



(Unaudited)  
**Quarterly**  
**Report**  
**March 2012**



**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

### 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 3882198-99  
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

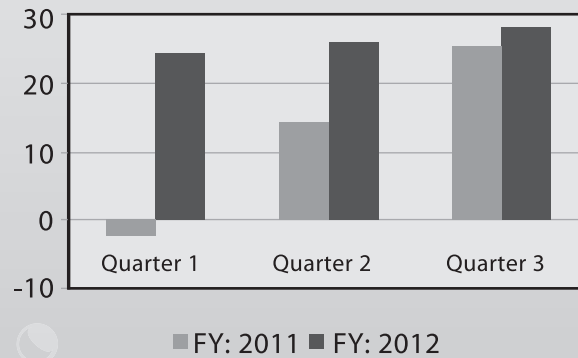
[www.nimir.com.pk](http://www.nimir.com.pk)

## Directors' Report

The Directors are pleased to present interim financial information of the company for the quarter and nine months ended March 31, 2012. The company posted net sales income of Rs.0.7 billion and Rs.2.0 billion for the quarter and nine months ended March 31, 2012 respectively which were 11 percent and 17 percent higher compared with same periods last year.

During the nine months ended March 31, 2012, the gross profit increased to Rs.268 million (13.6% of net sales) against Rs.188 million (11.2% of net sales) in the corresponding period last year. As a result the Company earned net profit of Rs.78.5 million in the nine months and Rs.28 million in the quarter under review against Rs.37 million earned in the nine months and Rs.25.5 in third quarter of the last year. The Earning per shares for the nine month under review is Rs.0.35 paisa per share against Rs. 0.17 paisa in the last year.

There has been consistent quarter on quarter increase in the bottom line of the company as depicted in the chart below:



The expansion of the plant is scheduled to be completed during the second half of the next financial year.

For and on behalf of the Board

Lahore  
April 25, 2012

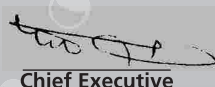
Chief Executive

## Condensed Interim Balance Sheet

As At 31 March 2012

	Note	Unaudited	Audited
		31 March 2012	30 June 2011
(Rupees in thousands)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	943,402	982,374
Capital work in progress		93,674	78,087
		1,037,076	1,060,461
Long term deposits		13,850	12,934
<b>CURRENT ASSETS</b>			
Stores and spares		48,982	42,182
Stock in trade		166,535	257,878
Trade debts - Considered good - unsecured		395,570	232,515
Advances, deposits, prepayments and other receivable		36,914	43,420
Tax receivable		90,686	100,156
Cash and bank balances		10,341	28,909
		749,028	705,060
<b>TOTAL ASSETS</b>		<b>1,799,954</b>	<b>1,778,455</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized Capital			
290,000,000 ( June 30, 2011: 290,000,000)		1,450,000	1,450,000
Ordinary Shares of Rs. 5/- each (June 30, 2011: Rs. 5/- each)			
Issued, subscribed and paid up capital			
221,181,093 ( June 30, 2011: 221,181,093)		1,105,905	1,105,905
Ordinary Shares of Rs. 5/- each (June 30, 2011: Rs. 5/- each)			
Accumulated losses		(121,574)	(200,032)
		984,331	905,873
<b>NON CURRENT LIABILITIES</b>			
Long term loans	6	212,333	261,333
Liabilities against assets subject to finance lease		5,982	1,016
Deferred Liabilities - Staff retirement benefits		29,127	29,235
<b>CURRENT LIABILITIES</b>			
Trade and other payable		118,081	160,975
Mark up accrued		8,749	11,268
Unclaimed dividend		688	688
Short term borrowings - secured	7	372,072	374,747
Current maturity of long term loans	6	65,333	32,667
Current maturity of liabilities against assets subject to finance lease		3,258	653
		568,181	580,998
Contingencies and commitments	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,799,954</b>	<b>1,778,455</b>

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


  
 Chief Executive


  
 Director

## Condensed Interim Profit & Loss Account (Un-audited)

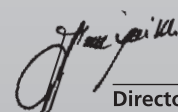
For The Period Ended 31 March 2012

	Note	Nine months ended		Three months ended	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
		(Rupees in thousands)		(Rupees in thousands)	
Sales	9	1,968,215	1,677,234	668,525	603,887
Cost of sales	10	(1,700,395)	(1,489,136)	(584,027)	(524,635)
Gross profit		267,820	188,098	84,498	79,252
Distribution costs		(43,127)	(42,234)	(12,138)	(13,569)
Administrative expenses		(31,319)	(37,464)	(10,218)	(13,270)
Operating profit		193,374	108,400	62,142	52,413
Other expenses		(7,427)	(1,904)	(2,707)	(230)
Other income		6,044	4,066	2,487	135
Finance cost		(86,017)	(54,199)	(24,241)	(20,968)
Foreign exchange (loss)/ gain		(7,813)	(1,890)	(2,905)	533
Profit before taxation		98,161	54,473	34,776	31,883
Provision for taxation		(19,703)	(17,180)	(6,706)	(6,365)
Profit after taxation		78,458	37,293	28,070	25,518
Earnings per share - Basic (Rs.)		0.35	0.17	0.13	0.12

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



Chief Executive



Director

## Condensed Interim Statement of Cash Flow (Un-audited)

For The Period Ended 31 March 2012

	31 March 2012	31 March 2011
	(Rupees in thousands)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	98,161	54,473
Adjustment for :		
Depreciation	53,325	51,314
(Gain)/Loss on disposal of property, plant and equipment	108	(478)
Finance cost	86,017	54,199
Foreign exchange loss on foreign liabilities	7,813	351
Foreign exchange loss on foreign Loan	-	1,539
Provision for doubtful debts	-	250
Provision for gratuity	5,400	5,310
	152,663	112,485
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	250,824	166,958
<b>Decrease/(increase) in current assets</b>		
Stores and spares	(6,800)	3,319
Stock in trade	91,343	(108,525)
Trade debts	(163,055)	(98,625)
Advances, deposits, prepayments and other receivables	6,506	22,079
	(72,006)	(181,752)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payable	(50,707)	64,959
<b>CASH GENERATED FROM OPERATIONS</b>	128,111	50,165
Gratuity paid	(5,508)	(2,304)
Finance cost paid	(88,536)	(53,353)
Tax Paid	(10,233)	(37,899)
	(104,277)	(93,556)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	23,834	(43,391)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition property, plant & equipment- Net	(14,527)	(16,127)
Addition to capital work in progress	(15,587)	-
Sale proceeds of property, plant & equipment	66	1,363
Long term deposits	(916)	-
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	(30,964)	(14,764)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term finances	(2,675)	104,539
Payment to long term loans	(16,334)	(22,224)
New Liabilities against assets subject to finance lease	9,162	-
Liabilities against assets subject to finance lease paid	(1,591)	(20,967)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(11,438)	61,348
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(18,568)	3,193
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	28,909	3,892
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	10,341	7,085

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


  
 Chief Executive


  
 Director

## Condensed Interim Statement of Changes in Equity (Un-audited)


For The Period Ended 31 March 2012

	Share Capital	Accumulated Loss	Total
	(Rupees in thousands)		
Balance as on June 30, 2010	1,105,905	(986,992)	118,913
Total comprehensive income for the six months ended 31 March 2011	–	37,293	37,293
<b>Balance as on March 31, 2011</b>	<b>1,105,905</b>	<b>(949,699)</b>	<b>156,206</b>
Balance as on June 30, 2011	1,105,905	(200,032)	905,873
Total comprehensive income for the nine months ended 31 March 2012	–	78,458	78,458
<b>Balance as on March 31, 2012</b>	<b>1,105,905</b>	<b>(121,574)</b>	<b>984,331</b>

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



Chief Executive



Director

## Notes to the Condensed Interim Financial Information (Un-audited)

For The Period Ended 31 March 2012

### 1. THE COMPANY AND ITS OPERATIONS

The company is incorporated in Pakistan as public limited company and its shares are listed on Karachi and Lahore stock exchanges. The registered office of the company is situated at 14.8 KM, Sheikhpura-Faisalabad Road, Bhikhi, District Sheikhpura, Pakistan. The principal activity of the company is to manufacture Oleo Chemicals (soap noodles, stearic acid, glycerin and other fatty acids) and Chlor Alkali (caustic soda, sodium hypochlorite and hydrochloric acid) 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 2011.

### 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2011.

### 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 and disposals in the fixed assets made for the nine months ended March 31, 2012:

	<u>Additions</u>	<u>Disposals</u>
	Rupees in thousands	
Plant & machinery	-	5,287
Building	32	-
Office equipments	2,813	3,212
Furniture & fixture	764	462
Vehicles-Leased	9,162	-
Vehicles-Owned	1,756	-
	<u>14,527</u>	<u>8,961</u>
	<b>31 March</b>	<b>30 June</b>
	<b>2012</b>	<b>2011</b>
	(Rupees in thousands)	

### 6. LONG TERM LOAN

Balance as at	277,666	294,000
Current maturity	(65,333)	(32,667)
Balance	<u>212,333</u>	<u>261,333</u>



**7. SHORT TERM LOANS -Secured**

The aggregate facility of short term finances from commercial bank available at period end is Rs. 680 million (30 June 2011: Rs. 710 million). The rate of mark up ranges from 1 month KIBOR + 90 bps per annum to 3 months and 6 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 + 90 bps per annum to 6 months KIBOR + 300 bps per annum with 12% floor and no cap)

The unutilized facility for opening letters of credit and for guarantees as at 31 March 2012 amounts to Rs. 107.664 million (30 June 2011: Rs. 314 million) and Rs. 4.319 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. 74.357 million (30 June 2011: Rs. 116 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs.65.68 million (30 June 2011: Rs.65.68 million).

**9. SALES**

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
	<b>(Rupees in thousands)</b>		<b>(Rupees in thousands)</b>	
Gross Sales	2,285,469	1,983,271	775,510	714,457
Less: Discount	2,170	2,559	100	-
Sales Tax	315,084	303,478	106,885	110,570
	317,254	306,037	106,985	110,570
Net Sales	<u>1,968,215</u>	<u>1,677,234</u>	<u>668,525</u>	<u>603,887</u>

**10. COST OF SALES**

Opening stock of finished goods	55,945	45,034	74,911	84,324
Cost of goods manufactured	1,682,011	1,504,226	546,677	500,435
	1,737,956	1,549,260	621,588	584,759
Less: closing stock of finished goods	37,561	60,124	37,561	60,124
	<u>1,700,395</u>	<u>1,489,136</u>	<u>584,027</u>	<u>524,635</u>

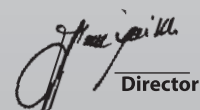
**11. GENERAL**

**11.1** This interim condensed financial information was authorized for issue on 25 April 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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Mouza Bhikki, District Sheikhpura.

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