



Quarterly Report 2015

September (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. 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

External 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
www.corplink.com.pk

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

Registered Office / Factory

14.8 km., Sheikhpura-Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.
Tel: +92 56 3883001-7
Fax: +92 56 3883010
Cell: +92 301-8221151, 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' REPORT

The directors are pleased to present quarterly report along with the unaudited financial statements of the Company for the quarter ended September 30, 2015.

Your Company continued the momentum of growth and showed a remarkable increase sales revenue and profitability during the quarter ended September 30, 2015 over the same period of the last year.

An analysis of the financial results for the quarter under review is as under:

	Quarter Ended Sep 30, 2015	Quarter Ended Sep 30, 2014
	Rupees in Million	
Sales Revenue	1,279	966
Gross Profit	226	146
Net Profit	90	46

With 32% increase in sale revenue, the Company posted gross profit of Rs. 226 million during the quarter under review against Rs. 146 million earned in the last year; registering an increase of 55%. The gross profit ratio to net sales increased from 15.1% to 17.7%. As a result, net profit has been doubled during the quarter while comparing with the last year.

A consistent growth in the market with expanded capacity, your Company would continue the momentum of improvement in the coming quarters of the current financial year, Insha Allah.

For and on behalf of the Board



Chief Executive Officer

Lahore
October 27, 2015



CONDENSED INTERIM BALANCE SHEET - UNAUDITED AS AT SEPTEMBER 30, 2015



	Note	Unaudited September 30, 2015 Rs. "000"	Audited June 30, 2015 Rs. "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,597,020	1,628,872
Intangible assets		886	996
Long term deposits		29,018	28,954
		1,626,924	1,658,822
CURRENT ASSETS			
Stores, spares and loose tools		117,613	71,831
Stock in trade		523,326	758,414
Trade debts		648,847	482,313
Loans and advances		54,693	34,881
Trade deposits and short term prepayments		6,676	8,908
Other receivables		11,103	11,717
Tax refund due from Government		90,252	111,971
Cash and bank balances		136,026	13,961
		1,588,536	1,493,996
TOTAL ASSETS		3,215,460	3,152,818
EQUITY AND LIABILITIES			
Authorized Capital 145,000,000 (June 30, 2015: 145,000,000)		1,450,000	1,450,000
Ordinary Shares of Rs. 10/- each (June 30, 2015: Rs. 10/- each)			
Issued, subscribed and paid up capital 110,590,546 (June 30, 2015: 110,590,546)		1,105,905	1,105,905
Ordinary Shares of Rs. 10/- each (June 30, 2015: Rs. 10/- each)			
Unappropriated profit		553,727	574,711
		1,659,632	1,680,616
NON CURRENT LIABILITIES			
Long term loans		84,376	93,750
Liabilities against assets subject to finance lease		68,372	72,006
Deferred Liabilities - Staff retirement benefits		50,753	48,493
Deferred tax Liability		76,166	59,207
		279,667	273,456
CURRENT LIABILITIES			
Trade and other payable		220,385	213,203
Mark up accrued		13,724	11,989
Dividend payable/unclaimed		111,278	687
Short term borrowings		799,384	850,439
Current maturity of long term loans		86,500	102,833
Current maturity of liabilities against assets subject to finance lease		21,407	17,938
Provision for taxation		23,483	1,657
		1,276,161	1,198,746
CONTINGENCIES AND COMMITMENTS	6	—	—
TOTAL EQUITY AND LIABILITIES		3,215,460	3,152,818

The annexed notes from 1 to 10 form an integral part to this condensed interim financial information.


Chief Executive Officer


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note	July to September 2015 Rs. "000"	July to September 2014 Rs. "000"
Sales - Net	8	1,278,709	966,120
Cost of sales	9	(1,052,407)	(820,038)
Gross profit		226,302	146,082
Distribution costs		(28,437)	(17,706)
Administrative expenses		(23,137)	(19,653)
Operating profit		174,728	108,723
Other expenses		(9,967)	(5,461)
Other income		224	282
Finance costs		(21,257)	(23,815)
Foreign exchange loss		(15,337)	(6,044)
Profit before taxation		128,391	73,685
Taxation:			
Current		(21,826)	(12,526)
Deferred		(16,959)	(14,890)
		(38,785)	(27,416)
Profit after taxation		89,606	46,269
Earnings per share - Basic and diluted		0.81	0.42

The annexed notes from 1 to 10 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director



CONDENSED INTERIM STATEMENT OF CASH FLOW - UNAUDITED FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	July to September 2015	July to September 2014
	Rs. "000"	Rs. "000"
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	128,391	73,685
Adjustment for :		
Depreciation	33,712	24,815
Amortization	109	110
Loss / (Gain) on disposal of property, plant and equipment	(14)	-
Finance costs	21,257	23,815
Foreign exchange loss on foreign liabilities	15,337	6,044
Provision for gratuity	2,400	1,800
	72,801	56,584
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	201,192	130,269
(Increase) / decrease in current assets		
Stores, spares and loose tools	(45,782)	(36,594)
Stock in trade	235,088	62,316
Trade debts	(166,534)	(262,903)
Loans and advances	(19,812)	(42,507)
Trade deposits and short term prepayments	2,234	3,328
Other receivables	614	(1,256)
Tax refund due from Government	31,141	58,011
	36,949	(219,605)
Increase / (decrease) in current liabilities		
Trade and other payable	(8,155)	(23,204)
CASH GENERATED FROM / (USED IN) OPERATIONS	229,986	(112,540)
Gratuity paid	(140)	-
Finance costs paid	(19,522)	(18,381)
Tax paid	(9,422)	(4,419)
	(29,084)	(22,800)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	200,902	(135,340)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,867)	(43,569)
Sale proceeds of property, plant and equipment	21	-
Long term deposits	(64)	(1,976)
NET CASH (USED IN) INVESTING ACTIVITIES	(1,910)	(45,545)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term Loans paid	(25,708)	(16,333)
Repayment of liabilities against assets subject to finance lease	(5,041)	(4,485)
New leases acquired during the period	4,877	8,810
Short term borrowings	(51,055)	209,922
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(76,927)	197,914
NET INCREASE IN CASH AND CASH EQUIVALENTS	122,065	17,029
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,961	62,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	136,026	79,216

The annexed notes from 1 to 10 form an integral part to this condensed interim financial information.


Chief Executive Officer


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Share Capital	Unappropriated Profit	Total
	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on June 30, 2014	1,105,905	353,122	1,459,027
Profit for the quarter (Jul-Sep) 2014	–	46,269	46,269
Balance as on September 30, 2014	1,105,905	399,391	1,505,296
Profit for the period (Oct-Jun) 2015	–	175,320	175,320
Balance as on June 30, 2015	1,105,905	574,711	1,680,616
Dividend @ Rs. 1/- per share for the year ended June 30, 2015	–	(110,590)	(110,590)
Profit for the quarter (Jul-Sep) 2015	–	89,606	89,606
Balance as on September 30, 2015	<u>1,105,905</u>	<u>553,727</u>	<u>1,659,632</u>

The annexed notes from 1 to 10 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE QUARTER ENDED SEPTEMBER 30, 2015



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 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 June 30, 2015.

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 June 30, 2015.

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 property, plant & equipment made during the quarter ended September 30, 2015:

	Additions Rs."000"	Disposals Rs."000"
OPERATING FIXED ASSETS		
Building and Machinery	16,006	-
Office Equipment	262	(13)
Furniture & Fixture	18	-
Computers	53	-
Vehicles-Leased	4,877	-
	21,216	(13)

6. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

The income tax authorities raised a tax demand of Rs. 206 million by treating the remission of loan as taxable income of Rs. 711 million for the tax year 2011. Appellate Tribunal Inland Revenue (ATIR) decided the case in favor of the Company. The Income Tax Department has filed an appeal in Honorable Lahore High Court against the decision. Pending the outcome of the department's appeal, no provision has been made in the financial statements for the demand raised by the Income Tax authorities, since the management of the Company based on the consultant opinion, is confident that the outcome of the appeal will be in the favor of the Company.

During the previous financial year, the Income Tax Department has amended the Company's assessment relating to tax year 2009 under section 122(5A) of the Ordinance, disallowing certain expenses and a rejecting a refund amounting to Rs. 20 million against prior periods. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) which is pending adjudication.

COMMITMENTS

Commitments in respect of letters of credit established for the import of plant and machinery, raw materials and spare parts amounting to Rs. 287.0 million (June 30, 2015: Rs. 73.0 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 95.9 million (June 30, 2015: Rs. 95.9 million) and guarantees given to PSO is Rs 10.0 million (June 30, 2015: Rs. 5.0 million).

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprises 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:

	Quarter ended	
	September 30, 2015 Rs. 000	September 30, 2014 Rs. 000
Key Management Personal		
Remuneration	14,141	10,826
Other Benefits	8,259	8,316

8. SALES

Gross Sales	1,496,178	1,134,172
Discount	(82)	(3,000)
Sales Tax	(217,387)	(165,052)
	(217,469)	(168,052)
Net Sales	1,278,709	966,120





9. COST OF SALES

Opening stock of finished goods

Cost of goods manufactured

Closing stock of finished goods

Quarter ended	
September 30, 2015	September 30, 2014
Rs. 000	Rs. 000
267,026	89,037
944,434	800,573
1,211,460	889,610
(159,053)	(69,572)
1,052,407	820,038

10. GENERAL

10.1 This interim condensed financial information was authorized for issue on October 27, 2015 by the Board of Directors of the Company.

10.2 The figures have been rounded off to the nearest thousand of Rupees.


Chief Executive Officer


Director



NIMIR
NIMIR INDUSTRIAL CHEMICALS LTD

NIMIR INDUSTRIAL CHEMICALS LTD.

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

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

Cell: +92 301 8221151, 301 8483950

www.nimir.com.pk