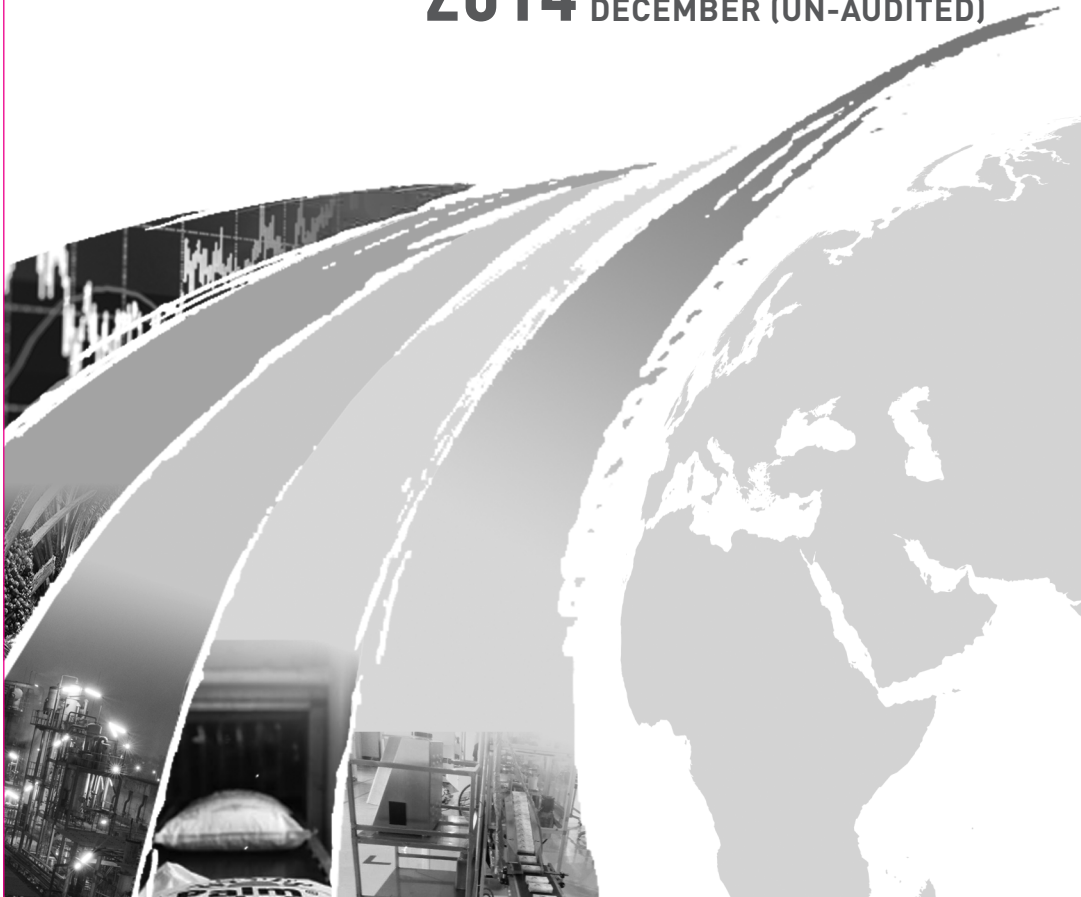




2014 HALF YEARLY ACCOUNTS DECEMBER (UN-AUDITED)



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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

Shares' Registrar

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

Bankers

The Bank of Punjab
Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank (Pakistan) Limited
Samba Bank Limited
Pak Brunei Investment Company Limited
National Bank of Pakistan
Fisrt National Bank Modaraba

Registered Office / Factory

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

Lahore Office

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Lahore, Pakistan.
Tel: +92 42 35926090-93
Fax: +92 42 35926099

Web Site

www.nimir.com.pk

DIRECTORS' REPORT

The directors are pleased to present interim financial information of the Company for the six months and quarter ended December 31, 2014. The results for half year are summarized below:

	Six month ended	
	Dec-14	Dec-13
	PKR in millions	
Sales Revenue	1,818	1,629
Gross Profit	288	291
Profit after Tax	97.70	97.10
Earnings per share (Rupee)	0.88	0.88

Sales revenue for half year ended December 31, 2014 increased by 12% as compared to the corresponding period of last year. Although the new soap noodles plant was available in the second quarter of the current year, optimum utilization of the plant could not be achieved due to severe energy crisis. Furthermore, increase in custom duty on major feedstock also impacted the profitability of the Company.

Administrative, selling and distribution expenditures remained under control. Finance cost, however, increased due to interest on additional borrowings for the expansion of the plants. Consequently, the Company earned net profit of Rs. 97.70 million during the first half of the year; marginally higher than the corresponding period of last year.

After the commissioning of new plants, the management is now focused on optimizing production capacities in the most cost effective manner with the ultimate goal to achieve higher growth in profits and adding value to the net worth of its shareholders.

For and on behalf of the Board

Sheikhupura
February 9, 2015


Chief Executive Officer

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Nimir Industrial Chemicals Limited (the Company) as at December 31, 2014 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 "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 condensed 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 condensed interim financial information as at and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore
February 9, 2015


Chartered Accountants

CONDENSED INTERIM BALANCE SHEET - (UN-AUDITED)
AS AT DECEMBER 31, 2014

	Note	Un-audited December 31, 2014 Rs. "000"	Audited June 30, 2014 Rs. "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	1,588,171	1,529,444
Intangible assets		1,210	1,408
Long term deposits		27,222	25,930
Deferred tax asset		-	26,259
		1,616,603	1,583,041
CURRENT ASSETS			
Stores, spares and loose tools	5	90,033	54,448
Stock in trade		627,769	517,669
Trade debts - considered good - unsecured		309,984	240,294
Loan and advances		30,461	27,356
Trade deposits and short term prepayments		3,647	8,143
Other receivables		11,717	12,062
Advance tax		77,934	68,852
Tax refunds due from Government		9,936	48,699
Cash and bank balances		126,422	62,187
		1,287,903	1,039,710
TOTAL ASSETS		2,904,506	2,622,751
EQUITY AND LIABILITIES			
Authorized capital 145,000,000 (June 30, 2014: 145,000,000) Ordinary shares of Rs. 10/- each		1,450,000	1,450,000
Issued, subscribed and paid up capital 110,590,546 (June, 30 2014: 110,590,546) Ordinary shares of Rs. 10/- each Unappropriated profit		1,105,905 450,782 1,556,687	1,105,905 353,122 1,459,027
NON CURRENT LIABILITIES			
Long term loans	6	145,167	196,583
Liabilities against assets subject to finance lease		82,388	79,754
Deferred liabilities		43,616	41,195
Deferred tax liability		947	-
		272,118	317,532
CURRENT LIABILITIES			
Trade and other payables		173,745	238,862
Mark up accrued		15,877	12,757
Short term borrowings - secured	7	697,983	452,098
Current maturity of long term loans	6	102,833	84,084
Current maturity of liabilities against assets subject to finance lease		17,728	16,430
Provision for taxation		67,535	41,961
		1,075,701	846,192
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		2,904,506	2,622,751

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



Chief Executive Officer



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2014

	Note	Six months ended		Three months ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Sales	9	1,817,999	1,628,647	851,879	820,588
Cost of sales	10	(1,530,065)	(1,337,786)	(710,027)	(673,121)
Gross profit		287,934	290,861	141,852	147,467
Distribution costs		(35,004)	(38,124)	(17,298)	(18,395)
Administrative expenses		(37,373)	(36,621)	(17,720)	(15,967)
Operating profit		215,557	216,116	106,834	113,105
Other expenses		(11,149)	(12,515)	(5,688)	(7,340)
Other income		856	10,245	574	9,739
Finance cost		(50,956)	(39,329)	(27,141)	(14,564)
Foreign exchange (loss) / gain		(3,868)	(5,647)	2,176	(1,897)
Profit before taxation		150,440	168,870	76,755	99,043
Provision for taxation					
- Current		(25,574)	(16,419)	(13,048)	(8,327)
- Deferred		(27,206)	(55,340)	(12,316)	(34,393)
		(52,780)	(71,759)	(25,364)	(42,720)
Profit after taxation		97,660	97,111	51,391	56,323
Other comprehensive income - net of taxation		-	-	-	-
Total comprehensive income for the period		97,660	97,111	51,391	56,323
Earnings per share - basic and diluted (Rs.)	11	0.88	0.88	0.46	0.51

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


Chief Executive Officer


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2014

	Six months ended	
	December 31, 2014	December 31, 2013
	Rs. "000"	Rs. "000"
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	150,440	168,869
Adjustments for:		
Depreciation	54,208	43,340
Amortization	198	199
Gain on disposal of property, plant and equipment	-	(1,136)
Reversal of impairment on property, plant and equipment	-	(9,303)
Finance cost	50,956	39,329
Provision for gratuity	3,600	3,600
	108,962	76,029
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	259,402	244,898
(Increase) / decrease in current assets:		
Stores and spares and loose tools	(35,585)	(19,892)
Stock in trade	(110,100)	15,031
Trade debts	(69,690)	213,233
Loan and advances	(3,105)	(17,847)
Trade deposits and short term prepayments	4,496	(885)
Other receivables	345	119
Tax refunds due from government	38,763	(227)
	(174,876)	189,532
Increase / (decrease) in current liabilities:		
Trade and other payables	(65,117)	47,599
CASH GENERATED FROM OPERATIONS	19,409	482,029
Gratuity paid	(1,179)	(986)
Finance cost paid	(47,836)	(41,709)
Tax paid	(9,082)	(1,871)
	(58,097)	(44,566)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(38,688)	437,463
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(645,046)	(38,996)
Capital work in progress - net	532,112	(187,928)
Sale proceeds from disposal of property, plant and equipment	-	1,148
Long term deposits	(1,292)	(890)
NET CASH USED IN INVESTING ACTIVITIES	(114,226)	(226,666)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (decrease) in long term loans - net	(32,667)	41,334
Repayment of liabilities against assets subject to finance lease	(8,570)	(2,214)
New leases acquired during the year	12,501	3,817
Short term borrowings - net	245,885	(154,937)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	217,149	(112,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	64,235	98,797
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	62,187	56,136
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	126,422	154,933

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



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2014

	Share Capital	Unappropriated Profit	Total
	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on July 1, 2013	1,105,905	158,731	1,264,636
Total comprehensive income for the period ended December 31, 2013	–	97,111	97,111
Balance as on December 31, 2013	<u>1,105,905</u>	<u>255,842</u>	<u>1,361,747</u>
Balance as on July 1, 2014	1,105,905	353,122	1,459,027
Total comprehensive income for the period ended December 31, 2014	–	97,660	97,660
Balance as on December 31, 2014	<u>1,105,905</u>	<u>450,782</u>	<u>1,556,687</u>

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


Chief Executive Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2014

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 Companies Ordinance, 1984. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges. The Company started its commercial operation on January 01, 2000. The registered office of the Company is situated at 14.8 K.m., 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 condensed interim financial information of the Company for the six month period ended December 31, 2014 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 June 30, 2014.
- 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 month period ended December 31, 2014.
- 2.4 The financial statements have been prepared under the historical cost convention. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

- 3.1 New / revised standards, interpretations and amendments

The Company has adopted the following amendments and interpretation of IFRSs which became effective during the current period:

IAS 19 – Employee benefits - employee contributions (amendment)

IAS 32 – Financial instruments: presentation - (amendment)
– Offsetting financial assets and financial liabilities

IAS 36 – Impairment of assets – (amendment)
– Recoverable amount disclosures for non - financial assets

IAS 39 – Financial instruments: recognition and measurement – (amendment)
– Novation of derivatives and continuation of hedge accounting

IFRIC 21 – Levies

The adoption of the above amendments to accounting standards and interpretations did not have any significant impact on the condensed interim financial information.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any material impact on the Company's condensed interim financial information for the period.

4 PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) December 31, 2014 Rs. "000"	(Audited) June 30, 2014 Rs. "000"
Operating fixed assets	1,509,635	918,797
Capital work in progress	78,536	610,647
	<u>1,588,171</u>	<u>1,529,444</u>

Followings are the additions / disposals (cost) in the fixed assets made during the six month period ended December 31, 2014:

	Additions Rs. "000"	Disposals Rs. "000"
Building	91,956	–
Plant and machinery - owned	448,636	–
Plant and machinery - leased	94,550	–
Furniture and fittings	329	–
Office equipments	5,652	4
Vehicles - owned	232	–
Vehicles - leased	3,691	–
	<u>645,046</u>	<u>4</u>

5 STOCK IN TRADE

	(Un-audited) December 31, 2014 Rs. "000"	(Audited) June 30, 2014 Rs. "000"
Raw and packing material		
- in hand	211,199	152,356
- in transit	291,918	276,275
	<u>503,117</u>	<u>428,631</u>
Finished goods	124,652	89,038
	<u>627,769</u>	<u>517,669</u>

		(Un-audited)	(Audited)	
Note		December	June	
		31, 2014	30, 2014	
6	LONG TERM LOAN	Rs. "000"	Rs. "000"	
	Syndicated term finance - secured	6.1	98,000	130,667
	Term finance - secured	6.2	150,000	150,000
	Less: current maturity shown under current liabilities		(102,833)	(84,084)
			145,167	196,583

6.1 This represents syndicated term finance facility obtained from financial institutions carrying mark-up at the rate of 6 months KIBOR plus 250 bps per annum with no floor and no cap repayable in 54 monthly installments with grace period of one year (June 30, 2014: 6 months KIBOR plus 250 bps per annum with no floor and cap). These facilities are secured against first pari passu charge on the fixed assets of the Company for Rs. 268 million including land.

6.2 This represents long term finance facility obtained from a 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. (Jun 30, 2014: 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 moveable and immovable fixed assets of the Company.

7 SHORT TERM BORROWINGS - Secured

The aggregate facilities of short term finances from commercial banks available at period end is Rs. 1,695 million (June 30, 2014: Rs. 1,695 million). The rate of mark up ranges from 1 month KIBOR plus 5 bps per annum to 6 months KIBOR plus 175 bps per annum with no floor and no cap (June 30, 2014: The rate of mark up ranges from 1 month KIBOR plus 30 bps per annum to 6 months KIBOR plus 175 bps per annum with no floor and no cap) recovered quarterly for utilized facility. These facilities are secured against first parri passu charge on the present and future, current and fixed assets of the Company, including land along with construction thereon and easements, amenities therewith.

8 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2014.

COMMITMENTS

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. 169 million (June 30, 2014: Rs. 369 million), letter of guarantee given to SNGPL amounting to Rs. 95.90 million (June 30, 2014: Rs.95.90 million) and letter of guarantee given to Customs amounting to Rs. 69.50 million (June 30, 2014: Rs. 69.50 million).

(Un-audited)				
	Six month ended		Three month ended	
	December	December	December	December
	31, 2014	31, 2013	31, 2014	31, 2013
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
9 SALES				
Gross sales	2,125,518	1,910,279	994,304	961,223
Less: Discount	–	(3,474)	–	(466)
Sales tax and excise duty	(307,519)	(278,158)	(142,425)	(140,169)
	(307,519)	(281,632)	(142,425)	(140,635)
Net Sales	1,817,999	1,628,647	851,879	820,588
10 COST OF SALES				
Opening stock of finished goods	89,037	54,841	69,572	73,385
Cost of goods manufactured	1,565,680	1,387,427	765,107	704,218
	1,654,717	1,442,268	834,679	777,603
Less: closing stock of finished goods	(124,652)	(104,482)	(124,652)	(104,482)
	1,530,065	1,337,786	710,027	673,121

11 EARNINGS PER SHARES - BASIC AND DILUTED

(Un-audited)				
	Six month ended		Three month ended	
	December	December	December	December
	31, 2014	31, 2013	31, 2014	31, 2013
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Profit attributable to ordinary shareholders	97,660	97,111	51,391	56,323
Weighted average number of shares	110,591	110,591	110,591	110,591
Earnings per share	0.88	0.88	0.46	0.51

12 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	Six month period ended	
	December 31, 2014	December 31, 2013
	Rs. "000"	Rs. "000"
Key Management Personnel		
Managerial remuneration	23,061	19,055
Retirement benefits	10,682	6,625

13 GENERAL

- 13.1 This interim condensed financial information was authorized for issue by the Board of Directors of the Company on February 9, 2015.


Chief Executive Officer


Director



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