



Half Yearly Accounts

(unaudited)

December 2009

NIMIR INDUSTRIAL CHEMICALS LIMITED

C o m p a n y I n f o r m a t i o n

Board of Directors	Mr. Louis Tucker Link (Chairman) Mr. Zafar Mahmood (Chief Executive Officer) Mr. Eric Tucker Link Sh. Amar Hameed Mr. Abdul Jalil Jamil Mr. Saeed-uz-Zaman Mr. Umar Iqbal Mr. Imran Afzal
Chief Financial Officer	Mr. Khalid Mumtaz Qazi
Audit Committee	Mr. Abdul Jalil Jamil (Chairman) Mr. Louis Tucker Link Mr. Saeed-uz-Zaman
Company Secretary	Mr. Shamshad A. Naushahi
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Legal Advisor	KMS Law Associates Advocates
Bankers	The Bank of Punjab HSBC Bank Middle East Limited Deutsche Bank MCB Bank Limited National Bank of Pakistan
Shares' Registrar	Corplink (Pvt.) Limited Wings Arcade, 1-K (Commercial), Model Town, Lahore.
Registered / Head Office	51-N, Industrial Area, Gulberg-II, Lahore Ph : 92 42 35718001-9 Fax : 92 42 35718013 Email : contact@nimir.com.pk
Factory	14.8 km., Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura. Ph : 056 3882198-99 Fax : 056 3882198
Web Site	www.nimir.com.pk

DIRECTORS' REVIEW

The results for the half year ending December 31, 2009 shows substantial upturn on the bottom line. Despite continued depreciation of Rupee resulting in FX loss on foreign currency loans, the company posted net profit of Rs. 5.7 million during the period under review against net loss of Rs. 195.3 million in the corresponding period of the last year.

The top line of the company grew by 46% over the last year mainly due to expanded soap noodles plant and improved market conditions. As a result of significant growth in the sales, the company earned gross profit of Rs. 101 million (loss of Rs. 30 million in the last year) and operating profit of Rs. 61 million (loss of Rs. 68 million in the last year).

The quarterly results also show significant recovery over the last year. The turnover in the quarter ending December 31, 2009 increased by 27% over the last period. Due to shortage of gas and seasonally low sales in winter, the quarterly results show negative bottom line.

The management is confident of continued growth and improvement of bottom line of the company.

By Order of the Board

Lahore
February 11, 2010



Director

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Nimir Industrial Chemicals Limited** as at 31 December 2009 and the related condensed interim profit and loss account and condensed interim statements of cash flows and changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this 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 interim financial information based on our review.

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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore
February 11, 2010

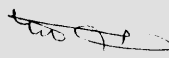

Chartered Accountants

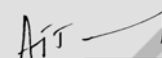
CONDENSED INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	Unaudited 31 December 2009 Rs '000'	Audited 30 June 2009 Rs '000'
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,059,142	1,074,138
Capital work in progress		78,807	89,439
		1,137,949	1,163,577
Long term deposits		30,363	18,123
CURRENT ASSETS			
Stores and spares		21,520	20,155
Stock in trade		187,337	180,235
Trade debts- Considered good -unsecured		124,485	208,223
Advances, deposits, prepayments and other receivables		102,137	81,696
Cash and bank balances		5,133	2,722
		440,612	493,031
TOTAL ASSETS		1,608,924	1,674,731
EQUITY AND LIABILITIES			
Authorized Capital			
290,000,000 (June 30, 2009: 290,000,000)		1,450,000	1,450,000
Ordinary Shares of Rs. 5/- each (June 30, 2009: Rs. 5/- each)			
Issued, subscribed and paid up capital			
221,181,093 (June 30, 2009: 221,181,093)		1,105,905	1,105,905
Ordinary Shares of Rs. 5/- each (June 30, 2009: Rs. 5/- each)			
Accumulated losses			
		(985,818)	(991,561)
		120,087	114,344
NON CURRENT LIABILITIES			
Subordinated loans-parent company	6	998,416	983,026
Long term loans		22,295	71,187
Liabilities against assets subject to finance lease		40,938	55,806
Deferred Liabilities - Employee benefits-gratuity scheme		22,140	19,704
CURRENT LIABILITIES			
Trade and other payable		111,605	123,982
Mark up accrued		14,101	14,550
Unclaimed dividend		695	722
Short term borrowings - secured	7	220,415	240,856
Current maturity of long term loans		31,113	26,669
Current maturity of liabilities against assets subject to finance lease		27,119	23,885
		405,048	430,664
Contingencies and commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		1,608,924	1,674,731

The annexed notes from 1 to 12 form an integral part to this condensed interim financial information.

Lahore
February 11, 2010


Chief Executive

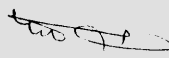

Director

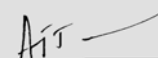
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Half year ended		Second quarter ended	
		31 December 2009	31 December 2008	31 December 2009	31 December 2008
		(Rupees in thousands)		(Rupees in thousands)	
Sales	9	835,772	571,051	351,158	277,012
Cost of sales	10	(734,849)	(601,133)	(323,659)	(327,800)
Gross profit / (loss)		100,923	(30,082)	27,499	(50,788)
Distribution costs		(23,870)	(21,542)	(12,193)	(9,596)
Administrative expenses		(16,309)	(16,614)	(9,205)	(8,949)
Operating profit / (loss)		60,744	(68,238)	6,101	(69,333)
Other expenses		(7,659)	(6,006)	(5,316)	(6,006)
Other income		644	5,044	388	2,547
Finance cost		(28,011)	(48,779)	(14,284)	(26,707)
Foreign exchange (loss)/gain		(15,796)	(77,115)	(5,081)	7,832
Profit / (loss) before taxation		9,922	(195,094)	(18,192)	(91,667)
Provision for taxation		(4,179)	(157)	(1,743)	(157)
Profit / (loss) after taxation		5,743	(195,251)	(19,935)	(91,824)
Earnings per share - Basic (Rs.)		0.03	(0.88)	(0.09)	(0.42)

The annexed notes from 1 to 12 form an integral part to this condensed interim financial information.

Lahore
February 11, 2010


Chief Executive


Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

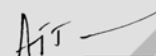
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half year ended	
	31 December 2009	31 December 2008
	Rs. '000'	Rs. '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	9,922	(195,094)
Adjustment for :		
Depreciation	33,741	32,709
Gain on disposal of property, plant and equipment	(256)	-
Finance cost	28,011	48,779
Foreign exchange loss on foreign liabilities	406	41,485
Foreign exchange loss on parent company loan	15,390	35,630
Provision for doubtful debts	5,015	6,006
Provision for gratuity	2,436	2,790
	84,743	167,399
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL	94,665	(27,695)
Decrease / (increase) in current assets		
Stores and spares	(1,365)	(918)
Stock in trade	(7,102)	89,368
Trade debts	78,723	22,584
Advances, deposits, prepayments and other receivables	(5,922)	23,517
	64,334	134,551
(Decrease) in current liabilities		
Trade and other payable	(12,783)	(189,692)
	51,551	(55,141)
CASH GENERATED FROM/(USED IN) OPERATIONS	146,216	(82,836)
Gratuity paid	-	(895)
Finance cost paid	(28,460)	(45,137)
Tax Paid	(18,698)	(8,914)
	(47,158)	(54,946)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	99,058	(137,782)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant & equipment	(8,346)	(29,324)
Sale proceeds of property, plant & equipment	489	-
Long term deposits	(12,240)	(100)
NET CASH USED IN INVESTING ACTIVITIES	(20,097)	(29,424)
	78,961	(167,206)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances	(20,441)	5,949
Repayment of long term loans	(44,448)	(26,250)
New long term loan received	-	151,210
Dividend paid	(27)	-
Liabilities against assets subject to finance lease	(11,634)	(7,423)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(76,550)	123,486
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,411	(43,720)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,722	49,647
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,133	5,927

The annexed notes from 1 to 12 form an integral part to this condensed interim financial information.



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Share Capital	Accumulated Loss	Total
	Rs:'000'	Rs:'000'	Rs:'000'
Balance as on 30 June 2008	1,105,905	(844,843)	261,062
Loss for the half year ended 31 December 2008	–	(195,251)	(195,251)
Balance as on 31 December 2008	1,105,905	(1,040,094)	65,811
Profit for the half year ended 30 June 2009	–	48,533	48,533
Balance as on 30 June 2009	1,105,905	(991,561)	114,344
Profit for the half year ended 31 December 2009	–	5,743	5,743
Balance as on 31 December 2009	1,105,905	(985,818)	120,087

The annexed notes from 1 to 12 form an integral part to this condensed interim financial information.


Chief Executive


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan as public listed company and its shares are listed on Karachi and Lahore Stock exchanges. The registered office of the company is situated at 51 - N, Gulberg II, Lahore, Pakistan. The principal activity of the company is to manufacture Oleo Chemicals (fatty acids & soap noodles) and Chlor Alkali products (caustic soda and related by products).

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with International Accounting Standard - 34 " Interim Financial Reporting" as applicable in Pakistan.
- 2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2009.
- 2.3 This condensed interim financial information is unaudited but subject to limited scope review by the auditors. Quarterly figures were not subject to limited scope review by the auditors as the scope of the review covered only the cumulative figures for the six months period ended 31 December 2009.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2009.

4. TAXATION

Provision for taxation is estimated and these are subject to final adjustments in the annual audited financial statements.

5. ADDITIONS / (DISPOSALS) IN PROPERTY, PLANT AND EQUIPMENTS - AT COST

Followings are the additions / (disposals) in the fixed assets made during the half year ended 31 December 2009.

	Additions	Disposals
	Rs.'000'	Rs.'000'
Building on free hold land	1,282	-
Plant and machinery - Own	16,469	-
Furniture and fittings	37	-
Office equipments	593	22
Vehicles	597	821
	<u>18,978</u>	<u>843</u>

6. SUBORDINATED LOANS - PARENT COMPANY

	2009	
	US \$ in '000	Rupees in '000
Balance as at July 01,	14,516	983,026
Exchange loss	-	15,390
Balance as at December 31,	<u>14,516</u>	<u>998,416</u>

7. SHORT TERM LOANS -Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 290 million (30 June 2009: Rs. 290 million). The rate of mark up is 3 months KIBOR + 250 bps per annum with 11% floor and no cap (30 June 2009: 3 months KIBOR + 250 bps per annum with 11% floor and no cap). The facility is secured against first charge on the present and future current assets of the Company.

The unutilized facility for opening letters of credit and for guarantees as at 31 December 2009 amounts to Rs. 348.052 (30 June 2009: Rs. 264 million) and Rs. 17.184 million (30 June 2009: NIL), respectively.

8. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies since the last audited published financial statements, however the Company has made commitments in respect of letters of credit established for the import of raw materials amounting to Rs. 4.1 million (30 June 2009: Rs. 25 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 52.816 (30 June 2009: Rs. 51 million).

9. SALES

	Half year ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2009	2008	2009	2008
	(Rupees in thousands)		(Rupees in thousands)	
Gross Sales	979,673	662,002	410,996	320,847
Less: Discount	2,666	145	158	35
Sales Tax	141,235	90,806	59,680	43,800
	<u>143,901</u>	<u>90,951</u>	<u>59,838</u>	<u>43,835</u>
Net Sales	<u>835,772</u>	<u>571,051</u>	<u>351,158</u>	<u>277,012</u>

10. COST OF SALES

Opening stock of finished goods	7,088	59,138	20,788	59,138
Cost of goods manufactured	<u>767,533</u>	<u>579,930</u>	<u>342,643</u>	<u>306,597</u>
	774,621	639,068	363,431	365,735
Less: closing stock of finished goods	<u>39,772</u>	<u>37,935</u>	<u>39,772</u>	<u>37,935</u>
	<u>734,849</u>	<u>601,133</u>	<u>323,659</u>	<u>327,800</u>

11. TRANSACTIONS WITH RELATED PARTIES

	Half year ended	
	31 December 2009	31 December 2008
	(Rupees in thousands)	
Associated companies		
Sales of goods	76	3,133
Purchases of goods	413	34,665
Premises rent shared	426	831
Management and other services received	6,419	3,903
Services Rendered	1,529	734
Utility bills shared	373	2,377
Parent Company		
Exchange Loss on parent company loans	15,390	35,630

12. GENERAL

12.1 This condensed interim financial information was authorized for issue on February 11, 2010 by the Board of Directors of the Company.

12.2 The figures have been rounded off to the nearest thousand of rupees.


Chief Executive


Director

NIMIR INDUSTRIAL CHEMICALS LIMITED

51-N, Gulberg - II, Lahore.

Tel: +92 42 35718001-9 • Fax: +92 42 35718013

www.nimir.com.pk