

Quarterly Report 2016
March (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 Sajid

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

# 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**

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

Soneri Bank Limited Meezan Bank Limited

Askari Bank Limited

National Bank of Pakistan

#### Registered Office / Factory

14.8 km., Sheikhupura-Faisalabad Road, Bhikhi, District Sheikhupura, 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 the unaudited interim financial statements of the Company for the nine months ended March 31, 2016.

The Company showed momentous growth in its top and bottom lines during the quarter and nine months period ended March 31, 2016, which was primarily backed by the increased production capacities and sales volumes.

The financial results for the nine moths period are summarized as below:

	r	Nine Months Ended				
	March	March March				
	31, 2016	31, 2015	% Change			
	PKR in	million				
Sales Revenue	3,570	2,603	+ 37%			
Gross Profit	643	385	+ 67%			
Net Profit (Loss)	306	121	+ 153%			
Earning per share	2.76	1.09	+ 153%			

The Company posted sales revenue of Rs. 3.6 billion during nine months ended March 31, 2016, which is 37% higher as compared to the same period of last year. Net profit after tax grew from Rs.121 million in the last year to Rs. 306 million in the period under review of the current year, witnessing an august growth of 153%. Similarly Earning Per Share for the period increased to Rs. 2.76 per share as against Rs. 1.09 per share last year.

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

The management is confident to continue the momentum of growth and excellence in the coming quarter, Insha Allah.

For and on behalf of the Board

**Zafar Mahmood** 

Lahore April 26, 2016

# CONDENSED INTERIM BALANCE SHEET - UNAUDITED AS AT MARCH 31, 2016



ASSETS	<u>Note</u>	Unaudited  March 31, 2016  Rs. "000"	Audited  June  30, 2015  Rs. "000"
NON CURRENT ASSETS			
Property, plant and equipment Investment Loan to subsidiary Intangible assets Long term deposits	5 6 7	1,716,993 20,000 235,500 670 30,805 2,003,968	1,628,872 - - 996 28,954 1,658,822
CURRENT ASSETS		2,003,906	1,036,622
Stores, spares and loose tools Stock in trade Trade debts - Considered good - Unsecured Loans and advances Trade deposits and short term prepayments Other receivables Advance tax Cash and bank balances		92,078 624,895 397,023 131,747 10,732 15,491 149,050 46,425 1,467,441	71,831 758,414 482,313 34,881 8,910 11,716 111,971 13,961 1,493,997
TOTAL ASSETS		3,471,409	3,152,818
EQUITY AND LIABILITIES			
Authorized Capital 145,000,000 ( June 30, 2015: 145,000,000) Ordinary Shares of Rs. 10/- each (June 30, 2015: Rs. 10/- eac	h)	1,450,000	1,450,000
lssued, 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/- eac Unappropriated profit	h)	659,152	574,711
NON CURRENT LIABILITIES		1,765,057	1,680,617
Long term loans Liabilities against assets subject to finance lease Deferred liabilities - Staff retirement benefits Deferred tax liability	8	315,625 107,525 54,985 69,135 547,270	93,750 72,006 48,493 59,207 273,456
CURRENT LIABILITIES  Trade and other payable		346,646	213,202
Mark up accrued ' Unclaimed dividend Dividend payable Short term borrowings - secured Current maturity of long term loans Current maturity of liabilities against assets subject to finance lease	9	16,772 1,014 110,591 541,576 53,833 22,626	11,989 687 - 850,439 102,833
Provision for taxation		1,159,082	1,657 1,198,745
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		3,471,409	3,152,818

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

Chief Executive Officer

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

		Nine months ended		Three months ended	
	Note	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Note	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Sales	11	3,569,528	2,602,573	1,077,413	784,574
Cost of sales	12	(2,926,081)	(2,217,629)	(881,465)	(687,564)
Cost of sales	12	(2,920,061)	(2,217,029)	(881,403)	(067,304)
Gross profit		643,447	384,944	195,948	97,010
Distribution costs		(77,633)	(49,606)	(21,761)	(14,602)
Administrative expenses		(70,616)	(53,461)	(24,271)	(16,089)
Operating profit		495,198	281,877	149,916	66,319
Other expenses		(29,091)	(13,810)	(8,985)	(2,660)
Other income		660	7,047	74	6,191
Finance cost		(64,486)	(82,639)	(23,282)	(31,684)
Foreign exchange (loss)/ gain		(21,919)	(6,135)	(2,546)	(2,266)
Profit before taxation		380,362	186,340	115,177	35,900
Provision for taxation					
- Current		(64,813)	(31,672)	(19,731)	(6,098)
- Deferred		(9,927)	(33,830)	20,054	(6,624)
		(74,740)	(65,502)	323	(12,722)
Profit after taxation		305,622	120,838	115,500	23,178
Other comprehensive income - net of t	axation	-	-	-	-
Total comprehensive income for the	period	305,622	120,838	115,500	23,178
Earnings per share - Basic and dilute	ed (Rs.)	2.76	1.09	1.04	0.21

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

Chief Executive Officer

Director

)4 NIMIR INDUSTRIAL CHEMICAL

# CONDENSED INTERIM STATEMENT OF CASH FLOW - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

	March 31, 2016	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES	Rs. "000"	Rs. "000"
Profit before taxation	380,362	186,340
Adjustment for :		
Depreciation Amortization of intangible assets (Gain)/Loss on disposal of property, plant and equipment Finance cost Foreign exchange loss on foreign liabilities Provision for gratuity	101,947 326 (184) 64,486 21,921 7,200 195,696	86,101 305 (985) 82,640 6,134 5,400
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	576,058	365,935
Decrease/(increase) in current assets		
Stores and spares and loose tools Stock in trade Trade debts Loans and advances Trade deposits and short term prepayments Other receivables	(20,247) 133,519 85,289 (96,866) (1,822) (3,775)	(58,316) (86,319) (105,894) (43,791) (3,222) 345
Increase/(decrease) in current liabilities	96,098	(297,197)
Trade and other payable	111,525	(90,589)
CASH GENERATED FROM/(USED IN) OPERATIONS	783,681	(21,851)
Gratuity paid Finance cost paid Dividend paid during the year Tax Refund / (Paid)	(708) (59,704) (110,263) (37,526) (208,201)	(1,642) (73,653) - 21,405 (53,890)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	575,480	(75,741)
CASH FLOW FROM INVESTING ACTIVITIES	,	
Addition in property, plant & equipment Addition to capital work in progress Sale proceeds of property, plant & equipment Investment Long term deposits	(64,401) (126,076) 592 (20,000) (1,851)	(650,598) 505,429 2,934 - (922)
NET CASH (USED IN) INVESTING ACTIVITIES	(211,736)	(143,157)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances-net Long term loans- Addition Long term loans- Repayment Loan paid to subsidary Liabilities against assets subject to finance lease- Addition Liabilities against assets subject to finance lease- Repayment	(308,863) 250,000 (77,126) (235,500) 52,740 (12,531)	250,012 (58,376) - 12,500 (14,574)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	(331,280)	189,562
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	32,464	(29,336)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,961	62,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	46,425	32,851

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

Chief Executive Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

	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
Total comprehensive income for the nine months ended March 31, 2015	-	120,838	120,838
Balance as on March 31, 2015	1,105,905	473,960	1,579,865
Balance as on June 30, 2015	1,105,905	574,711	1,680,617
Final dividend paid at the rate Re. 1 per share (June 2015)	-	(110,591)	(110,591)
Interim dividend paid at the rate Re. 1 per share (Dec. 2015)	-	(110,591)	(110,591)
Total comprehensive income for the nine months ended March 31, 2016	-	305,622	305,622
Balance as on March 31, 2016	1,105,905	659,152	1,765,057

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

Chief Executive Officer

Director

NIMIR INDUSTRIAL CHEMICALS LTD

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

## 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 Limited. The Company is a subsidiary of Nimir Resources (Pvt.) 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, Bhikhi, District Sheikhupura, Pakistan. The Company is engaged in manufacturing and sale of chemicals 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 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 fixed assets made for the nine months ended March 31, 2016:

Factory building Plant & machinery Equipments Computers Vehicles-Leased Vehicles-Owned

Additions	Disposals
Rs."000"	Rs."000"
3,725	_
46,250	_
7,075	493
1,622	236
5,514	_
215	900
64,401	1,629

#### 6 INVESTMENT

During the period, 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 majority shareholding of Nimir Resins Limited (Formerly Descon Chemicals Limited), a listed company engaged in the business of industrial chemicals. The effective shareholding of the Company in Nimir Resins Limited (Formerly Descon Chemicals Limited) is 35.43%. The Company has determined that Nimir Resins Limited (Formerly Descon Chemicals Limited) is an associate in accordance with IAS 28 Investment in Associates.

#### **7 LOAN TO SUBSIDIARY**

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 Nimir Resins Limited (Formerly Descon Chemicals Limited), as explained in note 6.

. . .

		Note	31, 2016	30, 2015
8	LONG TERM LOAN		Rs."000"	Rs."000"
	Syndicated term finance - Secured I	8.1	16,333	65,333
	Term finance - Secured II	8.2	103,125	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		(53,833)	(102,833)
			315,625	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 months KIBOR plus 200 bps per annum repayable in 5 years with 6 months grace period. This facility is secured against first joint pari passu charge over fixed assets of the Company.



#### 9 SHORT TERM LOANS -Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 2,225 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: The rate of mark up ranges from 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 facilities are secured against 1st pari passu charge on the present and future, current and fixed assets of the Company, including land along with construction thereon and easements, amenities therewith.

The unutilized facility for opening letters of credit and bank guarantees as at March 31, 2016 amounts to Rs. 1,312 million (June 30, 2015: Rs. 445 million) and Rs. 49 million respectively.

#### 10 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies since the last audited published financial statements, however 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. 212 million (June 30, 2015: Rs. 73 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 95.90 million (June 30, 2015: Rs. 95.90 million) and guarantees given to PSO amounting to Rs. 18 million (June 30, 2015: Rs. 15 million).

11 SALES	Nine months ended		Three months ended		
	March	March	March	March	
	31, 2016	31, 2015	31, 2016	31, 2015	
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	
Gross Sales	4,176,888	3,043,557	1,260,820	918,035	
Less: Discount	94	5	2	_	
Sales Tax	607,266	440,979	183,405	133,461	
	607,360	440,984	183,407	133,461	
Net Sales	3,569,528	2,602,573	1,077,413	784,574	

# 12 COST OF SALES

Opening stock of finished goods Cost of goods manufactured	267,026 2,907,230 3,174,256	89,037 2,359,467 2,448,504	181,857 947,783 1,129,640	124,652 793,787 918,439
Less: closing stock of finished goods	248,175 2,926,081	230,875	248,175 881,465	230,875

## 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.

	March 31, 2016 Rs."000"	March 31, 2015 Rs."000"
Transactions with associated undertaking		
Investment in subsidiary Loan to subsidiary Sales to associated company Managerial services and expenses-net	20,000 235,500 9,590 683	- - - -
Key Management Personnel		
Remuneration Other benefits	52,048 10,437	35,762 13,143

**13.1** The Company bacame associated company with Nimir Resins Limited (Formerly Descon Chemicals Limited) with effect from January 01, 2016. Hence transactions with Nimir Resins Limited have been taken from January 01, 2016.

## 14 GENERAL

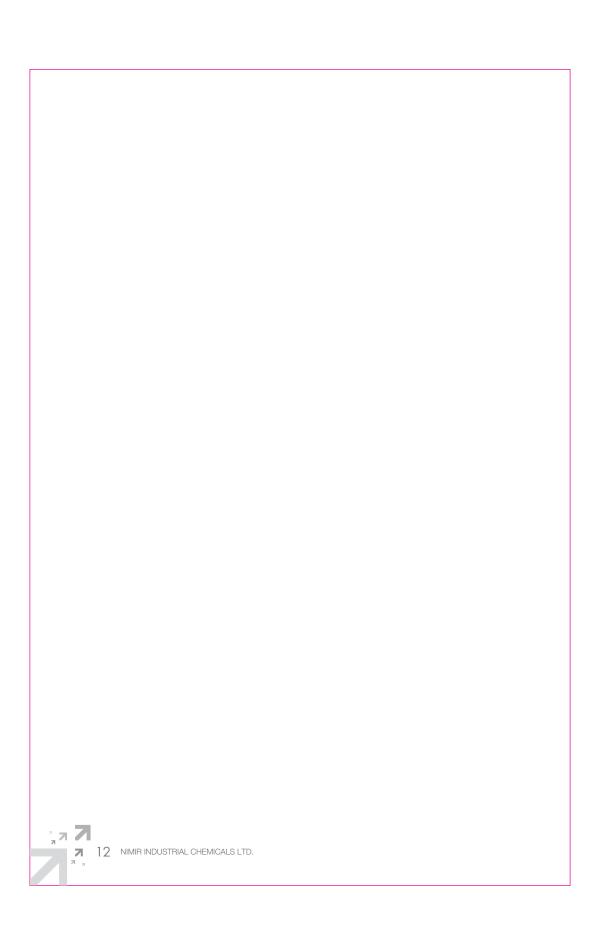
- **14.1** This interim condensed financial information was authorized for issue on Tuesday, April 26, 2016 by the Board of Directors of the Company.
- **14.2** The figures have been rounded off to the nearest thousand of Rupees.

Chief Executive Officer

**对** 10 NIMIR INDUSTRIAL CHEMICALS LTD.



# CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION



# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET - UNAUDITED AS AT MARCH 31, 2016

		Unaudited	Audited
	Note	March	June
ASSETS	Note	31, 2016 Rs. "000"	30, 2015 Rs. "000"
NON CURRENT ASSETS			
Property, plant and equipment Investment Loans of associates	4 5 6	1,716,993 13,504 246,123	1,628,872 - -
Intangible assets Long term deposits		30,805	995 28,954
CURRENT ASSETS		2,008,095	1,658,821
Stores, spares and loose tools Stock in trade Trade debts - considered good - unsecured Loan and advances Trade deposits and short term prepayments Other receivables Advance tax Cash and bank balances	7	92,078 624,895 397,023 131,750 10,732 117,076 149,050 49,184 1,571,788	71,831 758,414 482,312 34,881 8,910 11,717 111,971 13,961
TOTAL ASSETS		3,579,883	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
Equity Attributable to Equity Holders of Parent Issued, subscribed and paid up capital Unappropriated profit		1,105,905 661,329	1,105,905 574,711
Non-controlling interests		1,767,234 6,749 1,773,983	1,680,616
NON CURRENT LIABILITIES		1,773,963	1,680,616
Long term loans Liabilities against assets subject to finance lease Deferred liabilities - employee benefits Deferred tax liability	8	415,173 107,525 54,985 69,135 646,818	93,750 72,006 48,493 59,207 273,456
CURRENT LIABILITIES		ŕ	,
Trade and other payables Mark up accrued		346,646 16,772	213,202 11,989
Unclaimed dividend Dividend payable Short term borrowings - secured Current maturity of long term loans Current maturity of liabilities against assets subject to finance lead Provision for taxation	9 8 ise	1,014 110,591 541,576 53,833 22,626 66,024	850,439 102,833 17,938 1,657
		1,159,082	1,198,746
CONTINGENCIES AND COMMITMENTS	10	_	
TOTAL EQUITY AND LIABILITIES		3,579,883	3,152,818

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

Chief Executive Officer

Quarterly Report March 2016

# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED FOR NINE MONTHS ENDED $\,$ MARCH 31, 2016

		Nine month period ended		Three month period ended	
	Note	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Sales	11	3,569,528	2,602,573	1,077,413	784,574
Cost of sales	12	(2,926,081)	(2,217,629)	(881,466)	(687,563)
Gross profit		643,447	384,944	195,947	97,010
Distribution costs		(77,633)	(49,606)	(21,761)	(14,603)
Administrative expenses		(75,699)	(53,462)	(26,948)	(16,088)
Operating profit		490,115	281,877	147,238	66,319
Other expenses		(29,091)	(13,810)	(9,437)	(2,660)
Other income		660	7,047	526	6,191
Finance cost		(65,939)	(82,640)	(23,282)	(31,684)
Foreign exchange loss		(21,919)	(6,134)	(2,546)	(2,266)
Share of profit from associate		5,662		5,662	
Profit before taxation		379,488	186,340	118,161	35,900
Provision for taxation					
Current Deferred		(64,813) (9,927)	(31,672) (33,830)	(19,732) 20,054	(6,098) (6,624)
		(74,740)	(65,502)	322	(12,722)
Profit after taxation		304,748	120,838	118,484	23,178
Other comprehensive income - net of t	axation	-	-	-	_
Total comprehensive income for the	period	304,748	120,838	118,484	23,178
Attributable to:					
Equity holders of the parent Non-controlling interests		307,799 (3,051)	120,838 -	119,743 (1,259)	23,178
		304,748	120,838	118,484	23,178
Earnings per share - Basic and diluted	<b>(Rs.)</b> 13	2.76	1.09	1.07	0.21

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 - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

	March 31, 2016	March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES	Rs. "000"	Rs. "000"
Net profit before taxation	379,488	186,340
Adjustments for:		
Depreciation Amortization Gain on disposal of property, plant and equipment Finance cost Exchange loss on Liabilities Provision for gratuity	101,947 326 (183) 65,939 21,919 7,200	86,101 305 (985) 82,640 6,134 5,400
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	576,636	365,935
(Increase) / decrease in current assets Stores and spares and loose tools Stock in trade Trade debts Loan and advances Trade deposits and short term prepayments Other receivables Advance tax	(20,247) 133,519 85,289 (96,869) (1,822) (105,358) (116) (5,604)	(58,316) (86,319) (105,894) (43,791) (3,222) 345 - (297,197)
(Increase) / decrease in current liabilities Trade and other payables	111,524	(90,589)
CASH GENERATED FROM OPERATIONS	682,556	(21,851)
Gratuity paid Finance cost paid Dividend paid during the year Tax (paid) / refund  NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(708) (61,156) (110,263) (37,410) (209,537) 473,019	(1,642) (73,653) 21,405 (53,890) (75,741)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress Addition in capital work in progress Sale proceeds from disposal of property, plant and equipment Investment Loan to associates Long term deposits	(64,401) (126,076) 592 (13,505) (236,323) (1,851)	(650,598) 505,429 2,934 - - (922)
NET CASH USED IN INVESTING ACTIVITIES	(441,564)	(143,157)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan repayment Proceeds from long term loan Repayment of liabilities against assets subject to finance lease New leases acquired during the year Short term borrowings - net	(77,126) 349,548 (12,531) 52,740 (308,863)	(58,376) - (14,574) 12,500 250,012
NET CASH GENERATED FROM FINANCING ACTIVITIES	3,768	189,562
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,223	(29,336)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,961	62,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	49,184	32.851

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

Chief Executive Officer

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# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

	Attributable	Attributable to Equity Holders of the Parent	of the Parent		
	Share	Unappropriated		Non-controlling	
	Capital	Profit	Total	Interest	Total
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on 01 July 2014	1,105,905	353,122	1,459,027	I	1,459,027
Total comprehensive income for the period ended 31 March 2015	I	120,838	120,838	I	120,838
Balance as on 31 March 2015	1,105,905	473,960	1,579,865	1	1,579,865
Balance as on 01 July 2015	1,105,905	574,711	1,680,616	I	1,680,616
Minority interest	I	I	I	008'6	008'6
Total comprehensive income for the period ended 31 March 2016	ı	307,799	307,799	(3,051)	304,748
Final dividend paid at the rate of Rs.1 per share (June 2015)	I	(110,591)	(110,591)	ı	(110,591)
Final dividend paid at the rate of Rs.1 per share (December 2015)	ı	(110,591)	(110,591)	ı	(110,591)
Balance as on 31 March 2016	1,105,905	661,329	1,767,234	6,749	1,773,983

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

Chief Executive Officer



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIALS - UNAUDITED FOR NINE MONTHS ENDED MARCH 31, 2016

#### THE COMPANY AND ITS OPERATIONS

 $Nimir Industrial \ Chemicals \ Limited \ (the "Company") \ was incorporated \ in \ Pakistan \ as \ a \ Public \ Limited \ Company \ and \ Public \ Limited \ Public \ Limited \ Company \ and \ Public \ Limited \ Public \ Limited \ Public \ Limited \ Public \$ 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 Bhikhi, District Sheikhupura, Pakistan. The Company is engaged in manufacture and sale of chemical products.

#### 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**

- Nimir Resins Limited (Formerly Descon Chemicals Limited)

35.43%

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. These companies have been formed for the purpose of investment in Nimir Resins Limited (Formerly Descon Chemicals

Nimir Resins Limited (Formerly Descon Chemicals Limited) is a listed company engaged in the manufacturing and sale of industrial chemicals.

## **BASIS OF PREPARATION**

- This condensed interim consolidated financial information of the Group for the nine-month period 2.1 ended 31 March 2016 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.
- 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 2015.
- 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.

# **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:

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.

#### 

Following are the additions / disposals (at cost) in the property, plant and equipment made during the nine-month period ended March 31, 2016:

	(Un-	Audited)	Audite	ed
	Additions March-2016 Rs."000"	Disposal March-2016 Rs."000"	Additions June-2015 Rs."000"	Disposal June-2015 Rs."000"
Land	_	_	4,863	_
Building	3,725	_	94,703	_
Plant and machinery - Owned	46,250	_	497,302	_
Plant and machinery - Leased	_	_	94,550	_
Furniture and fittings	_	_	329	14
Office equipment	8,697	729	9,254	555
Vehicles - Owned	215	900	347	2,487
Vehicles - Leased	5,514	_	3,691	1,845
	64,401	1,629	705,038	4,901

## 5 INVESTMENT

This represents investment of 35.43% in Nimir Resins Limited (Formerly Descon Chemcials Limited). The group has determined that Nimir Resins Limited (Formerly Descon Chemicals Limited) is an associate in accordance with IAS 28 Investment in Associates. Accordingly the investment has been accounted for using the equity method.

# 6 LOAN TO ASSOCIATE

This represents loan provided by the group to associate Nimir Resins Limited (Formerly Descon Chemicals Limited). The loan is repayable on demand. However, the group intends to convert this loan into equity. In this regard required formalities are being completed in Nimir Resins Limited (Formerly Descon Chemicals Limited). As soon as these formalities are completed, the loans will be converted into share capital.

		Note	March 31, 2016 Rs."000"	June 30, 2015 Rs."000"
7	STOCK IN TRADE			
	Raw and packing material -in hand -in transit		98,523 278,197 376,720	108,001 383,815 491,816
	Finished goods		248,175 624,895	266,598 758,414
8	LONG TERM LOAN	:		
	From financial institutions Syndicated term finance - Secured I Term finance - Secured II Term finance - Secured III Term finance - Secured IV Less: current maturity shown under current liabilities	8.1 8.2 8.3 8.4	16,333 103,125 175,000 75,000 (53,833) 315,625	65,333 131,250 - - (102,833) 93,750
	From others Terranova Limited (related party) Loan from directors	8.5 8.5	40,632 58,916 415,173	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 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 fixed assets of the Company.
- 8.5 This represents interest free loan obtained by associated company Nimir Resins Limited (Formerly Descon Chemicals Limited). The loan is repayable on demand. However, the lenders intend to convert this loan into equity. In this regard required formalities are being completed in Nimir Resins Limited (Formerly Descon Chemicals Limited). As soon as these formalities are completed, the loans will be converted into share capital.

## 9 SHORT TERM BORROWINGS - Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 2,225 million (June 30, 2015: Rs. 1,825 million). The rate of markup 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: The rate of mark up ranges from 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 facilities are secured against 1st pari passu charge on the present and future, current and fixed assets of the Company, including land along with construction thereon and easements, amenities therewith.

The unutilized facility for opening letters of credit and bank guarantees as at March 31, 2016 amounts to Rs.1,312 million (June 30, 2015: Rs. 445 million) and Rs. 49 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.212 million (June 30, 2015: Rs. 73 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 95.914 million (June 30, 2015: Rs. 95.90 million) and guarantees given to PSO and Total Parco amounting to Rs. 18 Million (June 30, 2015: Rs. 15 million).

	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Gross sales	4,176,888	3,043,557	1,260,820	918,035
Less: Discount Sales tax and excise duty	(94) (607,266) (607,360)	(5) (440,979) (440,984)	(2) (183,405) (183,407)	(133,461) (133,461)
Net Sales	3,569,528	2,602,573	1,077,413	784,574
12 COST OF SALES				
Opening stock of finished goods Cost of goods manufactured	267,026 2,907,230 3,174,256	89,037 2,359,467 2,448,504	181,857 947,783 1,129,640	124,652 793,787 918,439
Less: closing stock of finished goods	(248,175) 2,926,081	(230,875) 2,217,629	(248,175) 881,465	(230,875) 687,564
13 EARNINGS PER SHARE - BASIC AN	ID DILUTED			
Profit attributable to ordinary shareholders (Rs"000")	304,748	120,838	118,484	23,178
Weighted average number of				
shares- (number)	110,591	110,591	110,591	110,591
Earnings per share- (Rs.)	2.76	1.09	1.07	0.21

Nine months ended

Three months ended

## 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:

	Nine-month	perioa enaea
	March	March
	31, 2016	31, 2015
	Rs. "000"	Rs. "000"
Loan to Associate		
Nimir Resins Limited (Formerly Descon Chemicals Limited)	246,123	_
Transactions with associated undertaking		
Sales to associated company	9,590	_
Managerial services and expenses-net	683	-

**14.1** The Company bacame associated company with Nimir Resisn Limited with effect from January 01, 2016. Hence transactions with Nimir Resins Limited have been taken from January 01, 2016.

# **Key Management Personnel**

Managerial Remuneration	52,048	35,762
Other Benefits	10,437	13,143

## 15 GENERAL

7

11 SALES

This condensed interim consolidated financial information was authorized for issue by the Board of Directors of the Company on Tuesday, April 26, 2016.

Chief Executive Officer

Director

20 NIMIR INDUSTRIAL CHEMICALS LTD.

