



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

WAH NOBEL CHEMICALS LTD

Third Quarterly
Financial Statements
(Unaudited)
March 31, 2015

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. Omar Mahmood Hayat, HI (M)	:	Chairman
Mr. Torbjorn Saxmo	:	Vice Chairman
Mr. Feroze Khan Malik	:	Director
Mr. Muhammad Nawaz Tishna	:	Director (N.I.T. Nominee)
Mr. Muhammad Asif Hussain	:	Director
Mr. Asif Ali Siddiqui	:	Director

CHIEF EXECUTIVE	:	Syed Naseem Raza
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AUDIT COMMITTEE

Mr. Feroze Khan Malik	:	Member
Mr. Asif Ali Siddiqui	:	Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

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
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LEGAL ADVISORS	:	The Law Firm of Basit Musheer
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SHARES REGISTRAR	:	Ilyas Saeed Associates (Pvt.) Ltd., Management Consultants, Office # 26, 2 nd Floor, Rose Plaza, I-8 Markaz, Islamabad. Tel: 051-4102626-7, Fax: 051-4102628 Email: iilyas@hotmail.com
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BANKERS	:	MCB Bank Limited Allied Bank of Pakistan Limited Bank Al-Habib Limited Askari Bank Limited
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REGISTERED OFFICE	:	G.T. Road, Wah Cantt.
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PHONES	:	(051) 5568760, 4545243-6 (4 Lines) (051) 9314101-21 (21 Lines) Ext. 22236
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FAX	:	(051) 4545241, (051) 4535862
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E.MAIL	:	wahnobel@comsats.net.pk
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WEBSITE	:	www.wahnobel.com/wnc.htm
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FACTORY	:	Wah Cantt.
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WAH NOBEL CHEMICALS LTD
DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their Report and the Un-audited accounts of your company for the nine months ended March 31, 2015.

During the period under review the company has been able to achieve gross sale revenue of Rs.1084.100 million during the period under review vis-à-vis Rs.1172.004 million and earned a pre-tax profit of Rs.16.714 million as against profit of Rs.86.981 million during the corresponding period of the previous year.

The excessive supply of formaldehyde and resin over its demand in the Chipboard industry in Pakistan and the tough competition in the market made it difficult to pass on increase in cost of the products fully to the customers. The constraint for not increasing the selling prices of our products, has eroded the profit margin during the period under review as compared to the corresponding period of the last period. However the management of the company is putting its best efforts to achieve better financial results in the last quarter of financial year 2014-15.

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 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: 27.04.2015

(SYED NASEEM RAZA)
CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2015

		March 31, 2015	Audited June 30, 2014
	Note	(Rupees in '000')	
Assets			
Non-current assets			
Property, plant and equipment	4	159,093	167,015
Long term investment	5	34,800	35,708
Total non-current assets		193,893	202,723
Current assets			
Stores, spares and loose tools		57,994	53,601
Stock in trade		125,543	191,369
Trade debts	6	362,030	323,692
Advances		10,842	11,954
Trade deposits and prepayments		543	40
Accrued interest income		115	168
Other receivables		29,574	43,069
Short-term investment		2,583	2,583
Taxation - net		111,078	67,654
Cash and bank balances		10,600	10,106
Total current assets		710,902	704,236
Total assets		904,795	906,959
Equity			
<i>Authorized capital:</i>			
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		35,424	99,214
Total equity		486,368	515,158
Non current liabilities			
Deferred tax liability		6,028	5,759
Accumulated compensated absences		7,143	7,797
Total non-current liabilities		13,171	13,556
Current liabilities			
Trade and other payables		146,811	169,655
Due to associated companies		1,206	1,694
Accrued mark-up		6,600	5,118
Short term borrowings - secured		250,639	201,778
Total current liabilities		405,256	378,245
Total liabilities		418,427	391,801
Total equity and liabilities		904,795	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 27.04.2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	Nine months ended March 31, 2015	Nine months ended March 31, 2014	Quarter ended March 31, 2015	Quarter ended March 31, 2014
	(Rupees in '000')			
Gross sales	1,084,100	1,172,004	377,771	435,981
Sales tax	(160,558)	(172,742)	(56,357)	(65,765)
Net sales	923,542	999,262	321,414	370,216
Cost of sales	(831,062)	(852,413)	(284,169)	(309,707)
Gross profit	92,480	146,849	37,245	60,509
Administrative expenses	(8,992)	(14,059)	(1,410)	(3,431)
Distribution expenses	(44,351)	(39,946)	(16,401)	(14,324)
Operating profit	39,138	92,844	19,435	42,754
Financial and other charges:				
Finance cost	(21,476)	(4,774)	(6,781)	(3,328)
Other expenses	(1,679)	(6,773)	(967)	(2,802)
Other income	1,639	5,458	175	88
Share in profit/(Loss) of associated company - net of tax	(908)	227	-	-
Profit / (Loss) before taxation	16,714	86,981	11,863	36,711
Provision for taxation	(9,504)	(31,093)	(3,301)	(13,102)
Profit / (Loss) for the period	7,210	55,888	8,562	23,609
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	7,210	55,888	8,562	23,609
Earning per share - basic and diluted	Rs. 0.8	Rs. 6.21	Rs. 0.95	Rs. 2.62

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.04.2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,714	86,981
Adjustment for non cash charges and other items:		
Depreciation	9,751	6,538
Interest on term deposit receipts	(115)	(98)
Bank interest	(27)	(875)
Financial and other charges	21,344	4,565
Interest on WPPF	132	209
Share in profit of associated company	908	(227)
Provision for doubtful debts	-	(488)
Workers' profit participation fund (WPPF)	946	4,659
Workers' welfare fund (WWF)	360	1,770
Provision for employees' gratuity fund	1,000	2,400
Provision for accumulated compensated absences	1,600	1,500
	35,899	19,953
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(4,394)	(13,355)
Stock in trade	65,827	(30,607)
Trade debts	(38,337)	(167,046)
Advances	1,112	(4,709)
Trade deposits and prepayments	(503)	(509)
Other receivables	13,496	(16,000)
Increase/(decrease) in current liabilities:		
Trade and other payables	(20,589)	(69,217)
	16,612	(301,443)
Cash generated from operations	69,225	(194,509)
Payment for / receipt of:		
Taxation	(52,660)	(59,892)
Financial and other charges	(19,863)	(1,496)
WPPF	(5,782)	(2,077)
Interest on bank balance	27	875
Compensated absences	(1,653)	(2,004)
	(79,931)	(64,594)
Net cash generated from/(used in) operating activities	(10,706)	(259,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,829)	(68,536)
Interest on term deposit receipts	168	238
Net cash used in investing activities	(1,661)	(68,298)
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	(48,367)	(376,901)
Cash and cash equivalents at beginning of the period	(191,672)	164,175
Cash and cash equivalents at end of the period	(240,039)	(212,726)

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

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 27.04.2015

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	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	118,187	499,131
Total comprehensive income for the period	-	-	-	55,888	55,888
Transfer to general reserve	-	-	35,000	(35,000)	-
Final dividend @ Rs. 5.5 per share	-	-	-	(49,500)	(49,500)
Balance as at March 31, 2014	90,000	944	325,000	89,575	505,519
Balance as at July 1, 2014	90,000	944	325,000	99,214	515,158
Total comprehensive income for the period	-	-	-	7,210	7,210
Transfer to general reserve	-	-	35,000	(35,000)	-
Final dividend @ Rs. 4.00 per share	-	-	-	(36,000)	(36,000)
Balance as at March 31, 2015	90,000	944	360,000	35,424	486,368

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

DIRECTOR

WAH CANTT DATED 27.04.2015

CHIEF EXECUTIVE

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

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 nine months period ended March 31, 2015 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 nine months period ended March 31, 2014.

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	Audited
	March 31,	June 30,
	2015	2014
	Rupees in '000'	
Opening book value	167,015	86,924
Additions during the period / year		
Plant and machinery	1,291	57,647
Building	-	31,612
Furniture and fixture	107	188
Tools and workshop equipments	265	60
Motor Vehicles	-	643
Computer installations	166	51
	168,844	177,125
Depreciation for the period / year	9,751	10,110
Closing book value	159,093	167,015

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	<u>Un-Audited</u>	<u>Audited</u>
	<u>March 31,</u>	<u>June 30,</u>
	<u>2015</u>	<u>2014</u>
	<u>Rupees in '000'</u>	
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	362,030	323,692
Considered doubtful	66,009	66,009
	428,039	389,702
Provision for doubtful debts	(66,009)	(66,009)
	362,030	323,692
	<u>Un-Audited</u>	<u>Un-Audited</u>
	<u>March 31,</u>	<u>March 31,</u>
	<u>2015</u>	<u>2014</u>
	<u>Rupees in '000'</u>	
7 CASH AND CASH EQUIVALENT		
Cash and bank balances	10,600	7,385
Short term running finance - secured	(250,639)	(220,111)
	(240,039)	(212,726)
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.872 million on account of further import of Methanol from July 01, 2014 to March 31, 2015.		
	<u>Un-Audited</u>	<u>Audited</u>
	<u>March 31,</u>	<u>June 30,</u>
	<u>2015</u>	<u>2014</u>
	<u>Rupees in '000'</u>	
8.2 Commitments in respect of:		
8.2.1 Letters of credit for purchase of stocks	58,837	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	18,300	36,457

WAH NOBEL CHEMICALS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	<u>Un-Audited</u>	<u>Audited</u>
	<u>March 31,</u>	<u>June 30,</u>
	<u>2015</u>	<u>2014</u>
	<u>Rupees in '000'</u>	
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	<u>(1,162)</u>	<u>827</u>
Corporate service fee charged by holding company	<u>675</u>	<u>900</u>
Sales to associate company	<u>1,783</u>	<u>955</u>
Dividend paid to the holding company	<u>19,882</u>	<u>27,337</u>

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 April 27, 2015 by the Board of Directors of the Company.

DIRECTOR

WAH CANTT DATED 27.04.2015

CHIEF EXECUTIVE