



Half Yearly Accounts December 2013  
(Unaudited)

## COMPANY INFORMATION

### Board of Directors

Mr. Abdul Jalil Jamil - Chairman  
Mr. Zafar Mahmood - Chief Executive Officer  
Mr. Khalid Mumtaz Qazi  
Mr. Umar Iqbal  
Mr. Muhammad Sarwar Khawaja  
Sh. Amar Hameed  
Mr. Saeed-uz-Zaman  
Mr. Muhammad Yahya Khan  
Mr. Khalid Siddiq Tirmizey  
(Nominee, The Bank of Punjab)  
Mr. Abdul Jaleel Shaikh  
(Nominee, Pak Brunei Investment Co. Ltd.)

### Chief Financial Officer

Mr. Aamir Jamil

### Company Secretary

Mr. Muhammad Inam-ur-Rahim

### Internal Auditor

Mr. Arshad Mahmood

### Audit Committee

Mr. Muhammad Sarwar Khawaja - Chairman  
Mr. Saeed-uz-Zaman  
Mr. Abdul Jaleel Shaikh

### Human Resource & Remuneration Committee

Mr. Saeed-uz-Zaman - Chairman  
Sh. Amar Hameed  
Mr. Zafar Mahmood

### Bankers

The Bank of Punjab  
National Bank of Pakistan  
Pak Brunei Investment Company Limited  
Standard Chartered Bank (Pakistan) Limited.  
Al Baraka Bank (Pakistan) Limited.

### Shares' Registrar

Corplink (Pvt.) Limited  
Wings Arcade, 1-K (Commercial)  
Model Town, Lahore.  
Tel: +92 42 35916714 & 19  
Fax: +92 42 35869037

### Registered Office / Factory

14.8 km., Sheikhpura-Faisalabad Road,  
Bhikhi, District Sheikhpura.  
Tel: +92 56 3883001-7  
Fax: +92 56 3883010  
Cell: +92 301-8483950

### Lahore Office

12-B, New Muslim Town, Lahore.  
Tel: +92 42 35926090-93  
Fax: +92 42 35926099

### Web Site

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

## DIRECTORS' REPORT

Your Company posted promising results in the half-year and second quarter ended December 31, 2013 with considerable growth in sales as well as profitability.

Sales turnover further progressed during the half-year and second quarter with increase of 14% and 12% respectively over the similar periods of last year. Similarly sale volumes also increased by 6% in half-year and 9% in the second quarter. Soap noodle was the major contributor in this growth.

The Company continued its focus on increasing efficiencies and reducing costs. Consequently the increase in cost of sales in the half-year was only 9% viz-a-viz the increase of 14% in sales. As a result, the Company demonstrated phenomenal growth of 46% in gross profit in the half-year. The gross profit ratio to net sales increased to 17.9% during the half-year, which was 14.0% in the same period of the last year. Likewise gross profit in the second quarter increased by 37% with ratio to net sales of 18.0% (last year: 14.6%). Similar upsurge has also been witnessed in the bottom line; net profit in half-year is Rs. 97 million (last year: Rs.41 million) and Rs. 56 million in the second quarter (last year: Rs. 29 million). EPS for the half-year increased to Rs.0.88 per share.

We feel pleasure in reporting that as of the date of reporting these interim financial statements, major part of the plant and machinery required for the expansion of the plant has arrived at our plant and is being installed on fast track basis. In view of the current circumstances, the management is confident to commission the new production facility by the end of the current financial year.

The production in second half of the current financial year would be partly affected by the expansion activities to connect the new complex with existing infrastructure. We will, however, endeavor to lessen the impact on profitability and would continue to post encouraging results, Insha Allah.

**For and on behalf of the Board**

**Sheikhupura  
February 10, 2014**



**Chief Executive Officer**

## 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 December 31, 2013 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 Standards 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 10, 2014

  
Chartered Accountants

**CONDENSED INTERIM BALANCE SHEET - UNAUDITED**  
AS AT 31 DECEMBER 2013

	Note	Unaudited 31 December 2013 Rs. "000"	Audited 30 June 2013 Rs. "000" (Restated)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	970,053	965,107
Capital work in progress		290,185	102,257
		1,260,238	1,067,364
Intangibles		1,643	1,842
Long term deposits		17,643	16,754
Deferred tax asset		1,557	56,895
		1,281,081	1,142,855
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		65,124	45,232
Stock in trade		297,258	312,288
Trade debts- considered good -unsecured		297,006	510,239
Loan and advances		36,316	18,469
Trade deposits and short term prepayments		5,474	4,589
Other receivables		8,832	8,950
Tax refund due from government		73,563	86,612
Cash and bank balances		154,933	56,136
		938,506	1,042,515
<b>TOTAL ASSETS</b>		<b>2,219,587</b>	<b>2,185,370</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized Capital 145,000,000 (June 30, 2013: 290,000,000) Ordinary shares of Rs. 10/- each (June 30, 2013: Rs. 5/- each)	5	1,450,000	1,450,000
Issued, subscribed and paid up capital 110,590,546 (June 30, 2013: 221,181,093) Ordinary shares of Rs. 10/- each (June 30, 2013: Rs. 5/- each) Unappropriated profit		1,105,905	1,105,905
		255,842	158,731
		1,361,747	1,264,636
<b>NON CURRENT LIABILITIES</b>			
Long term loans Liabilities against assets subject to finance lease	6	172,000 9,816	130,667 8,233
Deferred liabilities Staff retirement benefits		37,493	34,878
		219,309	173,778
<b>CURRENT LIABILITIES</b>			
Trade and other payables Mark up accrued Unclaimed dividend		215,267 3,410 688	167,668 5,790 688
Short term borrowings - secured	7	332,040	486,977
Current maturity of long term loans	6	65,333	65,333
Current maturity of liabilities against assets subject to finance lease Provision for taxation		4,145 17,648	4,125 16,375
		638,531	746,956
Contingencies and commitments	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,219,587</b>	<b>2,185,370</b>

The annexed notes from 1 to 13 form an integral part to this interim financial information.

  
Chief Executive Officer

  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED**  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Note	Six months ended		Three months ended	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		Rs. "000"	Rs. "000" (Restated)	Rs. "000"	Rs. "000" (Restated)
<b>Sales</b>	9	1,628,647	1,429,138	820,588	734,967
Cost of sales	10	(1,337,786)	(1,229,595)	(673,121)	(627,993)
<b>Gross profit</b>		290,861	199,543	147,467	106,974
Distribution costs		(38,124)	(37,806)	(18,395)	(19,176)
Administrative expenses		(36,621)	(26,113)	(15,967)	(12,003)
<b>Operating profit</b>		216,116	135,624	113,105	75,795
Other expenses		(12,515)	(5,094)	(7,340)	(2,958)
Other income		10,245	1,955	9,739	1,089
Finance cost		(39,329)	(55,922)	(14,564)	(27,444)
Foreign exchange loss		(5,647)	(7,836)	(1,897)	(6,581)
<b>Profit before taxation</b>		168,870	68,727	99,043	39,901
Provision for taxation					
- Current		(16,419)	(7,146)	(8,327)	(3,675)
- Deferred		(55,340)	(20,235)	(34,393)	(7,094)
		(71,759)	(27,381)	(42,720)	(10,769)
<b>Profit after taxation</b>		97,111	41,346	56,323	29,132
Other comprehensive income - net of taxation		-	-	-	-
<b>Total comprehensive income for the period</b>		97,111	41,346	56,323	29,132
Earnings per share - Basic & diluted (Rs.)	11	0.88	0.37	0.51	0.26

The annexed notes from 1 to 13 form an integral part to this interim financial information.

  
Chief Executive Officer

  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED**  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Six months ended	
	31 December 2013	31 December 2012
	Rs. "000"	Rs. "000"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	168,869	68,727
Adjustments for:		
Depreciation	43,340	38,070
Amortization	199	-
Gain on disposal of property, plant and equipment	(1,136)	(134)
Reversal of impairment on property, plant and equipment	(9,302)	-
Finance cost	39,329	55,922
Foreign exchange loss on foreign liabilities	5,647	7,836
Provision for doubtful debts	-	6,000
Provision for gratuity	3,600	3,585
	81,677	111,279
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	250,546	180,006
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(19,892)	(17,633)
Stock in trade	15,031	(21,201)
Trade debts	213,233	366
Loan and advances	(17,847)	(1,066)
Trade deposits and short term prepayments	(885)	2,881
Other receivables	119	(5,972)
Tax refunds due from government	(227)	27,518
	189,532	(15,107)
Increase/(decrease) in current liability		
Trade and other payables	41,951	9,860
<b>CASH GENERATED FROM OPERATIONS</b>	482,029	174,759
Gratuity paid	(986)	(647)
Finance cost paid	(41,709)	(53,428)
Tax paid	(1,871)	(14,959)
	(44,566)	(69,034)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	437,463	105,725
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and capital work in progress	(226,924)	(58,945)
Sale proceeds from disposal of property, plant and equipment	1,148	2,296
Long term deposits	(890)	(390)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(226,666)	(57,039)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan paid	(32,666)	(32,666)
Long term loan received	74,000	-
Repayment of liabilities against assets subject to finance lease	(2,214)	(2,587)
New leases acquired during the year	3,817	1,690
Short term borrowings-net	(154,937)	53,435
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	(112,000)	19,872
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	98,797	68,558
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	56,136	71,140
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	154,933	139,698

The annexed notes from 1 to 13 form an integral part to this interim financial information.

  
Chief Executive Officer

  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED**  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Note	Share Capital Rs. "000"	Unappropriated Profit Rs. "000"	Total Rs. "000"
<b>Balance as on 01 July 2012</b>		1,105,905	31,459	1,137,364
Effect of change in accounting policy	3.2	-	886	886
<b>Balance as on 01 July 2012- restated</b>		1,105,905	32,345	1,138,250
Total comprehensive income for the period ended 31 December 2012		-	41,346	41,346
Balance as on 31 December 2012- restated		<u>1,105,905</u>	<u>73,691</u>	<u>1,179,596</u>
<b>Balance as on 30 June 2013- restated</b>		1,105,905	158,540	1,264,445
Effect of change in accounting policy	3.2	-	191	191
<b>Balance as on 30 June 2013- restated</b>		1,105,905	158,731	1,264,636
<b>Total comprehensive income for the period ended 31 December 2013</b>		-	97,111	97,111
<b>Balance as on 31 December 2013</b>		<u>1,105,905</u>	<u>255,842</u>	<u>1,361,747</u>

The annexed notes from 1 to 13 form an integral part to this interim financial information.

  
Chief Executive Officer

  
Director



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

### 1 THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals Limited ("the Company") was incorporated in Pakistan on February 6, 1994 as a public limited Company under the Companies Ordinance, 1984. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges. The Company started its commercial operation on January 1, 2000. The registered office of the Company is situated at 14.8 Km., Sheikhpura- Faisalabad Road, Bhikhi, District Sheikhpura, Pakistan. The Company is engaged in manufacturing and sale of industrial chemical products.

### 2 BASIS OF PREPARATION

- 2.1 This interim financial information of the Company for the six month period ended December 31, 2013 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 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 June 30, 2013.
- 2.3 This 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 month period ended December 31, 2013.

### 3 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of this interim financial information are the same as those applied in preparation of financial statements for the year ended June 30, 2013 except as follows:

- 3.1 New, amended and revised standards and interpretation of IFRSs

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

IAS 19 – Employee Benefit - (Revised)

IFRS 7 – Financial Instruments: Disclosures amendments enhancing disclosures about offsetting of financial assets and financial liabilities.

Improvements to Accounting Standards Issued by the IASB

IAS 1 – Presentation of financial statements - Clarification of the requirements for comparative information.

IAS 16 – Property, Plant and Equipment – Clarification of servicing equipment.

IAS 32 – Financial Instruments : Presentation – Tax effects of distribution to holders of equity instruments.

IAS 34 – Interim Financial Reporting – Interim financial reporting and segment information for total assets and liabilities.

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial information except for as described in note 3.2

### 3.2 Change in accounting policy

During the period, the Company has adopted Revised IAS 19 - 'Employee Benefits'. As per revised standard, actuarial gains and losses for defined benefit plans are recognized in the other comprehensive income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements and net interest income (expense). All other charges in the net defined benefit asset (liability) are recognized in the other comprehensive income with no subsequent recycling to profit and loss account.

The adoption of above revised standard has resulted in change in accounting policy of the Company related to recognition of actuarial gains and losses to recognize actuarial gains and losses in total in other comprehensive income in the period in which they occur. Previously, actuarial gains and losses over and above the corridor limit were amortized in the profit and loss account over the expected remaining working lives of the employees as allowed under the relevant provision of previous IAS 19. Further, any past service cost (vested and non-vested) is now recognized immediately in the profit and loss account upon changes in the benefit plans. Previously, only vested past service cost was recognized immediately in profit and loss account and non-vested cost was amortised to profit and loss account over the vesting period. The impact of the said changes on this condensed interim financial information is as under:

	<b>As at 30 June 2013 Rs. "000"</b>	<b>As at 30 June 2012 Rs. "000"</b>
(Decrease) / Increase in unappropriated profit	(695)	886
(Decrease) / Increase in deferred taxation	(358)	456
(Decrease) / Increase in employee benefits asset	(1,053)	1,342

There is no material impact on other comprehensive income for the periods ended December 31, 2013 and December 31, 2012.

### 4 Followings are the additions / disposals (cost) in the fixed assets made during the six month period ended December 31, 2013:

	<b>Additions Rs. "000"</b>	<b>Disposals Rs. "000"</b>
Land	9,575	-
Building	9,129	-
Plant and machinery	21,637	-
Furniture and fittings	183	-
Office equipments	3,415	304
Vehicles - Owned	542	1,507
Vehicles - Leased	3,817	-
	<b>48,298</b>	<b>1,811</b>

## 5 CONSOLIDATION OF SHARES

During the period, the Company consolidated its shares by increasing the face value from Rs. 5 per share to Rs.10 per share pursuant to special resolution passed by the members at Annual General Meeting held on October 29, 2013.

### Authorized capital:

As a result of above consolidation, the number of shares in authorized capital reduced from 290,000,000 shares of Rs.5 per share as of December 31, 2013 (June 30, 2013: 290,000,000 shares) to 145,000,000 shares of Rs.10 per share.

### Issued, subscribed and paid up capital:

The above consolidation also caused the reduction in number of shares issued, subscribed and paid-up capital from 221,181,093 shares of Rs.5 per share as of December 31, 2013 (June 30, 2013: 221,181,093 shares) to 110,590,546 shares of Rs.10 per share. One remaining share arising from the overall consolidation of shares has been cancelled from the shareholding of Nimir Resources (Pvt) Limited, the parent company in accordance with the special resolution.

## 6 LONG TERM LOAN

	<b>Note</b>	<b>31 December 2013</b>	<b>30 June 2013</b>
		<b>Rs. "000"</b>	<b>Rs. "000"</b>
Syndicated term finance - Secured		163,333	196,000
Term finance - Secured	6.1	74,000	-
Less: current maturity shown under current liabilities		(65,333)	(65,333)
		<u>172,000</u>	<u>130,667</u>

6.1 During the period, the Company has obtained term finance facility from financial institution carrying mark-up at the rate of 3 month KIBOR plus 225 bps per annum repayable in 48 monthly installments with grace period of one year. This facility is secured against first pari passu hypothecation and mortgage charge over present and future moveables and immovable fixed assets of the Company.

## 7 SHORT TERM BORROWINGS - Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 990 million (June 30, 2013: Rs. 990 million). The rate of mark up ranges from 1 month KIBOR + 30 bps per annum to 3 months and 6 months KIBOR + 250 bps per annum with no floor and no cap (June 30, 2013: The rate of mark up ranges from 1 month KIBOR + 30 bps per annum to 3 months and 6 months KIBOR + 250 bps per annum with floor and no cap. These 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 there on and easements, amenities therewith.

The unutilized facility for opening letters of credit and bank guarantees as at December 31, 2013 amounts to Rs. 531 million (June 30, 2013: Rs. 167 million) and Rs. 53 million (June 30, 2013: Rs. 63 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, spare parts and machinery amounting to Rs. 309 million (June 30, 2013: Rs. 61 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 76.7 million (June 30, 2013: Rs. 76.7 million) and letter of guarantees given to Customs amounting to Rs. 70 million (June 30, 2013: Rs. 60 million).

## 9 SALES

	Six month period ended		Three month period ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Gross sales	1,910,279	1,665,622	961,223	856,980
Less: Discount	3,474	6,743	466	3,743
Sales tax	278,158	229,741	140,169	118,270
	281,632	236,484	140,635	122,013
Net Sales	1,628,647	1,429,138	820,588	734,967

## 10 COST OF SALES

Opening stock of finished goods	54,841	77,646	73,385	79,348
Cost of goods manufactured	1,387,427	1,251,102	704,218	647,798
	1,442,268	1,328,748	777,603	727,146
Less: Closing stock of finished goods	104,482	99,153	104,482	99,153
	1,337,786	1,229,595	673,121	627,993

## 11 EARNINGS PER SHARES - BASIC AND DILUTED

	Six month period ended		Three month period ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Profit attributable to Ordinary shareholders	97,111	(Restated) 41,346	56,323	(Restated) 29,132
Weighted average number of shares	110,591	110,591	110,591	110,591
Earnings per share	0.88	0.37	0.51	0.26

The weighted average number of shares has been reduced as explained in note 5.

## 12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise holding Company, entities over which the directors are able to control, exercise significant influence, entities with common directors, major shareholders, directors, key management employees and employees fund. The transactions with related parties are as follows.

	Six month period ended	
	31 December	31 December
	2013	2012
	Rs. "000"	Rs. "000"
Key Management Personnel		
Remuneration	19,055	14,668
Other benefits	6,625	2,218

## 13 GENERAL

13.1 This interim financial information was authorized for issue on February 10, 2014 by the Board of Directors of the Company.

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

  
Chief Executive Officer

  
Director

If Undelivered Please return to

**NIMIR INDUSTRIAL CHEMICALS LIMITED**

14.8 Km., Sheikhpura-Faisalabad Road,  
Bhikhi, District Sheikhpura, Pakistan.

Ph: +92 56 3883001 -7, Fax: +92 56 3883010

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