

► Quarterly Report  
**2016**  
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. 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
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### Company Secretary

Mr. Muhammad Inam-ur-Rahim
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### 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
<a href="http://www.corplink.com.pk">www.corplink.com.pk</a>

### 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., 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

<a href="http://www.nimir.com.pk">www.nimir.com.pk</a>
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## DIRECTORS' REPORT

The Directors are pleased to present their review report together with the unaudited financial information of the Company for the quarter ended September 30, 2016.

Your Company has performed satisfactorily in the first quarter of the current financial year, and achieved higher sales value, gross profit and net profit than the corresponding period of last year.

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

	Three Months Ended September 30		
	2016	2015	Increase
	Rupees in million		% age
Sales Revenue	1,623	1,279	27%
Gross Profit	234	226	4%
Pre-Tax Profit	140	128	9%
Profit after Tax	96	90	7%
Earnings per share (Rs.)	0.87	0.81	7%

Net sales revenue for the quarter was higher by 27%. Resultantly, the company posted gross profit of Rs. 234 million, pre-tax profit of Rs. 140 million, and after tax profit of Rs. 96 million showing an increase of 4%, 9% and 7% respectively quarter on quarter. Administration, selling and distribution expenditures remained under control.

We expect to continue the growth in the coming quarters, Insha Allah.

For and on the behalf of the Board



**Zafar Mahmood**  
Chief Executive Officer

**Sheikhupura**  
**October 28, 2016**

## ڈائریکٹر رپورٹ

ڈائریکٹر 30 ستمبر 2016 مختتمہ سہ ماہی کیلئے کمپنی کی غیر متوقع شدہ مالی معلومات کیساتھ اپنی جائزہ رپورٹ پیش کر رہے ہیں۔ آپ کی کمپنی نے رواں مالی سال کی پہلی سہ ماہی میں تسلی بخش کارکردگی کا مظاہرہ کیا اور گزشتہ سال کی اسی مدت کے مقابلے میں ہائر سیلز ویلیو، مجموعی منافع اور خالص منافع حاصل کیا ہے۔

زیر جائزہ سہ ماہی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے

30 ستمبر کو ختم ہونے والے سہ ماہی			
اضافہ	2015	2016	
فیسڈ میں	ملین روپوں میں		سیلز ریونیو
27%	1279	1623	
4%	226	234	کل منافع
9%	128	140	منافع قبل از ٹیکس
7%	90	96	منافع بعد از ٹیکس
7%	0.81	0.87	فی شیئر آمدن

سہ ماہی کے دوران خالص فروخت آمدنی 27 فیصد زیادہ رہی جس کے نتیجے میں کمپنی کا کل منافع 234 ملین روپے، قبل از ٹیکس منافع 140 ملین روپے، بعد از ٹیکس منافع 96 ملین روپے رہا جو کہ سہ ماہی کے دوران بالترتیب 4 فیصد، 9 فیصد اور 7 فیصد کا اضافہ ظاہر کرتا ہے۔ انتظامیہ، فروخت اور ڈسٹری بیوشن کے اخراجات کنٹرول میں رہے۔

انشاء اللہ! ہمیں آئندہ ماہ کے دوران ترقی کی شرح جاری رہنے کی توقع ہے

جنگم بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر

شیخوپورہ

28 اکتوبر 2016

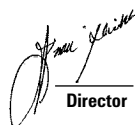
# CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

		Note	Unaudited September 30, 2016 Rs '000'	Audited June 30, 2016 Rs '000'
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	5		1,815,132	1,775,454
Intangible assets			452	561
Investment in subsidiary			20,000	20,000
Loan to subsidiary			235,500	235,500
Long term deposits			34,939	31,169
			2,106,023	2,062,684
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools			86,553	130,828
Stock in trade			806,231	637,996
Trade debts			746,309	820,653
Loans and advances			59,933	64,384
Trade deposits and short term prepayments			4,672	7,736
Other receivables			16,491	16,491
Tax refund due from Government			186,436	226,693
Cash and bank balances			55,127	61,677
			1,961,752	1,966,458
<b>TOTAL ASSETS</b>			<b>4,067,775</b>	<b>4,029,142</b>
<b>EQUITY AND LIABILITIES</b>				
Authorized Capital				
145,000,000 ( June 30, 2016: 145,000,000)			1,450,000	1,450,000
Ordinary Shares of Rs. 10/- each (June 30, 2016: Rs. 10/- each)				
Issued, subscribed and paid up capital			1,105,905	1,105,905
110,590,546 ( June 30, 2016: 110,590,546)				
Ordinary Shares of Rs. 10/- each (June 30, 2016: Rs. 10/- each)				
Unappropriated profit			777,788	681,956
			1,883,693	1,787,861
<b>NON CURRENT LIABILITIES</b>				
Long term loans			225,000	243,750
Liabilities against assets subject to finance lease			111,415	104,377
Deferred tax Liability			124,441	109,561
			460,856	457,688
<b>CURRENT LIABILITIES</b>				
Trade and other payable			238,318	327,843
Net Defined benefit liability-funded gratuity			52,206	49,806
Mark up accrued			19,681	20,167
Dividend payable/unclaimed			2,635	11,587
Short term borrowings			1,133,971	1,132,628
Current maturity of long term loans			100,000	100,000
Current maturity of liabilities against assets subject to finance lease			33,809	28,702
Provision for taxation			142,606	112,860
			1,723,226	1,783,593
<b>CONTINGENCIES AND COMMITMENTS</b>	6		—	—
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>4,067,775</b>	<b>4,029,142</b>

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



Chief Executive Officer




Director

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Note	July to September 2016 Rs '000'	July to September 2015 Rs '000'
<b>Sales - Net</b>	8	1,623,189	1,278,709
Cost of sales	9	(1,389,535)	(1,052,407)
<b>Gross profit</b>		233,654	226,302
Distribution costs		(30,069)	(28,437)
Administrative expenses		(27,157)	(23,137)
<b>Operating profit</b>		176,428	174,728
Other expenses		(10,410)	(9,967)
Other income		3,156	224
Finance costs		(28,064)	(21,257)
Foreign exchange loss		(650)	(15,337)
<b>Profit before taxation</b>		140,460	128,391
<b>Taxation:</b>			
Taxation		(29,748)	(21,826)
Deferred		(14,880)	(16,959)
		(44,628)	(38,785)
<b>Profit after taxation</b>		95,832	89,606
<b>Earnings per share - Basic and diluted</b>		0.87	0.81

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

  
**Chief Executive Officer**
  
**Director**


# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	July to September 2016	July to September 2015
	Rs '000'	Rs '000'
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	140,460	128,391
Adjustment for :		
Depreciation	38,641	33,712
Amortization	109	109
(Loss) / Gain on disposal of property, plant and equipment	(3,146)	(14)
Finance costs	28,064	21,257
Foreign exchange loss on foreign liabilities	650	15,337
Provision for gratuity	2,400	2,400
	66,718	72,801
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	207,178	201,192
Increase / (decrease) in current assets		
Stores, spares and loose tools	44,275	(45,782)
Stock in trade	(168,235)	235,088
Trade debts	74,344	(166,534)
Loans and advances	4,451	(19,812)
Trade deposits and short term prepayments	3,064	2,234
Other receivables	—	614
Tax refund due from Government	40,257	31,141
	(1,844)	36,949
Decrease in current liabilities		
Trade and other payable	(90,177)	(8,155)
<b>CASH GENERATED FROM OPERATIONS</b>	115,157	229,986
Gratuity paid	—	(140)
Finance costs paid	(28,550)	(19,522)
Tax paid	—	(9,422)
	(28,550)	(29,084)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	86,607	200,902
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(78,488)	(1,867)
Sale proceeds of property, plant and equipment	3,315	21
Long term deposits	(3,770)	(64)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(78,943)	(1,910)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term Loans paid	(18,750)	(25,708)
Repayment of liabilities against assets subject to finance lease	(6,705)	(5,041)
New leases acquired during the period	18,850	4,877
Dividend Paid	(8,952)	—
Short term borrowings	1,343	(51,055)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(14,214)	(76,927)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(6,550)	122,065
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	61,677	13,961
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	55,127	136,026

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



Chief Executive Officer




Director

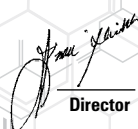
## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Share Capital	Unappropriated Profit	Total
	Rs '000'	Rs '000'	Rs '000'
Balance as on June 30, 2015	1,105,905	574,711	1,680,616
Profit for the quarter (Jul-Sep) 2015	—	89,606	89,606
Dividend @ Rs. 1/- per share for the period ended June 30, 2015	—	(110,590)	(110,590)
Balance as on September 30, 2015	1,105,905	553,727	1,659,632
Profit for the period (Oct-Jun) 2016	—	349,410	349,410
Dividend @ Rs. 1/- per share for the period ended Oct to Jun 2016	—	(221,181)	(221,181)
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
<b>Balance as on September 30, 2016</b>	<b>1,105,905</b>	<b>777,788</b>	<b>1,883,693</b>

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



Chief Executive Officer



Director



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

## 1 THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals Limited (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, Mouza Bhikki, 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 September 30, 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.
- 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, 2016.

## 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2016.

## 4 TAXATION

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

## 5 ADDITIONS / (DISPOSALS) IN PROPERTY, PLANT AND EQUIPMENTS - AT COST

Followings are the additions and disposals in the property, plant & equipment made during the quarter ended September 30, 2016:

	<b>Additions</b>	<b>Disposals</b>
	<b>Rs 000</b>	<b>Rs 000</b>
<b>OPERATING FIXED ASSETS</b>		
Plant & Machinery	917	—
Factory Equipment	896	—
Office Equipment	80	—
Computers	711	—
Vehicles-Owned	752	5,684
Vehicles-Leased	18,850	—
	<b>22,206</b>	<b>5,684</b>

## 6 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

Nil

## COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 30 September 2016 are as follows:

	<b>September 30, 2016 (Rupees)</b>	<b>June 30, 2016 (Rupees)</b>
Letters of credit established for the import of raw materials, spare parts and machinery	383 million	73 million
Letter of guarantee given to SNGPL	96 million	96 million
Letter of guarantee given to PSO	15 million	5 million
Letter of guarantee given to TOTAL PARCO	3 million	—

## 7 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises holding Company, entities over which the directors are able to control, exercise significant influence, entities with common directors, major shareholders, directors, key management employees and employees fund. The transactions with related parties are as follows.

Relationship	Nature of transaction	Quarter ended	
		<b>September 30, 2016 Rs 000</b>	<b>September 30, 2015 Rs 000</b>
Subsidiary Company	Sale of goods	27,114	—
Subsidiary Company	Services rendered	1,302	—
Associated Company	Sale of goods	2,701	—
Key Management Personal			
Remuneration		21,316	14,141
Other Benefits		8,005	8,259

## 8 SALES

Gross Sales	1,903,373	1,496,177
Discount	(3,483)	(82)
Sales Tax	(276,700)	(217,387)
	(280,183)	(217,468)
Net Sales	1,623,189	1,278,709

## 9 COST OF SALES

Opening stock of finished goods	277,890	267,026
Cost of goods manufactured	1,272,064	944,434
	1,549,954	1,211,460
Closing stock of finished goods	(160,419)	(159,053)
Cost of goods sold	1,389,535	1,052,407

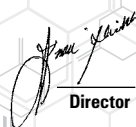
## 10 GENERAL

**10.1** This interim condensed financial information was authorized for issue on Friday, October 28, 2016 by the Board of Directors of the Company.

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



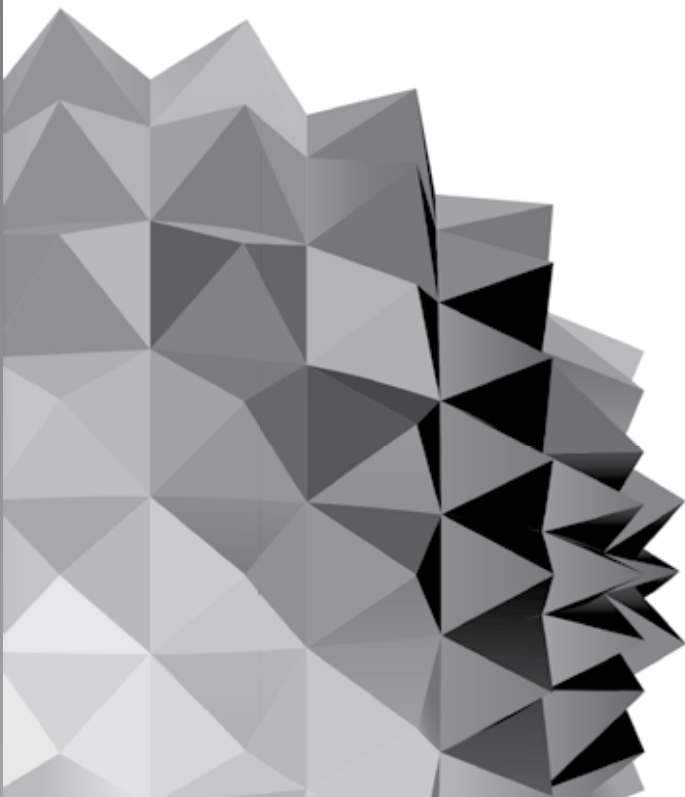
**Chief Executive Officer**



**Director**



▶ NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES  
**FINANCIAL STATEMENTS - CONSOLIDATED**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2016



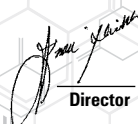
# CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2016

	Note	Unaudited September 30, 2016 Rs '000'	Audited June 30, 2016 Rs '000'
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	2,282,191	2,249,900
Intangible		2,083	2,220
Long term deposits		42,589	38,819
Net defined benefit assets - funded gratuity		1,372	1,384
		2,328,235	2,292,323
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		98,212	141,940
Stock in trade		1,322,753	1,127,394
Trade debts - considered good - unsecured		1,246,605	1,224,768
Loan and advances		118,964	112,853
Trade deposits and short term prepayments		5,907	9,941
Other receivables		37,171	46,514
Tax refunds due from government		363,580	377,530
Cash and bank balances		163,391	207,953
		3,356,583	3,248,893
<b>TOTAL ASSETS</b>		<b>5,684,818</b>	<b>5,541,216</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized Capital			
145,000,000 (30 June 2016: 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 2016: 110,590,546) Ordinary shares of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit		879,000	776,699
Equity portion of interest free loans		3,628	2,902
Non-controlling interest		219,375	206,192
		2,207,908	2,091,698
<b>NON CURRENT LIABILITIES</b>			
Long term loans		421,859	442,547
Liabilities against assets subject to finance lease		111,415	104,377
Deferred tax liability		155,797	140,262
		689,071	687,186
<b>CURRENT LIABILITIES</b>			
Trade and other payables		450,569	507,119
Net defined benefit liability - funded gratuity		52,206	49,806
Mark up accrued		34,065	29,973
Unclaimed dividend		2,928	11,880
Short term borrowings - secured		1,948,146	1,903,994
Current maturity of long term loans		100,000	100,000
Current maturity of liabilities against assets subject to finance lease		33,809	28,702
Provision for taxation		166,116	130,858
		2,787,839	2,762,332
<b>CONTINGENCIES AND COMMITMENTS</b>	7	—	—
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,684,818</b>	<b>5,541,216</b>

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



Chief Executive Officer



Director

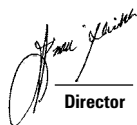
# CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Note	July to September 2016 Rs '000'	July to September 2015 Rs '000'
<b>Sales - net</b>		2,152,925	1,278,709
Cost of sales	9	(1,856,364)	(1,052,407)
<b>Gross profit</b>		296,561	226,302
Distribution costs		(39,713)	(28,437)
Administrative expenses		(37,285)	(23,137)
Other expenses		(12,243)	(9,967)
Other income		2,657	224
Foreign exchange loss		(650)	(15,337)
<b>Operating profit</b>		209,327	149,648
Finance cost		(44,274)	(21,257)
<b>Profit before taxation</b>		165,053	128,391
Taxation		(50,781)	(38,785)
<b>Profit after taxation</b>		114,272	89,606
<b>Attributable to:</b>			
Equity holders of the parent		102,301	89,606
Non-controlling interests		11,971	—
		114,272	89,606
<b>Earnings per share - basic and diluted</b>		0.93	0.81

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



Chief Executive Officer

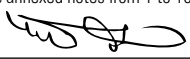


Director

# CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	July to September 2016 Rs '000'	July to September 2015 Rs '000'
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	165,053	128,391
Adjustments for:		
Depreciation	47,573	33,712
Amortization	137	109
Gain on disposal of property, plant and equipment	(3,146)	(14)
Finance cost	44,274	21,257
Exchange loss	650	15,337
Provision for gratuity	2,412	2,400
	91,900	72,801
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	256,953	201,192
(Increase) / decrease in current assets		
Stores and spares and loose tools	43,728	(45,782)
Stock in trade	(195,359)	235,088
Trade debts	(21,837)	(166,534)
Loan and advances	(6,111)	(19,812)
Trade deposits and short term prepayments	4,035	2,234
Other receivables	9,343	614
Tax refunds due from government	45,540	31,141
	(120,661)	36,949
(Decrease) in current liabilities		
Trade and other payables	(57,200)	(8,155)
<b>CASH GENERATED FROM OPERATIONS</b>	79,092	229,986
Gratuity paid	—	(140)
Finance cost paid	(38,978)	(19,522)
Tax paid	(31,576)	(9,422)
	(70,554)	(29,084)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	8,538	200,902
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(79,781)	(1,867)
Sale proceeds from disposal of property, plant and equipment	3,315	21
Long term deposits	(3,770)	(64)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(80,236)	(1,910)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan paid	(18,751)	(25,708)
Repayment of liabilities against assets subject to finance lease	(8,162)	(5,041)
New leases acquired during the year	18,850	4,877
Dividend paid	(8,952)	—
Short term borrowings	44,152	(51,055)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	27,137	(76,927)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(44,561)	122,065
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	207,953	13,961
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	163,391	136,026

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

  
Chief Executive Officer

  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Issued, subscribed and paid up share capital	Unappropriated profit	Equity portion of interest free loans	Non-controlling interest	Total
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
<b>Balance as on July 1, 2015</b>					
Final dividend for 2015 @ Rs. 1 per share	1,105,905	574,711	—	—	1,680,616
Profit for the quarter Jul-15 to Sep-15	—	(110,590)	—	—	(110,590)
	—	89,606	—	—	89,606
<b>Balance as on September 30, 2015</b>	1,105,905	553,727	—	—	1,659,632
Acquisition of subsidiary	—	—	—	—	—
Further acquisition of voting shares from Non-controlling interest	—	—	—	209,383	209,383
	—	—	—	(26,206)	(26,206)
Interim dividend for 2016 @ Rs. 1 per share	—	(110,591)	—	—	(110,591)
Interim dividend for 2016 @ Rs. 1 per share	—	(110,591)	—	—	(110,591)
Equity portion of directors' interest free loans	—	—	2,902	4,849	7,751
Profit for the period Oct-15 to Jun-16	—	444,154	—	18,166	462,320
<b>Balance as on June 30, 2016</b>	1,105,905	776,699	2,902	206,192	2,091,698
Equity portion of directors' interest free loans	—	—	726	1,212	1,938
Profit for the quarter Jul-16 to Sep-16	—	102,301	—	11,971	114,272
<b>Balance as on September 30, 2016</b>	1,105,905	879,000	3,628	219,375	2,207,908

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



Chief Executive Officer



Director

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (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") (formerly Descon Chemicals Limited)

The shareholding of the Group is as follows:

Holding of NICL in NHPL	100.00%
Holding of NHPL in NMPL	51.00%
Holding of NHPL in NRL	11.43%
Holding of NMPL in NRL	51.00%
Effective shareholding of NICL in NRL	37.44%

Nimir Industrial Chemicals Limited (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, Mouza Bhikki, District Sheikhpura, 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 September 28, 2015 and December 4, 2015 respectively for the purpose of investment in Nimir Resins Limited (formerly Descon Chemicals Limited). The registered office of NHPL and NMPL is Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

Nimir Resins Limited (formerly Descon Chemicals Limited) was initially incorporated in Pakistan on December 17, 1964 as a private limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984) and was converted into public limited company on August 19, 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on April 1, 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 April 18, 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange and Lahore Stock Exchange). The registered office is situated at 14.5 KM, Lahore-Sheikhpura 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 condensed interim financial information of the Company for the three-months period ended September 30, 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.
- 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, 2016.



- 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 CHANGE IN ACCOUNTING ESTIMATE

During the quarter under review, NRL has changed its estimate for charging depreciation as per the accounting standard IAS-8 - Accounting Policies, Changes in Accounting Estimates and Errors. As a result of this change in estimate, NRL has changed the remaining life of its assets after consulting the PBA (Pakistan Banking Association) approved consultant. Now the assets are depreciated on straight line basis. It was being previously charged reducing balance method. If there had been no change in accounting estimates, the profit for the quarter ended September 30, 2016 would have been increased by Rs. 1.615 million.

### 4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2016.

### 5 TAXATION

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

### 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, 2016:

	<b>Additions</b>	<b>Disposal</b>
	<b>Rs “000”</b>	<b>Rs “000”</b>
Plant and Machinery	917	—
Factory Equipment	896	—
Office Equipment	80	—
Computers	711	—
Vehicles-Owned	752	5,684
Vehicles-Leased	18,850	—
	<b>22,206</b>	<b>5,684</b>

### 7 CONTINGENCIES AND COMMITMENTS

#### 7.1 CONTINGENCIES

##### **Holding Company**

Nil

##### **Subsidiary Company**

The Customs Department passed an order under Section 25 of the Customs Act in the case of Ravi Resins Limited (previous name of the Company) creating a demand of Rs. 1.02 million (2015: Rs. 1.02 million). The Tribunal has dismissed the appeal filed against this order and the management has filed an appeal in the Lahore High Court that is pending adjudication. The Company has also filed an application before Alternate Dispute Resolution Committee for the resolution of this pending issue.

The return for Tax Year 2011 and 2014 have been selected for audit u/s 177 of the Income Tax Ordinance, 2001; proceedings in this respect have been initiated by the Income Tax Department that have not been completed yet. The Company has filed a writ petition before the Honorable Lahore High Court against the selection of Company's tax return for tax year 2014.

The Company have filed suits against material supplier and certain customers for the recovery of advance and trade debts amounting to Rs. 35.653 million. The Company expects a favourable outcome of these suits; therefore, no provision has been made in these financial statements.

## 7.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 30 September 2016 are as follows:

	<b>September 30, 2016</b>	<b>June 30, 2016</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
Letters of credit established for the import of raw materials,		
spare parts and machinery	534 million	464 million
Letter of guarantee given to SNGPL	99 million	96 million
Letter of guarantee given to PSO	18 million	15 million
Letter of guarantee given to Total PARCO	5 million	3 million

## 8 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.

<b>Relationship</b>	<b>Nature of transaction</b>	<b>July to September 2016</b>	<b>July to September 2015</b>
		<b>Rs "000"</b>	<b>Rs "000"</b>
Associated Company	Sale of goods	2,701	—
Staff retirement benefits	Company's contribution to Employees' provident fund trust	556	—
<b>Key Management Personal</b>			
Remuneration		21,316	14,141
Other Benefits		8,005	8,259

## 9 COST OF SALES

Opening stock of finished goods	391,254	267,026
Cost of goods manufactured	1,730,519	944,434
	2,121,773	1,211,460
Closing stock of finished goods	(265,409)	(159,053)
	1,856,364	1,052,407

## 10 GENERAL

This consolidated condensed interim financial information was authorized for issue by the Board of Directors of the Group on Friday, October 28, 2016.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



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