

Half Yearly Report  
**2016**

December (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

## Company Secretary

Mr. Muhammad Inam-ur-Rahim

## Audit Committee

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

## Human Resource & Remuneration Committee

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

## External Auditors

EY Ford Rhodes  
Chartered Accountants

## Legal Advisor

Cornelius, Lane & Mufti  
Advocates & Solicitors

## Shares' Registrar

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

## Bankers

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

## Registered Office / Factory

14.8 km., Sheikhpura-Faisalabad Road,  
Bhikhi, District Sheikhpura, Pakistan.  
Tel: +92 56 3883001-7  
Fax: +92 56 3883010  
Cell: +92 301-8221151, 301-8483950

## Lahore Office

12-B, New Muslim Town,  
Lahore, Pakistan.  
Tel: +92 42 35926090-93  
Fax: +92 42 35926099

## Web Site

www.nimir.com.pk

# DIRECTORS' REPORT

The Directors are pleased to present their review report together with unaudited financial information of the Company for the half-year ended on December 31, 2016.

The business environment in the country remained positive. This helped the Company in performing satisfactorily. The Company achieved higher sales value, gross profit and net profit during half year under review over corresponding period last year.

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

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>Rupees in Million</b>	
Sales Revenue	3,497	2,492
Gross Profit	533	448
Pre-Tax Profit	338	265
Profit after Tax	219	190
Earnings per share (Rs.)	1.98	1.72

Net sales revenue for the year was higher by 40% during the period under review over the last year. Both increase in volumes as well as prices contributed towards the growth of the sale revenue. With this growth in sales the company posted gross profit of Rs. 533 million, pre-tax profit of Rs. 338 million, and after tax profit of Rs. 219 million showing an increase of 19%, 28% and 15% respectively during half year under review in comparison to same period last year. Overall administration, selling and distribution expenditures remained within the budgeted limits. Financial cost, although increased from last year due to substantial increase in business requiring more working capital, remained within the budgeted limit.

In expedition of continual improvement, your Company has started the BMR (Balancing, Modernization and replacement) of the plant. The existing equipment is being upgraded and replaced with the world's modern technology. This would contribute towards higher production volumes, improvement in efficiency, product quality and reduction in operating cost.

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

The Company wishes to record its appreciation for the patronage of customers and continued efforts of its employees.

**For and on the behalf of the Board**



**Zafar Mahmood**  
Chief Executive Officer

**Lahore**  
**February 22, 2017**

## ڈائریکٹر رپورٹ

ڈائریکٹر 31 دسمبر 2016 کو ختم ہونے والے نصف سال کے لئے کمپنی کی غیر تفتیح شدہ مالی معلومات کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ملک میں کاروباری ماحول مثبت رہا۔ اس سے کمپنی کو تسلی بخش کارکردگی ظاہر کرنے میں مدد ملی۔ کمپنی نے گزشتہ سال کی اسی مدت کے مقابلے میں زیر جائزہ نصف سال کے دوران قیمت فروخت، مجموعی نفع اور خالص منافع زیادہ حاصل کیا۔

زیر جائزہ سہ ماہی کے مالیاتی نتائج کا تجزیہ حسب ذیل ہے

دسمبر 31, 2015	دسمبر 31, 2016	
		روپے ملین میں
2,492	3,497	فروخت کی محصولات
448	533	مجموعی منافع
265	338	قبل از ٹیکس منافع
190	219	بعد از ٹیکس منافع
1.72	1.98	فی شیئر آمدنی (روپے)

سال کے لئے خالص فروخت آمدنی گزشتہ سال سے زیر جائزہ مدت کے دوران 40 فیصد زیادہ تھی۔ جموں اور قیمتوں میں اضافہ دونوں نے فروخت کی آمدنی بڑھانے میں اہم کردار ادا کیا۔ فروخت میں اس اضافہ کے ساتھ کمپنی کا 533 ملین روپے مجموعی منافع، 338 ملین روپے قبل از ٹیکس منافع اور 219 ملین روپے بعد از ٹیکس منافع درج کرنا گزشتہ سال کے اسی عرصے کے مقابلے میں زیر جائزہ نصف سال کے دوران بالترتیب 19 فیصد، 28 فیصد اور 15 فیصد کا اضافہ ظاہر کر رہا ہے۔ مجموعی طور پر انتظامی، فروخت اور تقسیم کے اخراجات بجٹ کی حدود کے اندر رہے ہیں۔ مالی لاگت، کاروبار میں زیادہ ورکنگ کپٹل کی ضرورت میں کافی اضافہ کی وجہ سے اگرچہ گزشتہ سال سے زیادہ، بجٹ کی حدود کے اندر رہی ہے۔

مسلسل بہتری کی مہم میں، آپ کی کمپنی نے پلانٹ کی BMR (توازن، جدت اور تبدیلی) کا آغاز کیا ہے۔ موجودہ سامان کو اپ گریڈ اور دنیا کی جدید ٹیکنالوجی کے ساتھ تبدیل کیا جا رہا ہے۔ یہ اعلیٰ پیداواری حجم، کارکردگی، مصنوعات کے معیار میں بہتری اور آپریٹنگ لاگت کی کمی میں اپنا کردار ادا کرے گا۔

کمپنی کے بورڈ نے ششماہی سال کے اختتام پر دس فیصد (10%) عبوری کیش منافع کی بطور مقسوم سفاشرش کی ہے (1 روپے فی حصص)۔ کمپنی اپنے صارفین کی سرپرستی اور ملازمین کی مسلسل کوششوں کو سراہتی ہے۔

بجلم بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

22 فروری 2017ء

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

## Introduction

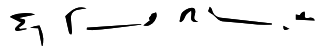
We have reviewed the accompanying condensed interim balance sheet of Nimir Industrial Chemicals Limited as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in the accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



**EY Ford Rhodes**

**Chartered Accountants**

**Audit Engagement Partner : Farooq Hameed**

**Lahore**

**February 22, 2017**

# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2016

	Note	Unaudited December 31, 2016 Rs '000'	Audited June 30, 2016 Rs '000'
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	1,902,884	1,775,453
Investment in subsidiary	5	20,000	20,000
Loan to subsidiary	6	235,500	235,500
Intangible assets		2,323	561
Long term deposits		36,415	31,169
		2,197,122	2,062,683
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		103,554	130,828
Stock in trade	7	764,792	637,996
Trade debts - considered good - unsecured		1,060,081	820,653
Loan and advances		192,384	64,384
Trade deposits and short term prepayments		571	7,736
Other receivables		19,675	16,491
Tax refund due from government		215,880	226,693
Cash and bank balances		45,323	61,677
		2,402,260	1,966,458
<b>TOTAL ASSETS</b>		<b>4,599,382</b>	<b>4,029,141</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized Capital 145,000,000 ( June 30, 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 ( June 30, 2016: 110,590,546)			
Ordinary Shares of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit		901,069	681,956
		2,006,974	1,787,861
<b>NON CURRENT LIABILITIES</b>			
Long term financing - secured	8	196,875	243,750
Liabilities against assets subject to finance lease - secured		109,948	104,377
Deferred tax liability		147,372	109,561
		454,195	457,688
<b>CURRENT LIABILITIES</b>			
Trade and other payables		386,335	327,843
Net defined benefit liability - funded gratuity		49,606	49,806
Mark up accrued		21,066	20,167
Unclaimed dividend		1,868	11,587
Short term borrowings - secured	9	1,349,222	1,132,628
Current maturity of long term loans - secured	8	100,000	100,000
Current maturity of liabilities against assets subject to finance lease - secured		36,485	28,702
Provision for taxation		193,631	112,860
		2,138,213	1,783,593
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,599,382</b>	<b>4,029,141</b>

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



Chief Executive Officer



Director

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2016

	Note	Six month period ended		Three month period ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>Sales - net</b>	11	3,497,199	2,492,115	1,874,010	1,213,406
Cost of sales	12	(2,964,553)	(2,044,615)	(1,575,018)	(992,208)
<b>Gross profit</b>		532,646	447,500	298,992	221,198
Distribution costs		(56,131)	(55,872)	(26,062)	(27,435)
Administrative expenses		(54,824)	(46,345)	(27,667)	(23,208)
<b>Operating profit</b>		421,691	345,283	245,263	170,555
Other expenses		(25,028)	(19,654)	(14,618)	(9,777)
Other income		4,280	134	1,124	-
Finance costs		(59,280)	(41,205)	(31,216)	(19,948)
Foreign exchange loss		(3,968)	(19,373)	(3,318)	(4,036)
<b>Profit before taxation</b>		337,695	265,185	197,235	136,794
Taxation					
Current		(80,771)	(45,081)	(51,023)	(23,255)
Deferred		(37,811)	(29,982)	(22,931)	(13,023)
		(118,582)	(75,063)	(73,954)	(36,278)
<b>Profit after taxation</b>		219,113	190,122	123,281	100,516
<b>Earnings per share - Basic and diluted (Rs.)</b>	13	1.98	1.72	1.11	0.91

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



\_\_\_\_\_  
Chief Executive Officer



\_\_\_\_\_  
Director

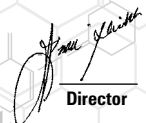
# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2016

Note	Six month period ended		Three month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Profit after taxation	219,113	190,122	123,281	100,516
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>219,113</b>	<b>190,122</b>	<b>123,281</b>	<b>100,516</b>

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



Chief Executive Officer



Director



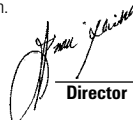
# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2016

	Six month period ended	
	December 31, 2016	December 31, 2015
	Rs '000'	Rs '000'
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	337,695	265,185
Adjustments for:		
Depreciation	77,248	67,856
Amortization	276	216
Gain on disposal of property, plant and equipment	(4,750)	(181)
Finance cost	59,280	41,205
Exchange loss - net	3,968	19,373
Provision for gratuity	4,800	4,800
	140,822	133,269
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	478,517	398,454
(Increase) / decrease in current assets		
Stores and spares and loose tools	27,274	(21,026)
Stock in trade	(126,796)	142,183
Trade debts	(239,428)	277
Loan and advances	(128,000)	(25,861)
Trade deposits and short term prepayments	7,165	4,443
Other receivables	(3,184)	(28,257)
Tax refunds due from government	50,589	6,638
	(412,380)	78,397
Increase / (decrease) in current liabilities		
Trade and other payables	54,524	36,316
<b>CASH GENERATED FROM OPERATIONS</b>	120,661	513,167
Gratuity paid	(5,000)	(140)
Finance cost paid	(58,381)	(44,125)
Dividend paid	(9,719)	(110,155)
Tax paid	(39,776)	(16,793)
	(112,876)	(171,213)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	7,785	341,954
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(36,840)	(50,737)
Addition in Intangible assets	(2,038)	-
Addition in capital work in progress	(168,013)	(107,605)
Proceeds from disposal of property, plant and equipment	4,925	532
Investment in subsidiary	-	(20,000)
Long term deposits	(5,246)	(64)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(207,212)	(177,874)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan repayment	(46,875)	(51,416)
Proceeds from long term loan	-	250,000
Loan paid to subsidiary	-	(235,000)
Repayment of liabilities against assets subject to finance lease	(12,876)	(10,389)
New leases acquired during the period	26,230	52,740
Short term borrowings	216,594	(114,817)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	183,073	(108,882)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(16,354)	55,198
<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>	45,323	69,159

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



Chief Executive Officer



Director

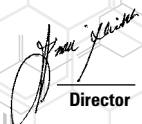
## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2016

	Share Capital	Unappropriated Profit	Total Equity
	Rs '000'	Rs '000'	Rs '000'
Balance as on July 1, 2015	1,105,905	574,711	1,680,616
Total comprehensive income for the period ended December 31, 2015	-	190,122	190,122
Final dividend at the rate of Rs.1 per share	-	(110,590)	(110,590)
Balance as on December 31, 2015	<u>1,105,905</u>	<u>654,243</u>	<u>1,760,148</u>
Balance as on July 1, 2016	1,105,905	681,956	1,787,861
Total comprehensive income for the period ended December 31, 2016	-	219,113	219,113
<b>Balance as on December 31, 2016</b>	<u><u>1,105,905</u></u>	<u><u>901,069</u></u>	<u><u>2,006,974</u></u>

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



Chief Executive Officer



Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 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, Bhikki, District Sheikhpura, Pakistan. The Company is engaged in the manufacturing and sale of industrial chemical products.

## 2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the six-month period ended December 31, 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 This condensed interim financial information is unaudited but subject to limited scope review by the auditors. Quarterly figures were not subject to limited scope review by the auditors as the scope of the review covered only the cumulative figures for the six-month period ended December 31, 2016.
- 2.4 The financial statements have been prepared under the historical cost convention. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2016, except as follows:

### New / Revised Standards, Interpretations and Amendments

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

- IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41
- IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

### Improvements to Accounting Standards Issued by the IASB in September 2014

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 Employee Benefits - Discount rate: regional market issue
- IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

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

## 4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Capital work in progress

December 31, 2016	June 30, 2016
Rs "000"	Rs "000"
1,687,513	1,585,033
215,371	190,420
<u>1,902,884</u>	<u>1,775,453</u>

Following are the additions / disposals (at cost) in the operating fixed assets made during the period / year.

	(Un-Audited)		(Audited)	
	Additions Dec-2016	Disposal Dec-2016	Additions June-2016	Disposal June-2016
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Building on free hold land	2,904	-	19,123	-
Plant and machinery - Owned	143,979	-	119,376	-
Plant and machinery - Leased	-	-	50,428	-
Furniture and fittings	374	-	310	-
Office equipment	2,967	345	13,431	742
Vehicles - Owned	3,448	8,943	2,217	900
Vehicles - Leased	26,230	-	15,333	-
	<u>179,902</u>	<u>9,288</u>	<u>220,218</u>	<u>1,642</u>

## 5 INVESTMENT IN SUBSIDIARY

As on 31 December 2015, Nimir Industrial Chemicals Limited formed a wholly owned subsidiary under the name of Nimir Holding (Private) Limited. NHPL formed a sub-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 37.64% (June 30, 2016, 37.44%). The Company has determined that Nimir Resins Limited (formerly Descon Chemicals Limited) is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

## 6 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 5. The loan is repayable on demand. However, the Company does not intend to make demand within next 12 months.

	Note	December 31, 2016 Rs "000"	June 30, 2016 Rs "000"
<b>7 STOCK IN TRADE</b>			
Raw and packing material			
-in hand		230,598	217,876
-in transit		333,670	229,285
		<u>564,268</u>	<u>447,161</u>
Provision for raw material		(10,434)	(10,434)
Provision for onerous contract		(7,450)	(76,193)
Provision for packing material		(428)	(428)
		<u>(18,312)</u>	<u>(87,055)</u>
		<u>545,956</u>	<u>360,106</u>
Finished goods		218,836	277,890
		<u>764,792</u>	<u>637,996</u>
<b>8 LONG TERM FINANCING - SECURED</b>			
Conventional arrangement			
Term finance - Secured I	8.1	78,125	93,750
Term finance - Secured II	8.2	153,125	175,000
Term finance - Secured III	8.3	65,625	75,000
		<u>296,875</u>	<u>343,750</u>
Less: Current maturity of long term financing		(100,000)	(100,000)
		<u>196,875</u>	<u>243,750</u>

**8.1** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2013 with grace period of one year. This facility is secured against first pari passu charge over present and future 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 60 monthly instalments starting from December 2015 with grace period of nine months. 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 6 months

KIBOR plus 200 bps per annum repayable in 60 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

	Note	December 31, 2016 Rs "000"	June 30, 2016 Rs "000"
<b>9 SHORT TERM BORROWINGS - Secured</b>			
Conventional arrangement	9.1	1,114,412	1,065,067
Shariah compliant arrangement	9.2	234,810	67,561
		<u>1,349,222</u>	<u>1,132,628</u>

- 9.1** The aggregate facility of short term finances from commercial bank available at period end is Rs. 3,120 million (June 30, 2016: Rs. 2,770 million). The rate of mark up ranges from 1 month KIBOR to 3 month KIBOR + 150 bps per annum with no floor and no cap (June 30, 2016: The rate of mark up ranges from 1 month KIBOR + 15 bps per annum to 6 months KIBOR + 150 bps per annum with no floor and no cap). The facilities are secured against Joint pari passu charge on the present and future current assets of the Company

The unutilized facility for opening letters of credit and bank guarantees as at December 31, 2016 amounting to Rs. 1,032 million (June 30, 2016: Rs. 750 million) and Rs. 96 million (June 30, 2016: Rs. 96 Million) respectively.

- 9.2** The aggregate of short term finance facilities under Shariah compliant arrangements available at period end is Rs. 350 million (2016: Rs. 350 million). The rate of mark up ranges from 1 month KIBOR + 100 bps to 3 months and 6 months KIBOR + 125 bps with no floor and no cap (2016: 1 month KIBOR + 100 bps to 3 months and 6 months KIBOR + 125 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

The unutilized facility for opening letters of credit as at December 31, 2016 amounting to Rs. 36.685 million ( June 30, 2016: Rs. 249 million).

## 10 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

There is no material change in the contingencies since the last published audited financial statements of the Company for the year ended June 30, 2016.

### COMMITMENTS

Commitments in respect of letters of credit and letters of guaranties as follows:

	December 31, 2016 Rs "000"	June 30, 2016 Rs "000"
Letters of credit established for the import of raw materials, spare parts and machinery	703,000	464,000
Letter of guarantee given to SNGPL	96,000	96,000
Letter of guarantee given to PSO	15,000	15,000
Letter of guarantee given to Total PARCO	3,000	3,000

	Six-month period ended		Three-month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>11 SALES</b>				
Gross sales	4,099,011	2,916,070	2,154,193	1,419,897
Less: Discount	(5,296)	(92)	(3,483)	(10)
Less: Sales tax and excise duty	(596,516)	(423,863)	(276,700)	(206,481)
	(601,812)	(423,955)	(280,183)	(206,491)
Net Sales	<u>3,497,199</u>	<u>2,492,115</u>	<u>1,874,010</u>	<u>1,213,406</u>

	Six-month period ended		Three-month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>12 COST OF SALES</b>				
Opening stock of finished goods	277,890	267,026	160,419	159,053
Cost of goods manufactured	2,905,499	1,959,441	1,633,435	1,015,007
	3,183,389	2,226,467	1,793,854	1,174,060
Less: closing stock of finished goods	(218,836)	(181,852)	(218,836)	(181,852)
	2,964,553	2,044,615	1,575,018	992,208
<b>13 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit attributable to ordinary shareholders	219,113	190,122	123,281	100,516
Weighted average number of shares	110,591	110,591	110,591	110,591
Earnings per share- (Rs.)	1.98	1.72	1.11	0.91
<b>14 TRANSACTIONS WITH RELATED PARTIES</b>				

The related parties and associated undertakings comprise parent company, related group companies, directors and key management personnel. The transactions with related parties are as follows:

Relationship with The Company	Nature of Transaction	Six-month period ended	
		December 31, 2016	December 31, 2015
		Rs "000"	Rs "000"
<b>Subsidiary</b>	Sale of goods	44,735	-
	Income against managerial services	2,792	-
	Reimbursement of expenses - net	(179)	-
	Sale of stores and spares	58	-
<b>Associate</b>	Sale of goods	3,596	90
<b>Key Management Personnel</b>	Managerial Remuneration	46,412	34,702
	Other Benefits	15,406	10,469
<b>Balances with related parties</b>			
Relationship with The Company	Nature of Transaction	December 31, 2016	December 31, 2015
		Rs "000"	Rs "000"
<b>Subsidiary</b>	Trade Receivable	5,836	472
	Loan	235,500	235,500

#### 15 POST BALANCE SHEET EVENT

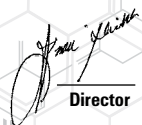
The Board of Directors in their meeting held on February 22, 2017 has approved an interim dividend of Rs. 1 per share (i.e. 10%) for the period ended December 31, 2016 (December 31, 2015: Rs. 1 per share (i.e. 10%) ). This interim financial information does not reflect the effect of the above event.

#### 16 GENERAL

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on Wednesday, February 22, 2017.



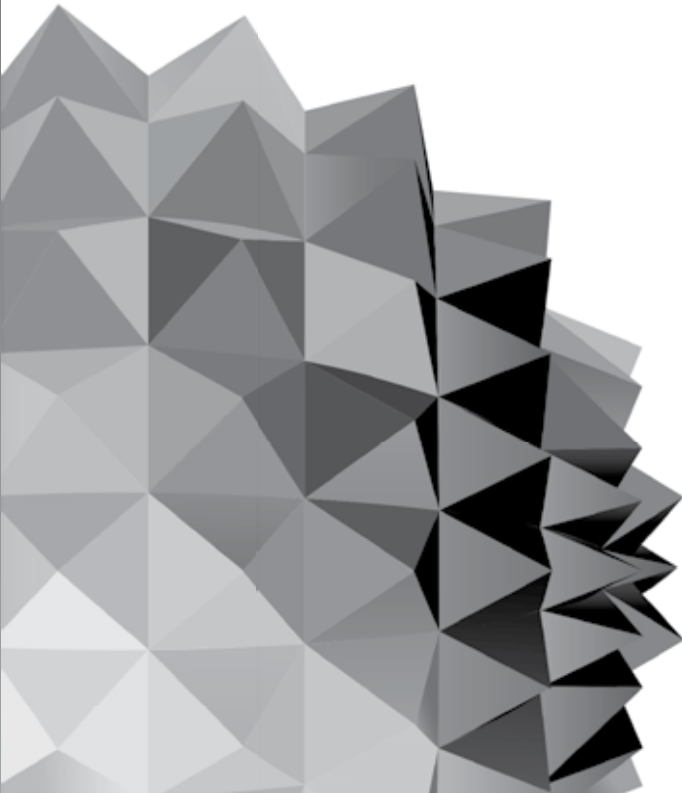
Chief Executive Officer



Director



NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES  
**FINANCIAL STATEMENTS - CONSOLIDATED**  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2016



# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2016 (UN-AUDITED)

	Note	Unaudited December 31, 2016 Rs '000'	Audited June 30, 2016 Rs '000'
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL and RESERVES</b>			
Authorized share capital 145,000,000 (2016: 145,000,000) Ordinary shares of Rs.10 each		1,450,000	1,450,000
Issued, subscribed and paid up capital		1,105,905	1,105,905
Unappropriated profit		1,013,699	779,601
Non-controlling interest		333,804	206,193
		2,453,408	2,091,699
<b>NON CURRENT LIABILITIES</b>			
Long term financing	4	393,672	442,547
Liabilities against assets subject to finance lease		109,948	104,377
Diminishing musharika arrangement		2,563	-
Deferred tax liability		171,549	140,262
		677,732	687,186
<b>CURRENT LIABILITIES</b>			
Trade and other payables		586,039	507,118
Defined benefit liability - funded gratuity		49,606	49,806
Mark up accrued		31,532	29,973
Unclaimed dividend		1,868	11,880
Short term borrowings	5	2,036,541	1,903,994
Current maturity of long term financing	4	100,000	100,000
Current maturity of liabilities against assets subject to finance lease		36,485	28,702
Current maturity of diminishing musharika arrangement		465	-
Provision for taxation		218,689	130,858
		3,061,225	2,762,331
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>			
		6,192,365	5,541,216
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	2,378,226	2,249,900
Intangible assets		3,650	2,220
Long term deposits		44,371	38,819
Defined benefit assets - funded gratuity		1,178	1,384
		2,427,425	2,292,323
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		115,530	141,940
Stock in trade	8	1,221,508	1,127,394
Trade debts		1,576,188	1,224,768
Loans and advances		268,970	112,853
Trade deposits and short term prepayments		5,336	9,941
Other receivables		26,509	46,514
Tax refunds due from government - net		392,273	377,530
Cash and bank balances		158,626	207,953
		3,764,940	3,248,893
<b>TOTAL ASSETS</b>			
		6,192,365	5,541,216

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

  
Chief Executive Officer

  
Director



## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Note	Six month period ended		Three month period ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		Rs "000"	Rs "000"	Rs "000"	Rs "000"
Sales - net	9	4,660,876	2,492,115	2,507,951	1,213,406
Cost of sales	10	(3,994,842)	(2,044,615)	(2,138,478)	(992,208)
<b>Gross profit</b>		666,034	447,500	369,473	221,198
Distribution costs		(75,699)	(55,872)	(35,986)	(27,435)
Administrative expenses		(73,064)	(48,751)	(35,779)	(25,413)
Other expenses		(40,530)	(19,654)	(28,287)	(9,777)
Other income		6,854	134	4,197	-
Foreign exchange loss		(3,968)	(19,373)	(3,318)	(4,036)
<b>Operating profit</b>		479,627	303,984	270,300	154,537
Finance cost		(89,866)	(42,657)	(45,592)	(21,400)
<b>Profit before taxation</b>		389,761	261,327	224,708	133,137
Taxation		(136,484)	(75,063)	(85,703)	(36,278)
<b>Profit after taxation</b>		253,277	186,264	139,005	96,859
<b>Attributable to:</b>					
Equity holders of the parent		232,799	188,056	130,498	98,651
Non-controlling interests		20,478	(1,792)	8,507	(1,792)
		253,277	186,264	139,005	96,859
<b>Earnings per share - basic and diluted</b>	12	2.11	1.68	1.18	0.88

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



Chief Executive Officer



Director

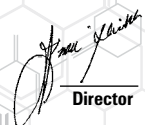
# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2016 (UN-AUDITED)

Note	Six month period ended		Three month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>Profit after taxation</b>	253,277	186,264	139,005	96,859
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>253,277</u>	<u>186,264</u>	<u>139,005</u>	<u>96,859</u>
<b>Attributable to:</b>				
Equity holders of the parent	232,799	188,056	130,498	98,651
Non-controlling interests	20,478	(1,792)	8,507	(1,792)
	<u>253,277</u>	<u>186,264</u>	<u>139,005</u>	<u>96,859</u>

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



Chief Executive Officer



Director

# CONDENSED INTERIM CONSOLIDATED OF CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2016 (UN-AUDITED)

CASH FLOW FROM OPERATING ACTIVITIES	Six month period ended	
	December 31, 2016	December 31, 2015
	Rs '000'	Rs '000'
<b>Profit before taxation</b>	389,761	261,327
Adjustment for:		
Depreciation	95,349	67,856
Amortization of intangible assets	608	216
Finance cost	89,866	41,205
Provision for gratuity	5,006	4,800
Provision for doubtful debts	10,126	-
Gain on disposal of property, plant and equipment	(4,750)	(181)
Interest Income	(17)	-
Foreign exchange loss	4,703	19,373
	200,891	133,269
<b>Operating profit before working capital changes</b>	590,652	394,596
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	26,410	(21,026)
Stock in trade	(94,114)	142,183
Trade debts	(361,546)	277
Loans and advances	(156,117)	(25,864)
Trade deposits and short term prepayments	4,605	4,443
Other receivables	20,005	(129,841)
Tax refunds due from government	25,243	6,637
	(535,514)	(23,191)
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	73,925	36,316
	(461,589)	13,125
<b>Cash generated from operations</b>	129,063	407,721
Dividend paid	(9,719)	(110,155)
Gratuity paid	(5,000)	(140)
Finance cost paid	(88,307)	(44,125)
Tax paid	(57,352)	(16,796)
	(160,378)	(171,216)
<b>Net cash (used in) / generated from operating activities</b>	(31,315)	236,505
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(37,783)	(50,734)
Addition in capital work in progress	(183,075)	(107,605)
Proceeds from disposal of property, plant and equipment	4,925	532
Addition in Intangible assets	(2,038)	-
Investment in subsidiaries	-	(7,843)
Interest income received	17	-
Minority interest in NMPL	-	(236,323)
Long term deposits	(5,552)	(64)
	(223,506)	(402,037)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan obtained	1,450	350,048
Long term loan repaid	(46,875)	(51,416)
Proceed from issuance of right shares	104,982	-
Repayment of liabilities against assets subject to finance lease	(12,876)	(10,389)
New leases acquired during the period	26,230	52,740
New diminishing musharika arrangements during the period	36	-
Short term borrowings availed / (repaid)	132,547	(114,816)
	205,494	226,167
<b>Net cash generated from financing activities</b>	205,494	226,167
Net (decrease) / increase in cash and cash equivalents	(49,327)	60,635
Cash and cash equivalents at beginning of the period	207,953	13,961
<b>Cash and cash equivalents at end of the period</b>	158,626	74,596

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


  
Chief Executive Officer

  
Director

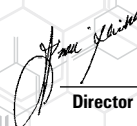
## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Issued, subscribed and paid up share capital Rs "000"	Unappropriated profit Rs "000"	Non-controlling interest Rs "000"	Total Equity Rs "000"
<b>Balance as on July 01, 2015 (Audited)</b>	1,105,905	574,711	-	1,680,616
Minority interest	-	-	9,800	9,800
Total comprehensive income for the period	-	188,057	(1,792)	186,264
Final cash dividend of Rs.1 per share for the year ended June 30, 2015	-	(110,591)	-	(110,591)
<b>Balance as on December 31, 2015</b>	<u>1,105,905</u>	<u>652,177</u>	<u>8,008</u>	<u>1,766,090</u>
<b>Balance as on July 1, 2016 (Audited)</b>	1,105,905	779,601	206,193	2,091,699
Total comprehensive income for the period	-	232,799	20,478	253,277
Issuance of right shares	-	-	104,982	104,982
Equity portion of sponsors' interest free loans	-	1,299	2,151	3,450
<b>Balance as on December 31, 2016</b>	<u>1,105,905</u>	<u>1,013,699</u>	<u>333,804</u>	<u>2,453,408</u>

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



Chief Executive Officer



Director

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED DECEMBER 31, 2016 (UN-AUDITED)

## 1 THE GROUP 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 Limited (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 the manufacturing and sale of industrial chemical products.

1.1 Nimir Industrial Chemicals Limited is part of Nimir Group which consist of:

### Holding Company

Nimir Resources (Private) Limited

### Subsidiary Companies

	<u>%age of holding</u>
- Nimir Holdings (Private) Limited	100.00 %
- Nimir Management (Private) Limited	51.00 %
- Nimir Resins Limited (formerly Descon Chemicals Limited)	37.64 %

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

Nimir Resins Limited (formerly Descon Chemicals Limited) is a listed company engaged in the manufacturing of surface coating resins, polyesters, optical brightener and textile auxiliaries.

## 2 BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information of the Group for the six-month period ended December 31, 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 consolidated 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 group for the year ended June 30, 2016.
- 2.3 The consolidated interim financial statements have been prepared under the historical cost convention. The financial statements are prepared in Pak Rupees, which is the functional currency of the Group. Figures have been rounded off to the nearest thousand rupee.

## 3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those of the financial year ended June 30, 2016 except as follows:

### 3.1 New / Revised Standards, Interpretations and Amendments

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

- IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41
- IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

### Improvements to Accounting Standards Issued by the IASB in September 2014

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

- IAS 19 Employee Benefits - Discount rate: regional market issue
- IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

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

		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December</b>	<b>June</b>
		<b>31, 2016</b>	<b>30, 2016</b>
		<b>Rs "000"</b>	<b>Rs "000"</b>
<b>4 LONG TERM FINANCING</b>			
<b>Conventional arrangement</b>			
Term finance - Secured I	4.1	78,125	93,750
Term finance - Secured II	4.2	153,125	175,000
Term finance - Secured III	4.3	65,625	75,000
Loan from subsidiary Company	4.4	40,632	40,632
Loan from associated persons	4.5	60,366	58,916
Loan from directors	4.6	95,799	99,249
		<u>493,672</u>	<u>542,547</u>
Less: Current maturity shown under current liabilities		(100,000)	(100,000)
		<u>393,672</u>	<u>442,547</u>
<b>Shariah compliant arrangement</b>			
		-	-
		<u>393,672</u>	<u>442,547</u>

- 4.1** This represents long term finance facility obtained from financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2013 with grace period of one year. This facility is secured against first pari passu charge over present and future fixed assets of the Company.
- 4.2** This represents long term finance facility obtained from financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 60 monthly instalments starting from December 2015 with grace period of nine months. This facility is secured against first pari passu charge over present and future fixed assets of the Company.
- 4.3** This represents long term finance facility obtained from financial institution carrying mark-up at the rate of 6 months KIBOR plus 200 bps per annum repayable in 60 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.
- 4.4** This represents long term financing obtained from Nimir Management (Private) Limited (subsidiary company) during the year ended June 30, 2016. This loan is interest free and repayable on demand at the option of the lender, as per terms of the agreement.
- 4.5** This represents long term financing obtained from other directors of Nimir Management (Private) Limited during the year ended June 30, 2016. These loans are interest free and repayable on demand at the option of the lenders, as per terms of the agreement.
- 4.6** This represents long term loans obtained from directors/sponsors of Nimir Resins Limited (formerly Descon Chemicals Limited) during the year ended June 30, 2016. These loans are interest free and repayable on demand at the option of the lender, as per terms of the agreement.

		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December</b>	<b>June</b>
		<b>31, 2016</b>	<b>30, 2016</b>
		<b>Rs "000"</b>	<b>Rs "000"</b>
<b>5 SHORT TERM BORROWINGS - SECURED</b>			
Conventional arrangement	5.1	1,801,731	1,683,933
Shariah compliant arrangement	5.2	234,810	220,061
		<u>2,036,541</u>	<u>1,903,994</u>

- 5.1** The aggregate facilities of short term finances from various commercial banks available at period end is Rs. 4,785 million (June 30, 2016: Rs. 2,770 million). The rate of mark up ranges from 1 month KIBOR to 3 month KIBOR + 150 bps and 3 to 6 Months KIBOR + 120 bps to 175 bps per annum with no floor and no cap (June 30, 2016: 1 month KIBOR + 15 bps to 6 months KIBOR + 150 bps with no floor and no cap ). The facilities are secured against Joint pari passu charge on the present and future current assets of the Company

The unutilized facility for opening letters of credit and bank guarantees as at December 31, 2016 amounting to Rs. 2,533 million (June 30, 2016: Rs. 750 million ).

- 5.2** The aggregate of short term finance facilities under Shariah compliant arrangements available at period end is Rs. 350 million (2016: Rs. 1,565 million). The rate of mark up ranges from 1 month KIBOR + 100 bps to 3 months and 6 months KIBOR + 125 bps with no floor and no cap (2016: 1 month KIBOR + 100 bps to 3 months and 6 months KIBOR + 175 bps with no floor and no cap ). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

The unutilized facility for opening letters of credit as at December 31, 2016 amounting to Rs. 36.685 million ( June 30, 2016: Rs. 693 million).

## 6 CONTINGENCIES AND COMMITMENTS

### 6.1 CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2016.

### 6.2 COMMITMENTS

Commitments in respect of letter of credit and guranties are as follows:

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>December 31, 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	973,175	587,324
Letter of guarantee given to SINGPL	99,000	99,000
Letter of guarantee given to PSO	18,000	18,000
Letter of guarantee given to Total PARCO	5,000	5,000
	<b>2,157,270</b>	<b>2,054,998</b>
Operating fixed assets	<b>220,956</b>	<b>194,902</b>
Capital work in progress	<b>2,378,226</b>	<b>2,249,900</b>

## 7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Capital work in progress

Following are the additions / disposals (at cost) in the operating fixed assets made during the six-month period ended 31 December 2016:

	<b>(Un-Audited)</b>		<b>(Audited)</b>	
	<b>Additions Dec-2016</b>	<b>Disposal Dec-2016</b>	<b>Additions June-2016</b>	<b>Disposal June-2016</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>
Building on free hold land	3,406	-	24,241	-
Plant and machinery - Owned	153,132	-	124,180	-
Plant and machinery - Leased	-	-	50,428	-
Furniture and fittings	420	-	310	-
Office and factory equipment	4,845	345	16,740	7,857
Vehicles - Owned	6,699	8,943	2,217	1,772
Vehicles - Leased	29,293	-	15,333	-
	<b>197,795</b>	<b>9,288</b>	<b>233,449</b>	<b>9,629</b>

	<b>(Un-audited)</b> <b>December</b> <b>31, 2016</b> <b>Rs "000"</b>	<b>(Audited)</b> <b>June</b> <b>30, 2016</b> <b>Rs "000"</b>
<b>8 STOCK IN TRADE</b>		
Raw and packing material		
In hand	509,280	397,952
In transit	405,467	428,389
	914,747	826,341
Less:		
Provision for raw material	(10,434)	(10,434)
Provision for onerous contract	(7,450)	(76,194)
Provision for packing material	(428)	(428)
	(18,312)	(87,056)
	896,435	739,285
Finished goods	328,217	391,253
Less: Provision for obsolescence	(3,144)	(3,144)
	325,073	388,109
	1,221,508	1,127,394

	<b>Six-month period ended</b>		<b>Three-month period ended</b>	
	<b>December</b> <b>31, 2016</b> <b>Rs "000"</b>	<b>December</b> <b>31, 2015</b> <b>Rs "000"</b>	<b>December</b> <b>31, 2016</b> <b>Rs "000"</b>	<b>December</b> <b>31, 2015</b> <b>Rs "000"</b>
<b>9 SALES</b>				
Gross sales	5,429,832	2,916,070	2,996,724	1,419,897
Less: Sales tax	(763,660)	(423,863)	(486,960)	(206,481)
Less: Discounts	(5,296)	(92)	(1,813)	(10)
	(768,956)	(423,955)	(488,773)	(206,491)
Net sales	4,660,876	2,492,115	2,507,951	1,213,406
<b>10 COST OF SALES</b>				
Opening stock of finished goods	391,254	267,026	265,409	159,053
Cost of goods manufactured	3,931,805	1,959,441	2,201,286	1,015,007
	4,323,059	2,226,467	2,466,695	1,174,060
Less: closing stock of finished goods	(328,217)	(181,852)	(328,217)	(181,852)
	3,994,842	2,044,615	2,138,478	992,208



## 11 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments / unallocated		Inter segment eliminations		Total	
	Six-month period ended		Six-month period ended		Six-month period ended		Six-month period ended		Six-month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Sales	3,497,199	2,492,115	1,208,412	-	-	-	(44,735)	-	4,660,876	2,492,115
Cost of sales	(2,964,553)	(2,044,615)	(1,068,908)	-	-	-	38,619	-	(3,994,842)	(2,044,615)
Gross profit	532,646	447,500	139,504	-	-	-	(6,116)	-	666,034	447,500
Distribution cost	(56,131)	(55,872)	(19,568)	-	-	-	-	-	(75,699)	(55,872)
Administrative expenses	(54,824)	(46,345)	(17,226)	-	(1,014)	(2,405)	-	-	(73,064)	(48,751)
Other expenses	(25,028)	(19,654)	(15,502)	-	-	-	-	-	(40,530)	(19,654)
Other income	4,280	134	719	-	1,855	-	-	-	6,854	134
Foreign exchange loss	(3,968)	(19,373)	-	-	-	-	-	-	(3,968)	(19,373)
Operating profit	396,975	306,390	87,927	-	841	(2,405)	(6,116)	-	479,627	303,984
Finance cost	(59,280)	(41,205)	(30,586)	-	-	(1,452)	-	-	(89,866)	(42,657)
Profit before taxation	337,695	265,185	57,341	-	841	(3,857)	(6,116)	-	389,761	261,327
Taxation	(118,582)	(75,063)	(17,902)	-	-	-	-	-	(136,484)	(75,063)
Profit after tax	219,113	190,122	39,439	-	841	(3,857)	(6,116)	-	253,277	186,264
Segment assets	4,599,382	4,029,142	1,791,315	1,692,937	474,654	469,816	(672,986)	(650,679)	6,192,365	5,541,216
Segment liabilities	2,592,408	2,241,281	1,050,887	1,108,788	443,159	439,162	(347,497)	(339,714)	3,738,957	3,449,517

11.1 Inter segment sales and purchases have been eliminated.

## 12 EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED

	Six-month period ended		Three-month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>12.1 Basic</b>				
Profit attributable equity holders of the parent	232,799	188,056	130,498	96,851
Weighted average number of ordinary shares	110,591	110,591	110,591	110,591
Earnings per ordinary share - basic and diluted	2.11	1.68	1.18	0.88

### 12.2 Diluted

No figure for diluted earning per share has been presented as the Company has not issued any instrument carrying option which would have an impact on earnings per share.

## 13 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise parent Company, related group companies, directors and key management personnel. The transactions with related parties are as follows:

Relationship with The Company	Nature of Transaction	Six-month period ended	
		December 31, 2016	December 31, 2015
		Rs "000"	Rs "000"
Associate	Sale of goods	3,596	-
	Shares Issued	15,052	-
	Share Deposit money received	-	18,743
Key Management Personnel	Shares Issued	21,825	-
	Managerial Remuneration	46,412	34,702
	Other Benefits	15,406	10,469
	Share Deposit money received	-	26,877

## 14 POST BALANCE SHEET EVENT

The Board of Directors of Nimir Industrial Chemicals Limited in their meeting held on February 22, 2017 has approved an interim dividend of Rs. 1 per share (i.e. 10%) for the period ended December 31, 2016 (December 31, 2015: Rs. 1 per share (i.e. 10%)). This interim financial information does not reflect the effect of the above event.

## 15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on Wednesday, February 22, 2017.



Chief Executive Officer



Director



**NIMIR INDUSTRIAL CHEMICALS LTD.**

14.8 Km., Sheikhpura-Faisalabad Road,  
Mouza Bhikhi, District Sheikhpura, Pakistan  
Ph: +92 56 3883001-7 • Fax: +92 56 3883010

[www.nimir.com.pk](http://www.nimir.com.pk)