

# Quarterly Report 2019

March (Unaudited)



**NIMIR**  
NIMIR INDUSTRIAL CHEMICALS LTD.

# COMPANY INFORMATION

## Board of Directors

Mr. Muhammad Saeed uz Zaman - Chairman  
Mr. Zafar Mahmood - Chief Executive Officer  
Mr. Khalid Mumtaz Qazi  
Mr. Umar Iqbal  
Mr. Javed Saleem Arif  
Ms. Parveen Akhter Malik  
Mr. Tariq Ahmad Khan  
Mr. Muhammad Iqbal  
Mr. Abdul Jaleel Shaikh  
(Nominee - Pak Brunei Investment Company Limited)

## Executive Management

Mr. Zafar Mahmood  
Mr. Khalid Mumtaz Qazi  
Mr. Imran Afzal  
Mr. Umar Iqbal  
Mr. Aamir Jamil

## Chief Financial Officer

Syed Sajid Nasim

## Company Secretary

Mr. Muhammad Inam-ur-Rahim

## Head of Internal Audit

Mr. Nabeel Ahmad Khan

## Audit Committee

Mr. Javed Saleem Arif - Chairman  
Mr. Tariq Ahmad Khan - Member  
Mr. Abdul Jaleel Shaikh - Member

## Human Resource & Remuneration Committee

Ms. Parveen Akhter Malik - Chairperson  
Mr. Muhammad Saeed uz Zaman - 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](http://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  
Bank Alfalah Limited

Al Baraka Bank (Pakistan) Limited  
Meezan 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](http://www.nimir.com.pk)

# DIRECTORS' REPORT

The Directors are pleased to present their review report on the un-audited financial results of the Company for period ended March 31, 2019. The synopsis of the results is as under:

	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>Increase</b>
	<b>Rupees in million</b>		<b>% age</b>
Sales Revenue	10,847	8,613	26%
Gross Profit	1,451	1,164	25%
Operating Profit	1,191	945	26%
Pre-Tax Profit	865	708	22%
Profit after Tax	608	478	27%
Earnings per share (Rs.)	5.5	4.32	27%

The Company posted a sales growth of 26% during nine months' mainly on the back of increased sales volume. With this growth in sales, the Company posted a gross profit of Rs. 1,451 million and operating profit of Rs. 1,191 million showing an increase of 25% and 26% respectively. Due to substantial increase in interest rates and resulting escalation in financial cost, increase in pre-tax profit was restricted to 22%. The bottom line, however, showed 27% increase over the last year and closed at Rs. 608 million during the period under review.

The Government is still struggling to improve the economy but it has not yet been successful in controlling the fiscal deficit, current account deficit and inflation. The negotiations with IMF are still inconclusive and it is expected that mark-up rate would go high in coming days and the Rupee may loose its value further.

The management, however, is confident to face these challenges and keep progressing in future too, Insha Allah.

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

**Sheikhupura  
April 23, 2019**

  
**Khalid Mumtaz Qazi**  
Director

  
**Zafar Mahmood**  
Chief Executive Officer

## ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے نمائند سٹریٹجی کی کمیٹی (کمیٹی) کی غیر نظر ثانی شدہ مالیاتی نتائج پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

نتائج کا خلاصہ حسب ذیل ہے:

	مارچ 31, 2018	مارچ 31, 2019	
	روپے ملین میں		
26%	8,613	10,847	فروخت کی آمدنی
25%	1,164	1,451	مجموعی منافع
26%	945	1,191	آپریٹنگ منافع
22%	708	865	ٹیکس سے پہلے منافع
27%	478	608	ٹیکس کے بعد منافع
27%	4.32	5.5	نیٹ شیئر آمدنی (روپے)

کمیٹی نے موجودہ نو ماہی کے دوران بنیادی طور پر فروخت حجم میں اضافہ کی بنا پر 26% کی فروخت نمودار کی ہے۔ فروخت میں اس نمو کے ساتھ، کمیٹی نے 1,451 ملین روپے کا مجموعی منافع اور 1,191 ملین روپے کا آپریٹنگ منافع درج کیا جو بالترتیب 25% اور 26% کا اضافہ ظاہر کر رہا ہے۔ شرح سود میں خاطر خواہ اضافے اور مالیاتی اخراجات میں غیر اضافے کے سبب، ٹیکس سے پہلے منافع میں اضافہ 22% تک محدود ہو گیا۔ ٹی جی لائن، تاہم، زیر جائزہ مدت کے دوران گزشتہ سال سے 27% اضافہ ظاہر کر رہی ہے اور 608 ملین روپے پر ختم ہوئی ہے۔

حکومت اب بھی معیشت کو بہتر بنانے کی کوشش کر رہی ہے لیکن یہ ابھی مالی خسارہ، کرنٹ اکاؤنٹ خسارہ اور افراط زر کو کنٹرول کرنے میں کامیاب نہیں ہوئی ہے۔ آئی ایم ایف کے ساتھ مذاکرات ابھی بے نتیجہ ہیں اور یہ توقع ہے کہ آنے والے دنوں میں مارک اپ کی شرح بڑھے گی اور روپیہ کی قدر مزید کم ہوگی۔

چنانچہ انتظامیہ ان مشکلات کا سامنا کرنے اور مستقبل میں بھی ترقی جاری رکھنے کے لئے پختہ عزم رکھتی ہے، انشاء اللہ۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



خالد ممتاز قاضی

ڈائریکٹر

شیخوپورہ

23 اپریل 2019ء

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	Unaudited	Audited
		March 31, 2019 Rs "000"	June 30, 2018 Rs "000"
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3	3,118,039	2,553,192
Intangibles		453	962
Investment in subsidiary	4	281,852	281,852
Long term deposits		31,194	26,285
		<u>3,431,538</u>	<u>2,862,291</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		204,081	141,339
Stock in trade	5	2,169,849	2,258,597
Trade debts - Considered good - Unsecured		1,515,594	1,621,681
Loans and advances		48,159	77,640
Trade deposits and short term prepayments		13,186	28,103
Other receivables		12,591	64,060
Tax refunds due from Government		445,374	528,225
Cash and bank balances		11,719	6,446
		<u>4,420,553</u>	<u>4,726,091</u>
<b>TOTAL ASSETS</b>		<u>7,852,091</u>	<u>7,588,382</u>
<b>EQUITY AND LIABILITIES</b>			
Authorized Share Capital 145,000,000 ( June 30, 2018: 145,000,000)		1,450,000	1,450,000
Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up capital 110,590,546 ( June 30, 2018: 110,590,546)		1,105,905	1,105,905
Ordinary shares of Rs. 10/- each			
Revenue Reserve - Un appropriated profit		1,729,879	1,508,959
		<u>2,835,784</u>	<u>2,614,864</u>
<b>NON CURRENT LIABILITIES</b>			
Long term loan-secured	6	607,109	418,255
Liabilities against assets subject to finance lease		57,596	61,939
Deferred tax liability		255,374	218,877
		<u>920,079</u>	<u>699,071</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		677,267	876,394
Contract liabilities		35,083	34,572
Net defined benefit liability-funded gratuity		67,069	56,710
Mark up accrued		67,496	35,916
Unclaimed dividend		19,763	5,850
Short term borrowings - secured	7	2,670,805	2,774,291
Current maturity of long term loan-secured	6	223,384	174,159
Current maturity of liabilities against assets subject to finance lease		21,463	46,186
Provision for taxation		313,898	270,369
		<u>4,096,228</u>	<u>4,274,447</u>
Contingencies and commitments	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,852,091</u>	<u>7,588,382</u>

The annexed notes from 1 to 13 form an integral part to this unaudited condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine months ended		Three months ended	
		March	March	March	March
		31, 2019	31, 2018	31, 2019	31, 2018
		Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>Revenue from contracts with customers-net</b>	9	10,846,676	8,613,328	3,393,216	3,096,538
Cost of sales	10	(9,396,030)	(7,449,540)	(2,956,390)	(2,711,574)
<b>Gross profit</b>		1,450,646	1,163,788	436,826	384,964
Distribution costs		(116,993)	(101,852)	(37,663)	(35,193)
Administrative expenses		(142,206)	(117,278)	(49,433)	(39,672)
		(259,199)	(219,130)	(87,096)	(74,865)
<b>Operating profit</b>		1,191,447	944,658	349,730	310,099
Other expenses		(64,086)	(52,505)	(18,116)	(17,594)
Other income		13,019	12,520	6,177	5,234
Foreign exchange loss		(26,016)	(48,756)	(735)	(12,551)
Finance costs		(249,667)	(147,483)	(92,629)	(47,782)
<b>Profit before taxation</b>		864,697	708,434	244,427	237,406
Taxation					
Current		(220,212)	(165,144)	(67,554)	(37,998)
Deferred		(36,498)	(65,353)	24,495	(20,608)
		(256,710)	(230,497)	(43,059)	(58,606)
<b>Profit for the period</b>		607,987	477,937	201,368	178,800
<b>Earnings per share - Basic and diluted (Rs.)</b>		5.50	4.32	1.82	1.62

The annexed notes from 1 to 13 form an integral part to this unaudited condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months ended		Three months ended	
	March 31, 2019 Rs "000"	March 31, 2018 Rs "000"	March 31, 2019 Rs "000"	March 31, 2018 Rs "000"
<b>Profit for the period</b>	607,987	477,937	201,368	178,800
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>607,987</u>	<u>477,937</u>	<u>201,368</u>	<u>178,800</u>

The annexed notes from 1 to 13 form an integral part to this unaudited condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	864,697	708,434
<b>Adjustment for:</b>		
Depreciation	199,201	151,297
Amortization	509	622
Gain on disposal of property, plant and equipment	(3,382)	(3,256)
Mark-up expense	243,958	132,677
Foreign exchange loss-Unrealized	521	5,917
Provision for gratuity fund	10,800	9,000
Provision for Workers' profit participation fund	46,439	38,047
Provision for Workers' welfare fund	17,647	14,458
	515,693	348,762
Operating profit before working capital changes	1,380,390	1,057,196
Decrease/(Increase) in current assets		
Stores, spare parts and loose tools	(62,742)	45,680
Stock in trade	88,748	(785,504)
Trade debts	106,087	(539,328)
Loans and advances	29,481	(105,724)
Trade deposits and short term prepayments	14,917	(11,390)
Other receivables	51,469	(14,989)
Tax refunds due from Government	25,610	150,892
	253,570	(1,260,363)
(Decrease) / Increase in current liabilities		
Trade and other payables	(195,089)	958,045
Contract liabilities	511	6,191
Cash generated from operations	1,439,382	761,069
Contribution to gratuity fund	(441)	(7,000)
Mark-up expense paid	(212,378)	(124,729)
Dividend paid during the period	(373,155)	(108,704)
Tax paid	(119,441)	(270,941)
Workers' profit participation fund paid	(52,978)	(32,000)
Workers' welfare fund paid	(15,670)	(12,438)
	(774,063)	(555,812)
Net cash generated from operating activities	665,319	205,257
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment-net	(91,067)	(35,024)
Addition in capital work in progress	(687,061)	(433,922)
Proceeds from disposal of property, plant and equipment	17,463	3,510
Long term deposits	(4,909)	(1,916)
Net cash used in investing activities	(765,574)	(467,352)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(103,486)	82,763
Long term loan obtained	368,117	290,567
Long term loan repaid	(130,038)	(90,073)
New leases acquired during the period	25,356	6,507
Repayment of liabilities against assets subject to finance lease	(54,421)	(29,275)
Net cash generated from financing activities	105,528	260,489
Net increase / (decrease) in cash and cash equivalents	5,273	(1,606)
Cash and cash equivalents at the beginning of the period	6,446	15,516
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>11,719</b>	<b>13,910</b>

The annexed notes from 1 to 13 form an integral part to this unaudited condensed interim financial information.

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Issued, Subscribed and paid up Share Capital	Revenue Reserve- Unappropriated Profit	Total Equity
	Rs "000"	Rs "000"	Rs "000"
Balance as on July 01, 2017 (Audited)	1,105,905	1,038,425	2,144,330
Final cash dividend for the year ended June 30, 2017 at the rate Rs. 1 per share	-	(110,591)	(110,591)
Interim cash dividend for the period ended December 31, 2017 at the rate Rs. 1 per share	-	(110,591)	(110,591)
Total comprehensive income for the nine months period ended March 31, 2018	-	477,937	477,937
Balance as on March 31, 2018	<u>1,105,905</u>	<u>1,295,181</u>	<u>2,401,086</u>
Balance as on July 01, 2018 (Audited)	1,105,905	1,508,959	2,614,864
Final cash dividend for the year ended June 30, 2018 at the rate Rs. 2 per share	-	(221,181)	(221,181)
Interim cash dividend half year ended December 31, 2018 at the rate Rs. 1.50 per share	-	(165,886)	(165,886)
Total comprehensive income for the nine months period ended March 31, 2019	-	607,987	607,987
<b>Balance as on March 31, 2019</b>	<u>1,105,905</u>	<u>1,729,879</u>	<u>2,835,784</u>

The annexed notes from 1 to 13 form an integral part to this unaudited condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

## 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 was a subsidiary of Nimir Resources (Private) Limited which held 56.74% of the total shares of the Company. However, during the period Nimir Resources (Private) Limited has applied for voluntarily winding up and shares of the Company were transferred to the individual shareholders of Nimir Resources (Private) Limited. The registered office of the Company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. The Company is engaged in manufacturing and sale of chemical products.

## 2 BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2018 and December 31, 2018.

2.3 These condensed interim financial statements are unaudited are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

2.4 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 unless otherwise stated.

2.5 These are separate financial statements, where the investment in subsidiary is shown at cost; consolidated financial information are separately presented.

## 3 PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited March 31, 2019 Rs "000"	Audited June 30, 2018 Rs "000"
Operating fixed assets	3.1	2,755,395	2,260,376
Capital work in progress		362,644	292,816
		<u>3,118,039</u>	<u>2,553,192</u>

### 3.1 Additions / (Disposal) at cost in operating fixed assets

	Additions March 31, 2019	Disposals March 31, 2019
Freehold land	169,587	-
Building on freehold land	113,566	-
Plant and machinery	334,080	(18,913)
Furniture and fittings	494	-
Office and factory equipments	57,166	(273)
Vehicles-Owned	8,051	(5,754)
Vehicles-Leased	25,356	-
	<u>708,300</u>	<u>(24,940)</u>

#### 4 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-subsiidiary, 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% (30 June 2018: 37.64%). The Company has determined that Nimir Resins Limited is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

#### 5 STOCK IN TRADE

	Note	Unaudited March 31, 2019 Rs "000"	Audited June 30, 2018 Rs "000"
Raw and packing material in hand		431,957	229,497
in transit		1,077,861	1,557,412
		<u>1,509,818</u>	<u>1,786,909</u>
Finished goods		660,031	471,688
		<u>2,169,849</u>	<u>2,258,597</u>

#### 6 LONG TERM LOAN-SECURED

Term finance - I		-	18,750
Term finance - II	6.1	51,042	83,854
Term finance - III	6.2	23,438	37,500
Term finance - IV	6.3	162,997	204,910
Term finance - V	6.4	112,500	135,000
Term finance - VI	6.5	300,000	112,400
Term finance - VII	6.6	180,516	-
		830,493	592,414
Less: current maturity shown under current liabilities		(223,384)	(174,159)
		<u>607,109</u>	<u>418,255</u>

- 6.1** 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 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.
- 6.2** 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.
- 6.3** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from February 2017 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.
- 6.4** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 54 monthly instalments starting from December 2017 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.
- 6.5** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from March 2018 with grace period of one year. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.
- 6.6** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 16 quarterly instalments starting from June 2020 with grace period of one year. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.

## 7 SHORT TERM BORROWINGS - SECURED

- 7.1** The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period end is Rs. 6,068 million (30 June 2018: Rs. 5,254 million) which includes running finance facilities amounting to Rs.850 million (30 June 2018: 750 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (30 June 2018: 1 month KIBOR to 6 months KIBOR + 0 to 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.
- 7.2** In addition to above, the unutilized facility for opening letters of credit and bank guarantees as at 31 March 2018 amounting to Rs. 1,335 million (30 June 2018: Rs. 911 million) and Rs. 84 million (30 June 2018: Rs. 89 million) respectively.

## 8 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2018.

### COMMITMENTS

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

	<b>Unaudited March 31, 2019 Rs "000"</b>	<b>Audited June 30, 2018 Rs "000"</b>
Letters of credit established for the import of raw materials, spare parts and machinery	1,258,000	1,307,000
Letter of guarantee given to SNGPL	96,000	96,000
Letter of guarantee given to PSO	27,000	22,000
Letter of guarantee given to TOTAL PARCO	3,000	3,000

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>Unaudited March 31, 2019 Rs "000"</b>	<b>Unaudited March 31, 2018 Rs "000"</b>	<b>Unaudited March 31, 2019 Rs "000"</b>	<b>Unaudited March 31, 2018 Rs "000"</b>
<b>9 Revenue from contracts with customer-net</b>				
Gross Sales	12,691,948	10,079,540	3,970,320	3,623,782
Less: Discount	(24)	(16)	(38)	(3)
Sales Tax	(1,845,248)	(1,466,196)	(577,066)	(527,241)
	<u>10,846,272</u>	<u>1,466,212</u>	<u>(577,104)</u>	<u>(527,244)</u>
	<u>10,846,676</u>	<u>8,613,328</u>	<u>3,393,216</u>	<u>3,096,538</u>
<b>10 COST OF SALES</b>				
Opening stock of finished goods	471,688	253,273	643,673	548,027
Cost of goods manufactured	9,584,373	7,558,166	2,972,748	2,525,446
	<u>10,056,061</u>	<u>7,811,439</u>	<u>3,616,421</u>	<u>3,073,473</u>
Closing stock of finished goods	(660,031)	(361,899)	(660,031)	(361,899)
	<u>9,396,030</u>	<u>7,449,540</u>	<u>2,956,390</u>	<u>2,711,574</u>
<b>11 TRANSACTIONS WITH RELATED PARTIES</b>				

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

<u>Related Parties</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>Nine months ended</u>	
			<u>Unaudited</u>	<u>Unaudited</u>
			<u>March</u>	<u>March</u>
			<u>31, 2019</u>	<u>31, 2018</u>
			<u>Rs "000"</u>	<u>Rs "000"</u>
Nimir Resins Limited	Subsidiary	Sale of goods	85,108	66,357
		Services acquired	2,196	2,048
		Services provided	2,930	2,763
		Reimbursement of expenses-net	3,226	333
Nimir Chemicals Pakistan Limited	Associate	Sale of goods	-**	13,556
Key Management Personnel		Managerial Remuneration	81,593	62,244 *
		Other employment benefits	27,773	19,407 *
			<u>Unaudited</u>	<u>Audited</u>
			<u>March</u>	<u>June</u>
			<u>31, 2019</u>	<u>30, 2018</u>
			<u>Rs "000"</u>	<u>Rs "000"</u>
<b>Period end balances:</b>				
Nimir Resins Limited	Subsidiary	Trade receivable	17,886	20,382
Nimir Chemicals Pakistan Limited	Associate	Trade receivable	-**	459

\* The remuneration of executives has been restated as per the requirement of fourth schedule of Companies Act, 2017.

\*\* Nimir Chemicals Pakistan Limited is no longer considered a related party of the Company.

## 12 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on April 23, 2019 has approved an interim dividend of Rs. Nil per share (i.e. Nil %) for the period ended March 31, 2019 (March 31, 2018: Rs. Nil per share (i.e. Nil %)).

## 13 GENERAL

**13.1** This interim condensed financial information was authorized for issue on April 23, 2019 by the Board of Directors of the Company.

### 13.2 Re-Classification

Corresponding figures of the following have been reclassified in accordance with requirements of IFRS 15:

<u>Particulars</u>	<u>Classified from</u>	<u>Re-classified to</u>	<u>Jun-18</u>
			<u>Rs"000"</u>
Advances from customers	Trade and other payables	Contract liabilities	34,572

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES  
**FINANCIAL STATEMENTS - CONSOLIDATED**  
FOR THE NINE MONTH ENDED MARCH 31, 2019

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		<b>Unaudited March 31, 2019 Rs "000"</b>	<b>Audited June 30, 2018 Rs "000"</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
	Authorized Share Capital		
	145,000,000 (30 June 2018: 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
	Revenue reserve - un appropriated profit	1,899,483	1,642,848
	Non-controlling interest	568,769	516,162
		<u>3,574,157</u>	<u>3,264,915</u>
<b>NON CURRENT LIABILITIES</b>			
	Long term loans	716,383	525,255
	Liabilities against assets subject to finance lease	57,596	61,939
	Diminishing musharaka finance	3,659	4,828
	Deferred tax liability	254,736	225,854
		<u>1,032,374</u>	<u>817,876</u>
<b>CURRENT LIABILITIES</b>			
	Trade and other payables	937,781	1,317,115
	Contract liabilities	41,749	50,746
	Net defined benefit liability - funded gratuity	78,936	64,328
	Mark up accrued	98,850	50,141
	Unclaimed dividend	20,056	6,143
	Short term borrowings	4,050,321	3,986,469
	Current maturity of long term loans	224,066	174,159
	Current maturity of liabilities against assets subject to finance lease	21,463	46,186
	Current maturity of diminishing musharaka finance	1,542	1,446
	Provision for taxation	356,939	313,550
		<u>5,831,703</u>	<u>6,010,283</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>10,438,234</u>	<u>10,093,074</u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
	Property, plant and equipment	3,581,098	3,020,448
	Intangibles	1,204	1,957
	Long term deposits	39,719	37,025
	Deferred tax assets	15,250	-
		<u>3,637,271</u>	<u>3,059,430</u>
<b>CURRENT ASSETS</b>			
	Stores, spare parts and loose tools	219,887	155,023
	Stock in trade	3,018,041	3,239,787
	Trade debts - considered good - unsecured	2,338,813	2,370,810
	Loans and advances	140,217	147,519
	Trade deposits and short term prepayments	15,166	31,694
	Interest accrued	-	264
	Other receivables	23,892	65,169
	Tax refunds due from the Government	945,999	908,251
	Cash and bank balances	98,948	115,127
		<u>6,800,963</u>	<u>7,033,644</u>
<b>TOTAL ASSETS</b>			
		<u>10,438,234</u>	<u>10,093,074</u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Note	Nine months ended		Three months ended		
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
	Rs "000"	Rs "000"	Rs "000"	Rs "000"	
<b>Revenue from contracts with customers-net</b>	9	14,163,946	11,045,214	4,619,926	4,044,633
Cost of sales	10	(12,411,759)	(9,666,294)	(4,060,667)	(3,562,410)
<b>Gross profit</b>		1,752,187	1,378,920	559,259	482,223
Distribution costs		(167,730)	(135,439)	(53,951)	(49,827)
Administrative expenses		(171,723)	(145,084)	(59,593)	(46,893)
		(339,453)	(280,523)	(113,544)	(96,720)
<b>Operating profit</b>		1,412,734	1,098,397	445,715	385,503
Other expenses		(86,674)	(104,072)	(21,592)	(21,171)
Other income		22,001	20,682	10,538	8,526
Foreign exchange loss		(40,853)	(68,208)	(721)	(28,702)
Finance cost		(372,819)	(199,725)	(140,059)	(65,556)
<b>Profit before taxation</b>		934,389	747,074	293,881	278,600
Taxation		(238,079)	(202,547)	(57,022)	(70,040)
<b>Profit after taxation</b>		696,310	544,527	236,859	208,560
<b>Attributable to:</b>					
Equity holders of the parent		643,703	501,010	214,376	190,116
Non-controlling interest		52,607	43,517	22,483	18,444
		696,310	544,527	236,859	208,560
<b>Earnings per share - Basic and diluted (Rs.)</b> 12		5.82	4.53	1.94	1.72

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Nine months ended		Three months ended	
	March 31, 2019 Rs "000"	March 31, 2018 Rs "000"	March 31, 2019 Rs "000"	March 31, 2018 Rs "000"
Profit after taxation	696,310	544,527	236,859	208,560
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>696,310</b>	<b>544,527</b>	<b>236,859</b>	<b>208,560</b>
<b>Attributable to:</b>				
Equity holders of the parent	643,703	501,010	214,376	190,116
Non-controlling interest	52,607	43,517	22,483	18,444
	<b>696,310</b>	<b>544,527</b>	<b>236,859</b>	<b>208,560</b>

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

  
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Chief Executive Officer

  
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Director

  
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Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months ended	
	March 31, 2019	March 31, 2018
	Rs "000"	Rs "000"
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	934,389	747,074
<b>Adjustment for:</b>		
Depreciation	227,775	177,176
Amortization of intangible assets	753	871
Mark-up expense	367,110	184,919
Provision for gratuity	15,600	13,219
Provision for doubtful debts	7,717	36,243
Gain on disposal of property, plant and equipment	(4,422)	(3,256)
Interest Income	(3,406)	(2,190)
Exchange loss - unrealized	15,358	25,369
Provision for obsolescence of stock	10,036	11,030
Workers' profit participation fund provision	49,745	40,266
Workers' welfare fund provision	19,177	15,298
	705,443	498,945
<b>OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES</b>	1,639,832	1,246,019
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(64,863)	45,777
Stock in trade	211,710	(833,483)
Trade debts	8,890	(627,352)
Loans and advances	7,302	(142,719)
Trade deposits and short term prepayments	16,527	(12,654)
Other receivables	41,277	(14,180)
Tax refunds due from the Government	(64,859)	128,226
	155,984	(1,456,385)
(Decrease) / Increase in current liabilities		
Trade and other payables	(389,872)	1,045,286
Contract liabilities	8,997	30,109
<b>CASH GENERATED FROM OPERATIONS</b>	1,414,941	865,029
Dividend paid	(373,154)	(108,704)
Contribution to gratuity fund	(993)	(8,143)
Mark-up expense paid	(317,825)	(177,915)
Tax paid	(153,947)	(299,290)
Workers' profit participation fund paid	(57,598)	(38,049)
Workers' welfare fund paid	(18,751)	(15,810)
	(922,268)	(647,911)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	492,673	217,118
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(96,117)	(40,171)
Addition in capital work in progress	(706,389)	(449,770)
Sale proceeds from disposal of property, plant and equipment	18,503	3,510
Interest income received	3,670	2,414
Long term deposits	(2,693)	(1,916)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(783,026)	(485,933)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan obtained	371,528	290,567
Long term loan repaid	(130,493)	(90,073)
Repayment of liabilities against assets subject to finance lease	(54,421)	(29,275)
New leases acquired during the period	25,356	6,507
Payment against diminishing musharika finance	(1,649)	(1,369)
Short term borrowings - net	63,853	114,681
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	274,174	291,038
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(16,179)	22,223
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	115,127	100,619
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	98,948	122,842

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2019 (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"
<b>Balance as on July 1, 2017 (Audited)</b>	1,105,905	1,136,017	453,805	2,695,727
Total comprehensive income for the period ended March 31, 2018	-	501,010	43,517	544,527
Final cash dividend at the rate of Re. 1 per share for June 30, 2017	-	(110,591)	-	(110,591)
Interim cash dividend at the rate of Re.1 per share for December 31, 2017	-	(110,591)	-	(110,591)
<b>Balance as on March 31, 2018</b>	<u>1,105,905</u>	<u>1,415,845</u>	<u>497,322</u>	<u>3,019,072</u>
<b>Balance as on July 31, 2018 (Audited)</b>	1,105,905	1,642,848	516,162	3,264,915
Final cash dividend at the rate of Rs. 2 per share for June 30, 2018	-	(221,181)	-	(221,181)
Interim cash dividend at the rate of Rs. 1.50 per share for December 31, 2018	-	(165,886)	-	(165,886)
Total comprehensive income for the period ended March 31, 2019	-	643,703	52,607	696,310
<b>Balance as on March 31, 2019</b>	<u>1,105,905</u>	<u>1,899,483</u>	<u>568,769</u>	<u>3,574,157</u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

## 1 THE GROUP AND ITS OPERATIONS

Nimir Industrial Chemicals Limited ("NICL") is part of Nimir Group ("The Group") which consist of:

### Holding Company

Nimir Industrial Chemicals Limited ("NICL")

### 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 NICL 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 NICL 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 Limited. The Holding Company was a subsidiary of Nimir Resources (Private) Limited which hold 56.74% of the total shares of the Company. However, during the period Nimir Resources (Private) Limited has applied for voluntarily winding up and shares of the Company were transferred to the individual shareholders of Nimir Resources (Private) Limited. The registered office of the company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. The Company is engaged in manufacturing and sale of 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 situated at 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 Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** 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 2018.

**2.3** 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 these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018, 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 40 - Transfers to Investment Property (Amendments)  
IFRS 4 - Insurance Contracts: Applying IFRS 9 with IFRS 4 Insurance Contracts (Amendments)  
IFRS 2 - Share based Payments — Classification and Measurement (Amendments)  
IFRIC 22 - Foreign Currency Transactions and Advance Consideration  
IFRS 15 - Revenue from Contracts with Customers

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any material effect on the condensed interim consolidated financial statements apart from change in policy and resultant retrospective adjustment, using modified retrospective approach, relating to revenue recognition (note 3.2). Such change does not financially impact these condensed interim consolidated financial statements. There are also certain changes in terminology in line with requirements of the new standards.

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 condensed interim consolidated financial statements for the period.

#### 3.2 Revenue from contracts with customers

Revenue from sale of goods is recognized at point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, usually at the time of issuance of delivery challan (i.e. on dispatch of goods to the customers). Under its previous accounting policy, the Group also recognized revenue upon dispatch of goods to customer and recognized any contract cost in the statement of profit or loss, as and when incurred. Similarly, the contract assets and liabilities were also recognized and measured, in accordance with the policy explained above. These contract asset and liabilities are now presented as separate line items.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated such as sale incentives, promotions and rebates. In considering the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to customer (if any).

##### 3.2.1 Contract balances

###### (i) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

###### (ii) Contract assets

Contract assets are recognized by the Group on right to consideration in exchange for goods or services transferred to customers when the right to bill has not been established. Contract assets are reviewed by the Group for impairment. The Group recognizes impairment loss in statement of comprehensive income to the extent that carrying amount of an asset exceeds:

- i) The remaining amount of consideration that the Group expects to receive in exchange for goods or services to which the asset relates; less
- ii) The costs that relate directly to providing those goods or services and that have not been recognized as expenses.

###### (iii) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue as the Group discharges performance obligations under the contract.

##### 3.2.2 Costs to obtain a contract

The Group pays legal documentation costs for each contract that they obtain for sale of goods. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense these costs because the amortization period of the asset that the Group otherwise would have used is one year or less.

### 3.2.3 Costs to fulfill a contract

The Group incurs carriage costs on delivery of goods. The Group has elected to apply the optional practical expedient for costs to fulfill a contract which allows the Group to immaterially expense these costs as the amortization period of the asset that the Group otherwise would have used is one year or less.

4	LONG TERM LOAN	Note	Unaudited	Audited
			March	June
			31, 2019	30, 2018
			Rs "000"	Rs "000"
	Term finance - Secured I		-	18,750
	Term finance - Secured II	4.1	51,042	83,854
	Term finance - Secured III	4.2	23,438	37,500
	Term finance - Secured IV	4.3	162,997	204,910
	Term finance - Secured V	4.4	112,500	135,000
	Term finance - Secured VI	4.5	300,000	112,400
	Term finance - Secured VII	4.6	180,516	-
	Term finance - Secured VIII		2,956	-
	Loan from directors / sponsors	4.7	107,000	107,000
			940,449	699,414
	Less: Current maturity shown under current liabilities		(224,066)	(174,159)
			<u>716,383</u>	<u>525,255</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 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.
- 4.2** 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 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from February 2017 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.
- 4.4** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 54 monthly instalments starting from December 2017 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.
- 4.5** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from March 2018 with grace period of one year. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Holding Company.
- 4.6** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 16 quarterly instalments starting from June 2020 with grace period of one year. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Holding Company.
- 4.7** 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 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 of short term finance facilities from various financial institution including commercial banks available at period end is Rs. 8,983 million (30 June 2018: Rs. 5,821 million) which includes running finance facilities amounting Rs. 1,650 million (30 June 2018: Rs. 1,350 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 125 bps with no floor and no cap (30 June 2018: 1 month KIBOR + 50 bps to 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 Group.
- 5.2** The unutilized facility for opening letters of credit and bank guarantees as at 31 March 2019 amounts to Rs. 2,299 million (30 June 2018: Rs. 1,249 million) and Rs. 86 million (30 June 2018: Rs. 93 million) respectively.

### 6 CONTINGENCIES AND COMMITMENTS

#### CONTINGENCIES

There is no material change in the contingencies since the last audited consolidated financial statements for the year ended 30 June 2018.

#### COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee are as follows:

	<b>Unaudited March 31, 2019</b>	<b>Audited June 30, 2018</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
Letters of credit established for the import of raw materials, spare parts and machinery	1,654,212	1,819,000
Letter of guarantee given to SNGPL	99,090	99,000
Letter of guarantee given to PSO	30,000	25,000
Letter of guarantee given to TOTAL PARCO	10,000	8,000

## 7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	3,198,596	2,719,292
Capital work in progress	382,502	301,156
	<u>3,581,098</u>	<u>3,020,448</u>

Following are the additions / disposals (at cost) in the operating fixed assets made are as follows:

	<b>Unaudited</b>		<b>Audited</b>	
	<b>Additions March 2019</b>	<b>Disposal March 2019</b>	<b>Additions June 2018</b>	<b>Disposal June 2018</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>
Free hold land	169,588	-	21,917	-
Building on freehold land	113,566	-	27,582	-
Plant and machinery - Owned	344,640	18,913	804,480	-
Furniture and fittings	578	-	755	-
Office and factory equipment	59,374	273	17,334	949
Vehicles - Owned	8,059	7,296	9,982	5,132
Vehicles - Leased	25,356	-	6,507	-
	<u>721,161</u>	<u>26,482</u>	<u>888,557</u>	<u>6,081</u>

## 8 STOCK IN TRADE

	<b>Unaudited March 31, 2019</b>	<b>Audited June 30, 2018</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
Raw and packing material in hand	1,005,940	667,822
in transit	1,182,710	1,953,986
	<u>2,188,650</u>	<u>2,621,808</u>
Finished goods	856,576	651,810
Less: Provision for obsolescence	(27,185)	(33,831)
	<u>829,391</u>	<u>617,979</u>
	<u>3,018,041</u>	<u>3,239,787</u>

## 9 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>Unaudited March 31, 2019</b>	<b>Unaudited March 31, 2018</b>	<b>Unaudited March 31, 2019</b>	<b>Unaudited March 31, 2018</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>
Revenue from contracts with customers	16,404,523	12,856,883	5,389,334	4,715,428
Less:				
Discount	(24)	(16)	10	(3)
Sales tax	(2,240,553)	(1,811,653)	(769,418)	(670,792)
	<u>(2,240,577)</u>	<u>(1,811,669)</u>	<u>(769,408)</u>	<u>(670,795)</u>
Revenue from contracts with customers - net	<u>14,163,946</u>	<u>11,045,214</u>	<u>4,619,926</u>	<u>4,044,633</u>

## 10 COST OF SALES

Opening stock of finished goods	651,810	438,947	871,207	701,383
Cost of goods manufactured	12,616,525	9,716,864	4,046,036	3,350,544
	<u>13,268,335</u>	<u>10,155,811</u>	<u>4,917,243</u>	<u>4,051,927</u>
Less: Closing stock of finished goods	(856,576)	(489,517)	(856,576)	(489,517)
	<u>12,411,759</u>	<u>9,666,294</u>	<u>4,060,667</u>	<u>3,562,410</u>

11 OPERATING SEGMENT INFORMATION (UNAUDITED)

	Oleo Chemicals and Chlor Alkali		Coating, Emulsion and Resins		Other Segments		Inter Segment Eliminations		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue from contracts with customers - net	10,846,676	8,613,328	3,402,379	2,498,243	-	-	(85,109)	(66,357)	14,163,946	11,045,214
Cost of sales	(9,396,030)	(7,449,540)	(3,103,227)	(2,279,029)	-	-	87,498	62,275	(12,411,759)	(9,666,294)
Gross profit	1,450,646	1,163,788	299,152	219,214	-	-	2,389	(4,082)	1,752,187	1,378,920
Distribution cost	(116,993)	(101,852)	(50,737)	(33,587)	-	-	-	-	(167,730)	(135,439)
Administrative expenses	(142,206)	(117,278)	(30,745)	(28,046)	(426)	(503)	1,654	743	(171,723)	(145,084)
Operating profit	1,191,447	944,658	217,670	157,581	(426)	(503)	4,043	(3,339)	1,412,734	1,098,397
Other expenses	(64,086)	(52,505)	(22,588)	(51,567)	-	-	-	-	(66,674)	(104,072)
Other income	13,019	12,520	7,772	7,255	3,406	2,190	(2,196)	(1,283)	22,001	20,682
Foreign exchange loss	(26,016)	(48,756)	(14,837)	(19,452)	-	-	-	-	(40,853)	(68,208)
Finance cost	(249,667)	(147,483)	(123,151)	(52,242)	-	-	(1)	-	(372,819)	(199,725)
Profit before taxation	864,697	708,434	64,866	41,575	2,980	1,687	1,846	(4,622)	934,389	747,074
Taxation	(256,710)	(230,497)	19,681	29,215	(1,051)	(1,265)	-	-	(238,079)	(202,547)
Profit for the period	607,987	477,937	84,547	70,790	1,929	422	1,846	(4,622)	696,310	544,527
Segment assets	7,852,090	7,568,383	2,853,093	2,778,428	582,656	580,215	(849,605)	(853,952)	10,438,234	10,093,074
Segment liabilities	5,016,305	4,973,519	1,757,600	1,767,478	94,749	94,237	(4,577)	(7,075)	6,864,077	6,828,159

Rs. "000"

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



	Nine months ended		Three months ended	
	Unaudited March 31, 2019	Unaudited March 31, 2018	Unaudited March 31, 2019	Unaudited March 31, 2018
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>12 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit attributable to ordinary shareholders	643,703	501,010	214,376	190,116
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share (Rs.)	5.82	4.53	1.94	1.72

### 13 TRANSACTIONS WITH RELATED PARTIES

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

#### Transactions with related parties:

Relationship Status	Name of Cpmpany	Nature of Transaction	Nine months ended	
			Unaudited March 31, 2019	Unaudited March 31, 2018
			Rs "000"	Rs "000"
Associates	Nimir Chemicals Pakistan Limited Terranova Limited	Sale of goods	- **	13,556
		Bonus shares issued	-	1,388
Directors / Sponsors	--	Bonus shares issued	-	2,017
Key Management Personnel	--	Managerial Remuneration	102,986	89,798 *
		Other Benefits	32,823	22,227 *

#### Period end balances:

Relationship Status	Name of Cpmpany	Nature of Transaction	Unaudited March 31, 2019	Audited June 30, 2018
			Rs "000"	Rs "000"
			Associate	Nimir Chemicals Pakistan Limited

\* The remuneration of executives has been restated as per the requirement of fourth schedule of Companies Act, 2017.

\*\* Nimir Chemicals Pakistan Limited is no longer considered a related party of the Company.

### 14 RE-CLASSIFICATION

Corresponding figures of the following have been reclassified in accordance with requirements of IFRS 15:

Particulars	Classified from	Re-classified to	June 30, 2018 Rs "000"
Advances from customers	Trade and other payables	Contract liabilities	50,746

### 15 GENERAL

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on Tuesday, April 23, 2019.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**NIMIR**  
NIMIR INDUSTRIAL CHEMICALS LTD.

**NIMIR INDUSTRIAL CHEMICALS LTD.**

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