

**Nimir Industrial Chemicals Limited**

**NIMIR**



**Quarterly Accounts**  
(unaudited)  
March 2010

# Company Information

## Board of Directors

- Mr. Louis Tucker Link  
(Chairman)
- Mr. Zafar Mahmood  
(Chief Executive)
- Mr. Eric Tucker Link
- Mr. Abdul Jalil Jamil
- Sh. Amar Hameed
- Mr. Saeed-uz-Zaman
- Mr. Umar Iqbal
- Mr. Imran Afzal

## Audit Committee

- Mr. Abdul Jalil Jamil  
(Chairman)
- Mr. Louis Tucker Link
- Mr. Saeed-uz-Zaman

## Chief Financial Officer

- Mr. Khalid Mumtaz Qazi

## Company Secretary

- Mr. Shamshad A. Naushahi

## Auditors

- Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Legal Advisor

- KMS Law Associates

## Bankers

- The Bank of Punjab
- MCB Bank Limited
- National Bank of Pakistan
- Deutsche Bank

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

## **DIRECTORS' REVIEW**

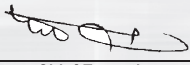
The business in the quarter under review remained difficult due to shortage and curtailment of natural gas to the industry. This has resulted in lower volumes of our core business activity, increase in cost of production and reduction in margins during the current quarter over similar period of the last year. Although overall sale value increased by 12% over the previous year's corresponding period due to inflation and international price hike, the company suffered net loss of Rs.8.4 million.

Comparing cumulative results of first nine months of the financial year 2010 over the corresponding period of the last year, the company showed a growth of 33.5% in sales revenue mainly due to soap noodle's plant expansion. The company earned gross profit of Rs.131 million and operating profit of Rs.65 million against gross profit of Rs. 19 million and operating loss of Rs.29 million respectively in the corresponding period of the last year. However the company suffered net loss of Rs. 3 million during the period against Rs.191 million in the previous year.

The country is passing through the severe shortage of electricity which is badly affecting all the industries. Our small and medium customers are also being affected seriously; hence our business is being affected. However the management is confident to improve the bottom line of the company in the coming quarter.

**For and on behalf of the Board**

**Lahore  
27 April 2010**

  
\_\_\_\_\_  
**Chief Executive**

**CONDENSED INTERIM BALANCE SHEET  
AS AT 31 MARCH 2010**

	Note	Unaudited 31 March 2010	Audited 30 June 2009
(Rupees in thousands)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	1,042,152	1,074,138
Capital work in progress		79,590	89,439
		1,121,742	1,163,577
Long term deposits		30,363	18,123
<b>CURRENT ASSETS</b>			
Stores and spares		41,880	20,155
Stock in trade		150,580	180,235
Trade debts- Considered good -unsecured		183,361	208,223
Advances, deposits, prepayments and other receivable		95,482	81,696
Cash and bank balances		10,677	2,722
		481,980	493,031
<b>TOTAL ASSETS</b>		<b>1,634,085</b>	<b>1,674,731</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Capital</b>			
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)			
<b>Issued, subscribed and paid up capital</b>		1,105,905	1,105,905
221,181,093 ( June 30, 2009: 221,181,093)			
Ordinary Shares of Rs. 5/- each (June 30, 2009: Rs. 5/- each)			
<b>Accumulated losses</b>		(994,235)	(991,561)
		111,670	114,344
<b>NON CURRENT LIABILITIES</b>			
<b>Subordinated loans-parent company</b>	6	997,903	983,026
<b>Long term loans</b>		8,958	71,187
<b>Liabilities against assets subject to finance lease</b>		35,441	55,806
<b>Deferred Liabilities -</b>			
Employee benefits-gratuity scheme		23,594	19,704
<b>CURRENT LIABILITIES</b>			
Trade and other payable		132,097	123,982
Mark up accrued		14,328	14,550
Unclaimed dividend		695	722
Short term borrowings - secured		242,848	240,856
Current maturity of long term loans		40,005	26,669
Current maturity of liabilities against assets subject to finance lease		26,546	23,885
		456,519	430,664
<b>Contingencies and commitments</b>	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,634,085</b>	<b>1,674,731</b>

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

Lahore  
27 April 2010

  
\_\_\_\_\_  
Chief Executive

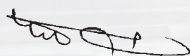
  
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Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2010**

	Note	9 months ended		3 months ended	
		31 March	31 March	31 March	31 March
		2010	2009	2010	2009
		(Rupees in thousands)		(Rupees in thousands)	
Sales	8	1,222,998	915,986	387,226	344,934
Cost of sales	9	(1,092,385)	(897,367)	(357,536)	(296,233)
Gross profit		<u>130,613</u>	<u>18,619</u>	<u>29,690</u>	<u>48,701</u>
Distribution costs		(35,826)	(30,386)	(11,956)	(8,844)
Administrative expenses		(29,760)	(16,907)	(13,451)	(5,533)
Operating profit / (loss)		<u>65,027</u>	<u>(28,674)</u>	<u>4,283</u>	<u>34,324</u>
Other expenses		(7,659)	(6,093)	-	(86)
Other income		1,106	583	462	775
Finance cost		(38,688)	(71,882)	(10,677)	(23,104)
Foreign exchange (loss)		(16,288)	(84,722)	(492)	(7,607)
Profit / (loss) before taxation		<u>3,498</u>	<u>(190,788)</u>	<u>(6,424)</u>	<u>4,302</u>
Provision for taxation		(6,172)	(157)	(1,993)	-
Profit / (loss) after taxation		<u><u>(2,674)</u></u>	<u><u>(190,945)</u></u>	<u><u>(8,417)</u></u>	<u><u>4,302</u></u>
Earnings per share - Basic (Rs.)		<u><u>(0.01)</u></u>	<u><u>(0.86)</u></u>	<u><u>(0.04)</u></u>	<u><u>0.02</u></u>

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

Lahore  
27 April 2010

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2010**

	9 months ended	
	31 March 2010	31 March 2009
	Rs.'000	Rs.'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	3,498	(190,788)
Adjustment for :		
Depreciation	50,756	49,231
(Gain) on disposal of property, plant and equipment	(256)	6
Finance cost	38,688	71,882
Foreign exchange loss on foreign liabilities	1,411	42,478
Foreign exchange loss on parent company loan	14,877	42,244
Provision for doubtful debts	5,316	6,093
Provision for gratuity	4,365	4,185
	<b>115,157</b>	<b>216,119</b>
<b>OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL</b>	<b>118,655</b>	<b>25,331</b>
<b>Decrease / (increase) in current assets</b>		
Stores and spares	(21,725)	652
Stock in trade	29,655	108,662
Trade debts	19,546	(28,551)
Advances, deposits, prepayments and other receivables	6,181	19,648
	<b>33,657</b>	<b>100,411</b>
<b>(Decrease) in current liabilities</b>		
Trade and other payable	6,704	(327,845)
	<b>40,361</b>	<b>(227,434)</b>
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>159,016</b>	<b>(202,103)</b>
Gratuity paid	(475)	(1,284)
Finance cost paid	(38,910)	(63,147)
Tax Paid	(26,139)	(13,947)
	<b>(65,524)</b>	<b>(78,378)</b>
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>93,492</b>	<b>(280,481)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property, plant & equipment	(9,154)	(54,601)
Sale proceeds of property, plant & equipment	489	-
Long term deposits	(12,240)	(100)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(20,905)</b>	<b>(54,701)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term finances	1,992	107,857
Repayment of long term loans	(48,893)	(123,911)
New long term loan received	-	160,100
New long term loans from parent company	-	143,100
Dividend paid	(27)	-
Liabilities against assets subject to finance lease	(17,704)	1,839
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(64,632)</b>	<b>288,985</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,955</b>	<b>(46,197)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>2,722</b>	<b>49,647</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>10,677</b>	<b>3,450</b>

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 (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2010**

	<b>Share Capital</b>	<b>Accumulated Loss</b>	<b>Total</b>
	<b>(Rupees In thousands)</b>		
Balance as on 30 June 2008	1,105,905	(844,843)	261,062
(Loss) for the nine months ended on 31 March 2009	-	(190,945)	(190,945)
<b>Balance as on 31 March 2009</b>	<b>1,105,905</b>	<b>(1,035,788)</b>	<b>70,117</b>
Balance as on 30 June 2009	1,105,905	(991,561)	114,344
(Loss) for the nine months ended on 31 March 2010	-	(2,674)	(2,674)
<b>Balance as on 31 December 2010</b>	<b>1,105,905</b>	<b>(994,235)</b>	<b>111,670</b>

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

  
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**Chief Executive**

  
\_\_\_\_\_  
**Director**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2010**

**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.

**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 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 nine months ended 31 March 2010:

	Additions	Disposals
	Rupees in thousands	
Building on free hold land	1,282	-
Plant and machinery - Own	16,469	-
Furniture and fittings	37	-
Office equipments	618	22
Vehicles	597	821
	<b>19,003</b>	<b>843</b>

**6 SUBORDINATED LOANS - PARENT COMPANY**

	US \$ In '000	Rupees In '000
Balance as at 01 July 2009	14,516	983,026
Exchange loss	-	14,877
Balance as at 31 March 2010	<b>14,516</b>	<b>997,903</b>



**7 CONTINGENCIES AND COMMITMENTS**

There is no material change in contingencies since the last audited published financial statements. The Company has made commitments in respect of letters of credit established for the import of raw materials amounting to Rs. 117,815 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).

**8 SALES**

	Nine months ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	(Rupees in thousands)		(Rupees in thousands)	
Gross Sales	1,432,727	1,073,537	453,055	405,859
Less: Discount	2,666	2,159	1	2,014
Sales Tax	207,063	155,392	65,828	58,911
	209,729	157,551	65,829	60,925
Net Sales	1,222,998	915,986	387,226	344,934

**9 COST OF SALES**

Opening stock of finished good:	7,088	59,138	39,772	37,935
Cost of goods manufacturec	1,115,645	866,126	348,112	286,195
	1,122,733	925,264	387,884	324,130
Less: closing stock of finished good:	30,348	27,897	30,348	27,897
	1,092,385	897,367	357,536	296,233

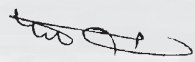
**10 TRANSACTIONS WITH RELATED PARTIES**

	9 months ended	
	31 March	31 March
	2010	2009
	(Rupees in thousands)	
<b>Associated companies</b>		
Sales of goods	111	3,209
Purchases of goods	881	42,081
Premises rent sharec	853	1,225
Management and other services receive	8,947	5,900
Services Renderec	1,753	7,613
Utility bills sharec	492	837
<b>Parent Company</b>		
Exchange Loss on parent company loan	14,877	42,244
Management fee	5,521	-

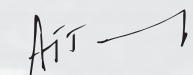
**11 GENERAL**

11.1 This interim condensed financial information was authorized for issue on 27 April 2010 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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