

Half Yearly Report 2015

December (Unaudited)

COMPANY INFORMATION



Board of Directors

Mr. Abdul Jalil Jamil - Chairman
Mr. Zafar Mahmood - Chief Executive Officer
Mr. Muhammad Saeed-uz-Zaman
Mr. Imran Afzal
Mr. Aamir Jamil
Mr. Muhammad Sajied
Mr. Muhammad Yahya Khan
Mr. Mohsin Tariq
Mr. Saqib Raza
Mr. Khalid Siddiq Tirmizey
(Nominee -The Bank of Punjab)
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

Internal Auditor

Mr. Arshad Mahmood

Audit Committee

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

Human Resource & Remuneration Committee

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

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 their review report together with the un-audited financial statements of the Company for the half year ended December 31, 2015.

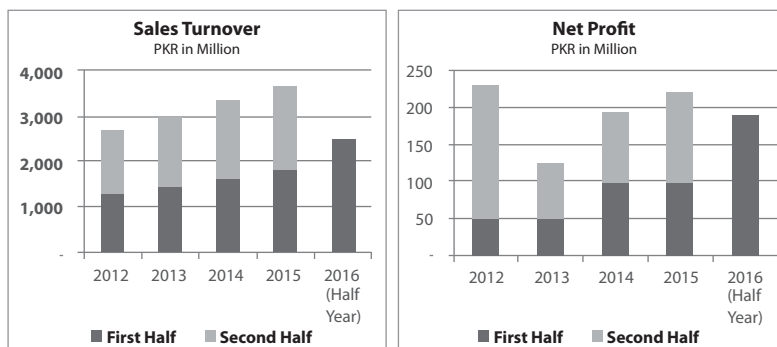
During the period under review, the Company profited from the increase in the production capacity and pressed sales to its higher level. With increased production and sales, the Company significantly improved its bottom line. The summary of results is as follows:

	Six Months Ended	
	Dec 31, 2015	Dec 31, 2014
	Rupees in Million	
Sales Revenue	2,492	1,818
Gross Profit	448	288
Net Profit	190	98
Earning per share	1.72	0.88

Sales increased by 37% during the half year as compared to the same period of last year. With increased sales, the company posted gross profit of Rs.448 million during the period under review; higher by 55% over the corresponding period of last year. Net profit for the half year is Rs. 190 million; which is almost double of the net profit earned in the same period of last year.

The board of directors are pleased to announce 10% interim dividend i.e. Rupee 1/- per share to shareholders.

The Company showed consistent growth in its top and bottom line in the last five years. A glimpse of the success story is evident from the charts below:



During the year, the Company acquired the controlling stake in Descon Chemicals Limited (DCL). DCL is a listed Company engaged in the manufacturing and sales of surface coatings, polyesters, paper chemicals and textile auxiliaries.

The management is confident to continue the momentum of excellence in future, Insha Allah.

For and on behalf of the Board

Chief Executive Officer

Lahore
February 23, 2016



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, 2015 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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

(Engagement Partner : Farooq Hameed)

Lahore
February 23, 2016

CONDENSED INTERIM BALANCE SHEET - (UN-AUDITED)
AS AT DECEMBER 31, 2015

	Note	Un-audited December 31, 2015 Rs. "000"	Audited June 30, 2015 Rs. "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	1,719,004	1,628,872
Investment	5	20,000	-
Loan to subsidiary	6	235,000	-
Intangible assets		779	995
Long term deposits		29,018	28,954
		2,003,801	1,658,821
CURRENT ASSETS			
Stores, spares and loose tools		92,857	71,831
Stock in trade	7	616,231	758,414
Trade debts - considered good - unsecured		482,035	482,312
Loan and advances	8	60,742	34,881
Trade deposits and short term prepayments		4,467	8,910
Other receivables		39,974	11,717
Tax refund due from government		122,129	111,971
Cash and bank balances		69,159	13,961
		1,487,594	1,493,997
TOTAL ASSETS		3,491,395	3,152,818
EQUITY AND LIABILITIES			
Authorized Capital			
145,000,000 (30 June 2015: 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 2015: 110,590,546)			
Ordinary shares of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit		654,243	574,711
		1,760,148	1,680,616
NON CURRENT LIABILITIES			
Long term loans	9	325,000	93,750
Liabilities against assets subject to finance lease		110,158	72,006
Deferred liabilities - Employee benefits		53,152	48,493
Deferred tax liability		89,189	59,207
		577,499	273,456
CURRENT LIABILITIES			
Trade and other payables		268,891	213,202
Mark up accrued		9,069	11,989
Unclaimed dividend		1,123	687
Short term borrowings - secured	10	735,621	850,439
Current maturity of long term loans	9	70,167	102,833
Current maturity of liabilities against assets subject to finance lease		22,137	17,938
Provision for taxation		46,740	1,658
		1,153,748	1,198,746
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITY AND LIABILITIES		3,491,395	3,152,818

The annexed notes from 1 to 16 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, 2015



	Note	Six months ended		Three months ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Sales	12	2,492,115	1,817,999	1,213,406	851,879
Cost of sales	13	(2,044,615)	(1,530,065)	(992,208)	(710,027)
Gross profit		447,500	287,934	221,198	141,852
Distribution costs		(55,872)	(35,004)	(27,435)	(17,298)
Administrative expenses		(46,345)	(37,373)	(23,208)	(17,720)
Operating profit		345,283	215,557	170,555	106,834
Other expenses		(19,654)	(11,149)	(9,777)	(5,688)
Other income		134	856	–	574
Finance cost		(41,205)	(50,956)	(19,948)	(27,141)
Foreign exchange loss		(19,373)	(3,868)	(4,036)	2,176
Profit before taxation		265,185	150,440	136,794	76,755
Provision for taxation					
Current		(45,081)	(25,574)	(23,255)	(13,048)
Deferred		(29,982)	(27,206)	(13,023)	(12,316)
		(75,063)	(52,780)	(36,278)	(25,364)
Profit after taxation		190,122	97,660	100,516	51,391
Other comprehensive income - net of taxation		–	–	–	–
Total comprehensive income for the period		190,122	97,660	100,516	51,391
Earnings per share - Basic and diluted	14	1.72	0.88	0.91	0.46

The annexed notes from 1 to 16 form an integral part to this interim financial information.


Chief Executive Officer

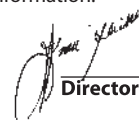

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015

	Six months ended	
	December 31, 2015	December 31, 2014
	Rs. "000"	Rs. "000"
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	265,185	150,440
Adjustments for:		
Depreciation	67,856	54,208
Amortization	216	198
Gain on disposal of property, plant and equipment	(181)	-
Reversal of impairment on property, plant and equipment	-	-
Finance cost	41,205	50,956
Exchange loss on Liabilities	19,373	-
Provision for gratuity	4,800	3,600
	133,269	108,962
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	398,454	259,402
(Increase) / decrease in current assets		
Stores and spares and loose tools	(21,026)	(35,585)
Stock in trade	142,183	(110,100)
Trade debts	277	(69,690)
Loan and advances	(25,861)	(3,105)
Trade deposits and short term prepayments	4,443	4,496
Other receivables	(28,257)	345
Tax refunds due from government	6,638	38,763
	78,397	(174,876)
(Increase) / decrease in current liabilities		
Trade and other payables	36,316	(65,117)
CASH GENERATED FROM OPERATIONS	513,167	19,409
Gratuity paid	(140)	(1,179)
Finance cost paid	(44,125)	(47,836)
Dividend paid during the year	(110,155)	-
Tax paid	(16,793)	(9,082)
	(171,213)	(58,097)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	341,954	(38,688)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	(50,737)	(645,046)
Addition in capital work in progress	(107,605)	532,112
Sale proceeds from disposal of property, plant and equipment	532	-
Investment	(20,000)	-
Long term deposits	(64)	(1,292)
NET CASH USED IN INVESTING ACTIVITIES	(177,874)	(114,226)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan repayment	(51,416)	(32,667)
Proceeds from long term loan	250,000	-
Loan paid to subsidiary	(235,000)	-
Repayment of liabilities against assets subject to finance lease	(10,389)	(8,570)
New leases acquired during the year	52,740	12,501
Repayment of short term borrowings	(114,817)	245,885
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(108,882)	217,149
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,198	64,235
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,961	62,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	69,159	126,422

The annexed notes from 1 to 16 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, 2015



	Share Capital	Unappropriated Profit	Total
	Rs. "000"	Rs. "000"	Rs. "000"
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>
Balance as on July 1, 2015	1,105,905	574,711	1,680,616
Total comprehensive income for the period ended December 31, 2015	–	190,122	190,122
Final dividend paid at the rate of Rs.1 per share	–	(110,590)	(110,590)
Balance as on December 31, 2015	<u>1,105,905</u>	<u>654,243</u>	<u>1,760,148</u>

The annexed notes from 1 to 16 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, 2015

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 (formerly Karachi Stock Exchange and Lahore 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 chemical products.

2 BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the six-month period ended December 31, 2015 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, 2015.
- 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, 2015.
- 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 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 for the current period:

IFRS - 10 Consolidated Financial Statements
IFRS - 11 Joint Arrangements
IFRS - 12 Disclosure of Interests in Other Entities
IFRS - 13 Fair Value Measurement

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





4 PROPERTY, PLANT AND EQUIPMENT

	December 31, 2015 Rs. "000"	June 30, 2015 Rs. "000"
Operating fixed assets	1,485,657	1,503,130
Capital work in progress	233,347	125,742
	<u>1,719,004</u>	<u>1,628,872</u>

Following are the additions / disposals (at cost) in the property, plant and equipment made during the six-month period ended December 31, 2015:

	(Un-Audited)		Audited	
	"Additions Dec-2015" Rs. "000"	Disposal Dec-2015 Rs. "000"	"Additions June-2015" Rs. "000"	"Disposal June-2015" Rs. "000"
Land	–	–	4,863	–
Building	2,140	–	94,703	–
Plant and machinery - Owned	35,173	–	497,302	–
Plant and machinery - Leased	–	–	94,550	–
Furniture and fittings	103	236	329	14
Office equipment	7,767	404	9,254	555
Vehicles - Owned	40	900	347	2,487
Vehicles - Leased	5,514	–	3,691	1,845
	<u>50,737</u>	<u>1,540</u>	<u>705,039</u>	<u>4,901</u>

5 INVESTMENT

During the period, the Company acquired 35.43% stake in Descon Chemicals Limited (DCL), a listed company engaged in the manufacturing and sale of industrial chemicals. For this purpose, Nimir Industrial Chemicals Limited formed a wholly owned subsidiary under the name of Nimir Holding (Private) Limited (NHPL). NHPL formed a sub-subsidiary, Nimir Management (Private) Limited, which acquired the shareholding of DCL. The Company has determined that DCL is an associate in accordance with IAS 28 Investment in Associates. Since the transaction was undertaken on the last day of the reporting period (i.e. 31 December, 2015) the investment has been stated at cost.

6 LOAN TO ASSOCIATE

This represents loan provided to Nimir Holdings (Private) Limited for the purpose of investment in 51% shares of Nimir Management (Private) Limited for onward acquisition of Descon Chemicals Limited, as explained in note 5. The loan is repayable on demand. However, the Company does not intend to make demand within next 12 months.

	Note	December 31, 2015 Rs. "000"	June 30, 2015 Rs. "000"
7 STOCK IN TRADE			
Raw and packing material			
-in hand		131,691	108,001
-in transit		302,688	383,815
		434,379	491,816
Finished goods		181,852	266,598
		616,231	758,414

8 LOANS AND ADVANCES

This includes advance of Rs. 500,000 given to Nimir Holding (Private) Limited.

9 LONG TERM LOAN

Syndicated term finance - Secured I	9.1	32,667	65,333
Term finance - Secured II	9.2	112,500	131,250
Term finance - Secured III	9.3	175,000	-
Term finance - Secured IV	9.4	75,000	-
Less: current maturity shown under current liabilities		(70,167)	(102,833)
		325,000	93,750

9.1 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, 2015: 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.

9.2 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 installments with grace period of one year. This facility is secured against first pari passu charge over present and future fixed assets of the Company.

9.3 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 5 years with 6 months grace period. This facility is secured against first pari passu charge over present and future fixed assets of the Company including land along with constructions thereon.

9.4 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 5 years with 6 months grace period. Repayment shall start from July 1, 2016. This facility is secured against first pari passu charge over fixed assets of the Company.

10 SHORT TERM BORROWINGS - Secured

The aggregate facility of short term finances from commercial banks available at period end is Rs. 2,075 million (June 30, 2015: Rs. 1,825 million). The rate of mark up ranges from 1 month KIBOR + 25 bps per annum to 3 months and 6 months KIBOR + 150 bps per annum with no floor and no cap (June 30, 2015: 1 month KIBOR + 5 bps per annum to 3 months and 6 months KIBOR + 150 bps per annum with no floor and no cap.)





The unutilized facility for opening letters of credit and bank guarantees as at December 31, 2015 amounts to Rs. 923 million (June 30, 2015: Rs. 445 million) and Rs. 49 million (June 30, 2015: 115 million) respectively.

11 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2015.

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. 223 million (June 30, 2015: Rs. 73 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 95.9 million (June 30, 2015: 95.9 million), and guarantees given to PSO is Rs. 15 million (June 30, 2015: Rs.5 million).

	Six month period ended		Three month period ended	
	December 31, 2015 Rs. "000"	December 31, 2014 Rs. "000"	December 31, 2015 Rs. "000"	December 31, 2014 Rs. "000"
12 SALES				
Gross sales	2,916,070	2,125,518	1,419,897	994,304
Less: Discount	(92)	—	(10)	—
Sales tax and excise duty	(423,863)	(307,519)	(206,481)	(142,425)
	(423,955)	(307,519)	(206,491)	(142,425)
Net Sales	2,492,115	1,817,999	1,213,406	851,879
13 COST OF SALES				
Opening stock of finished goods	267,026	89,037	159,053	69,572
Cost of goods manufactured	1,959,441	1,565,680	1,015,007	765,107
	2,226,467	1,654,717	1,174,060	834,679
Less: closing stock of finished goods	(181,852)	(124,652)	(181,852)	(124,652)
	2,044,615	1,530,065	992,208	710,027
14 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders (Rs"000")	190,122	97,660	100,516	51,391
Weighted average number of shares- (number)	110,591	110,591	110,591	110,591
Earnings per share- (Rs.)	1.72	0.88	0.91	0.51

15 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:

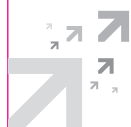
	Six month period ended	
	December	December
	31, 2015	31, 2014
	Rs. "000"	Rs. "000"
Subsidiary Company - NHPL		
Loan	235,000	–
Advance	500	–
Key Management Personnel		
Managerial Remuneration	34,702	23,061
Other Benefits	10,469	10,682

16 GENERAL

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on Tuesday, February 23, 2016.


Chief Executive Officer


Director





CONDENSED INTERIM
CONSOLIDATED
FINANCIAL INFORMATION

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET - (UN-AUDITED)
AS AT DECEMBER 31, 2015

	Note	Un-audited December 31, 2015 Rs. "000"	Audited June 30, 2015 Rs. "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	1,719,004	1,628,872
Investment	5	7,843	-
Long term loans	6	246,123	-
Intangible assets		779	995
Long term deposits		29,018	28,954
		2,002,767	1,658,821
CURRENT ASSETS			
Stores, spares and loose tools		92,857	71,831
Stock in trade	7	616,231	758,414
Trade debts - considered good - unsecured		482,035	482,312
Loan and advances		60,745	34,881
Trade deposits and short term prepayments		4,467	8,910
Other receivables		141,559	11,717
Tax refund due from government		122,129	111,971
Cash and bank balances		74,596	13,961
		1,594,619	1,493,997
		3,597,385	3,152,818
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Capital 145,000,000 (30 June 2015: 145,000,000)			
Ordinary shares of Rs. 10/- each		1,450,000	1,450,000
Equity Attributable to Equity Holders of Parent			
Issued, subscribed and paid up capital		1,105,905	1,105,905
Unappropriated profit		652,177	574,711
		1,758,082	1,680,616
Non-controlling interests		8,008	-
		1,766,090	1,680,616
NON CURRENT LIABILITIES			
Long term loans	8	424,548	93,750
Liabilities against assets subject to finance lease		110,158	72,006
Deferred liabilities - Employee benefits		53,153	48,493
Deferred tax liability		89,189	59,207
		677,048	273,456
CURRENT LIABILITIES			
Trade and other payables		269,390	213,202
Mark up accrued		9,069	11,989
Unclaimed dividend		1,123	687
Short term borrowings - secured	9	735,621	850,439
Current maturity of long term loans	8	70,167	102,833
Current maturity of liabilities against assets subject to finance lease		22,137	17,938
Provision for taxation		46,740	1,658
		1,154,247	1,198,746
CONTINGENCIES AND COMMITMENTS			
	10	-	-
TOTAL EQUITY AND LIABILITIES		3,597,385	3,152,818

The annexed notes from 1 to 15 form an integral part to this condensed interim financial information.


Chief Executive Officer


Director



CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015



	Note	Six months ended		Three months ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Sales	11	2,492,115	1,817,999	1,213,406	851,879
Cost of sales	12	(2,044,615)	(1,530,065)	(992,208)	(710,027)
Gross profit		447,500	287,934	221,198	141,852
Distribution costs		(55,872)	(35,004)	(27,435)	(17,298)
Administrative expenses		(48,751)	(37,373)	(25,413)	(17,720)
Operating profit		342,877	215,557	168,350	106,834
Other expenses		(19,654)	(11,149)	(9,777)	(5,688)
Other income		134	856	–	574
Finance cost		(42,657)	(50,956)	(21,400)	(27,141)
Foreign exchange loss		(19,373)	(3,868)	(4,036)	2,176
Profit before taxation		261,327	150,440	133,136	76,755
Provision for taxation					
Current		(45,081)	(25,574)	(23,255)	(13,048)
Deferred		(29,982)	(27,206)	(13,023)	(12,316)
		(75,063)	(52,780)	(36,278)	(25,364)
Profit after taxation		186,264	97,660	96,859	51,391
Other comprehensive income - net of taxation		–	–	–	–
Total comprehensive income for the period		186,264	97,660	96,859	51,391
Attributable to:					
Equity holders of the parent		188,057	97,660	98,651	51,391
Non-controlling interests		(1,792)	–	(1,792)	–
		186,264	97,660	96,859	51,391
Earnings per share - Basic and diluted	13	1.68	0.88	0.88	0.46

The annexed notes from 1 to 15 form an integral part to this interim financial information.


Chief Executive Officer

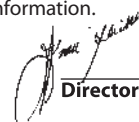

Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015

	Six months ended	
	December 31, 2015	December 31, 2014
	Rs. "000"	Rs. "000"
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	261,327	150,440
Adjustments for:		
Depreciation	67,856	54,208
Amortization	216	198
Gain on disposal of property, plant and equipment	(181)	-
Reversal of impairment on property, plant and equipment	-	-
Finance cost	41,205	50,956
Exchange loss on Liabilities	19,373	-
Provision for gratuity	4,800	3,600
	133,269	108,962
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	394,596	259,402
(Increase) / decrease in current assets		
Stores and spares and loose tools	(21,026)	(35,585)
Stock in trade	142,183	(110,100)
Trade debts	277	(69,690)
Loan and advances	(25,864)	(3,105)
Trade deposits and short term prepayments	4,443	4,496
Other receivables	(129,841)	345
Tax refunds due from government	6,637	38,763
	(23,191)	(174,876)
(Increase) / decrease in current liabilities		
Trade and other payables	36,316	(65,117)
CASH GENERATED FROM OPERATIONS	407,721	19,409
Gratuity paid	(140)	(1,179)
Finance cost paid	(44,125)	(47,836)
Dividend paid during the year	(110,155)	-
Tax paid	(16,796)	(9,082)
	(171,216)	(58,097)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	236,505	(38,688)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	(50,734)	(645,046)
Addition in capital work in progress	(107,605)	532,112
Sale proceeds from disposal of property, plant and equipment	532	-
Investment	(7,843)	-
Minority interest in NMPL	(236,323)	-
Long term deposits	(64)	(1,292)
NET CASH USED IN INVESTING ACTIVITIES	(402,037)	(114,226)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan repayment	(51,416)	(32,667)
Proceeds from long term loan	350,048	-
Repayment of liabilities against assets subject to finance lease	(10,389)	(8,570)
New leases acquired during the year	52,740	12,501
Repayment of short term borrowings	(114,816)	245,885
NET CASH GENERATED FROM FINANCING ACTIVITIES	226,167	217,149
NET INCREASE IN CASH AND CASH EQUIVALENTS	60,635	64,235
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,961	62,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	74,596	126,422

The annexed notes from 1 to 15 form an integral part to this condensed interim financial information.


Chief Executive Officer


Director



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015



	Attributable to Equity Holders of the Parent			Non-controlling	
	Share	Unappropriated	Total	Interest	Total
	Capital	Profit			
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on July 01, 2014	1,105,905	353,122	1,459,027	–	1,459,027
Total comprehensive income for the period ended December 31, 2014	–	97,660	97,660	–	97,660
Balance as on December 31, 2014	<u>1,105,905</u>	<u>450,782</u>	<u>1,556,687</u>	<u>–</u>	<u>1,556,687</u>
Balance as on July 01, 2015	1,105,905	574,711	1,680,616	–	1,680,616
Minority interest	–	–	–	9,800	9,800
Total comprehensive income for the period ended December 31, 2015	–	188,057	188,057	(1,792)	186,264
Final dividend paid at the rate of Rs.1 per share	–	(110,591)	(110,591)	–	(110,591)
Balance as on December 31, 2015	<u>1,105,905</u>	<u>652,177</u>	<u>1,758,082</u>	<u>8,008</u>	<u>1,766,090</u>

The annexed notes from 1 to 15 form an integral part to this condensed interim financial information.


Chief Executive Officer


Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION - (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015

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 (formerly Karachi Stock Exchange and Lahore 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 chemical products.

1.1 The "Group" consists of

Holding Company

Nimir Industrial Chemicals Limited

Subsidiary Companies

%age of holding

- Nimir Holdings (Private) Limited	100%
- Nimir Management (Private) Limited	51%

Associated Company

- Descon Chemicals Limited	35.43%
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The registered office of Nimir Holdings (Private) Limited (NHPL) and Nimir Management (Private) Limited (NMPL) is Nimir House, 12 B, New Muslim Town, Lahore, Pakistan. NHPL was formed for the purpose of investment in Descon Chemicals Limited.

Descon Chemicals Limited is a listed company engaged in the manufacturing and sale of industrial chemicals.

2 BASIS OF PREPARATION

2.1 This condensed interim consolidated financial information of the Group for the six-month period ended December 31, 2015 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, 2015.

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 Group. Figures have been rounded off to the nearest thousand rupee.

3 ACCOUNTING POLICIES

The accounting policies 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 Group has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IFRS-10 Consolidated Financial Statements
IFRS- 11 Joint Arrangements
IFRS- 12 Disclosure of Interests in Other Entities
IFRS- 13 Fair Value Measurement

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

4 PROPERTY, PLANT AND EQUIPMENT

	December 31, 2015 Rs. "000"	June 30, 2015 Rs. "000"
Operating fixed assets	1,485,657	1,503,130
Capital work in progress	233,347	125,742
	<u>1,719,004</u>	<u>1,628,872</u>

Following are the additions / disposals (at cost) in the property, plant and equipment made during the six-month period ended December 31, 2015:

	(Un-Audited)		Audited	
	"Additions Dec-2015" Rs. "000"	Disposal Dec-2015 Rs. "000"	"Additions June-2015" Rs. "000"	"Disposal June-2015" Rs. "000"
Land	–	–	4,863	–
Building	2,140	–	94,703	–
Plant and machinery - Owned	35,173	–	497,302	–
Plant and machinery - Leased	–	–	94,550	–
Furniture and fittings	103	236	329	14
Office equipment	7,767	404	9,254	555
Vehicles - Owned	40	900	347	2,487
Vehicles - Leased	5,514	–	3,691	1,845
	<u>50,737</u>	<u>1,540</u>	<u>705,039</u>	<u>4,901</u>

5 INVESTMENT

This represents amount invested to acquire 35.43% stake in Descon Chemicals Limited (DCL). The Company has determined that DCL is an associate in accordance with IAS 28 Investment in Associates. Since the transaction was undertaken on the last day of the reporting period (i.e. December 31, 2015) the investment has been stated at cost.

6 LOAN TO ASSOCIATE

This represents loan provided to associate Descon Chemicals Limited. The loan is repayable on demand. However, the Company does not intend to make demand within next 12 months.

	Note	December 31, 2015 Rs. "000"	June 30, 2015 Rs. "000"
7 STOCK IN TRADE			
Raw and packing material			
-in hand		131,691	108,001
-in transit		302,688	383,815
		434,379	491,816
Finished goods		181,852	266,598
		616,231	758,414

8 LONG TERM LOAN

Syndicated term finance - Secured I	8.1	32,667	65,333
Term finance - Secured II	8.2	112,500	131,250
Term finance - Secured III	8.3	175,000	-
Term finance - Secured IV	8.4	75,000	-
Less: current maturity shown under current liabilities		(70,167)	(102,833)
		325,000	93,750
From others			
Terranova Limited	8.5	40,632	-
Loan from directors		58,916	-
		424,548	93,750

8.1 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, 2015: 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.

8.2 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 installments with grace period of one year. This facility is secured against first pari passu charge over present and future fixed assets of the Company.

8.3 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 5 years with 6 months grace period. This facility is secured against first pari passu charge over present and future fixed assets of the Company including land along with constructions thereon.

8.4 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 6 month KIBOR plus 200 bps per annum repayable in 5 years with 6 months grace period. Repayment shall start from July 01, 2016. This facility is secured against first pari passu charge over fixed assets of the Company.





8.5 This represents interest free loan obtained by associated company Descon Chemicals Limited. The loan is repayable on demand. However, the lenders have agreed not to make demand within next 12 months.

9 SHORT TERM BORROWINGS - Secured

The aggregate facility of short term finances from commercial banks available at period end is Rs. 2,075 million (June 30, 2015: Rs. 1,825 million). The rate of mark up ranges from 1 month KIBOR + 25 bps per annum to 3 months and 6 months KIBOR + 150 bps per annum with no floor and no cap (June 30, 2015: 1 month KIBOR + 5 bps per annum to 3 months and 6 months KIBOR + 150 bps per annum with no floor and no cap.)

The unutilized facility for opening letters of credit and bank guarantees as at December 31, 2015 amounts to Rs. 923 million (June 30, 2015: Rs. 445 million) and Rs. 49 million (June 30, 2015: Rs. 115 million) respectively.

10 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2015.

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. 223 million (June 30, 2015: Rs. 73 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 95.9 million (June 30, 2015: 95.9 million), and guarantees given to PSO is Rs. 15 million (June 30, 2015: Rs. 5 million).

	Six month period ended		Three month period ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
11 SALES				
Gross sales	2,916,070	2,125,518	1,419,897	994,304
Less: Discount	(92)	–	(10)	–
Sales tax and excise duty	(423,863)	(307,519)	(206,481)	(142,425)
	(423,955)	(307,519)	(206,491)	(142,425)
Net Sales	2,492,115	1,817,999	1,213,406	851,879
12 COST OF SALES				
Opening stock of finished goods	267,026	89,037	159,053	69,572
Cost of goods manufactured	1,959,441	1,565,680	1,015,007	765,107
	2,226,467	1,654,717	1,174,060	834,679
Less: closing stock of finished goods	(181,852)	(124,652)	(181,852)	(124,652)
	2,044,615	1,530,065	992,208	710,027

13 EARNINGS PER SHARE - BASIC AND DILUTED

	Six month period ended		Three month period ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Profit attributable to ordinary shareholders (Rs"000")	186,264	97,660	96,859	51,391
Weighted average number of shares- (number)	110,591	110,591	110,591	110,591
Earnings per share- (Rs.)	1.68	0.88	0.88	0.51

14 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:

	Six month period ended	
	December 31, 2015	December 31, 2014
	Rs. "000"	Rs. "000"
Loan to Associate		
Descon Chemicals Limited	246,123	—
Key Management Personnel		
Managerial Remuneration	34,702	23,061
Other Benefits	10,469	10,682

15 GENERAL

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on Tuesday, February 23, 2016.


Chief Executive Officer


Director





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