



2017
Quarterly Report
September (Unaudited)

COMPANY INFORMATION

Board of Directors

Mr. Abdul Jalil Jamil	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. M. Saeed-uz-Zaman	
Mr. Imran Afzal	
Mr. Aamir Jamil	
Mr. Muhammad Sajid	
Mr. Muhammad Yahya Khan	
Mr. Mohsin Tariq	
Mr. Saqib Raza	
Mr. Abdul Jaleel Shaikh	
(Nominee - Pak Brunei Investment Company Limited)	

Working Directors

Mr. Zafar Mahmood
Mr. Khalid Mumtaz Qazi
Mr. Imran Afzal
Mr. Umar Iqbal
Mr. Aamir Jamil

Chief Financial Officer

Mr. Aamir Jamil

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Audit Committee

Mr. Muhammad Sajid	- Chairman
Mr. M. Saeed-uz-Zaman	- Member
Mr. Abdul Jaleel Shaikh	- Member

Human Resource & Remuneration Committee

Mr. M. Saeed-uz-Zaman	- Chairman
Mr. Muhammad Yahya Khan	- Member
Mr. Zafar Mahmood	- Member

External Auditors

EY Ford Rhodes
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
Samba Bank Limited
Pak Brunei Investment Company Limited
Soneri Bank Limited
Askari Bank Limited
National Bank of Pakistan

Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited

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 their review report together with the unaudited financial accounts of the Company for the quarter ended September 30, 2017.

An analysis of the financial results for quarter ended September 30, 2017 is as under:

	September 30, 2017	September 30, 2016	Increase
	Rupees in million		% age
Sales Revenue	2,796	1,623	72%
Gross Profit	340	234	45%
Pre-Tax Profit	206	140	47%
Profit after Tax	140	96	46%
Earnings per share (Rs.)	1.27	0.87	46%

Net sales revenue is higher by 72% compared to corresponding period last year due to higher sales volume on the back of increased production and improved international prices. With this growth in sales, the Company posted a gross profit of Rs. 340 million, pre tax profit of Rs. 206 million and after tax profit of Rs. 140 million showing an increase of 45%, 47% and 46% respectively. Overall administration, selling and distribution expenditures and financial cost remained well within the budgeted limit.

After the successful commissioning of the first phase of upgradation and expansion of the oleo chemicals plant, progress on second phase is actively being pursued. It is expected to commission the second phase of the upgradation and expansion of the plant in November 2017. As a result, overall capacity of the oleo chemicals plant will increase to 75,000 tons per annum, which is sufficient to cater to the overall soap noodles demand of Pakistan.

The management of the Company is confident to continue the momentum of growth and excellence in the remainder part of the current financial year, Insha Allah.

We are grateful to all our stakeholders for their continued support.

For and on the behalf of the Board



Zafar Mahmood
Chief Executive Officer

Lahore
October 24, 2017

ڈائریکٹر رپورٹ

ڈائریکٹر 30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالی حسابات کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے لئے مالیاتی نتائج کا تجزیہ حسب ذیل ہے:

اضافہ فی صد	30 ستمبر 2016	30 ستمبر 2017	
			روپے ملین میں
72%	1,623	2,796	فروخت کی آمدنی
45%	234	340	مجموعی منافع
47%	140	206	ٹیکس سے پہلے منافع
46%	96	140	ٹیکس کے بعد منافع
46%	0.87	1.27	فی شیئر آمدنی (روپے)

اضافی پیداوار اور بہتر بین الاقوامی قیمتوں کی پشت پر اعلیٰ فروختی حجم کی بدولت گزشتہ سال کی اسی مدت کے مقابلے خالص فروخت کی آمدنی 72 فیصد زیادہ ہے۔ فروخت میں اس نمو کے ساتھ کمپنی نے 340 ملین روپے کا مجموعی منافع، 206 ملین روپے قبل از ٹیکس منافع اور 140 ملین روپے بعد از ٹیکس منافع درج کیا ہے جو گزشتہ سال کے اسی عرصے کے مقابلے میں زیر جائزہ سہ ماہی کے دوران بالترتیب 45 فیصد، 47 فیصد اور 46 فیصد کا اضافہ ظاہر کر رہا ہے۔ مجموعی طور پر انتظامی، فروخت اور تقسیم کے اخراجات اور مالی لاگت بجٹ کی حدود کے اندر رہے ہیں۔

oleo کیمیکل پلانٹ کی اپ گریڈیشن اور توسیع کے پہلے مرحلے کی کامیاب کمیشننگ کے بعد، دوسرے مرحلے کی پراگرس کی فعال طور پر پیروی کی جا رہی ہے۔ نومبر 2017 میں پلانٹ کی اپ گریڈیشن اور توسیع کا دوسرا مرحلہ کمیشن ہونے کی توقع ہے۔ اس کے نتیجے میں، oleo کیمیکل پلانٹ کی مجموعی صلاحیت 75,000 ٹن سالانہ تک بڑھ جائے گی، جو پاکستان کی سوپ نوڈلز کی مجموعی طلب کو پورا کرنے کے لئے کافی ہے۔

کمپنی کی انتظامیہ رواں مالی سال کے باقی عرصہ میں انشاء اللہ ترقی اور عمدہ رفتار کو جاری رکھنے کے لئے پُر عزم ہے۔

ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون کی شکر گزار ہیں۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

24 اکتوبر 2017ء

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

	Note	Unaudited September 30, 2017 Rs '000'	Audited June 30, 2017 Rs '000'
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	2,287,999	2,230,437
Intangible assets		1,472	1,754
Investment in subsidiary	6	281,852	281,852
Long term deposits		35,093	33,879
		2,606,416	2,547,922
CURRENT ASSETS			
Stores, spares and loose tools		178,123	170,303
Stock in trade		1,139,403	1,274,615
Trade debts		1,144,668	983,440
Loans and advances		77,090	55,336
Trade deposits and short term prepayments		12,118	12,256
Other receivables		17,085	18,356
Tax refund due from Government		397,837	396,640
Cash and bank balances		41,533	15,516
		3,007,857	2,926,462
TOTAL ASSETS		5,614,273	5,474,384
EQUITY AND LIABILITIES			
Authorized Capital			
145,000,000 (June 30, 2017: 145,000,000)		1,450,000	1,450,000
Ordinary Shares of Rs. 10/- each (June 30, 2017: Rs. 10/- each)			
Issued, subscribed and paid up capital			
110,590,546 (June 30, 2017: 110,590,546)		1,105,905	1,105,905
Ordinary Shares of Rs. 10/- each (June 30, 2017: Rs. 10/- each)			
Unappropriated profit		1,178,518	1,038,426
		2,284,423	2,144,331
NON CURRENT LIABILITIES			
Long term loans	7	300,855	259,263
Liabilities against assets subject to finance lease		84,870	94,614
Deferred tax Liability		211,785	213,100
		597,510	566,977
CURRENT LIABILITIES			
Trade and other payable		486,295	414,756
Net Defined benefit liability-funded gratuity		43,367	47,367
Mark up accrued		27,913	27,494
Dividend unclaimed		2,416	2,416
Short term borrowings	8	1,686,316	1,861,588
Current maturity of long term loans	7	136,458	127,604
Current maturity of liabilities against assets subject to finance lease		37,534	36,939
Provision for taxation		312,041	244,912
		2,732,340	2,763,076
CONTINGENCIES AND COMMITMENTS	9	—	—
TOTAL EQUITY AND LIABILITIES		5,614,273	5,474,384

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	July to September 2017 Rs '000'	July to September 2016 Rs '000'
Sales - Net	10	2,796,436	1,623,189
Cost of sales	11	(2,456,427)	(1,389,535)
Gross profit		340,009	233,654
Distribution costs		(33,083)	(30,069)
Administrative expenses		(34,263)	(27,157)
Operating profit		272,663	176,428
Other expenses		(15,261)	(10,410)
Other income		1,490	3,156
Finance costs		(49,412)	(28,064)
Foreign exchange loss		(3,573)	(650)
Profit before taxation		205,907	140,460
Taxation:			
Current		(67,129)	(29,748)
Deferred		1,314	(14,880)
		(65,815)	(44,628)
Profit after taxation		140,092	95,832
Earnings per share - Basic and diluted		1.27	0.87

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	July to September 2017 Rs '000'	July to September 2016 Rs '000'
Profit after taxation	140,092	95,832
Other comprehensive income	-	-
Total comprehensive income for the period	140,092	95,832

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	July to September 2017 Rs '000'	July to September 2016 Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	205,907	140,460
Adjustment for :		
Depreciation	44,352	38,641
Amortization	282	109
Gain on disposal of property, plant and equipment	-	(3,146)
Finance costs	49,412	28,064
Foreign exchange loss on foreign liabilities	3,573	650
Provision for gratuity	3,000	2,400
	100,619	66,718
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	306,526	207,178
(Increase) / decrease in current assets		
Stores, spares and loose tools	(7,820)	44,275
Stock in trade	135,212	(168,235)
Trade debts	(161,228)	74,344
Loans and advances	(21,754)	4,451
Trade deposits and short term prepayments	138	3,064
Other receivables	1,271	-
Tax refund due from Government	128,138	53,838
	73,957	11,737
Increase / (decrease) in current liabilities		
Trade and other payable	67,966	(90,177)
CASH GENERATED FROM OPERATIONS	448,449	128,738
Gratuity paid	(7,000)	-
Finance costs paid	(48,993)	(28,550)
Tax paid	(129,336)	(13,581)
	(185,329)	(42,131)
NET CASH GENERATED FROM OPERATING ACTIVITIES	263,120	86,607
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(101,914)	(78,488)
Proceeds from disposal of property, plant and equipment	-	3,315
Long term deposits	(1,214)	(3,770)
NET CASH USED IN INVESTING ACTIVITIES	(103,128)	(78,943)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term Loans repaid	(31,771)	(18,750)
Long term loans availed	82,217	-
Repayment of liabilities against assets subject to finance lease	(9,149)	(6,705)
New leases acquired during the period	-	18,850
Dividend Paid	-	(8,952)
Short term borrowings	(175,272)	1,343
NET CASH USED IN FINANCING ACTIVITIES	(133,975)	(14,214)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	26,017	(6,550)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,516	61,677
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	41,533	55,127

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Issued subscribed and paid up Capital	Unappropriated Profit	Total
	Rs '000'	Rs '000'	Rs '000'
Balance as on June 30, 2016	1,105,905	681,956	1,787,861
Profit for the quarter (Jul-Sep) 2016	-	95,832	95,832
Balance as on 30 September 2016	1,105,905	777,788	1,883,693
Profit for the period (Oct-Jun) 2017	-	371,229	371,229
Dividend @ Rs. 1/- per share for the period ended Oct to Jun 2017	-	(110,591)	(110,591)
Balance as on June 30, 2017	1,105,905	1,038,426	2,144,331
Profit for the quarter (Jul-Sep) 2017	-	140,092	140,092
Balance as on September 30, 2017	1,105,905	1,178,518	2,284,423

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

1 THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals ("The Company") was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange. The Company is a subsidiary of Nimir Resources (Private) Limited which holds 56.67% of the total shares of the Company. 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 of the Company for the three-months period ended 30 September 2017 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 30 June 2017.

2.3 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 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 2017.

4 TAXATION

Provision for taxation is estimated and these are subject to final adjustments in the annual audited financial statements.

5 ADDITIONS 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, 2017:

	Additions	Disposals
	Rs "000"	Rs "000"
Furniture & Fixture	336	-
Office Equipment	173	-
Computers	426	-
	<u>935</u>	<u>-</u>

6 INVESTMENT IN SUBSIDIARY

As on 31 December 2015, Nimir Industrial Chemicals Limited formed a wholly owned subsidiary under the name of Nimir Holding (Private) Limited. NHPL formed a sub-sub-subsidiary, Nimir Management (Private) Limited, which acquired the majority shareholding of Nimir Resins Limited, a listed company engaged in the business of industrial chemicals. The effective shareholding of the Company in Nimir Resins Limited is 37.64% (June 30, 2017 37.64%) The Company has determined that Nimir Resins Limited is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

	Note	Unaudited September 30, 2017 Rs '000'	Audited June 30, 2017 Rs '000'
7 LONG TERM LOANS - SECURED			
Conventional arrangements			
Term finance - Secured I	7.1	45,833	59,375
Term finance - Secured II	7.2	114,063	134,896
Term finance - Secured III	7.3	76,562	56,250
Term finance - Secured IV	7.4	200,855	136,346
		437,313	386,867
Less:- Current maturity of long term loans		(136,458)	(127,604)
		300,855	259,263

7.1 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2013 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.2 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.3 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 6 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against joint pari passu charge over present and future fixed assets of the Company.

7.4 This represents long term finance facility amounting Rs. 250 million available from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments with grace period of one year. As off period ended, Rs. 201 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

8 SHORT TERM BORROWINGS

8.1 The aggregate of short term finance facilities from various banks available at period end is Rs. 3,640 million (30 June 2017: Rs. 3,640 million) which includes running finance facilities amounting Rs. 805 million (30 June 2017: Rs. 805 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + zero to 100 bps with no floor and no cap (30 June 2017: 1 month KIBOR to 6 months KIBOR+ 100 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

8.2 The unutilized facility for opening letters of credit and bank guarantees as at 30 September 2017 amounting to Rs. 370 million (30 June 2017: Rs. 473 million) and Rs. 95 million (30 June 2017: Rs. 95 million) respectively.

9 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2017

COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 30 September 2017 are as follows:

	Unaudited September 30, 2017	Audited June 30, 2017
Letters of credit established for the import of raw materials, spare parts and machinery	880 million	947 million
Letter of guarantee given to SGNPL	96 million	96 million
Letter of guarantee given to PSO	16 million	16 million
Letter of guarantee given to TOTAL PARCO	3 million	3 million

	Note	September 30, 2017 Unaudited Rs '000'	September 30, 2016 Unaudited Rs '000'
10 SALES			
Gross Sales			
Own Manufactured		3,236,490	1,903,372
Service Income	10.1	35,231	-
Discount		-	(3,483)
Sales Tax		(475,285)	(276,700)
		(475,285)	(280,183)
Net Sales		2,796,436	1,623,189

10.1 This represents soap toll manufacturing services rendered during the period.

11 COST OF SALES

Opening stock of finished goods	253,273	277,890
Cost of goods manufactured	2,451,284	1,272,064
	2,704,557	1,549,954
Closing stock of finished goods	(248,130)	(160,419)
Cost of goods sold	2,456,427	1,389,535

12 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.

Relationship	Nature of Transaction	Quarter Ended	
		September 30, 2017	September 30, 2016
		Unaudited Rupees '000'	Unaudited Rupees '000'
Subsidiary Company	Sale of goods	20,180	27,114
Subsidiary Company	Services rendered	921	1,932
	Services acquired	683	630
	Expenses paid	14	-
Associated Company	Sale of goods	5,775	2,701
Key Management Personal			
Remuneration		27,597	21,316
Other Benefits		8,258	8,005

13 GENERAL

13.1 This interim condensed financial information was authorized for issue on October 24, 2017 by the Board of Directors of the Company.

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



Chief Executive Officer



Director



Chief Financial Officer

NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS - CONSOLIDATED
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2017

	Note	Unaudited September 30, 2017 Rs '000'	Audited June 30, 2017 Rs '000'
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	2,766,105	2,703,808
Intangible		2,716	3,081
Long term deposits		45,833	44,619
Net defined benefit assets - funded gratuity		-	1,175
		2,814,654	2,752,683
CURRENT ASSETS			
Stores, spares and loose tools		190,349	182,949
Stock in trade		1,676,558	1,895,520
Trade debts - considered good - unsecured		1,757,006	1,576,152
Loan and advances		134,933	111,760
Trade deposits and short term prepayments		14,399	14,249
Interest accrued		224	224
Other receivables		17,994	19,574
Tax refunds due from government		682,425	666,361
Cash and bank balances		190,611	100,619
		4,664,499	4,567,408
		7,479,153	7,320,091
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Capital			
145,000,000 (30 June 2017: 145,000,000) Ordinary shares of Rs. 10/- each		1,450,000	1,450,000
Issued, subscribed and paid up capital			
110,590,546 (30 June 2017: 110,590,546) Ordinary shares of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit		1,281,701	1,136,017
Non-controlling interest		463,009	453,805
		2,850,615	2,695,727
NON CURRENT LIABILITIES			
Long term loans	7	407,855	366,262
Liabilities against assets subject to finance lease		84,870	94,614
Diminishing musharaka finance		3,139	2,007
Deferred tax liability		237,437	240,898
		733,301	703,781
CURRENT LIABILITIES			
Trade and other payables		791,314	704,349
Net defined benefit liability - funded gratuity		43,503	47,367
Mark up accrued		38,111	38,006
Unclaimed dividend		2,709	2,709
Short term borrowings - secured	8	2,483,530	2,677,867
Current maturity of long term loans	7	136,458	127,604
Current maturity of liabilities against assets subject to finance lease		37,534	36,939
Current maturity of diminishing musharaka		760	485
Provision for taxation		361,318	285,257
		3,895,237	3,920,583
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES			
		7,479,153	7,320,091

The annexed notes from 1 to 14 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	July to September 2017 Rs '000'	July to September 2016 Rs '000'
Sales - net	10	3,492,908	2,152,925
Cost of sales	11	(3,092,000)	(1,856,364)
Gross profit		400,908	296,561
Distribution costs		(42,740)	(39,713)
Administrative expenses		(43,708)	(37,285)
Operating profit		314,460	219,563
Other expenses		(18,738)	(12,243)
Other income		1,415	2,657
Foreign exchange loss		(3,573)	(650)
Finance cost		(66,076)	(44,274)
Profit before taxation		227,488	165,053
Taxation		(72,600)	(50,781)
Profit after taxation		154,888	114,272
Attributable to:			
Equity holders of the parent		145,684	102,301
Non-controlling interests		9,204	11,971
		154,888	114,272
Earnings per share - basic and diluted		1.32	0.93

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	July to September 2017 Rs '000'	July to September 2016 Rs '000'
Profit after taxation	154,888	114,272
Other comprehensive income	-	-
Total comprehensive income for the period	154,888	114,272
Attributable to:		
Equity holders of the parent	145,684	102,301
Non-controlling interests	9,204	11,971
	154,888	114,272

The annexed notes from 1 to 14 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	July to September 2017 Rs '000'	July to September 2016 Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	227,488	165,053
Adjustments for:		
Depreciation	52,584	47,573
Amortization	365	137
Gain on disposal of property, plant and equipment	-	(3,146)
Finance cost	66,076	44,274
Exchange loss	4,173	650
Provision for gratuity	4,362	2,412
	127,560	91,900
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	355,048	256,953
(Increase) / decrease in current assets		
Stores and spares and loose tools	(7,400)	43,728
Stock in trade	218,962	(195,359)
Trade debts	(180,854)	(21,837)
Loan and advances	(23,173)	(6,111)
Trade deposits and short term prepayments	(150)	4,035
Other receivables	1,580	9,343
Tax refunds due from government	132,098	45,540
	141,063	(120,661)
(Increase) / Decrease in current liabilities		
Trade and other payables	82,792	(57,201)
CASH GENERATED FROM OPERATIONS	578,903	79,091
Contribution to gratuity fund	(7,051)	-
Finance cost paid	(65,971)	(38,978)
Tax paid	(148,162)	(31,576)
	(221,184)	(70,554)
NET CASH GENERATED FROM OPERATING ACTIVITIES	357,719	8,537
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant, equipment and CWIP	(114,881)	(79,781)
Sale proceeds from disposal of property, plant and equipment	-	3,315
Long term deposits	(1,214)	(3,770)
NET CASH USED IN INVESTING ACTIVITIES	(116,095)	(80,236)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan obtained / (repaid)	50,447	(18,751)
Repayment of liabilities against assets subject to finance lease	(9,149)	(8,162)
Payment against diminishing musharaka finance	(261)	-
New diminishing musharaka arrangements	1,668	18,850
Dividend paid	-	(8,952)
Short term borrowings	(194,337)	44,152
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(151,632)	27,137
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	89,992	(44,562)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	100,619	207,953
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	190,611	163,391

The annexed notes from 1 to 14 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Issued, subscribed and paid up share capital	Unappropriated profit	Non-controlling interest	Total
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on July 01, 2016	1,105,905	779,601	206,192	2,091,698
Equity portion of sponsors' interest free loans	—	726	1,212	1,938
Profit for the quarter Jul-16 to Sep-16	—	102,301	11,971	114,272
Balance as on September 30, 2016	1,105,905	882,628	219,375	2,207,908
Interim dividend for 2017 @ Rs. 1 per share	—	(110,591)	—	(110,591)
Right issue by subsidiary	—	—	218,319	218,319
Reversal of equity portion of sponsors' interest free loans	—	(2,902)	(4,849)	(7,751)
Profit for the period (Oct 16 to June 17)	—	366,882	20,960	387,842
Balance as on June 30, 2017	1,105,905	1,136,017	453,805	2,695,727
Profit for the quarter Jul-17 to Sep-17	—	145,684	9,204	154,888
Balance as on September 30, 2017	1,105,905	1,281,701	463,009	2,850,615

The annexed notes from 1 to 14 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

- 1.1 Nimir Industrial Chemicals Limited ("NICL") is part of Nimir Group ("The Group") which consist of:

Holding Company

Nimir Resources (Private) Limited

Subsidiary Companies

Nimir Holding (Private) Limited ("NHPL")
Nimir Management (Private) Limited ("NMPL")
Nimir Resins Limited ("NRL")

The shareholding of the Group is as follows:

Holding of NICL in NHPL	100%
Holding of NHPL in NMPL	51%
Holding of NMPL in NRL	51%
Holding of NHPL in NRL	11.63%
Effective shareholding of NICL in NRL	37.64%

Nimir Industrial Chemicals ("The Company") was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Nimir Resources (Private) Limited which holds 56.67% of the total shares of the Company. The registered office of the Company is situated at 14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan. The Company is engaged in manufacturing and sale of Industrial chemical products.

Nimir Holding (Private) Limited and Nimir Management (Private) Limited were incorporated in Pakistan as private limited companies on 28 September 2015 and 4 December 2015 respectively for the purpose of investment in Nimir Resins Limited. The registered office of NHPL and NMPL is Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

Nimir Resins Limited was initially incorporated in Pakistan on 17 December 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on 19 August 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on 1 April 2010 when the company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group, the name of the company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated 18 April 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. The registered office is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile auxiliaries for textile industry.

2 BASIS OF PREPARATION

- 2.1 This consolidated condensed interim financial information of the Company for the three-months period ended 30 September 2017 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 consolidated 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 2017.
- 2.3 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, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The accounting estimates and associated assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the preceeding annual published financial statements of the company for the year ended 30 June 2017.

4 TAXATION

Provision for taxation is estimated and these are subject to final adjustments in the annual audited financial statements.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the preceeding annual published financial statements of the company for the year ended 30 June 2017.

6 ADDITIONS / (DISPOSALS) IN PROPERTY, PLANT AND EQUIPMENT - AT COST

Followings are the additions and disposals in the property, plant and equipment made during the quarter ended September 30, 2017:

		Additions Rs "000"	Disposal Rs "000"
Plant and Machinery		17	-
Office Equipment		1,567	-
Computers		931	-
		<u>2,515</u>	<u>-</u>
	Note	Unaudited September 30, 2017 Rs '000'	Audited June 30, 2017 Rs '000'
7 LONG TERM LOANS			
Term finance - Secured I	7.1	45,833	59,375
Term finance - Secured II	7.2	114,063	134,896
Term finance - Secured III	7.3	76,563	56,250
Term finance - Secured IV	7.4	200,855	136,345
Loan from directors / sponsors	7.5	107,000	107,000
		<u>544,314</u>	<u>493,866</u>
Less:			
Current maturity shown under current liabilities		<u>(136,458)</u>	<u>(127,604)</u>
		<u>407,855</u>	<u>366,262</u>

7.1 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2013 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.2 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.3 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 6 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against joint pari passu charge over present and future fixed assets of the Company.

7.4 This represents long term finance facility amounting Rs. 250 million available from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments with grace period of one year. As off period ended, Rs. 201 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.5 This represents loan obtained from ex-director / sponsors of Nimir Resins Limited. This loan is interest free and repayable on demand, however, the lender has agreed not to demand repayment for a period of next twelve months. As a result of understanding reached between subsidiaries and ex-director during the year and resultant reinstatement adjustment in the books of Nimir Resins Limited, the amount has been stated with an adjustment to equity portion.

8 SHORT TERM BORROWINGS - SECURED

The aggregate of short term finance facilities from various commercial banks available at period end is Rs. 5,305 million (30 June 2017: Rs. 4,237 million) which includes running finance facilities amounting Rs. 1,220 million (30 June 2017: Rs. 1,152 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + zero to 175 bps with no floor and no cap (30 June 2017: 1 month KIBOR to 6 months KIBOR + 175 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

The unutilized facility for opening letters of credit and bank guarantees as at 30 September 2017 amounts to Rs. 653 million (30 June 2017: Rs. 678 million) and Rs. 99 million (30 June 2017: Rs. 103 million) respectively.

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

Holding Company/Subsidiary Company

There is no material changes in the contingencies since the last audited financial statements for the year ended June 30, 2017

9.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 30 September 2017 are as follows:

	Unaudited September 30, 2017	Audited June 30, 2017
Letters of credit established for the import of raw materials, spare parts and machinery	1,080 million	1,124 million
Letter of guarantee given to SNGPL	99 million	102 million
Letter of guarantee given to PSO	19 million	19 million
Letter of guarantee given to Total PARCO	6 million	6 million
Capital expenditures	8 million	13 million
Diminishing musharaka finance	-	2 million

	Note	July to September 2017 Rs '000'	July to September 2016 Rs '000'
10 SALES			
Gross Sales			
Own Manufactured		4,035,819	2,511,938
Service Income	10.1	35,231	-
Less:- Sales Tax		(578,142)	(355,530)
Discounts		-	(3,483)
		(578,142)	(359,013)
Net Sales		3,492,908	2,152,925

10.1 This represents soap toll manufacturing services rendered during the period.

11 COST OF SALES

Opening stock of finished goods	438,947	391,254
Cost of goods manufactured	3,034,831	1,730,519
	3,473,778	2,121,773
Closing stock of finished goods	(381,778)	(265,409)
	3,092,000	1,856,364

12 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments / unallocated		Inter segment eliminations		Total	
	Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	Rs. '000'									
Sales	2,796,436	1,623,189	716,652	550,576	-	-	(20,180)	(20,841)	3,492,908	2,152,924
Cost of sales	(2,456,427)	(1,389,535)	(656,216)	(488,776)	-	-	20,643	21,947	(3,092,000)	(1,856,364)
Gross profit	340,009	233,654	60,436	61,800	-	-	463	1,106	400,908	296,560
Distribution cost	(33,083)	(30,069)	(9,657)	(9,644)	-	-	-	-	(42,740)	(39,713)
Administrative expenses	(34,262)	(27,157)	(9,521)	(10,129)	-	-	75	-	(43,708)	(37,287)
	272,664	176,428	41,258	42,027	-	-	538	1,106	314,460	219,560
Other expenses	(15,261)	(10,410)	(3,477)	(1,833)	-	-	-	-	(18,738)	(12,243)
Other income	1,490	3,156	428	712	-	-	(503)	(1,210)	1,415	2,658
Foreign exchange loss	(3,573)	(650)	-	-	-	-	-	-	(3,573)	(650)
Finance cost	(49,412)	(28,064)	(16,664)	(16,210)	-	-	-	-	(66,076)	(44,274)
Profit before taxation	205,908	140,460	21,545	24,696	-	-	35	(104)	227,488	165,053
Taxation	(65,815)	(44,628)	(6,785)	(6,154)	-	-	-	-	(72,600)	(50,782)
Profit for the period	140,093	95,832	14,760	18,542	-	-	35	(104)	154,888	114,272
Segment assets	5,614,273	5,474,384	2,135,659	2,106,349	579,844	579,844	(850,623)	(840,486)	7,479,153	7,320,091
Segment liabilities	3,329,851	3,330,053	1,211,137	1,196,587	93,887	93,887	(6,337)	3,837	4,628,538	4,624,364

12.1 Inter segment sales and purchases have been eliminated in condensed interim consolidated financial information.

13 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.

Relationship	Nature of transaction	July to September 2017	July to September 2016
		Rs "000"	Rs "000" (Restated)
Associated Company	Sale of goods	5,775	2,701
Staff retirement benefits	Company's contribution to Employees' retirement fund	7,000	556
Key Management Personal			
Remuneration		37,114	28,896
Other Benefits		10,505	8,005

14 GENERAL

This consolidated condensed interim financial information was authorized for issue by the Board of Directors of the Group on October 24, 2017.



Chief Executive Officer



Director



Chief Financial Officer



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