

(Unaudited)
**Quarterly
Accounts**
September 2010



NIMIR INDUSTRIAL CHEMICALS LIMITED

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
Advocates

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

<http://www.nimir.com.pk>

Directors' Review

During the quarter ended September 30, 2010, sales increased by 7% over the corresponding quarter of the previous year. The gross profit of the company, however, reduced from Rs.73 million to Rs.48 million mainly due to internationally reduced margins as well as increase in cost of utilities coupled with weekly interruption in supply of natural gas to the industry.

During the quarter the business suffered exchange loss of Rs.3.7 million due to further depreciation of Pak Rupee against US Dollar. Tax has also increased due to increase in the rate of turnover tax from 0.5% to 1% effective from July 1, 2010.

With all these factors the company achieved suffered minor net loss of Rs. 2.4 million during the quarter under review against net profit of Rs.25.7 million in the corresponding period of the last year.

The natural gas situation is expected to get worse in the next two quarters due to upcoming winter months. This would pose challenges to the business.



Lahore
26 October 2010

For and on behalf of the Board


Chief Executive

Condensed Interim Balance Sheet

As At 30 September 2010

	Note	Unaudited 30 September 2010 (Rupees in thousands)	Audited 30 June 2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,012,701	1,030,470
Capital work in progress		85,928	78,294
		1,098,629	1,108,764
Long term deposits		13,093	27,213
CURRENT ASSETS			
Stores and spares		33,951	30,777
Stock in trade		182,232	202,372
Trade debts - Considered good - unsecured		186,986	196,423
Advances, deposits, prepayments and other receivable		138,220	125,199
Cash and bank balances		5,598	3,892
		546,987	558,663
TOTAL ASSETS		1,658,709	1,694,640
EQUITY AND LIABILITIES			
Authorized Capital 290,000,000 (June 30, 2010: 290,000,000)		1,450,000	1,450,000
Ordinary Shares of Rs. 5/- each (June 30, 2010: Rs. 5/- each)			
Issued, subscribed and paid up capital 221,181,093 (June 30, 2010: 221,181,093)		1,105,905	1,105,905
Ordinary Shares of Rs. 5/- each (June 30, 2010: Rs. 5/- each)			
Accumulated losses		(989,369)	(986,992)
		116,536	118,913
NON CURRENT LIABILITIES			
Subordinated loans-parent company	6	1,008,163	1,005,085
Liabilities against assets subject to finance lease		12,333	29,772
Deferred Liabilities - Employee benefits-gratuity scheme		26,207	24,811
CURRENT LIABILITIES			
Trade and other payable		100,110	98,210
Mark up accrued		17,128	12,723
Unclaimed dividend		688	688
Short term borrowings - secured		307,182	347,220
Current maturity of long term loans		31,184	31,184
Current maturity of liabilities against assets subject to finance lease		39,178	26,034
		495,470	516,059
Contingencies and commitments	7	-	-
TOTAL EQUITY AND LIABILITIES		1,658,709	1,694,640

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

Lahore
26 October 2010


Chief Executive


Director

Condensed Interim Profit & Loss Account (Unaudited)

For The Quarter Ended 30 September 2010

	Note	July to September 2010	July to September 2009
(Rupees in thousands)			
Sales	8	516,865	484,614
Cost of sales	9	(468,839)	(411,190)
Gross profit		48,026	73,424
Distribution costs		(14,218)	(11,677)
Administrative expenses		(10,567)	(8,511)
Operating profit		23,241	53,236
Other expenses		-	(2,343)
Other income		898	1,663
Finance cost		(17,601)	(13,727)
Foreign exchange (loss)		(3,716)	(10,715)
Profit before taxation		2,822	28,114
Provision for taxation		(5,199)	(2,436)
(loss) / profit after taxation		(2,377)	25,678
Earnings per share - Basic (Rs.)		(0.01)	0.12

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

Lahore
26 October 2010


Chief Executive


Director

Condensed Interim Statement of Cash Flow (Unaudited)

For The Quarter Ended 30 September 2010

	July to September 2010 Rs:000	July to September 2009 Rs:000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,822	28,114
Adjustment for :		
Depreciation	17,087	16,773
(Gain) on disposal of property, plant and equipment	(481)	(256)
Finance cost	17,601	13,727
Foreign exchange loss on foreign liabilities	638	455
Foreign exchange loss on parent company loan	3,078	10,260
Provision for gratuity	1,770	1,051
	39,693	42,010
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	42,515	70,124
Decrease / (increase) in current assets		
Stores and spares	(3,174)	952
Stock in trade	20,140	61,760
Trade debts	9,437	30,044
Advances, deposits, prepayments and other receivables	9,310	(5,077)
	35,713	87,679
Increase / (decrease) in current liabilities		
Trade and other payable	1,262	(22,153)
	36,975	65,526
CASH GENERATED FROM OPERATIONS	79,490	135,650
Gratuity paid	(374)	-
Finance cost paid	(13,196)	(14,582)
Tax Paid	(13,410)	(14,851)
	(26,980)	(29,433)
NET CASH GENERATED FROM OPERATING ACTIVITIES	52,510	106,217
CASH FLOW FROM INVESTING ACTIVITIES		
Addition property, plant & equipment - Net	(197)	(2,192)
Addition to capital work in progress	(7,634)	(1,274)
Sale proceeds of property, plant & equipment	1,360	570
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(6,471)	(2,896)
	46,039	103,321
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances	(40,038)	(72,193)
Repayment of long term loans	-	(13,335)
Liabilities against assets subject to finance lease paid	(4,295)	(5,729)
NET CASH USED IN FINANCING ACTIVITIES	(44,333)	(91,257)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,706	12,064
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,892	2,722
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,598	14,786

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


Chief Executive

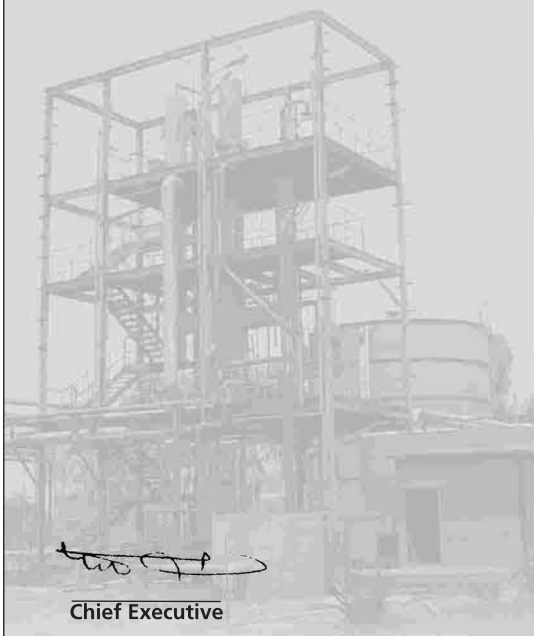

Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For The Quarter Ended 30 September 2010

	Share Capital	Accumulated Loss	Total
	(Rupees In thousands)		
Balance as on 30 June 2009	1,105,905	(991,561)	114,344
Profit for the quarter	–	25,678	25,678
Balance as on 30 September 2009	1,105,905	(965,883)	140,022
(Loss) for the period	–	(21,109)	(21,109)
Balance as on 30 June 2010	1,105,905	(986,992)	118,913
(Loss) for the quarter	–	(2,377)	(2,377)
Balance as on 30 September 2010	1,105,905	(989,369)	116,536

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




Director

Notes to the Condensed Interim Financial Information (Unaudited)

For The Quarter Ended 30 September 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 2010.

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 2010.

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 quarter ended 30 September 2010:

	Additions	Disposals
	Rupees in thousands	
Plant and machinery - Own	-	1,503
Office equipments	197	67
	<u>197</u>	<u>1,570</u>
	US \$ in '000	Rupees in '000
6. SUBORDINATED LOANS - PARENT COMPANY		
Balance as at 30 June 2010	14,516	1,005,085
Exchange loss	-	3,078
Balance as at 30 September 2010	<u>14,516</u>	<u>1,008,163</u>

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 and spare parts amounting to Rs. 77 million (30 June 2010: Rs. 119 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 52.8 (30 June 2010: Rs. 52.8 million).

8. SALES

	Quarter ended	
	30 September 2010	30 September 2009
	(Rupees in thousands)	
Gross Sales	612,740	568,678
Less: Discount	3,020	2,507
Sales Tax	92,855	81,556
	95,875	84,063
Net Sales	516,865	484,615

9. COST OF SALES

Opening stock of finished goods	45,034	7,088
Cost of goods manufactured	482,456	424,890
	527,490	431,978
Less: closing stock of finished goods	58,651	20,788
	468,839	411,190

10. TRANSACTIONS WITH RELATED PARTIES


Associated companies		
Sales of goods	1,520	140
Purchases of goods	–	338
Premises rent shared	462	213
Management and other services received	1,497	2,581
Services Rendered	365	1,127
Utility bills shared	351	224
Parent Company		
Exchange loss on parent company loans	3,078	10,260
Management fee	3,514	1,230

11. GENERAL

11.1 This interim condensed financial information was authorized for issue on 26 October 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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