2014	Audited June 30, 2014
		(Rupees in '000')	
Assets			
Non-current assets			
Property, plant and equipment	4	**161,972**	167,015
Long term investment	5	**34,800**	35,708
Total non-current assets		**196,772**	202,723
Current assets			
Stores, spares and loose tools		**55,713**	53,601
Stock in trade		**138,467**	191,369
Trade debts	6	**385,506**	323,692
Advances		**5,675**	11,954
Trade deposits and prepayments		**1,047**	40
Accrued interest income		**115**	168
Other receivables		**43,096**	43,069
Short-term investment		**2,583**	2,583
Taxation - net		**97,788**	67,654
Cash and bank balances		**2,720**	10,106
Total current assets		**732,710**	704,236
Total assets		**929,482**	906,959
Equity			
Authorized capital: 20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital: 9,000,000 (June 30, 2014: 9,000,000) ordinary shares of Rs.10/- each, fully paid up in cash		**90,000**	90,000
Capital reserve		**944**	944
General reserve		**360,000**	325,000
Unappropriated profit		**26,862**	99,214
Total equity		**477,806**	515,158
Non current liabilities			
Deferred tax liability		**5,940**	5,759
Accumulated compensated absences		**8,797**	7,797
Total non-current liabilities		**14,737**	13,556
Current liabilities			
Trade and other payables		**125,934**	169,655
Due to associated companies		**-**	1,694
Accrued mark-up		**7,166**	5,118
Short term borrowings - secured		**303,839**	201,778
Total current liabilities		**436,939**	**378,245**
Total liabilities		**451,676**	391,801
Total equity and liabilities		**929,482**	906,959
Contingencies and commitments	8		

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE**

WAH CANTT DATED 26.02.2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended December 31, 2014	Half year ended December 31, 2013	Quarter ended December 31, 2014	Quarter ended December 31, 2013
	(Rupees in '000')			
Gross sales	**706,329**	736,023	**364,211**	406,940
Sales tax	**(104,201)**	(106,977)	**(53,446)**	(59,500)
Net sales	**602,128**	629,046	**310,765**	347,440
Cost of sales	**(546,893)**	(542,706)	**(287,465)**	(297,949)
Gross profit	**55,235**	86,340	**23,300**	49,491
Administrative expenses	**(7,582)**	(10,628)	**(3,501)**	(6,029)
Distribution expenses	**(27,950)**	(25,622)	**(13,313)**	(15,022)
Operating profit	**19,703**	50,090	**6,486**	28,440
Financial and other charges:				
Finance cost	**(14,695)**	(1,446)	**(7,182)**	(947)
Other expenses	**(712)**	(3,971)	**(214)**	(2,188)
Other income	**1,463**	5,370	**1,382**	2,451
Share in profit/(Loss) of associated company - net of tax	**(908)**	227	**(908)**	227
Profit / (Loss) before taxation	**4,851**	**50,270**	**(436)**	**27,982**
Provision for taxation	**(6,203)**	(17,991)	**(3,041)**	(10,019)
Profit / (Loss) for the period	**(1,352)**	32,279	**(3,477)**	17,963
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income / (loss) for the period	**(1,352)**	32,279	**(3,477)**	17,963
Earning per share - basic and diluted	**Rs. -0.15**	Rs. 3.59	**Rs. -0.39**	Rs. 2

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE**

WAH CANTT DATED 26.02.2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

		December 31, 2014	December 31, 2013
		(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**4,851**	50,270
Adjustment for non cash charges and other items:			
Depreciation		**6,166**	3,372
Interest on term deposit receipts		**(115)**	(98)
Bank interest		**(27)**	(790)
Financial and other charges		**14,695**	1,446
Share in profit of associated company		**908**	(227)
Provision for doubtful debts		**-**	(488)
Workers' profit participation fund (WPPF)		**309**	2,688
Workers' welfare fund (WWF)		**118**	1,021
Provision for employees' gratuity fund		**1,000**	1,600
Provision for accumulated compensated absences		**1,000**	1,000
		24,054	9,524
Changes in working capital			
(Increase)/decrease in current assets:			
Stores, spares and loose tools		**(2,112)**	(14,984)
Stock in trade		**52,902**	(72,109)
Trade debts		**(61,813)**	(50,044)
Advances		**6,278**	(6,136)
Trade deposits and prepayments		**(1,006)**	(1,007)
Other receivables		**(27)**	(40,078)
Increase/(decrease) in current liabilities:			
Trade and other payables		**(41,060)**	41,769
		(46,838)	(142,589)
Cash generated from operations		**(17,933)**	(82,795)
Payment for / receipt of:			
Taxation		**(36,156)**	(31,365)
Financial and other charges		**(12,648)**	(551)
WPPF		**(5,782)**	(1,868)
Interest on bank balance		**27**	790
Compensated absences		**-**	(162)
		(54,559)	(33,156)
Net cash generated from/(used in) operating activities		**(72,492)**	(115,951)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(1,123)**	(63,057)
Interest on term deposit receipts		**168**	238
Net cash used in investing activities		**(955)**	(62,819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(36,000)**	(49,500)
Net cash (used in)/generated from financing activities		**(36,000)**	(49,500)
Net increase/(decrease) in cash and cash equivalents		**(109,447)**	(228,270)
Cash and cash equivalents at beginning of the period		**(191,672)**	164,175
Cash and cash equivalents at end of the period	**7**	**(301,119)**	(64,095)

DIRECTOR **CHIEF EXECUTIVE**

WAH CANTT DATED 26.02.2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	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 01, 2013	90,000	944	290,000	118,168	499,112
Total comprehensive income for the period	-	-	-	32,279	32,279
Transfer to general reserve	-	-	35,000	(35,000)	-
Final dividend @ Rs. 5.5 per share	-	-	-	(49,500)	(49,500)
Balance as at December 31, 2013	**90,000**	**944**	**325,000**	**65,947**	**481,891**
Balance as at July 1, 2014	90,000	944	325,000	99,214	515,158
period	-	-	-	(1,352)	(1,352)
Transfer to general reserve	-	-	35,000	(35,000)	-
Final dividend @ Rs. 4.00 per share	-	-	-	(36,000)	(36,000)
Balance as at December 31, 2014	**90,000**	**944**	**360,000**	**26,862**	**477,806**

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

DIRECTOR **CHIEF EXECUTIVE**

WAH CANTT DATED 26.02.2015

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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 Urea Formaldehyde Moulding Compound, Formaldehyde and Formaldehyde based liquid resins for use as bonding agent in the chip board, plywood and flush door manufacturing industries.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the half year ended December 31, 2014 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 in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and the listing regulations of Islamabad, Karachi & Lahore Stock Exchanges.

This condensed interim financial information does not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014. Comparative condensed interim balance sheet is extracted from annual financial statements for the year ended June 30, 2014, whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the half year ended December 31, 2013.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of financial information of the Company for the year ended June 30, 2014.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-Audited December 31, 2014	Audited June 30, 2014
		Rupees in '000'	
Opening book value		**167,015**	86,924
Additions during the period / year			
Plant and machinery		**815**	57,647
Building		**-**	31,612
Furniture and fixture		**107**	188
Tools and workshop equipments		**145**	60
Motor Vehicles		**-**	643
Computer installations		**56**	51
		168,138	177,125
Depreciation for the period / year		**6,166**	10,110
Closing book value		**161,972**	167,015

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

		Un-Audited December 31, 2014	Audited June 30, 2014
		Rupees in '000'	
5	**LONG TERM INVESTMENT**		
	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	**10,708**	11,295
	Share of profit / (loss) of current period / year	**(908)**	(587)
		9,800	10,708
		34,800	35,708
6	**TRADE DEBTS**		
	Considered good	**385,506**	323,692
	Considered doubtful	**66,009**	66,009
		451,515	389,702
	Provision for doubtful debts	**(66,009)**	(66,009)
		385,506	323,692

		Un-Audited December 31, 2014	Un-Audited December 31, 2013
		Rupees in '000'	
7	**CASH AND CASH EQUIVALENT**		
	Cash and bank balances	**2,720**	4,633
	Short term running finance - secured	**(303,839)**	(68,728)
		(301,119)	(64,095)

8 CONTINGENCIES AND COMMITMENTS

8.1 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. 843 million to Rs.861 million on account of further import of Methanol from July 01, 2014 to December 31, 2014.

		Un-Audited December 31, 2014	Audited June 30, 2014
		Rupees in '000'	
8.2	**Commitments in respect of:**		
8.2.1	Letters of credit for purchase of stocks	**38,007**	54,717
8.2.2	Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methanol kept in bonded Ware house	**6,463**	36,457

		Un-Audited December 31, 2014	Audited June 30, 2014
		Rupees in '000'	
9	**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	**(2,153)**	827
	Corporate service fee charged by holding company	**450**	900
	Sales to associate company	**1,073**	955
	Dividend paid to the holding company	**19,882**	27,337
	Other related parties		
	Payment to:		
	Employees' pension fund trust	**-**	1,748
	Employees' provident fund trust	**2,640**	6,473
	Workers' profit participation fund	**5,782**	2,077
	Employees gratuity fund	**-**	6,000

10 GENERAL

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

11 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 26, 2015 by the Board of Directors of the Company.

DIRECTOR **CHIEF EXECUTIVE**

WAH CANTT DATED 26.02.2015