



Half Yearly Accounts

(unaudited)

December 2011



NIMIR INDUSTRIAL CHEMICALS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Abdul Jalil Jamil (Chairman)
Mr. Zafar Mahmood (Chief Executive)
Mr. Khalid Mumtaz Qazi
Mr. Imran Afzal
Mr. Umar Iqbal
Mr. Aamir Jamil
Mr. Sh. Amar Hameed
Mr. Saeed-uz-Zaman

Mr. Abdul Jaleel Shaikh
(Nominee Pak Brunei Investment
Company Limited)
Mr. Khalid Siddiq Tirmizey
(Nominee The Bank of Punjab)

Audit Committee

Mr. Abdul Jalil Jamil (Chairman)

Mr. Saeed-uz-Zaman
Mr. Imran Afzal
Mr. Abdul Jaleel Shaikh

Chief Financial Officer

Mr. Khalid Mumtaz Qazi

Company Secretary

Mr. Aamir Jamil

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

Bankers

The Bank of Punjab
Pak Brunei Investment Company Limited
National Bank of Pakistan
MCB Bank Limited
Deutsche Bank
KASB Bank Limited
Barklays Bank PLC

Shares' Registrar

Corplink (Pvt.) Ltd.
Wings Arcade, 1-K (Commercial)
Model Town Lahore.

Registered office / Factory

14.8 km., Sheikhpura-Faisalabad Road,
Mouza Bhikki, District Sheikhpura.
Ph: +92 56 3883001-7,
+92 56 3882199,
Cell: 0301-8483950
Fax: +92 56 3883010, 3882742

Town Office

12-B, New Muslim Town,
Lahore, Pakistan
Ph: +92 42 35926090-3
Fax: +92 42 35926099

Web Site

www.nimir.com.pk

DIRECTORS' REVIEW

We are pleased to state that despite many challenges faced by industry in the country, the company continued improving its performance and achieved promising results during the half year ended December 31, 2011.

During the period under review, the topline growth remained at 21% and the gross profit stood at Rs.183 million (14% of the net sales) against Rs.108 million (10% of the net sales) achieved in the corresponding period of the last year. As a result the company posted net profit of Rs.50.4 million in the first half of current financial year against Rs.11.8 million in the same period of the last year. The EPS stood at 23 paisa per share during the period against 5 paisa achieved in the last year.

The company is expanding its plant capacities to meet the increasing demand of its products. The planned expansion is expected to be available for production in the second half of the next financial year.

By Order of the Board

Lahore
February 15, 2012



Chief Executive

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 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the interim financial information). 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 15, 2012


Chartered Accountants

CONDENSED INTERIM BALANCE SHEET - UNAUDITED
 AS AT 31 DECEMBER 2011

	Note	Unaudited 31 December 2011 Rs. "000"	Audited 30 June 2011 Rs. "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	960,881	982,374
Capital work in progress		87,966	78,087
		1,048,847	1,060,461
Long term deposits		13,850	12,934
CURRENT ASSETS			
Stores and spares		46,398	42,182
Stock in trade		206,870	257,878
Trade debts - considered good - unsecured		253,936	232,515
Advances, deposits, prepayments and other receivable		22,916	43,420
Tax receivable		106,268	100,156
Cash and bank balances		71,963	28,910
		708,351	705,061
TOTAL ASSETS		1,771,048	1,778,456
EQUITY AND LIABILITIES			
Authorized Capital 290,000,000 (30 June, 2011: 290,000,000) Ordinary Shares of Rs. 5/- each (30 June, 2011: Rs. 5/- each)		1,450,000	1,450,000
Issued, subscribed and paid up capital 221,181,093 (30 June, 2011: 221,181,093) Ordinary Shares of Rs. 5/- each (30 June, 2011: Rs. 5/- each)		1,105,905	1,105,905
Accumulated losses		(149,644)	(200,032)
		956,261	905,873
NON CURRENT LIABILITIES			
Long term loans	6	228,667	261,333
Liabilities against assets subject to finance lease		6,847	1,016
Deferred Liabilities			
Staff retirement benefits		27,327	29,234
CURRENT LIABILITIES			
Trade and other payable		92,873	160,976
Mark up accrued		8,177	11,267
Unclaimed dividend		688	688
Short term borrowings - secured	7	381,748	374,748
Current maturity of long term loans	6	65,333	32,667
Current maturity of liabilities against assets subject to finance lease		3,127	654
		551,946	581,000
Contingencies and commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		1,771,048	1,778,456

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



 Chief Executive

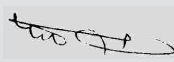


 Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Note	Six months ended		Three months ended	
		31 December 2011	31 December 2010	31 December 2011	31 December 2010
		Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Sales	9	1,299,692	1,073,347	651,710	556,482
Cost of sales	10	(1,116,369)	(964,501)	(560,524)	(495,662)
Gross profit		183,323	108,846	91,186	60,820
Distribution costs		(30,989)	(28,665)	(15,377)	(14,447)
Administrative expenses		(21,101)	(24,194)	(10,843)	(13,627)
Operating profit		131,233	55,987	64,966	32,746
Other expenses		(4,721)	(1,674)	(2,517)	(1,674)
Other income		3,557	3,931	343	3,033
Finance cost		(61,776)	(33,231)	(26,292)	(15,630)
Foreign exchange (loss)/gain		(4,908)	(2,423)	(3,975)	1,293
Profit before taxation		63,385	22,590	32,525	19,768
Provision for taxation		(12,997)	(10,815)	(6,518)	(5,616)
Profit after taxation		50,388	11,775	26,007	14,152
Other comprehensive income - net of taxation		-	-	-	-
Total comprehensive income for the period		50,388	11,775	26,007	14,152
Earnings per share - Basic & diluted (Rs.)		0.23	0.05	0.12	0.06

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



 Chief Executive




 Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Six months ended	
	31 December 2011	31 December 2010
	Rs. "000"	Rs. "000"
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	63,385	22,590
Adjustment for:		
Depreciation	35,298	34,173
Gain on disposal of property, plant and equipment	-	(481)
Finance cost	61,776	33,231
Foreign exchange loss on foreign liabilities	4,908	884
Foreign exchange loss on parent company loan	-	1,539
Provision for doubtful debts	2,042	-
Provision for gratuity	3,600	3,540
	<u>107,624</u>	<u>72,886</u>
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	171,009	95,476
(Increase) / decrease in current assets		
Stores and spares	(4,216)	3,136
Stock in trade	51,008	(23,988)
Trade debts	(23,463)	(21,347)
Advances, deposits, prepayments and other receivables	20,504	6,852
	<u>43,833</u>	<u>(35,347)</u>
Decrease in current liabilities		
Trade and other payables	(73,011)	(5,060)
	<u>(29,178)</u>	<u>(40,407)</u>
CASH GENERATED FROM OPERATIONS	141,831	55,069
Gratuity paid	(5,507)	(860)
Finance cost paid	(64,866)	(31,629)
Tax paid	(19,109)	(18,030)
	<u>(89,482)</u>	<u>(50,519)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	52,349	4,550
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant & equipment and capital work in progress	(23,684)	(15,229)
Sale proceeds of property, plant and equipment	-	1,362
Long term deposits paid	(916)	-
	<u>(24,600)</u>	<u>(13,867)</u>
NET CASH USED IN INVESTING ACTIVITIES	(24,600)	(13,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	7,000	38,935
Repayment of long term loans	-	(13,335)
Financing from the leasing Company	9,162	-
Repayment of liabilities against assets subject to finance lease	(858)	(12,205)
	<u>15,304</u>	<u>13,395</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES	15,304	13,395
NET INCREASE IN CASH AND CASH EQUIVALENTS	43,053	4,078
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	28,910	3,892
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>71,963</u>	<u>7,970</u>

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



Chief Executive


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Share Capital	Accumulated Loss	Total
	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on 30 June 2010	1,105,905	(986,992)	118,913
Total comprehensive income for the period ended 31 December 2010	-	11,775	11,775
Balance as on 31 December 2010	1,105,905	(975,217)	130,688
Balance as on 01 July 2011	<u>1,105,905</u>	<u>(200,032)</u>	<u>905,873</u>
Total comprehensive income for the period ended 31 December 2011	-	50,388	50,388
Balance as on 31 December 2011	<u>1,105,905</u>	<u>(149,644)</u>	<u>956,261</u>

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



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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).

On 28 June 2011 Knightsbridge Chemicals Limited sold its entire shareholding in the Company to Nimir Resources (Private) Limited.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial report of the Company for the six months period ended 31 December 2011 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.
- 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 2011.
- 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 2011.

3. ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of this interim financial report are the same as those applied in the preparation of the financial statements for the year ended 30 June 2011.

The Company has adopted the following amended IFRS and related interpretations which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosure (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments: Disclosures
 - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements
 - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting
 - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes
 - Fair value of award credits

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial information of the Company.

4. TAXATION

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

5. PROPERTY, PLANT AND EQUIPMENTS

Followings are the additions / disposals in the fixed assets made during the six months ended 31 December 2011:

	<u>Additions</u>	<u>Disposals</u>
	Rs. "000"	Rs. "000"
Building	32	-
Office equipments	2,269	-
Furniture and fittings	586	-
Vehicles - Leased	9,162	-
Vehicles - Owned	1,756	-
	<u>13,805</u>	<u>-</u>

6. LONG TERM LOAN

	<u>31 December</u>	<u>30 June</u>
	2011	2011
	Rs. "000"	Rs. "000"
Syndicated term finance - Secured	294,000	294,000
Less: current maturity shown under current liabilities	(65,333)	(32,667)
	<u>228,667</u>	<u>261,333</u>

7. SHORT TERM BORROWINGS - Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 638 million (30 June 2011: Rs. 710 million). The rate of mark up ranges from 1 month KIBOR + 100 bps per annum to 3 months KIBOR + 300 bps per annum with 12% floor and no cap (30 June 2011: The rate of mark up ranges from 1 month KIBOR + 100 bps per annum to 6 months KIBOR + 250 bps per annum with 12% floor and no cap). The facilities are secured against 1st pari passu charge on the present and future, current and fixed assets of the Company, including land along with construction thereon and easements, amenities therewith.

The unutilized facility for opening letters of credit and for guarantees as at 31 December 2011 amounts to Rs. 109 million (30 June 2011: Rs. 314 million) and Rs. 2.5 million (30 June 2011: 4 million), 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. 56 million (30 June 2011: Rs. 116 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 67.50 million (30 June 2011: Rs.65.68 million).

9. SALES

	Six months ended		Three months ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Gross Sales	1,509,960	1,268,814	757,165	656,535
Less: Discount	2,069	2,559	1,069	–
Sales Tax	208,199	192,908	104,386	100,053
	210,268	195,467	105,455	100,053
Net Sales	<u>1,299,692</u>	<u>1,073,347</u>	<u>651,710</u>	<u>556,482</u>

10. COST OF SALES

Opening stock of finished goods	55,945	45,034	90,332	58,651
Cost of goods manufactured	1,135,335	1,003,791	545,103	521,335
	1,191,280	1,048,825	635,435	579,986
Less: closing stock of finished goods	74,911	84,324	74,911	84,324
	<u>1,116,369</u>	<u>964,501</u>	<u>560,524</u>	<u>495,662</u>

11. GENERAL

- 11.1 This interim condensed financial information was authorized for issue on 15 February, 2012 by the Board of Directors of the Company.
- 11.2 The figures have been rounded off to the nearest thousand of Rupees.



 Chief Executive



 Director

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