



2017
Half Yearly Report
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. 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
Samba Bank Limited
Pak Brunei Investment Company Limited
Soneri Bank Limited
Askari Bank Limited
National Bank of Pakistan
MCB Bank Limited
Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited

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 accounts of the Company for the half year ended December 31, 2017.

An analysis of the financial results for the half year ended December 31, 2017 is as under:

	December 31, 2017	December 31, 2016	Increase
	Rupees in Million		% age
Sales Revenue	5,517	3,497	58%
Gross Profit	779	533	46%
Pre-Tax Profit	471	338	39%
Profit after Tax	299	219	37%
Earnings per share (Rs.)	2.70	1.98	36%

The major activities on the up-gradation and advancement of oleo chemicals plant have been completed and successfully commissioned during the period under review. Remaining part of the project would be completed towards the end of third quarter of the current financial year. The enhancement in technology up-gradation yielded additional capacity besides other benefits like attaining international economies of scale, improved product quality and plant efficiency at par with any international standard and reduced operating costs.

Net sales revenue for the half year ended Dec 31, 2017 increased to Rs. 5,517 million; registering a growth of 58% compared to same period of last year. Resultantly, the Company posted gross profit of Rs. 779 million, pre-tax profit of Rs. 471 million and after tax profit of Rs. 299 million.

The Board has recommended interim cash dividend of Rs. 1 per share (i.e.10%) for the half year ended December 31, 2017.

The management of the Company is confident to continue the momentum of growth and excellence in the remainder part of the current financial year, Insha Allah.

For and on the behalf of the Board



Aamir Jamil
Director



Zafar Mahmood
Chief Executive Officer

Lahore
February 22, 2018

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالی حسابات کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے لئے مالیاتی نتائج کا تجزیہ حسب ذیل ہے:

اضافہ فی صد	دسمبر 31, 2016	دسمبر 31, 2017	
	روپے ملین میں		
58%	3,497	5,517	فروخت کی آمدنی
46%	533	779	مجموعی منافع
39%	338	471	ٹیکس سے پہلے منافع
37%	219	299	ٹیکس کے بعد منافع
36%	1.98	2.70	فی شیئر آمدنی (روپے)

Oleo کیمیکلز پلانٹ کی اپ گریڈیشن اور ایڈوانسمنٹ پراہم سرگرمیاں مکمل اور زیر جائزہ مدت کے دوران کامیابی سے کشنڈ ہو گئی ہیں۔ منصوبہ کا باقی حصہ موجودہ مالی سال کی تیسری سہ ماہی کے اختتام تک مکمل ہو جائے گا۔ کسی بین الاقوامی معیار اور کم آپریٹنگ اخراجات کے ساتھ مساوی بہتر پیداواری کوالٹی اور پلانٹ کی کارکردگی جیسے دیگر فوائد کے علاوہ ٹیکنالوجی کی اپ گریڈیشن میں اضافہ سے اضافی صلاحیت پیدا ہوئی ہے۔

آپ کی کمپنی نے oleo کیمیکلز پلانٹ کی مجموعی سالانہ صلاحیت کے ساتھ بین الاقوامی معیار کا درجہ حاصل کر لیا ہے۔ چند ایک دیگر عناصر کے ساتھ صلاحیت میں اضافہ کی مدد سے 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے لئے فروخت کی خالص آمدنی 5,517 ملین روپے تک بڑھ گئی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 58% کی نمو ظاہر کر رہی ہے۔ نتیجتاً، کمپنی نے 779 ملین روپے کا مجموعی منافع، 471 ملین روپے قبل از ٹیکس منافع اور 299 ملین روپے بعد از ٹیکس منافع درج کیا ہے۔

بورڈ نے 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے لئے 1/1 روپیہ فی شیئر (یعنی 10%) عبوری منافع منقسمہ سفارش کیا ہے۔

کمپنی کی انتظامیہ رواں مالی سال کے باقی عرصہ میں انشاء اللہ ترقی اور عمدہ رفتار کو جاری رکھنے کے لئے پُر عزم ہے۔

ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون کے شکرگزار ہیں۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



عامر جمیل

ڈائریکٹر

لاہور

22 فروری 2018ء

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** (the "Company") as at December 31, 2017 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 accounts for the six-month period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this 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

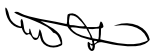
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six-month period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	Note	Unaudited December 31, 2017 Rs '000'	Audited June 30, 2017 Rs '000'
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	2,469,372	2,230,437
Intangibles		1,302	1,754
Investment in subsidiary	5	281,852	281,852
Long term deposits		35,311	33,879
		2,787,837	2,547,922
CURRENT ASSETS			
Stores, spare parts and loose tools		149,718	170,303
Stock in trade	6	1,949,202	1,274,615
Trade debts - considered good - unsecured		1,072,700	983,440
Loan and advances		78,590	55,336
Trade deposits and short term prepayments		14,377	12,256
Other receivables		21,207	18,356
Tax refunds due from the Government		493,162	396,639
Cash and bank balances		119,511	15,516
		3,898,467	2,926,461
		6,686,304	5,474,383
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Capital			
145,000,000 (30 June 2017: 145,000,000) Ordinary shares of Rs. 10/- each		1,450,000	1,450,000
Issued, subscribed and paid up capital			
110,590,546 (30 June 2017: 110,590,546) Ordinary shares of Rs. 10/- each		1,105,905	1,105,905
Revenue reserve - un appropriated profit		1,226,971	1,038,425
		2,332,876	2,144,330
NON CURRENT LIABILITIES			
Long term loans - secured	7	356,784	259,262
Liabilities against assets subject to finance lease		81,178	94,614
Deferred tax liability		257,845	213,100
		695,807	566,976
CURRENT LIABILITIES			
Trade and other payables		997,542	414,756
Net defined benefit liability - funded gratuity		46,367	47,367
Mark up accrued		41,905	27,495
Unclaimed dividend		2,291	2,416
Short term borrowings - secured	8	2,006,645	1,861,588
Current maturity of long term loans	7	152,083	127,604
Current maturity of liabilities against assets subject to finance lease		38,728	36,939
Provision for taxation		372,060	244,912
		3,657,621	2,763,077
CONTINGENCIES AND COMMITMENTS			
	9	—	—
TOTAL EQUITY AND LIABILITIES			
		6,686,304	5,474,383

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Note	Six month period ended		Three month period ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		Rs "000"	Rs "000"	Rs "000"	Rs "000"
Sales - net	10	5,516,790	3,497,199	2,720,354	1,874,010
Cost of sales	11	(4,737,966)	(2,964,553)	(2,281,539)	(1,575,018)
Gross profit		778,824	532,646	438,815	298,992
Distribution costs		(66,659)	(56,131)	(33,576)	(26,062)
Administrative expenses		(77,606)	(54,824)	(43,343)	(27,667)
		(144,265)	(110,955)	(76,919)	(53,729)
Operating profit		634,559	421,691	361,896	245,263
Other expenses		(34,910)	(25,028)	(19,649)	(14,618)
Other income		7,286	4,280	5,796	1,124
Foreign exchange loss		(36,205)	(3,968)	(32,632)	(3,318)
Finance cost		(99,701)	(59,280)	(50,289)	(31,216)
Profit before taxation		471,029	337,695	265,122	197,235
Taxation					
Current		(127,147)	(80,771)	(60,018)	(51,023)
Deferred		(44,745)	(37,811)	(46,059)	(22,931)
		(171,892)	(118,582)	(106,077)	(73,954)
Profit for the period		299,137	219,113	159,045	123,281
Earnings per share - Basic and diluted (Rs.)	12	2.70	1.98	1.44	1.11

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Six month period ended		Three month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Profit for the period	299,137	219,113	159,045	123,281
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	299,137	219,113	159,045	123,281

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Six month period ended	
	December 31, 2017	December 31, 2016
	Rs '000'	Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	471,029	337,695
Adjustments for:		
Depreciation	96,073	77,248
Amortization	452	276
Gain on disposal of property, plant and equipment	(3,256)	(4,750)
Finance cost	96,662	59,280
Exchange loss - unrealized	17,477	3,968
Reversal of provision against stock in trade	(4,619)	-
Provision for gratuity	6,000	4,800
WPPF Provision	25,297	18,137
WWF Provision	9,613	6,892
	243,699	165,851
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES	714,728	503,546
Decrease / (increase) in current assets		
Stores and spares and loose tools	20,585	27,274
Stock in trade	(669,968)	(126,796)
Trade debts	(89,260)	(239,428)
Loan and advances	(23,254)	(128,000)
Trade deposits and short term prepayments	(2,121)	7,165
Other receivables	(2,851)	(3,184)
Tax refunds due from government	104,394	50,589
	(662,475)	(412,380)
Increase in current liabilities		
Trade and other payables	560,400	62,002
CASH GENERATED FROM OPERATIONS	612,653	153,168
Contribution to gratuity fund	(7,000)	(5,000)
Finance cost paid	(77,794)	(58,381)
Dividend paid during the period	(110,715)	(9,719)
Tax paid	(200,917)	(39,776)
WPPF Paid	(30,000)	(32,507)
	(426,426)	(145,383)
NET CASH GENERATED FROM OPERATING ACTIVITIES	186,227	7,785
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,157)	(36,840)
Addition in capital work in progress	(323,105)	(168,013)
Purchases of intangibles	-	(2,038)
Sale proceeds from disposal of property, plant and equipment	3,510	4,925
Long term deposits	(1,432)	(5,246)
NET CASH USED IN INVESTING ACTIVITIES	(333,184)	(207,212)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment long term loan	(56,770)	(46,875)
Proceeds from long term loan	178,771	-
Repayment of liabilities against assets subject to finance lease	(22,612)	(12,876)
New leases acquired during the period	6,507	26,230
Short term borrowings	145,057	216,594
NET CASH GENERATED FROM FINANCING ACTIVITIES	250,953	183,073
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	103,996	(16,354)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,516	61,677
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	119,511	45,323

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


Chief Executive Officer

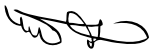

Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Issued, subscribed and paid up Share Capital	Revenue reserve - Unappropriated Profit	Total Equity
	Rs '000'	Rs '000'	Rs '000'
Balance as on July 01, 2016 - (Audited)	1,105,905	681,956	1,787,861
Total comprehensive income for the period ended December 31, 2016	–	219,113	219,113
Balance as on December 31, 2016	<u>1,105,905</u>	<u>901,069</u>	<u>2,006,974</u>
Balance as on July 01, 2017 - (Audited)	1,105,905	1,038,425	2,144,330
Total comprehensive income for the period ended December 31, 2017	–	299,137	299,137
Final dividend for the year ended June 30, 2017 at the rate of Rs.1 per share	–	(110,591)	(110,591)
Balance as on December 31, 2017	<u>1,105,905</u>	<u>1,226,971</u>	<u>2,332,876</u>

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

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. The Company is a subsidiary of Nimir Resources (Private) Limited which holds 56.67% of the total shares of the Company. The registered office of the Company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikhi, District Sheikhpura, Pakistan. The Company is engaged in manufacture 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, 2017 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 Companies Ordinance 1984 has been repealed after the enactment of the Companies Act, 2017. However as allowed by the SECP vide its Circular No.23 dated October 4, 2017 read with related press release, and as per Circular No. 17 of the Institute of Chartered Accountants of Pakistan, these financial information have been prepared in accordance with the provision of the repealed Companies Ordinance 1984.
- 2.3 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, 2017.
- 2.4 This condensed interim financial statements 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, 2017.
- 2.5 The condensed interim financial statements have been prepared under the historical cost convention. These 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.
- 2.6 These are separate financial information, where the investment in subsidiary is shown at cost. Whereas, consolidated financial information are separately presented.

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, 2017, except as follows:

3.1 New / Revised Standards, Interpretations and Amendments

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

IAS 7	Disclosure Initiative – Amendments to IAS 7
IAS 12	Recognition of Deferred Tax Assets for Unrealized losses – Amendments to IAS 12
IFRS 12	Clarification of scope of disclosures – Amendments to IFRS 12

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

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. Such improvements to the standards do not have any material impact on the Company's financial information for the period.

4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

(Un-Audited) December 31, 2017 Rs "000"	(Audited) June 30, 2017 Rs "000"
2,144,515	1,657,414
324,857	573,023
<u>2,469,372</u>	<u>2,230,437</u>

Additions / disposals (at cost) in the operating fixed assets made during the six-month period / year ended are as follows:

	Additions		Disposal		Additions		Disposal	
	Dec-2017		Dec-2017		June-2017		June-2017	
	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"
(Un-Audited).....			(Audited).....			
Building on freehold land	19,325	–	–	–	8,737	–	–	–
Plant and machinery	551,946	–	–	–	165,826	–	–	–
Furniture and fittings	603	–	–	–	1,228	–	–	–
Office and factory equipment	5,047	–	–	–	16,206	–	–	1,265
Vehicles - Owned	–	5,132	–	–	14,027	–	–	13,177
Vehicles - Leased	6,507	–	–	–	32,311	–	–	–
	<u>583,428</u>	<u>5,132</u>	<u>–</u>	<u>–</u>	<u>238,335</u>	<u>–</u>	<u>–</u>	<u>14,442</u>

5 INVESTMENT IN SUBSIDIARY

In 2016, Nimir Industrial Chemicals Limited formed a wholly owned subsidiary under the name of Nimir Holding (Private) Limited (NHPL). NHPL formed a sub-subsidiary, Nimir Management (Private) Limited (NMPL), which acquired the majority shareholding of Nimir Resins Limited, a listed company engaged in the business of industrial chemicals. The effective shareholding of the Company in Nimir Resins Limited is 37.64% (June 30, 2017: 37.64%). The Company has determined that Nimir Resins Limited is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

6 STOCK IN TRADE	Note	(Un-Audited)	(Audited)
		December 31, 2017	June 30, 2017
		Rs "000"	Rs "000"
Raw and packing material in hand		401,734	371,800
in transit		999,441	654,161
		<u>1,401,175</u>	<u>1,025,961</u>
Provision for raw material		–	(4,191)
Provision for packing material		–	(428)
		<u>–</u>	<u>(4,619)</u>
		<u>1,401,175</u>	<u>1,021,342</u>
Finished goods		548,027	253,273
		<u>1,949,202</u>	<u>1,274,615</u>
7 LONG TERM LOANS - secured			
Term finance - I	7.1	37,500	59,375
Term finance - II	7.2	109,375	134,896
Term finance - III	7.3	46,875	56,250
Term finance - IV	7.4	223,537	136,345
Term finance - V	7.5	91,580	–
		<u>508,867</u>	<u>386,866</u>
Less: Current maturity shown under current liabilities		(152,083)	(127,604)
		<u>356,784</u>	<u>259,262</u>

7.1 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 joint pari passu charge over present and future fixed assets of the Company.

7.2 This represents long term finance facility obtained from a financial institution, carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum, repayable in 48 monthly 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.

7.3 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 48 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.

7.4 This represents long term finance facility amounting Rs. 250 million available from a financial institution, carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum, repayable in 48 monthly instalments with grace period of one year. As at period end, Rs. 223.5 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.5 This represents long term finance facility amounting Rs. 150 million available from a financial institution, carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum, repayable in 54 monthly instalments with grace period of six months. As at period end, Rs. 91.58 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

8 SHORT TERM BORROWINGS - Secured

- 8.1** The aggregate of short term finance facilities from various financial institutions available at period end is Rs. 3,650 million (June 30, 2017: Rs. 3,640 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 150 bps with no floor and no cap (June 30, 2017: 1 month KIBOR to 6 months KIBOR + 100 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.
- 8.2** The unutilized facility for opening letters of credit and bank guarantees as at 31 Dec 2017 amounting to Rs. 378 million (June 30, 2017: Rs. 473 million) and Rs. 94 million (June 30, 2017: Rs. 95 million) respectively.

9 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2017.

COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at period / year ended are as follows:

	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
	Rs "000"	Rs "000"
Letters of credit established for the import of raw materials, spare parts and machinery	773,000	947,000
Letter of guarantee given to SNGPL	96,000	96,000
Letter of guarantee given to PSO	17,000	16,000
Letter of guarantee given to TOTAL PARCO	3,000	3,000

	Six-month period ended		Three-month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
(Un-Audited).....			
10 SALES - NET				
Gross sales	6,454,711	4,099,011	3,182,990	2,154,193
Less: Discount	(13)	(5,296)	(13)	(3,483)
Sales tax	(937,908)	(596,516)	(462,623)	(276,700)
	(937,921)	(601,812)	(462,636)	(280,183)
Net Sales	<u>5,516,790</u>	<u>3,497,199</u>	<u>2,720,354</u>	<u>1,874,010</u>
11 COST OF SALES				
Opening stock of finished goods	253,273	277,890	248,130	160,419
Cost of goods manufactured	5,032,720	2,905,499	2,581,436	1,633,435
	5,285,993	3,183,389	2,829,566	1,793,854
Less: Closing stock of finished goods	(548,027)	(218,836)	(548,027)	(218,836)
	<u>4,737,966</u>	<u>2,964,553</u>	<u>2,281,539</u>	<u>1,575,018</u>
12 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders (Rs. "000")	<u>299,137</u>	<u>219,113</u>	<u>159,045</u>	<u>123,281</u>
Weighted average number of shares (No. "000")	<u>110,591</u>	<u>110,591</u>	<u>110,591</u>	<u>110,591</u>
Earnings per share (Rs.)	<u>2.70</u>	<u>1.98</u>	<u>1.44</u>	<u>1.11</u>

13 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with The Company	Nature of Transaction	(Un-Audited) Six-month period ended	
		December 31, 2017	December 31, 2016
		Rs "000"	Rs "000"
Transaction:			
Subsidiary	Sale of goods	46,449	44,735
	Services acquired	1,365	1,260
	Services provided	1,842	3,864
	Reimbursement of expenses - net	33	67
Associate	Sale of goods	8,170	3,596
Key Management Personnel	Managerial Remuneration	77,083	46,412
	Other Benefits	23,006	15,406

Relationship with The Company	Nature of Transaction	(Un-Audited)	(Audited)
		December 31, 2017	June 30, 2017
		Rs "000"	Rs "000"
Balances with related parties			
Subsidiary	Trade Receivable	4,544	8,968
Associate	Trade Receivable	48	97

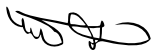
14 POST BALANCE SHEET EVENT

The Board of Directors in their meeting held on Thursday, February 22, 2018 has approved an interim dividend of Rs. 1 per share (i.e. 10%) for the period ended December 31, 2017 (December 31, 2016: Rs. 1 per share (i.e. 10%)). This interim financial information does not reflect the effect of above event.

15 GENERAL

15.1 This condensed interim financial information was authorized for issue by the Board of Directors of the Company on February 22, 2018.

15.2 Some corresponding figures have been re-arranged / reclassified in condensed interim cash flow statement and in note 13 regarding related party transaction for better presentation and comparison.



Chief Executive Officer



Director



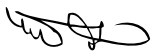
Chief Financial Officer

NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS - CONSOLIDATED
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2017

	Note	(Unaudited) December 31, 2017 Rs '000'	(Audited) June 30, 2017 Rs '000'
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		1,450,000	1,450,000
145,000,000 (2017: 145,000,000) Ordinary shares of Rs.10 each			
Issued, subscribed and paid up capital		1,105,905	1,105,905
Revenue reserve - un appropriated profit		1,336,320	1,136,017
Non-controlling interest		478,878	453,805
		2,921,103	2,695,727
NON CURRENT LIABILITIES			
Long term loans - secured	4	463,784	366,262
Liabilities against assets subject to finance lease		81,178	94,614
Diminishing musharaka finance		5,018	2,007
Retirement benefit liability		1,393	-
Deferred tax liability		270,034	240,898
		821,407	703,781
CURRENT LIABILITIES			
Trade and other payables		1,324,098	704,349
Net defined benefit liability - funded gratuity		46,367	47,367
Mark up accrued		53,481	38,006
Unclaimed dividend		2,291	2,709
Short term borrowings - secured	5	2,879,361	2,677,867
Current maturity of long term loans	4	152,083	127,604
Current maturity of liabilities against assets subject to finance lease		38,728	36,939
Current maturity of diminishing musharaka finance		1,275	485
Provision for taxation		387,362	285,257
		4,885,046	3,920,583
CONTINGENCIES AND COMMITMENTS			
	6	-	-
TOTAL EQUITY AND LIABILITIES			
		8,627,556	7,320,091
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	2,949,329	2,703,808
Intangibles		2,463	3,081
Long term deposits		46,049	44,619
Net defined benefit assets - funded gratuity		-	1,175
		2,997,841	2,752,683
CURRENT ASSETS			
Stores, spare parts and loose tools		162,866	182,949
Stock in trade	8	2,498,541	1,895,520
Trade debts		1,685,476	1,576,152
Loans and advances		155,047	111,760
Trade deposits and short term prepayments		18,631	14,249
Interest accrued		-	224
Other receivables		22,116	19,574
Tax refunds due from the Government		802,320	666,361
Cash and bank balances		284,718	100,619
		5,629,715	4,567,408
TOTAL ASSETS			
		8,627,556	7,320,091

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



Chief Executive Officer



Director

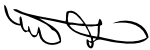


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Note	Six month period ended		Three month period ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		Rs "000"	Rs "000"	Rs "000"	Rs "000"
Sales - net	9	7,000,581	4,660,876	3,507,673	2,507,951
Cost of sales	10	(6,103,884)	(3,994,842)	(3,011,884)	(2,138,478)
Gross profit		896,697	666,034	495,789	369,473
Distribution costs		(85,612)	(75,699)	(42,872)	(35,986)
Administrative expenses		(98,191)	(73,064)	(54,483)	(35,779)
		(183,803)	(148,763)	(97,355)	(71,765)
Operating profit		712,894	517,271	398,434	297,708
Other expenses		(82,901)	(40,530)	(64,163)	(28,287)
Other income		12,156	6,854	10,741	4,197
Foreign exchange loss		(39,506)	(3,968)	(35,933)	(3,318)
Finance cost		(134,169)	(89,866)	(68,093)	(45,592)
Profit before taxation		468,474	389,761	240,986	224,708
Taxation		(132,507)	(136,484)	(59,907)	(85,703)
Profit for the period		335,967	253,277	181,079	139,005
Attributable to:					
Equity holders of the parent		310,894	232,799	165,210	130,498
Non-controlling interests		25,073	20,478	15,869	8,507
		335,967	253,277	181,079	139,005
Earnings per share - Basic and diluted (Rs.)	12	2.81	2.11	1.49	1.18

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



Chief Executive Officer



Director

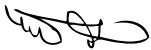


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Six month period ended		Three month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Profit for the period	335,967	253,277	181,079	139,005
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	335,967	253,277	181,079	139,005
Attributable to:				
Equity holders of the parent	310,894	232,799	165,210	130,498
Non-controlling interests	25,073	20,478	15,869	8,507
	335,967	253,277	181,079	139,005

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



Chief Executive Officer



Director

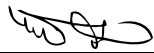


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Six month period ended	
	December 31, 2017	December 31, 2016
	Rs '000'	Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	468,474	389,761
Adjustment for:		
Depreciation	112,971	95,349
Amortization of intangible assets	618	608
Finance cost	131,130	89,866
Provision for gratuity	8,791	5,006
Provision for doubtful debts	36,243	10,126
Gain on disposal of property, plant and equipment	(3,255)	(4,750)
Interest Income	(1,428)	(17)
Exchange loss-unrealised	20,779	4,703
Provision for obsolescence of stock	6,411	-
WPPF Provision	25,297	21,188
WWF Provision	9,613	6,975
	347,170	229,054
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	815,644	618,815
Decrease / (Increase) in current assets		
Stores, spares and loose tools	20,083	26,410
Stock in trade	(612,733)	(94,114)
Trade debts	(145,688)	(361,546)
Loans and advances	(43,287)	(156,117)
Trade deposits and short term prepayments	(4,382)	4,605
Other receivables	(2,041)	20,005
Tax refunds due from government	104,396	25,243
	(683,653)	(535,514)
Increase in current liabilities		
Trade and other payables	601,690	78,269
CASH GENERATED FROM OPERATIONS	733,681	161,570
Dividend paid	(110,715)	(9,719)
Contribution to gratuity fund	(7,223)	(5,000)
Finance cost paid	(110,914)	(88,307)
Tax paid	(241,619)	(57,352)
WPPF Paid	(35,000)	(32,507)
	(505,471)	(192,885)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	228,210	(31,315)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,699)	(37,783)
Addition in capital work in progress	(340,647)	(183,075)
Sale proceeds from disposal of property, plant and equipment	3,510	4,925
Purchases of intangible	-	(2,038)
Interest income received	1,653	17
Long term deposits	(1,431)	(5,552)
NET CASH USED IN INVESTING ACTIVITIES	(350,614)	(223,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term loan	178,771	1,450
Repayment of long term loan	(56,770)	(46,875)
Proceed from issuance of right shares	-	104,982
Repayment of liabilities against assets subject to finance lease	(22,611)	(12,876)
New leases acquired during the period	6,507	26,230
New diminishing musharika arrangements during the period	-	36
Payment against diminishing musharaka finance	(887)	-
Short term borrowings availed	201,493	132,547
NET CASH GENERATED FROM FINANCING ACTIVITIES	306,503	205,494
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	184,099	(49,327)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	100,619	207,953
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	284,718	158,626

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Issued, subscribed and paid up share capital Rs "000"	Revenue reserve - Unappropriated profit Rs "000"	Non-controlling interest Rs "000"	Total Equity Rs "000"
Balance as on July 01, 2016 (Audited)	1,105,905	779,601	206,193	2,091,699
Total comprehensive income for the period ended December 31, 2016	–	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
Balance as on December 31, 2016	<u>1,105,905</u>	<u>1,013,699</u>	<u>333,804</u>	<u>2,453,408</u>
Balance as on July 01, 2017 (Audited)	1,105,905	1,136,017	453,805	2,695,727
Total comprehensive income for the period ended December 31, 2017	–	310,894	25,073	335,967
Final dividend for the year ended June 30, 2017 at the rate of Rs.1 per share	–	(110,591)	–	(110,591)
Balance as on December 31, 2017	<u>1,105,905</u>	<u>1,336,320</u>	<u>478,878</u>	<u>2,921,103</u>

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

Nimir Industrial Chemicals Limited ("NICTL") 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")

The shareholding of Nimir Group is as follows:

• The holding of NICTL in NHPL:	100%
• The holding of NHPL in NMPL:	51%
• The holding of NMPL in NRL:	51%
• The holding of NHPL in NRL:	11.63%
• Effective holding of NICTL in NRL:	37.64%

Nimir Industrial Chemicals Limited ("The Holding Company") was incorporated in Pakistan as a public limited company and its shares are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Nimir Resources (Private) Limited which holds 56.74% of the total shares of the company. The registered office of the company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. The company is engaged in manufacture and sale of chemical products.

Nimir Holding (Private) Limited and Nimir Management (Private) Limited were incorporated in Pakistan as private limited companies on 28 September 2015 and 4 December 2015 respectively for the purpose of investment in Nimir Resins Limited. The registered office of NHPL and NMPL is Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

Nimir Resins Limited was initially incorporated in Pakistan on 17 December 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on 19 August 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on 1 April 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 18 April 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. The registered office is situated at 14.5 KM, Lahore-Sheikhpura Road, Lahore. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile auxiliaries for textile industry.

2 BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information of the Company for the six-month period ended 31 December 2017 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 Companies Ordinance 1984 has been repealed after the enactment of the Companies Act, 2017. However as allowed by the SECP vide its Circular No.23 dated 04 October 2017 read with related press release, and as per Circular No. 17 of the Institute of Chartered Accountants of Pakistan, these financial information have been prepared in accordance with the provision of the repealed Companies Ordinance 1984.
- 2.3 The condensed interim consolidated financial statements does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2017.
- 2.4 The condensed interim consolidated financial statements have been prepared under the historical cost convention. These 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 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2017, 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:

IAS 7	Disclosure Initiative – Amendments to IAS 7
IAS 12	Recognition of Deferred Tax Assets for Unrealized losses – Amendments to IAS 12
IFRS 12	Clarification of scope of disclosures – Amendments to IFRS 12

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

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Group expects that such improvements to the standards do not have any material impact on the group's financial information for the period.

	Note	(Un-audited) December 31, 2017 Rs "000"	(Audited) June 30, 2017 Rs "000"
4 LONG TERM LOANS - Secured			
Term finance - I	4.1	37,500	59,375
Term finance - II	4.2	109,375	134,896
Term finance - III	4.3	46,875	56,250
Term finance - IV	4.4	223,537	136,345
Term finance - V	4.5	91,580	—
Loan from directors / sponsors	4.6	107,000	107,000
		615,867	493,866
Less: Current maturity shown under current liabilities		(152,083)	(127,604)
		<u>463,784</u>	<u>366,262</u>

- 4.1** 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 joint pari passu charge over present and future fixed assets of the Holding Company.
- 4.2** This represents long term finance facility obtained from a financial institution, carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum, repayable in 48 monthly 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 Holding Company.
- 4.3** 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 48 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 Holding Company.
- 4.4** This represents long term finance facility amounting Rs. 250 million available from a financial institution, carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum, repayable in 48 monthly instalments with grace period of one year. As at period end, Rs. 223.5 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.
- 4.5** This represents long term finance facility amounting Rs. 150 million available from a financial institution, carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum, repayable in 54 monthly instalments with grace period of six months. As at period end, Rs. 91.58 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.
- 4.6** This represents loan obtained from ex-director / sponsors of Nimir Resins Limited. This loan is interest free and repayable on demand, however, the lender has agreed not to demand repayment for a period of next twelve months. As a result of understanding reached between subsidiaries and ex-director during the year ended June 30, 2017 and resultant reinstatement adjustment in the books of Nimir Resins Limited, the amount has been stated with an adjustment to equity portion.

5 SHORT TERM BORROWINGS - Secured

- 5.1** The aggregate short term finance facilities from various banking companies available at period end is Rs. 6,015 million

(June 30, 2017: Rs. 5,455 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 175 bps with no floor and no cap (June 30, 2017: 1 month KIBOR to 6 months KIBOR + 0 to 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 group companies.

- 5.2 The unutilized facility for opening letters of credit and bank guarantees as at December 31, 2017 amounting to Rs. 1,068 million (June 30, 2017: Rs. 678 million) and Rs. 105 million (June 30, 2017: Rs. 103 million) respectively.

6 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

Holding Company

- 6.1 There is no other material change in the contingencies since the last audited financial statements for the year ended June 30, 2017.

Subsidiary Company

- 6.2 Income tax returns 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. The department has finalized proceedings of Tax Year 2014 creating demand of Rs. 5.8 million. The Company has filed an appeal before CIR Appeal against said demand and expects a favourable outcome; therefore, no provision has been made in this regard.
- 6.3 The Company has filed suits against material supplier and certain customers for the recovery of advance and trade debts. However, necessary provision has been made in these financial statement.

COMMITMENTS

Commitments in respect of letters of credit, letters of guarantee, capital expenditure and diminishing musharika as at period / year ended are as follows:

	(Un-audited) December 31, 2017 Rs "000"	(Audited) June 30, 2017 Rs "000"
Letters of credit established for the import of raw materials, spare parts and machinery	1,048,378	1,124,000
Letter of guarantee given to SNGPL	99,090	102,000
Letter of guarantee given to PSO	20,000	19,000
Letter of guarantee given to TOTAL PARCO	6,000	6,000
Capital expenditures	3,253	13,000
Diminishing musharaka finance	732	2,000
	<u>2,949,329</u>	<u>2,703,808</u>

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	2,611,515	2,113,636
Capital work in progress	337,814	590,172
	<u>2,949,329</u>	<u>2,703,808</u>

Additions / disposals (at cost) in the operating fixed assets made during the six-month period / year ended are as follows:

	(Un-Audited)		(Audited)	
	Additions Dec-2017 Rs "000"	Disposal Dec-2017 Rs "000"	Additions June-2017 Rs "000"	Disposal June-2017 Rs "000"
	Building on freehold land	22,546	-	9,238
Plant and machinery	570,802	-	178,175	-
Furniture and fittings	603	-	1,228	-
Office and factory equipment	8,841	-	20,939	1,265
Vehicles - Owned	1,808	5,132	20,354	13,177
Vehicles - Leased	6,507	-	32,311	-
	<u>611,107</u>	<u>5,132</u>	<u>262,245</u>	<u>14,442</u>

	(Un-audited) December 31, 2017 Rs "000"	(Audited) June 30, 2017 Rs "000"
8 STOCK IN TRADE		
Raw and packing material in hand	743,581	642,006
in transit	1,087,408	841,987
	<u>1,830,989</u>	<u>1,483,993</u>
Provision for raw material	–	(4,191)
Provision for packing material	–	(428)
	–	(4,619)
	<u>1,830,989</u>	<u>1,479,374</u>
Finished goods	701,383	438,947
Less: Provision for obsolescence	(33,831)	(22,801)
	<u>667,552</u>	<u>416,146</u>
	<u>2,498,541</u>	<u>1,895,520</u>

	Six month period ended		Three month period ended	
	December 31, 2017 Rs "000"	December 31, 2016 Rs "000"	December 31, 2017 Rs "000"	December 31, 2016 Rs "000"
(Un-Audited).....			
9 SALES - NET				
Gross sales	8,141,455	5,429,832	4,070,405	2,996,724
Less:				
Discount	(13)	(5,296)	(13)	(1,813)
Sales tax	(1,140,861)	(763,660)	(562,719)	(486,960)
	<u>(1,140,874)</u>	<u>(768,956)</u>	<u>(562,732)</u>	<u>(488,773)</u>
Net Sales	<u>7,000,581</u>	<u>4,660,876</u>	<u>3,507,673</u>	<u>2,507,951</u>
10 COST OF SALES				
Opening stock of finished goods	438,947	391,254	381,778	265,409
Cost of goods manufactured	6,366,320	3,931,805	3,331,489	2,201,286
	<u>6,805,267</u>	<u>4,323,059</u>	<u>3,713,267</u>	<u>2,466,695</u>
Less: Closing stock of finished goods	(701,383)	(328,217)	(701,383)	(328,217)
	<u>6,103,884</u>	<u>3,994,842</u>	<u>3,011,884</u>	<u>2,138,478</u>

11 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		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, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Sales	5,516,790	3,497,199	1,530,241	1,208,412	-	-	(46,449)	(44,735)	7,000,581	4,660,876
Cost of sales	(4,737,966)	(2,964,553)	(1,408,418)	(1,063,908)	-	-	42,499	38,619	(6,103,884)	(3,994,842)
Gross profit / (loss)	778,824	532,646	121,823	139,504	-	-	(3,950)	(6,116)	896,697	666,034
Distribution cost	(66,659)	(56,131)	(18,952)	(19,568)	-	-	-	-	(85,612)	(75,699)
Administrative expenses	(77,606)	(54,824)	(21,013)	(17,226)	(67)	(1,014)	495	-	(98,191)	(73,064)
Operating profit / (loss)	634,559	421,691	81,858	102,710	(67)	(1,014)	(3,455)	(6,116)	712,894	517,271
Other expenses	(34,910)	(25,028)	(47,991)	(15,502)	-	-	-	-	(82,901)	(40,530)
Other income	7,286	4,280	4,297	719	1,428	1,855	(855)	-	12,156	6,854
Foreign exchange loss	(86,205)	(3,968)	(3,302)	-	-	-	-	-	(39,506)	(3,968)
Finance cost	(99,701)	(59,280)	(34,468)	(30,566)	-	-	-	-	(134,169)	(89,866)
Profit before taxation / (loss)	471,029	337,695	394	57,341	1,361	841	(4,310)	(6,116)	468,474	369,761
Taxation	(171,892)	(118,582)	40,650	(17,902)	(1,265)	-	-	-	(132,507)	(136,484)
Profit for the period / (loss)	299,137	219,113	41,044	39,439	96	841	(4,310)	(6,116)	335,967	253,277
	December 31, 2017	June 30, 2017	December 31, 2017	June 30, 2017	December 31, 2017	June 30, 2017	December 31, 2017	June 30, 2017	December 31, 2017	June 30, 2017
Segment assets	6,686,304	5,474,384	2,202,014	2,106,349	579,110	579,844	(839,872)	(840,486)	8,627,556	7,320,091
Segment liabilities	4,353,426	3,330,053	1,251,209	1,196,587	93,057	93,887	8,761	3,837	5,706,453	4,624,364

11.1 Inter segment sales, purchases and balances have been eliminated.

12 EARNINGS PER SHARE - BASIC AND DILUTED

	Six month period ended		Three month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Profit attributable to ordinary shareholders (Rs. "000")	310,894	232,799	165,210	130,498
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share (Rs.)	2.81	2.11	1.49	1.18

13 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with The Company	Nature of Transaction	(Un-audited)	
		Six month period ended	
		December 31, 2017	December 31, 2016
		Rs "000"	Rs "000"
Transactions:			
Associate	Sale of goods	8,170	3,596
	Bonus/Right shares issued	1,388	15,052
Directors / Sponsors	Bonus/Right shares issued	2,017	21,825
Key Management Personnel	Managerial Remuneration	102,243	59,578
	Other Benefits	26,385	16,584

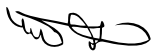
14 POST BALANCE SHEET EVENT

The Board of Directors of Holding Company in their meeting held on Thursday, February 22, 2018 has approved an interim dividend of Rs. 1 per share (i.e. 10%) for the period ended December 31, 2017 (December 31, 2016: Rs. 1 per share (i.e. 10%). This interim consolidated financial information does not reflect the effect of above event.

15 GENERAL

15.1 This condensed interim consolidated financial information was authorized for issue by the Board of Directors of the Company on February 22, 2018.

15.2 Some corresponding figures have been re-arranged / reclassified in condensed interim consolidated cash flow statement and in note 13 regarding related party transaction for better presentation and comparison.



Chief Executive Officer



Director



Chief Financial Officer



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