



## **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. 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 Mr. Muhammad Yahya Khan Mr. Zafar Mahmood
- Chairman - Member - Member
- **External Auditors**
- EY Ford Rhodes Chartered Accountants

### Legal Advisor

Cornelius, Lane & Mufti Advocates & Solicitors

#### Shares' Registrar

Corplink (Pvt.) Limited Wings Arcade, 1-K (Commercial), Model Town, Lahore. Tel: +92 42 35916714 & 19 Fax: +92 42 35869037 www.corplink.com.pk

#### Bankers

The Bank of Punjab Habib Bank Limited Standard Chartered Bank (Pakistan) Limited 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 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

ڈائر یکٹرزر یورٹ

ڈائر کیٹرز30 تتمبر 2016 مختمہ سہماہی کیلئے کمپنی کی غیر تنقیح شدہ مالی معلومات کیسا تھا پنی جائزہ رپورٹ پیش کررہے ہیں۔ آپ کی کمپنی نے رواں مالی سال کی پہلی سہ ماہی میں تسلی بخش کار کر دگی کا مظاہر ہ کیا اور گزشتہ سال کی اسی مدت کے مقابلے میں ہائیر سیلز و ملیو، مجموعی منافع اور خالص منافع حاصل کیا ہے۔

ز بر جائزہ سہ ماہی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے

برما یمی	ببركوختم ہو نیوالے سہ	<del>"</del> 30
اضافه	2015	2016
فيصدمين	<u>وں میں</u>	ملين روب
27%	1279	1623
4%	226	234
9%	128	140
7%	90	96
7%	0.81	0.87

سہ ماہی کے دوران خالص فروخت آمدنی 27 فیصد زیادہ رہی جس کے بنتیج میں کمپنی کا کل منافع234 ملین روپے ، قبل از ٹیک منافع140 ملین روپے، بعداز ٹیکس منافع96 ملین روپے رہا جو کہ سہ ماہی کے دوران بالتر تیب 4 فیصد، 9 فیصد اور 7 فیصد کا اضافہ طاہر کرتا ہے ۔انتظامیہ، فروخت اور ڈسٹری بیوٹن کے اخراجات کنٹرول میں رہے۔

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



# CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

	Note	Unaudited September 30, 2016	Audited June 30, 2016
		Rs '000'	
ASSETS			
NON CURRENT ASSETS			
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 2,106,023	2,062,68
CURRENT ASSETS		06 552	120.02
Stores, spares and loose tools Stock in trade		86,553 806,231	130,82
Trade debts		746,309	820,65
Loans and advances		59,933	64,38
Trade deposits and short term prepayments		4,672	7,73
Other receivables		16,491	16,49
Tax refund due from Government		186,436	226,693
Cash and bank balances		55,127	61,67
		1,961,752	1,966,45
TOTAL ASSETS		4,067,775	4,029,142
EQUITY AND LIABILITIES			
Authorized Capital			
145,000,000 ( June 30, 2016: 145,000,000)		1,450,000	1,450,00
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	681,95
		1,883,693	1,787,861
NON CURRENT LIABILITIES			
Long term loans		225,000	243,750
Liabilities against assets subject to finance lease		111,415	104,37
Deferred tax Liability		124,441 460,856	109,561
		400,030	437,000
CURRENT LIABILITIES		220.010	007.01
Trade and other payable		238,318	327,84
Net Defined benefit liability-funded gratuity Mark up accrued		52,206 19,681	49,80 20,16
Dividend payable/unclaimed		2,635	11,58
Short term borrowings		1,133,971	1,132,62
Current maturity of long term loans		100,000	100,00
Current maturity of liabilities against assets subject to finance lease		33,809	28,70
Provision for taxation		142,606	112,86
CONTINCENCIES AND COMMUNICATING	0	1,723,226	1,783,593
CONTINGENCIES AND COMMITMENTS TOTAL EQUITY AND LIABILITIES	6	4 067 775	4 020 14
		4,067,775	4,029,142
The annexed notes from 1 to 10 form an integral part to this condensed int	erim financial inf	ormation.	Anau Haid
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Director

**Chief Executive Officer** 

Nimir Industrial Chemicals Ltd. 4

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

	Note	July to September 2016	July to September 2015
		Rs '000'	Rs '000'
Sales - Net	8	1,623,189	1,278,709
Cost of sales	9	(1,389,535)	(1,052,407)
Gross profit		233,654	226,302
Distribution costs		(30,069)	(28,437)
Administrative expenses		(27,157)	(23,137)
Operating profit		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)
Profit before taxation		140,460	128,391
Taxation:			
Taxation Deferred		(29,748) (14,880) (44,628)	(21,826) (16,959) (38,785)
Profit after taxation		95,832	89,606
Earnings per share - Basic and diluted		0.87	0.81

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

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Chief Executive Officer

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

CASH FLOW FROM OPERATING ACTIVITIES       140,460       128,391         Net profit before taxation       140,460       128,391         Adjustment for :       2       0         Depreciation       38,641       109         Arnorizzation       109       119         Items (Sain on disposal of property, plant and equipment       13,1461       141         Finance costs       2,000       2,400         Provision for gratuity       2,400       2,400         OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES       207,178       201,192         Increase / (decrease) in current assets       207,178       201,192         Stores, spares and loose tools       44,275       (45,782)         Stores, spares and advances       4,451       (166,534)         Trade debts       74,344       (166,534)         Loans and advances       9,441       36,349         Decrease in current liabilities       9,0177)       (8,155)         CASH EENEATED FROM OPERATIONS       115,157       229,996		July to September 2016 Rs '000'	July to September 2015 Rs '000'
Adjustment for :       Depreciation       38,641       33,712         Amorization       109       109       109         (Loss) / Gain on disposal of property, plant and equipment       109       109         Foreign exchange loss on foreign liabilities       28,064       21,257         Porvision for gratuity       200,064       22,200         OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES       207,178       201,192         Increase / (decrease) in current assets       44,275       (45,782)         Stores, spares and loose tools       44,215       (45,782)         Stores, spares and loose tools       74,344       (166,534)         Trade debts       74,344       (166,534)         Lonas and advances       44,215       (45,782)         Trade deposits and short term prepayments       3,064       2,234         Other receivables       11,141       36,349         Decrease in current liabilities       115,157       229,986         Gratuity paid       (18,850)       (18,550)       (19,522)         Ass fell on three stabilities       (18,850)       (18,550)       (19,522)         Tade deposits and short term prepayment       3,315       21       (14,04)         Parates de property, plant and equipment	CASH FLOW FROM OPERATING ACTIVITIES	113 000	113 000
Depreciation38,64133,712Amortization(105)(31,46)(14)Finance costs65021,257Foreign exchange loss on foreign liabilities72,80124,00Provision for gratuity66,718201,192Increase/ (decrease) in current assets201,178201,192Increase/ (decrease) in current assets44,275(45,782)Stores, spares and loose tools44,275(45,782)Stores, spares and loose tools74,344(166,634)Loans and advances74,344(166,634)Trade deposits and short term prepayments3,0642,2400Other receivables30,6442,215Trade deposits and short term prepayments3,0642,234Other receivables115,157229,986Trade deposits and short term prepayments(1,844)36,349Decrease in current liabilities(1,844)36,349Trade and other payable(90,177)(8,155)CASH GENERATED FROM OPERATIONS115,157229,986Gratuity paid(28,550)(140)Finance costs paid(28,550)(20,094)NET CASH GENERATED FROM OPERATING ACTIVITIES78,943)(1,910)CASH FLOW FROM INVESTING ACTIVITIES(78,943)(1,910)CASH FLOW FROM INVESTING ACTIVITIES(78,943)(1,910)Long term loams paid(8,952)(7,5708)Repayment of liabilities against assets subject to finance lease(16,750)Net CASH USED IN INANCING ACTIVITIES(14,214)Lo	Net profit before taxation	140,460	128,391
Amortization109109(Loss) / Gain on disposal of property, plant and equipment(14)France costs28,064Provision for gratuity28,06421,257Foreign exchange loss on foreign liabilitiesProvision for gratuity20,000066,71872,80107ERATING PROFIT BEFORE WORKING CAPITAL CHANGES207,178201,192Increase / (decrease) in current assetsStores, spares and losse tools44,275Stock in trade(168,235)Trade debts(166,534)Loans and advances4,451Trade deposits and short term prepayments3,064Other receivables40,257Trade deposits and short term prepayments3,064Other receivables90,177)Rar fund due from Government115,157Cash GENERATED FROM OPERATIONS115,157Crash GENERATED FROM OPERATING ACTIVITIES86,607Purchase of property, plant and equipment(28,550)Jai paid(28,550)Cash HED IN INVESTING ACTIVITIES(78,488)Long term Loans paid(1,867)Reporter of flabilities against assets subject to finance lease(6,705)NET CASH USED IN INVESTING ACTIVITIES(14,214)Long term borrowings1,341NET CASH USED IN INVACING ACTIVITIES(14,214)New leases acquired during the period(18,870)Dividend Paid(14,214)Report(13,850)Report(13,850)Report(13,850)CASH ED IN INVACING ACTIVITIE	Adjustment for :		
III       (Loss) / Gain on disposal of property, plant and equipment       (3,146)       (14)         Finance costs       24,00       21,257         Provision for gratuity       650       15,337         Provision for gratuity       66,718       72,801         OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES       207,178       201,192         Increase / (decrease) in current assets       44,275       (45,782)         Stores, spares and loose tools       44,275       (45,782)         Stores in trade       74,344       (16,6,534)         Loans and advances       4,451       (19,812)         Trade deposits and short term prepayments       3,064       2,2,34         Oberneave in current liabilities       -       -         Trade deposits and other payable       (10,177)       (8,155)         CASH GENERATED FROM OPERATIONS       115,157       229,986         Gratuity paid       -       -       (14)         Finance costs paid       -       -       (14)         Tax paid       -       -       (20,902)       (28,550)         CASH GENERATED FROM OPERATING ACTIVITIES       -       -       (14)         Net CASH DED IN INVESTING ACTIVITIES       -       -       -       (25,			
Finance costs Poreign exchange loss on foreign liabilities Provision for gratuity         28,064 21,257           Poreign exchange loss on foreign liabilities Provision for gratuity         28,064         21,257           DPERATING PROFIT BEFORE WORKING CAPITAL CHANGES         207,178         201,192           Increase / (dcrease) in current assets         207,178         201,192           Stores, spares and loose tools         44,275         (45,782)           Store, spares and loose tools         4,451         (19,812)           Dara davances         74,3344         (166,334)           Trade debts         3,064         2,234           Other receivables         -         31,141           Tax refund due from Government         40,257         31,141           Decrease in current liabilities         (18,44)         36,949           Gratuity paid         (28,550)         (29,084)           Finance costs paid         (28,550)         (14,00)           Tax paid         (28,550)         (29,084)           NET CASH GENERATED FROM OPERATING ACTIVITIES         86,607         200,902           CASH FLOW FROM INVESTING ACTIVITIES         (78,488)         (1,867)           Sale proceeds of property, plant and equipment         3,315         21           Sale proceeds of prope			
Foreign exchange loss on foreign liabilities650 2,40015,337 2,400Provision for gratuity2,40066,71872,801OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES207,178201,192Increase / (decrease) in current assets44,275(d5,823)Stores, spares and loose tools44,275(d5,823)Trade debts4,451(19,812)Loans and advances4,451(19,812)Trade deposits and short term prepayments3,064614Tax refund due from Government40,25731,141Decrease in current liabilities(1,844)36,949Trade and other payable(90,177)(8,155)CASH GENERATED FROM OPERATIONS115,157229,986Gratuity paid(18,550)(19,522)Iax paid(28,550)(29,084)NET CASH GENERATED FROM OPERATING ACTIVITIES86,607Purchase of property, plant and equipment(3,315)(1,167)Sale proceeds of property, plant and equipment(3,370)(6,49)Long term Loans paid(18,750)(25,708)(1,167)NET CASH USED IN INVESTING ACTIVITIES(78,488)(1,1870)Long term Loans paid(18,750)(5,708)(5,708)Repayment of liabilities against assets subject to finance lease(6,705)(5,701)New leases acquired during the period(18,850)(4,877Dividend Paid(25,708)(1,20,550)(25,708)NET CASH USED IN INVESTING ACTIVITIES(14,214)(76,927)Net term borrowings </td <td></td> <td></td> <td></td>			
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES72,801Increase / (decrease) in current assets207,178201,192Increase / (decrease) in current assets44,275(45,782)Stock in trade74,344(166,534)Loans and advances4,451(19,812)Trade debts3,0642,234Other receivables3,0642,234Tade deposits and short term prepayments3,0642,234Other receivables10,177)(8,155)Trade deposits and other payable(90,177)(8,155)CASH GENERATED FROM OPERATIONS115,157229,986Gratuity paid(28,550)(14,00)Finance costs paid(28,550)(29,084)Tax paid(28,550)(29,084)NET CASH GENERATED FROM OPERATING ACTIVITIES86,607200,902CASH FLOW FROM INVESTING ACTIVITIES(78,488)(1,867)Sale proceeds of property, plant and equipment3,31521Long term Loans paid(18,750)(25,708)Repayment of liabilities against assets subject to finance lease(6,705)(5,041)Nev leases acquired during the period(18,850)4,877Dividend Paid71,348(1,4214)(76,927)NET CASH USED IN FINANCING ACTIVITIES(14,214)(76,927)Net CASH USED IN FINANCING ACTIVIT	Foreign exchange loss on foreign liabilities	650	15,337
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES207,178201,192Increase / (decrease) in current assets Stores, spares and loose tools44,275 (168,235)(45,782) (23,508)Stock in trade14,275 (168,235)(45,634) (166,534)Trade debts44,451 (19,812)(166,534) (18,825)Trade deposits and short term prepayments3,064 (19,812)2,234 (166,534)Other receivables40,25731,141Decrease in current liabilities Trade and other payable(90,177)(8,155)CASH GENERATED FROM OPERATIONS115,157229,986Gratuity paid Finance costs paid Tax paid(28,550)(24,350) (19,522)(44,07) (19,522)NET CASH GENERATED FROM OPERATING ACTIVITIES86,607200,902CASH FLOW FROM INVESTING ACTIVITIES(78,488) (3,3770)(1,910)NET CASH USED IN INVESTING ACTIVITIES(78,488) (3,3770)(1,910)NET CASH USED IN INVESTING ACTIVITIES(78,943)(1,910)NET CASH USED IN INVESTING ACTIVITIES(8,552) (4,770)(25,708) (4,3770)New leases acquired during the period New leases acquired during the period Short term borrowings(18,750) (1,343)(15,550)NET CASH USED IN FINANCING ACTIVITIES(14,214) (76,927)(76,927) (1,343)NET CASH USED IN FINANCING ACTIVITIES New leases acquired during the period 	Provision for gratuity		
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Stores, spares and loose tools         44,275         (45,782)           Stock in trade         17ade debts         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         3,064         2,234           Decrease in current liabilities         (1,844)         36,949           Decrease in current liabilities         (19,0,177)         (8,155)           CASH GENERATED FROM OPERATIONS         115,157         229,986           Gratuity paid         (19,522)         (14,02,07)           Finance costs paid         (28,550)         (29,084)           NET CASH GENERATED FROM OPERATING ACTIVITIES         86,607         200,902           CASH FLOW FROM INVESTING ACTIVITIES         (78,488)         (1,867)           Sale proceeds of property, plant and equipment         3,315         21           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         (8,952)         -         -           Net CASH USED IN FINANCING ACTIV	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	207,178	201,192
Stock in trade         (168,235)         235,088           Trade debts         74,344         (166,534)           Loans and advances         4,451         (19,524)           Trade deposits and short term prepayments         3,064         2,234           Other receivables         -         614           Tax refund use from Government         -         614           Tax refund use from Government         -         614           Decrease in current liabilities         (1,844)         36,949           Gratuity paid         (1,844)         36,949           Finance costs paid         (28,550)         (29,084)           Finance costs paid         (28,550)         (29,084)           NET CASH GENERATED FROM OPERATING ACTIVITIES         -         (14,07)           Purchase of property, plant and equipment         3,315         21           Long term deposits         (3,770)         (64)           NET CASH USED IN INVESTING ACTIVITIES         (78,488)         (1,9,77)           Cash FLOW FROM FINANCING ACTIVITIES         (78,943)         (1,9,10)           CASH FLOW FROM FINANCING ACTIVITIES         (78,943)         (1,9,10)           CASH FLOW FROM FINANCING ACTIVITIES         (78,943)         (1,9,10)           NET CASH		44.075	(45 700)
Trade debts74,344(166,534)Loans and advances4,451(19,812)Trade deposits and short term prepayments3,0642,234Other receivables-614Tax refund due from Government40,25731,141Decrease in current liabilities(1,844)36,949Trade and other payable(90,177)(8,155)CASH GENERATED FROM OPERATIONS115,157229,986Gratuity paid(28,550)(140)Finance costs paid(28,550)(29,084)NET CASH GENERATED FROM OPERATING ACTIVITIES86,607200,902CASH FLOW FROM INVESTING ACTIVITIES86,607200,902CASH FLOW FROM INVESTING ACTIVITIES(78,488)(1,867)Sale proceeds of property, plant and equipment(3,315)21Long term Loans paid(18,750)(6,705)(5,041)Net CASH USED IN INVESTING ACTIVITIES(78,943)(1,910)CASH FLOW FROM FINANCING ACTIVITIES(78,943)(1,910)CASH FLOW FROM FINANCING ACTIVITIES(78,943)(1,910)CASH FLOW FROM FINANCING ACTIVITIES(8,952)(5,005)Long term Loans paid(18,750)(6,705)(5,041)Net CASH USED IN FINANCING ACTIVITIES(14,214)(76,927)Net CASH USED IN FINANCING ACTIVITIES(6,550)122,065<			
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Trade and other payable       (90,177)       (8,155)         CASH GENERATED FROM OPERATIONS       115,157       229,986         Gratuity paid       -       (140)         Finance costs paid       -       (28,550)         Tax paid       -       (28,550)         NET CASH GENERATED FROM OPERATING ACTIVITIES       86,607       200,902         CASH FLOW FROM INVESTING ACTIVITIES       86,607       200,902         CASH FLOW FROM INVESTING ACTIVITIES       86,607       200,902         CASH FLOW FROM INVESTING ACTIVITIES       -       (18,67)         Sale proceeds of property, plant and equipment       3,315       21         Long term deposits       (78,488)       (1,910)         CASH FLOW FROM FINANCING ACTIVITIES       (78,943)       (1,910)         CASH FLOW FROM FINANCING ACTIVITIES       (78,943)       (1,910)         CASH FLOW FROM FINANCING ACTIVITIES       (78,943)       (1,910)         CASH FLOW FROM FINANCING ACTIVITIES       (18,750)       (25,708)         Net CASH USED IN INVESTING ACTIVITIES       (18,750)       (5,041)         New leases acquired during the period       18,850       4,877         Dividend Paid       1,343       (51,055)       (51,055)         NET CASH USED IN FINANCING ACTI			
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Tax paid			
(28,550)(29,084)NET CASH GENERATED FROM OPERATING ACTIVITIES86,607200,902CASH FLOW FROM INVESTING ACTIVITIES78,488)(1,867)Sale proceeds of property, plant and equipment3,31521Long term deposits(78,488)(1,967)NET CASH USED IN INVESTING ACTIVITIES(78,943)(1,910)CASH FLOW FROM FINANCING ACTIVITIES(78,943)(1,910)Long term Loans paid(18,750)(5,041)Repayment of liabilities against assets subject to finance lease(6,705)(5,041)New leases acquired during the period18,8504,877Dividend Paid1,343(51,055)NET CASH USED IN FINANCING ACTIVITIES(14,214)(76,927)Net CASH AND CASH AND CASH EQUIVALENTS(6,550)122,065CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD61,67713,961		(28,550)	
CASH FLOW FROM INVESTING ACTIVITIES       (78,488)         Purchase of property, plant and equipment       (78,488)         Sale proceeds of property, plant and equipment       (3,315         Long term deposits       (3,770)         NET CASH USED IN INVESTING ACTIVITIES       (78,943)         Long term Loans paid       (18,750)         Repayment of liabilities against assets subject to finance lease       (6,705)         Dividend Paid       (8,952)         Short term borrowings       1.343         NET CASH USED IN FINANCING ACTIVITIES       (14,214)         New leases acquired during the period       1.343         Dividend Paid       1.343         Short term borrowings       1.343         NET CASH USED IN FINANCING ACTIVITIES       (14,214)         NET CASH USED IN FINANCING ACTIVITIES       (6,550)         NET CASH USED IN FINANCING OF THE PERIOD       61,677         NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD       61,677 </td <td></td> <td>(28,550)</td> <td></td>		(28,550)	
Purchase of property, plant and equipment(78,488)(1,867)Sale proceeds of property, plant and equipment3,31521Long term deposits(3,770)(64)NET CASH USED IN INVESTING ACTIVITIES(78,943)(1,910)CASH FLOW FROM FINANCING ACTIVITIES(18,750)(25,708)Long term Loans paid(18,750)(5,041)New leases acquired during the period18,8504,877Dividend Paid(8,952)-Short term borrowings1,343(51,055)NET CASH USED IN FINANCING ACTIVITIES(14,214)(76,927)NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS(6,550)122,065CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD61,67713,961	NET CASH GENERATED FROM OPERATING ACTIVITIES	86,607	200,902
Sale proceeds of property, plant and equipment Long term deposits3,315 (3,770)21 (64)NET CASH USED IN INVESTING ACTIVITIES Long term Loans paid Repayment of liabilities against assets subject to finance lease Dividend Paid Short term borrowings(18,750) (5,041)(25,708) (5,041)NET CASH USED IN INVESTING ACTIVITIES Long term Loans paid New leases acquired during the period Dividend Paid Dividend Paid Short term borrowings(18,750) (1,343)(25,708) (5,041)NET CASH USED IN FINANCING ACTIVITIES (51,055)(14,214) (76,927)(51,055)NET CASH USED IN FINANCING ACTIVITIES (14,214)(14,214) (76,927)(76,927)NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD61,677 (13,961)	CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits(3,770)(64)NET CASH USED IN INVESTING ACTIVITIES(78,943)(1,910)CASH FLOW FROM FINANCING ACTIVITIES(18,750)(25,708)Long term Loans paid(18,750)(5,041)Repayment of liabilities against assets subject to finance lease(6,705)(5,041)New leases acquired during the period18,8504,877Dividend Paid(8,952)-Short term borrowings1,343(51,055)NET CASH USED IN FINANCING ACTIVITIES(14,214)(76,927)NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS(6,550)122,065CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD61,67713,961			
NET CASH USED IN INVESTING ACTIVITIES       (78,943)         CASH FLOW FROM FINANCING ACTIVITIES       (18,750)         Long term Loans paid       (18,750)         Repayment of liabilities against assets subject to finance lease       (6,705)         Dividend Paid       (18,952)         Short term borrowings       1,343         NET CASH USED IN FINANCING ACTIVITIES       (14,214)         NET CASH USED IN FINANCING ACTIVITIES       (14,214)         NET CASH USED IN FINANCING ACTIVITIES       (14,214)         NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS       (6,550)         CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD       61,677			
CASH FLOW FROM FINANCING ACTIVITIES         Long term Loans paid       (18,750)         Repayment of liabilities against assets subject to finance lease       (6,705)         New leases acquired during the period       18,850         Dividend Paid       (8,952)         Short term borrowings       1,343         NET CASH USED IN FINANCING ACTIVITIES       (14,214)         NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS       (6,550)         CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD       61,677	•		
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)           NET CASH USED IN FINANCING ACTIVITIES         (14,214)         (76,927)           NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS         (6,550)         122,065           CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD         61,677         13,961		(78,943)	(1,910)
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)         NET CASH USED IN FINANCING ACTIVITIES       (14,214)       (76,927)         NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS       (6,550)       122,065         CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD       61,677       13,961		(10.750)	(25.700)
New leases acquired during the period         18,850         4,877           Dividend Paid         (8,952)         -           Short term borrowings         1,343         (51,055)           NET CASH USED IN FINANCING ACTIVITIES         (14,214)         (76,927)           NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS         (6,550)         122,065           CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD         61,677         13,961			
Short term borrowings         1.343         (51,055)           NET CASH USED IN FINANCING ACTIVITIES         (14,214)         (76,927)           NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS         (6,550)         122,065           CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD         61,677         13,961			
NET CASH USED IN FINANCING ACTIVITIES         (14,214)         (76,927)           NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS         (6,550)         122,065           CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD         61,677         13,961			_
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS       (6,550)       122,065         CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD       61,677       13,961	Short term borrowings	1,343	(51,055)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 61,677 13,961	NET CASH USED IN FINANCING ACTIVITIES	(14,214)	(76,927)
	NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,550)	122,065
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	61,677	13,961
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	55,127	136,026

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

**Chief Executive Officer** 

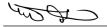
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Nimir Industrial Chemicals Ltd. 6

## 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 $\textcircled{0}$ 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
Balance as on September 30, 2016	1,105,905	777,788	1,883,693

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



Chief Executive Officer

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

#### 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, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan. The Company is engaged in manufacturing and sale of Industrial chemical products.

#### **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:

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

#### 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:

	September 30, 2016 (Rupees)	June 30, 2016 (Rupees)
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.

		Quarter	ended
		September 30, 2016	September 30, 2015
Relationship	Nature of transaction	Rs 000	Rs 000
Subsidairy Company Subsidairy Company Associated Company	Sale of goods Services rendered Sale of goods	27,114 1,302 2,701	- - -
Key Management Perso Remuneration Other Benefits	nal	21,316 8,005	14,141 8,259
SALES			
Gross Sales		1,903,373	1,496,177
Discount Sales Tax		(3,483) (276,700) (280,183)	(82) (217,387) (217,468)
Net Sales		1,623,189	1,278,709
COST OF SALES			
Opening stock of finishe	d goods	277,890	267,026
Cost of goods manufact	ured	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

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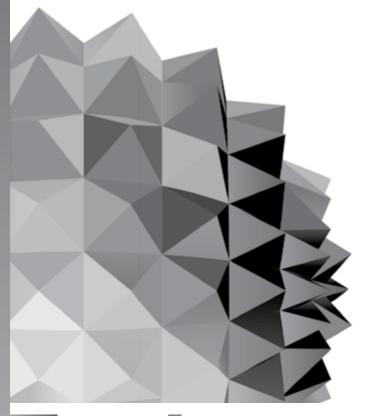
10.1 This interim condensed financial information was authorized for issue on Friday, October 28, 2016 by the Board of Directors of the Company.

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

**Chief Executive Officer** 

Naide Director





# 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'
ASSETS			
NON CURRENT ASSETS Property, plant and equipment Intangible Long term deposits Net defined benefit assets - funded gratuity	6	2,282,191 2,083 42,589 1,372 2,328,235	2,249,900 2,220 38,819 1,384 2,292,323
CURRENT ASSETS Stores, spares and loose tools Stock in trade Trade debts - considered good - unsecured Loan and advances Trade deposits and short term prepayments Other receivables Tax refunds due from government Cash and bank balances TOTAL ASSETS EOUITY AND LIABILITIES Authorized Capital 145,000,000 (30 June 2016: 145,000,000) Ordinary shares of Rs. 10/- eac Issued, subscribed and paid up capital 110,590,546 (30 June 2016: 110,590,546) Ordinary shares of Rs. 10/- eac Unappropriated profit Equity portion of interest free loans New centrolling interest		98,212 1,322,753 1,246,605 118,964 5,907 37,171 363,580 163,391 3,356,583 5,684,818 1,450,000 1,105,905 879,000 3,628 210,375	141,940 1,127,394 1,224,768 112,853 9,941 46,514 377,530 207,953 3,248,893 5,541,216 1,450,000 1,105,905 776,699 2,902 206,102
Non-controlling interest NON CURRENT LIABILITIES Long term loans Liabilities against assets subject to finance lease Deferred tax liability CURRENT LIABILITIES Trade and other payables Net defined benefit liability - funded gratuity Mark up accrued Unclaimed dividend Short term borrowings - secured Current maturity of long term loans Current maturity of liabilities against assets subject to finance lease Provision for taxation		219,375 2,207,908 421,859 111,415 155,797 689,071 450,569 52,206 34,065 2,928 1,948,146 100,000 33,809 166,116 2,787,839	206,192 2,091,698 442,547 104,377 140,262 687,186 507,119 49,806 29,973 11,880 1,903,994 100,000 28,702 130,858 2,762,332
CONTINGENCIES AND COMMITMENTS	7	-	
TOTAL EQUITY AND LIABILITIES		5,684,818	5,541,216

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

**Chief Executive Officer** 

## 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'
Sales - net		2,152,925	1,278,709
Cost of sales	9	(1,856,364)	(1,052,407)
Gross profit		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)
Operating profit		209,327	149,648
Finance cost		(44,274)	(21,257)
Profit before taxation		165,053	128,391
Taxation		(50,781)	(38,785)
Profit after taxation		114,272	89,606
Attributable to:			
Equity holders of the parent		102,301	89,606
Non-controlling interests		11,971	
		114,272	89,606
Earnings per share - basic and diluted		0.93	0.81

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

**Chief Executive Officer** 

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

	July to September 2016	July to September 2015
CASH FLOW FROM OPERATING ACTIVITIES	Rs '000'	Rs '000'
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 Provision for gratuity	650 2,412	15,337 2,400
	91,900	72,801
PERATING PROFIT BEFORE WORKING CAPITAL CHANGES	256,953	201,192
(Increase) / decrease in current assets		
Stores and spares and loose tools	43,728	(45,782)
Stock in trade Trade debts	(195,359) (21,837)	235,088 (166,534)
Loan and advances	(6,111)	(100,334)
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	(57.000)	(0.455)
Trade and other payables	(57,200)	(8,155)
ASH GENERATED FROM OPERATIONS	79,092	229,986
Gratuity paid	-	(140)
Finance cost paid Tax paid	(38,978) (31,576)	(19,522) (9,422)
iax hain	(70,554)	(29,084)
IET CASH GENERATED FROM OPERATING ACTIVITIES	8,538	200,902
ASH FLOW FROM INVESTING ACTIVITIES		
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)
IET CASH USED IN INVESTING ACTIVITIES	(80,236)	(1,910)
ASH FLOW FROM FINANCING ACTIVITIES	(	(07.707)
Long term loan paid	(18,751)	(25,708)
Repayment of liabilities against assets subject to finance lease New leases acquired during the year	(8,162) 18,850	(5,041) 4,877
Dividend paid	(8,952)	4,077
Short term borrowings	44,152	(51,055
IET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	27,137	(76,927)
IET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(44,561)	122,065
ASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	207,953	13,961
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	163,391	136,026
he annexed notes from 1 to 10 form an integral part to this condensed interim financ	ial information	And Harit
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**Chief Executive Officer** 

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

and paid up share capital	unappropriated profit	Equity portion of interest free loans	von-controuing interest	Total
Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
1,105,905	574,711	I	I	1,680,616
I	(110,590)	I	I	(110,590)
I	89,606	I	I	89,606
1,105,905	553,727		1	1,659,632
I	I	I	209,383	209,383
I	I	I	(26,206)	(26,206)
11	(110,591) (110,591)	1 1	1 1	(110,591) (110,591)
I	I	2,902	4,849	7,751
I	444,154	I	18,166	462,320
1,105,905	776,699	2,902	206,192	2,091,698
I	I	726	1,212	1,938
1	102,301	I	11,971	114,272
1,105,905	879,000	3,628	219,375	2,207,908
	1,105,905 - 1,105,905 - - 1,105,905 - 1,105,905		574,711 (110,590) 89,606 553,727 - - (110,591) (110,591) (110,591) (110,591) (110,592) - 444,154 776,699 102,301 879,000	574,711       -         (110,590)       -         89,606       -         553,727       -         -       -     <

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

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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, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan. The Company is engaged in manufacturing and sale of Industrial chemical products.

Nimir Holding (Private) Limited and Nimir Management (Private) Limited were incorporated in Pakistan as private limited companies on 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-Sheikhupura Road, Lahore. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile industries 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.

#### 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

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"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:

	Additions Rs "000"	Disposal Rs "000"
Plant and Machinery	917	-
Factory Equipment	896	-
Office Equipment	80	-
Computers	711	-
Vehicles-Owned	752	5,684
Vehicles-Leased	18,850	-
	22,206	5,684

#### 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:

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

		July to September 2016	July to September 2015
Relationship	Nature of transaction	Rs "000"	Rs "000"
Associated Company Staff retirement benefits	Sale of goods Company's contribution to Employees'	2,701	-
	provident fund trust	556	-
Key Management Personal Remuneration Other Benefits		21,316 8,005	14,141 8,259
COST OF SALES			
Opening stock of finished good Cost of goods manufactured	is	391,254 <u>1,730,519</u>	267,026 944,434
Closing stock of finished goods	5	2,121,773 (265,409) 1,856,364	1,211,460 (159,053) 1,052,407

#### 10 GENERAL

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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







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