



Half Yearly Accounts

(unaudited)

December 2012



NIMIR INDUSTRIAL CHEMICALS LIMITED

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
Sheikh 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
Company Limited)

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
Sheikh Amar Hameed
Mr. Zafar Mahmood

Bankers

The Bank of Punjab
National Bank of Pakistan
Pak Brunei Investment Company Limited
Standard Chartered 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,
Mouza Bhikhi, District Sheikhpura.
Tel: +92 56 3883001-7
Fax: +92 56 3883010
Cell: +92 301-8483950

Lahore Office

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

Web Site

www.nimir.com.pk

DIRECTORS' REVIEW

The directors of the Company are pleased to present un-audited financial information of the Company and auditors review report for the six month ended 31st December, 2012.

Business condition remained challenging during the first half of the current financial year. However the performance of your Company during the period under review remained satisfactory. Comparison of the financial results with the corresponding period 2011 is as follows:

	Six Months Ended	
	31st Dec- 2012	31st Dec- 2011
	Rs. (000)	Rs. (000)
Sales Revenue	1,429,138	1,299,692
Gross Profit	199,543	183,323
Net Profit after Current year Taxation	61,581	50,388

The Company recorded 10% growth in sales revenue during the first half ended 31st December, 2012. The net profit after current year taxation is Rs. 61.6 million as against Rs. 50.4 million earned during the same period of last year (representing an increase of 22%). The company had to make provision for deferred tax amounting to Rs. 20.2 million (last year: zero). Resultantly net profit for the period under review is Rs. 41.3 million.

The company is actively pursuing the expansion plans. The expansion of soap noodle plant is expected to be completed during the next financial year. This expansion will enhance the production capacity of soap noodles by approximately 100%.

The management of the Company, Inshallah, will keep the thrust of enhancing the stakeholder's value by optimizing the operational efficiencies and delivering best services to its customers.

By Order of the Board

Sheikhupura
February 11, 2013



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 December 31, 2012 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 11, 2013


Chartered Accountants

CONDENSED INTERIM BALANCE SHEET
 AS AT 31 DECEMBER 2012

	Note	Unaudited	Audited
		31 December 2012 Rs '000	30 June 2012 Rs '000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	949,935	947,829
Capital work in progress		122,628	106,024
		1,072,563	1,053,853
Long term deposits		14,081	13,690
Deferred tax asset		125,127	145,362
CURRENT ASSETS			
Stores, spares and loose tools		61,011	43,377
Stock in trade		184,377	163,176
Trade debts- considered good -unsecured		305,746	312,112
Loan and advances		12,406	11,340
Trade deposits and short term prepayments		2,727	5,608
Other receivables		13,009	7,037
Tax refund due from government		98,948	138,350
Cash and bank balances		139,698	71,140
		817,922	752,140
TOTAL ASSETS		2,029,693	1,965,045
EQUITY AND LIABILITIES			
Authorized Capital 290,000,000 (30 June 2012: 290,000,000) Ordinary shares of Rs. 5/- each (30 June 2012: Rs. 5/- each)		1,450,000	1,450,000
Issued, subscribed and paid up capital 221,181,093 (30 June 2012: 221,181,093) Ordinary shares of Rs. 5/- each (30 June 2012: Rs. 5/- each)		1,105,905	1,105,905
Unappropriated profit		72,805	31,459
		1,178,710	1,137,364
NON CURRENT LIABILITIES			
Long term loans	5	163,334	196,000
Liabilities against assets subject to finance lease		4,098	4,840
Deferred liabilities			
Staff retirement benefits		32,939	30,000
CURRENT LIABILITIES			
Trade and other payables		147,382	133,128
Mark up accrued		7,603	5,109
Unclaimed dividend		688	688
Short term borrowings - secured	6	417,686	360,810
Current maturity of long term loans	5	65,333	65,333
Current maturity of liabilities against assets subject to finance lease		3,480	3,635
Provision for taxation		8,440	28,138
		650,612	596,840
Contingencies and commitments	7		
TOTAL EQUITY AND LIABILITIES		2,029,693	1,965,045

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 2012

	Note	Six months ended		Three months ended	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
		Rs '000	Rs '000	Rs '000	Rs '000
Sales- Net	8	1,429,138	1,299,692	734,967	651,710
Cost of sales	9	(1,229,595)	(1,116,369)	(627,993)	(560,524)
Gross profit		199,543	183,323	106,974	91,186
Distribution costs		(37,806)	(30,989)	(19,176)	(15,377)
Administrative expenses		(26,113)	(21,101)	(12,003)	(10,843)
Operating profit		135,624	131,233	75,795	64,966
Other expenses		(5,094)	(4,721)	(2,958)	(2,517)
Other income		1,955	3,557	1,089	343
Finance cost		(55,922)	(61,776)	(27,444)	(26,292)
Foreign exchange loss		(7,836)	(4,908)	(6,581)	(3,975)
Profit before taxation		68,727	63,385	39,901	32,525
Provision for taxation					
- Current		(7,146)	(12,997)	(3,675)	(6,518)
- Deferred	10	(20,235)	-	(7,094)	-
		(27,381)	(12,997)	(10,769)	(6,518)
Profit after taxation		41,346	50,388	29,132	26,007
Other comprehensive income - net of taxation		-	-	-	-
Total comprehensive income for the period		41,346	50,388	29,132	26,007
Earnings per share - Basic and diluted (Rs.)		0.19	0.23	0.13	0.12

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



Chief Executive

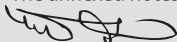


Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

	Six months ended	
	31 December 2012	31 December 2011
	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	68,727	63,385
Adjustments for:		
Depreciation	38,070	35,298
Gain on disposal of property, plant and equipment	(134)	-
Finance cost	55,922	61,776
Foreign exchange loss on foreign liabilities	7,836	4,908
Provision for doubtful debts	6,000	2,042
Provision for gratuity	3,585	3,600
	111,279	107,624
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	180,006	171,009
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(17,633)	(4,216)
Stock in trade	(21,201)	51,008
Trade debts	366	(23,463)
Loans, advances, deposits, prepayments, receivables and tax refunds	23,361	20,504
	(15,107)	43,833
(Decrease) / increase in current liabilities		
Trade and other payables	9,860	(73,011)
	(5,247)	(29,178)
CASH GENERATED FROM OPERATIONS	174,759	141,831
Gratuity paid	(647)	(5,507)
Finance cost paid	(53,428)	(64,866)
Tax paid	(14,959)	(19,109)
	(69,034)	(89,482)
NET CASH GENERATED FROM OPERATING ACTIVITIES	105,725	52,349
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment and capital work in progress	(58,945)	(23,684)
Sale proceeds from disposal of property, plant and equipment	2,296	-
Financing from leasing company	1,690	9,162
Long term deposits	(390)	(916)
NET CASH USED IN INVESTING ACTIVITIES	(55,349)	(15,438)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan paid	(32,666)	-
Repayment of liabilities against assets subject to finance lease	(2,587)	(858)
Short term borrowings	53,435	7,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	18,182	6,142
NET INCREASE IN CASH AND CASH EQUIVALENTS	68,558	43,053
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	71,140	28,910
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	139,698	71,963

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 2012

	Share Capital	(Accumulated Loss)/ Unappropriated Profit	Total
	Rs:'000	Rs:'000	Rs:'000
Balance as on 1 July 2011	1,105,905	(200,032)	905,873
Total comprehensive income for the period ended 31 December 2011	-	50,388	50,388
Balance as on 31 December 2011	1,105,905	(149,644)	956,261
Balance as on 01 July 2012	1,105,905	31,459	1,137,364
Total comprehensive income for the period ended 31 December 2012	-	41,346	41,346
Balance as on 31 December 2012	1,105,905	72,805	1,178,710

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 2012

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 14.8 km., Sheikhpura- Faisalabad Road, Mouza Bhikki, 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 31 December 2012 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 30 June 2012.
- 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 31 December 2012.

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 30 June 2012.

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

IAS 1 – Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the interim financial information of the company

4. PROPERTY, PLANT AND EQUIPMENTS

Followings are the additions / disposals (cost) in the fixed assets made during the six months ended 31 December 2012:

	<u>Additions</u> Rs '000	<u>Disposals</u> Rs '000
Land	3,025	-
Building	4,040	-
Plant and machinery	22,375	-
Furniture and fittings	445	-
Office equipments	5,213	-
Vehicles - Owned	5,553	1,524
Vehicles - Leased	1,690	1,524
	<u>42,341</u>	<u>3,048</u>

	<u>31 December</u> <u>2012</u> Rs '000	<u>30 June</u> <u>2012</u> Rs '000
5. LONG TERM LOANS		
Syndicated term finance - Secured	228,667	261,333
Less: Current maturity shown under current liabilities	<u>(65,333)</u>	<u>(65,333)</u>
	<u>163,334</u>	<u>196,000</u>

6. SHORT TERM BORROWINGS - Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 523 million (30 June 2012: Rs. 821 million). The rate of mark up ranges from 1 month KIBOR + 90 bps per annum to 3 months KIBOR + 275 bps per annum with no floor and no cap (30 June 2012: 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). These facilities are secured against 1st parri 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 for guarantees as at 31 December 2012 amounts to Rs. 64 million (30 June 2012: Rs. 125 million) and Rs. 29 million (30 June 2012: Rs. 4 million) respectively.

7. 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.115 million (30 June 2012: Rs. 66 million) and commitments in respect of letter of guarantee given to SNGPL and custom duty amounting to Rs. 95.848 million (30 June 2012 : Rs. 65.68 million).

8. SALES

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>31 December</u> <u>2012</u> Rs '000	<u>31 December</u> <u>2011</u> Rs '000	<u>31 December</u> <u>2012</u> Rs '000	<u>31 December</u> <u>2011</u> Rs '000
Gross sales	1,665,622	1,509,960	856,980	757,165
Less: Discount	6,743	2,069	3,743	1,069
Sales tax	229,741	208,199	118,270	104,386
	<u>236,484</u>	<u>210,268</u>	<u>122,013</u>	<u>105,455</u>
Net Sales	<u>1,429,138</u>	<u>1,299,692</u>	<u>734,967</u>	<u>651,710</u>

9. COST OF SALES

Opening stock of finished goods	77,646	55,945	79,348	90,332
Cost of goods manufactured	<u>1,251,102</u>	<u>1,135,335</u>	<u>647,798</u>	<u>545,103</u>
	<u>1,328,748</u>	<u>1,191,280</u>	<u>727,146</u>	<u>635,435</u>
Less: closing stock of finished goods	99,153	74,911	99,153	74,911
	<u>1,229,595</u>	<u>1,116,369</u>	<u>627,993</u>	<u>560,524</u>

10. TAXATION

The deferred tax charge for the six month period ended include Rs.13,141 million relating to 1st quarter of the year which was not included in the published condensed interim financial information for the three month period ended 30 September 2012. Accordingly the figures relating to three month period ended 31 December 2012 has been adjusted to reflect only the charge relating to the 2nd quarter.

11. GENERAL

11.1 This interim financial information was authorized for issue on 11 February 2013 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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