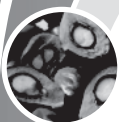


Quarterly Report 2018

September (Unaudited)



NIMIR
NIMIR INDUSTRIAL CHEMICALS LTD.

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. Javed Saleem Arif	
Mr. Muhammad Yahya Khan	
Mr. Saqib Raza	
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. 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., Sheikhpura-Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.
Tel: +92 56 3883001-7
Fax: +92 56 3883010
Cell: +92 301-8221151, 301-8483950

Lahore Office

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

Web Site

www.nimir.com.pk

DIRECTORS' REPORT

The directors are pleased to present their review report together with the unaudited financial accounts of the Company for the quarter ended September 30, 2018.

An analysis of the financial results for quarter ended September 30, 2018 is as under:

	September 30, 2018	September 30, 2017	Increase
	Rupees in million		% age
Sales Revenue	4,122	2,796	47%
Gross Profit	496	340	46%
Pre-Tax Profit	309	206	50%
Profit after Tax	206	140	47%
Earnings per share (Rs.)	1.86	1.27	47%

Net sales revenue grew by 47% compared to corresponding period last year due to higher sales volume mainly on the back of increased production capacity achieved in the second half of the last financial year. With this growth in sales, the Company posted a gross profit of Rs. 496 million, pre tax profit of Rs. 309 million and after tax profit of Rs. 206 million showing an increase of 46%, 50% and 47% respectively.

The depreciation of Pak Rupee further continued in the quarter under review and posed biggest challenge for the business across Pakistan. The adverse balance of trade is still exerting pressure on the Pakistani currency. The government has introduced incentives for export oriented industries to boost exports and imposed further regulatory duties to restrict imports, but there is a still likelihood of further devaluation. Furthermore, the State Bank of Pakistan is continuously increasing discount rate; thus increasing the financial cost. However, increased production capacity and improvement in efficiencies would help the company in subsiding the increase in financial cost. Hence, the management is confident to continue posting promising results in the remaining part of the current financial year, Insha Allah.

We are grateful to all our stakeholders for their continued support.

For and on the behalf of the Board



Aamir Jamil
Director



Zafar Mahmood
Chief Executive Officer

Lahore
October 27, 2018

ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2018ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالی معلومات پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

30 ستمبر 2018ء کو ختم ہونے والی سہ ماہی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

اضافہ فی صد	30 ستمبر 2017ء	30 ستمبر 2018ء	روپے ملین میں
47%	2,796	4,122	فروخت کی آمدنی
46%	340	496	مجموعی منافع
50%	206	309	ٹیکس سے پہلے منافع
47%	140	206	ٹیکس کے بعد منافع
47%	1.27	1.86	فی شیئر آمدنی (روپے)

گزشتہ مالی سال کی دوسری ششماہی میں بنیادی طور پر حاصل زیادہ پیداواری صلاحیت کی پشت پر اعلیٰ فروخت حجم کی بدولت سہ ماہی کی خالص فروخت آمدنی گزشتہ سال کی اسی مدت کے موازنہ میں 47 فیصد زیادہ ہوئی۔ فروخت میں اس نمونے کے ساتھ، کمپنی نے 496 ملین روپے کا مجموعی منافع، 309 ملین روپے کا ٹیکس سے قبل منافع اور 206 ملین روپے کا ٹیکس کے بعد منافع درج کیا جو بالترتیب %46، %50 اور %47 کا اضافہ ظاہر کر رہا ہے۔

زیر جائزہ سہ ماہی میں پاکستانی روپیہ کی قدر میں مزید کمی جاری رہی اور پورے پاکستان کے کاروبار کے لئے بہت بڑا چیلنج بنا رہا۔ تجارت کا منفی توازن اب بھی پاکستانی کرنسی پر دباؤ ڈال رہا ہے۔ حکومت نے برآمدات کو بڑھانے کے لئے برآمد کنندگان انڈسٹریز کے لئے رعایات متعارف کرائی ہیں اور درآمد کو روکنے کے لئے مزید ریگولیٹری ڈیویٹس عائد کی ہیں، لیکن پاکستانی روپیہ کی قدر میں مزید کمی کے امکانات ہیں۔ اس کے علاوہ، سٹیٹ بینک آف پاکستان مسلسل ڈسکاؤنٹ ریٹ بڑھا رہا ہے، اس لئے مالی اخراجات بھی بڑھ رہے ہیں۔ تاہم، زیادہ پیداواری کپسٹی اور صلاحیتوں میں بہتری مالی اخراجات میں اضافہ کے زور کو کم کرنے میں کمپنی کی مدد کرے گی۔ چنانچہ انتظامیہ موجودہ مالی سال کے باقی عرصہ میں متوقع نتائج حاصل کرنے کے لئے پختہ یقین رکھتی ہے، انشاء اللہ۔

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

منجانب بورڈ



کامران جمیل
ڈائریکٹر



ظفر محمود
چیف ایگزیکٹو آفیسر

لاہور

27 اکتوبر 2018ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

		Unaudited September 2018 Rs '000'	Audited June 2018 Rs '000'
ASSETS			
NON CURRENT ASSETS			
	5	2,683,103	2,553,192
Property, plant and equipment		792	962
Intangibles	6	281,852	281,852
Investment in subsidiary		32,287	26,285
Long term deposits and prepayments		2,998,034	2,862,291
CURRENT ASSETS			
		148,452	141,339
Stores, spare parts and loose tools		1,805,344	2,258,598
Stock in trade		2,055,980	1,621,681
Trade debts		57,642	77,640
Loans and advances		23,232	28,103
Trade deposits and short term prepayments		53,859	64,060
Other receivables		598,041	528,225
Tax refunds due from the Government		22,048	6,446
Cash and bank balances		4,764,598	4,726,092
		7,762,632	7,588,383
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (June 30, 2018: 145,000,000)			
Ordinary Shares of Rs. 10/- each			
		1,450,000	1,450,000
Issued, subscribed and paid up capital			
110,590,546 (June 30, 2018: 110,590,546)			
Ordinary Shares of Rs. 10/- each			
		1,105,905	1,105,905
Unappropriated profit		1,493,920	1,508,959
		2,599,825	2,614,864
NON CURRENT LIABILITIES			
	7	423,438	418,255
Long term loans		50,990	61,939
Liabilities against assets subject to finance lease		222,390	218,877
Deferred tax liability		696,818	699,071
CURRENT LIABILITIES			
		795,200	910,966
Trade and other payables		60,310	56,710
Net defined benefit liability-funded gratuity		45,871	35,916
Mark up accrued		5,399	5,850
Unclaimed dividend		221,181	-
Dividend payable		2,742,268	2,774,291
Short term borrowings	7	178,853	174,159
Current maturity of long term loans		47,250	46,187
Current maturity of liabilities against assets subject to finance lease		369,657	270,369
Provision for taxation		4,465,989	4,274,448
		-	-
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		7,762,632	7,588,383

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter Ended	
		September	September
		2018	2017
		Rs '000'	Rs '000'
Sales - net	9	4,121,943	2,796,436
Cost of sales	10	(3,625,772)	(2,456,427)
Gross profit		496,171	340,009
Distribution costs		(41,248)	(33,083)
Administrative expenses		(45,994)	(34,263)
Operating profit		408,929	272,663
Other expenses		(22,897)	(15,261)
Other income		2,488	1,490
Foreign exchange loss		(6,102)	(3,573)
Finance cost		(73,475)	(49,412)
Profit before taxation		308,943	205,907
Taxation:			
Current		(99,288)	(67,129)
Deferred		(3,513)	1,314
		(102,801)	(65,815)
Profit after taxation		206,142	140,092
Earning per share - Basic and diluted (Rs.)		1.86	1.27

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September	September
	2018	2017
	Rs '000'	Rs '000'
Profit after taxation	206,142	140,092
Other comprehensive income	-	-
Total comprehensive income for the period	206,142	140,092

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2018

	Issued subscribed and paid up Capital	Unappropriated Profit	Total
	Rs '000'	Rs '000'	Rs '000'
Balance as on June 30, 2017 (audited)	1,105,905	1,038,426	2,144,331
Final dividend for 2017 @ Rs. 1 per share	-	(110,591)	(110,591)
Total comprehensive income for the period (Jul-Sep 2017)	-	140,092	140,092
Balance as on September 30, 2017 (unaudited)	1,105,905	1,067,927	2,173,832
Total comprehensive income for the period (Oct 2017 to Jun 2018)	-	551,622	551,622
Interim dividend for 2018 @ Rs. 1 per share	-	(110,590)	(110,590)
Balance as on June 30, 2018 (audited)	1,105,905	1,508,959	2,614,864
Final dividend for 2018 @ Rs. 2 per share	-	(221,181)	(221,181)
Total comprehensive income for the period (Jul-Sep 2018)	-	206,142	206,142
Balance as on September 30, 2018 (unaudited)	1,105,905	1,493,920	2,599,825

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 2018	September 2017
	Rs '000'	Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	308,943	205,907
Adjustment for :		
Depreciation	60,422	44,352
Amortization	170	282
Gain on disposal of property, plant and equipment	(830)	-
Mark-up expense	69,541	49,412
Foreign exchange loss	6,102	3,573
Workers profit participation fund provision	16,592	11,058
Workers welfare fund provision	6,305	4,202
Provision for gratuity	3,600	3,000
	161,902	115,879
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	470,845	321,786
(Increase) / decrease in current assets		
Stores, spares and loose tools	(7,113)	(7,820)
Stock in trade	453,254	135,212
Trade debts	(434,299)	(161,228)
Loans and advances	19,998	(21,754)
Trade deposits and short term prepayments	4,871	138
Other receivables	10,201	1,271
Tax refunds due from the Government	(15,698)	128,138
	31,214	73,957
Increase / (decrease) in current liabilities		
Trade and other payables	(144,765)	52,706
	(113,551)	126,663
CASH GENERATED FROM OPERATIONS	357,294	448,449
Contribution to gratuity fund	-	(7,000)
Markup paid	(59,586)	(48,993)
Tax paid	(54,118)	(129,336)
Long term deposits	(6,002)	(1,214)
	(119,706)	(186,543)
NET CASH GENERATED FROM OPERATING ACTIVITIES	237,588	261,906
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment -net	(1,423)	(935)
Additions in capital work in progress	(188,910)	(100,979)
Sale proceeds from disposal of property, plant and equipment	830	-
	(189,503)	(101,914)
NET CASH USED IN INVESTING ACTIVITIES	(189,503)	(101,914)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans obtained	56,348	82,217
Long term loans repaid	(46,471)	(31,771)
Repayment of liabilities against assets subject to finance lease	(9,886)	(9,149)
Dividend paid	(451)	-
Short term borrowings - net	(32,023)	(175,272)
	(32,483)	(133,975)
NET CASH USED IN FINANCING ACTIVITIES	(32,483)	(133,975)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,602	26,017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,446	15,516
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22,048	41,533

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2018

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 (the "parent company") which holds 56.74% of the total shares of the Company. The registered office as well as plant of the Company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Bhikhi, District Sheikhpura, Pakistan. The Company is engaged in manufacturing and sale of chemical products. The parent company is in the process of voluntary winding up. Subsequent to the balance sheet date, the shares of the Company have been transferred to shareholders of the parent company.

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 comprises of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the Internal 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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

2.3 The financial statements have been prepared under the historical cost convention. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand of Rupee, unless otherwise stated.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2018.

4 TAXATION

Provision for taxation is calculated on prevailing rates and these are subject to final adjustments in the annual audited financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	Period ended September 2018 (Un-audited) Rs "000"	Year ended June 2018 (Audited) Rs "000"
Operating fixed assets	5.1	2,310,674	2,260,376
Capital work in progress	5.2	372,429	292,816
		2,683,103	2,553,192
5.1 Operating fixed assets			
Opening net book value		2,260,376	1,657,414
Additions		1,423	18,040
Transfers from capital work in progress	5.2	109,297	832,539
Total additions	5.3	110,720	850,579
Disposals - net book value		-	(276)
Depreciation charge		(60,422)	(247,341)
Closing net book value		2,310,674	2,260,376
5.2 Capital work in progress			
Opening balance		292,816	573,023
Impairment charge		-	(63,365)
Additions		188,910	615,697
Transfers to operating fixed assets		(109,297)	(832,539)
Closing balance		372,429	292,816

	Period ended	Year ended
	September	June
	2018	2018
	(Un-audited)	(Audited)
	Rs "000"	Rs "000"
5.3 Additions in operating fixed assets		
Land free hold	-	21,917
Building on freehold land	3,713	24,360
Plant and machinery	105,583	781,766
Furniture and fittings	23	755
Office and factory equipments	1,206	12,100
Vehicles-owned	195	3,174
Vehicles-leased	-	6,507
	110,720	850,579

6 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, 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%. The Company has determined that Nimir Resins Limited is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

	Note	Unaudited	Audited
		September	June
		2018	2018
		Rs "000"	Rs "000"
7 LONG TERM LOANS			
Term finance - Secured I	7.1	9,375	18,750
Term finance - Secured II	7.2	72,917	83,854
Term finance - Secured III	7.3	32,813	37,500
Term finance - Secured IV	7.4	190,939	204,911
Term finance - Secured V	7.5	127,500	135,000
Term finance - Secured VI	7.6	168,747	112,399
		602,291	592,414
Less:- Current maturity shown under current liabilities		(178,853)	(174,159)
		423,438	418,255

- 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 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.
- 7.4** This represents long term finance facility amounting to Rs. 250 million 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.
- 7.5** This represents long term finance facility amounting to Rs. 150 million 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.
- 7.6** This represents long term finance facility amounting to Rs. 300 million 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. Till the reporting date Rs. 169 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.

8 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the status of contingencies as on September 30, 2018 from that reported in annual financial statements of the Company for the year ended June 30, 2018.

COMMITMENTS

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

	Unaudited September 2018	Audited June 2018
Letters of credit established for the import of raw materials, spare parts and machinery	1100 million	1307 million
Letter of guarantee given to SNGPL	96 million	96 million
Letter of guarantee given to PSO	22 million	22 million
Letter of guarantee given to TOTAL PARCO	3 million	3 million

	Unaudited Sep-18 Rs "000"	Unaudited Sep-17 Rs "000"
9 SALES		
Gross Sales	4,823,202	3,271,721
Discounts	(18)	-
Sales tax	(701,241)	(475,285)
	(701,259)	(475,285)
Net Sales	4,121,943	2,796,436
10 COST OF SALES		
Opening stock of finished goods	471,688	253,273
Cost of goods manufactured	3,549,420	2,451,284
	4,021,108	2,704,557
Closing stock of finished goods	(395,336)	(248,130)
Cost of goods sold	3,625,772	2,456,427

11 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 are as follows.

Name of Related Party	Relationship	Nature of transaction	Unaudited Sep-18 Rs "000"	Unaudited Sep-17 Rs "000"
Nimir Resins Limited	Subsidiary Company	Sale of goods	44,920	20,180
		Services provided	977	921
		Services acquired	732	683
		Expenses paid	3	14
Nimir Chemicals Pakistan Limited	Associated Company	Sale of goods	3,221	5,775
Key Management Personnel				
		Remuneration	27,146	18,450*
		Other Benefits	7,476	5,885*

* The remuneration and other benefits of key management personnel for the quarter ended September 30, 2017 has been restated as per the requirement of fourth schedule of Companies Act, 2017.

12 GENERAL

12.1 Corresponding figures have been reclassified in cash flow statement and statement of changes in equity for better and fair presentation.

12.2 This condensed interim financial informations was authorized for issue on October 27, 2018 by the Board of Directors of the Company.


Chief Executive Officer


Director


Chief Financial Officer

NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS - CONSOLIDATED
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

	Note	Unaudited September 2018 Rs '000'	Audited June 2018 Rs '000'
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 145,000,000 (June 30, 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
Unappropriated profit		1,634,102	1,642,848
Non-controlling interest		522,644	516,162
		3,262,651	3,264,915
NON CURRENT LIABILITIES			
Long term loans	7	533,053	525,255
Liabilities against assets subject to finance lease		50,990	61,939
Diminishing musharaka finance		4,447	4,828
Deferred tax liability		222,664	225,854
		811,154	817,876
CURRENT LIABILITIES			
Trade and other payables		1,090,314	1,367,861
Net defined benefit liability - funded gratuity		69,728	64,328
Mark up accrued		71,980	50,141
Unclaimed dividend		5,692	6,142
Dividend payable		221,181	-
Short term borrowings		4,254,489	3,986,469
Current maturity of long term loans	7	179,535	174,159
Current maturity of liabilities against assets subject to finance lease		47,250	46,186
Current maturity of diminishing musharaka finance		1,477	1,446
Provision for taxation		425,197	313,550
		6,366,843	6,010,282
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL EQUITY AND LIABILITIES		10,440,648	10,093,073
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	3,143,623	3,020,447
Intangibles		1,703	1,957
Long term deposits		43,027	37,025
		3,188,353	3,059,429
CURRENT ASSETS			
Stores, spare parts and loose tools		162,129	155,023
Stock in trade		2,929,698	3,239,787
Trade debts		2,775,586	2,370,810
Loans and advances		143,466	147,519
Trade deposits and short term prepayments		26,222	31,694
Interest accrued		264	264
Other receivables		80,142	65,169
Tax refunds due from the Government		1,026,411	908,251
Cash and bank balances		108,377	115,127
		7,252,295	7,033,644
TOTAL ASSETS		10,440,648	10,093,073

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial informations.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter Ended	
		September 2018	September 2017
		Rs '000'	Rs '000'
Sales - net	9	5,064,491	3,492,908
Cost of sales	10	(4,489,432)	(3,092,000)
Gross profit		575,059	400,908
Distribution costs		(55,497)	(42,740)
Administrative expenses		(55,338)	(43,708)
		(110,835)	(86,448)
Operating profit		464,224	314,460
Other expenses		(23,997)	(18,738)
Other income		3,653	1,415
Foreign exchange loss		(7,699)	(3,573)
Finance cost		(108,807)	(66,076)
Profit before taxation		327,374	227,488
Taxation		(108,457)	(72,600)
Profit after taxation		218,917	154,888
Attributable to:			
Equity holders of the parent		212,435	145,684
Non-controlling interest		6,482	9,204
		218,917	154,888
Earnings per share - basic and diluted		1.92	1.32

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 2018	September 2017
	Rs '000'	Rs '000'
Profit after taxation	218,917	154,888
Other comprehensive income	-	-
Total comprehensive income for the period	218,917	154,888
Attributable to:		
Equity holders of the parent	212,435	145,684
Non-controlling interest	6,482	9,204
	218,917	154,888

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial informations.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid up share capital	Unappropriated profit	Non-controlling interest	Total
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Balance as on June 30, 2017 (audited)	1,105,905	1,136,017	453,805	2,695,727
Final dividend for 2017 @ Rs. 1 per share	-	(110,591)	-	(110,591)
Total comprehensive income for the period (Jul-Sep 17)	-	145,684	9,204	154,888
Balance as on September 30, 2017 (unaudited)	1,105,905	1,171,110	463,009	2,740,024
Interim dividend for 2018 @ Rs. 1 per share	-	(110,591)	-	(110,591)
Total comprehensive income for the period (Oct 17 to June 18)	-	582,329	53,153	635,482
Balance as on June 30, 2018 (audited)	1,105,905	1,642,848	516,162	3,264,915
Final dividend for 2018 @ Rs. 2 per share	-	(221,181)	-	(221,181)
Total comprehensive income for the period (Jul-Sep 18)	-	212,435	6,482	218,917
Balance as on September 30, 2018 (unaudited)	1,105,905	1,634,102	522,644	3,262,651

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial informations.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

Note	Quarter Ended	
	September 2018	September 2017
	Rs '000'	Rs '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	327,374	227,488
Adjustment for:		
Depreciation	69,814	52,584
Amortization	254	365
Mark-up expense	104,873	66,076
Provision for gratuity	5,400	4,362
Gain on disposal of property, plant and equipment	(830)	-
Exchange loss	7,699	4,173
Workers' profit participation fund provision	17,378	8,701
Workers' welfare fund provision	6,619	3,307
	211,207	139,568
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	538,581	367,056
(Increase) / Decrease in current assets		
Stores, spares parts and loose tools	(7,106)	(7,400)
Stock in trade	310,089	218,962
Trade debts	(404,776)	(180,854)
Loans and advances	4,053	(23,173)
Trade deposits and short term prepayments	5,472	(150)
Other receivables	(14,973)	1,580
Tax refunds due from the Government	(44,888)	132,098
	(152,129)	141,063
Increase / (decrease) in current liabilities		
Trade and other payables	(309,243)	70,784
	(461,372)	211,847
CASH GENERATED FROM OPERATIONS	77,209	578,903
Contribution to gratuity fund	-	(7,051)
Mark-up paid	(82,861)	(65,971)
Tax paid	(73,272)	(148,162)
Long term deposits	(6,002)	(1,214)
	(162,135)	(222,398)
NET CASH (USED) / GENERATED FROM OPERATING ACTIVITIES	(84,926)	356,505
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(2,829)	(2,516)
Additions in capital work in progress - net	(190,161)	(112,365)
Sale proceeds from disposal of property, plant and equipment	830	-
NET CASH USED IN INVESTING ACTIVITIES	(192,160)	(114,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	59,645	82,218
Long term loan repaid	(46,471)	(31,771)
Dividend paid	(450)	-
Repayment of liabilities against assets subject to finance lease	(9,885)	(9,149)
Repayment of liabilities against diminishing musharaka finance	(523)	(261)
New diminishing musharaka acquired	-	1,668
Short term borrowings - net	268,020	(194,337)
Net cash generated / (used) in financing activities	270,336	(151,632)
Net (decrease) / increase in cash and cash equivalents	(6,750)	89,992
Cash and cash equivalents at the beginning of the period	115,127	100,619
Cash and cash equivalents at the end of the period	108,377	190,611

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial informations.


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

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

Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICTL")

Subsidiary Companies

Nimir Holding (Private) Limited ("NHPL")

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

The shareholding of the Nimir Group is as follows:

Holding of NICTL in NHPL	100%
Holding of NHPL in NMPL	51%
Holding of NMPL in NRL	51%
Holding of NHPL in NRL	11.63%
Effective shareholding 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 (Ultimate Parent Company) which holds 56.74% (2017: 56.67%) of the total shares of the company. The registered office of the Holding Company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikhi, District Sheikhpura, Pakistan. The Holding Company is engaged in manufacturing and sale of chemical products. The ultimate parent company is in the process of voluntary winding up. Subsequent to the balance sheet date, the shares of the Company have been transferred to shareholders of the ultimate parent company.

Nimir Holding (Private) Limited and Nimir Management (Private) Limited were incorporated in Pakistan as private limited companies on September 28, 2015 and December 4, 2015 respectively for the purpose of investment in Nimir Resins Limited. 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 December 17, 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on August 19, 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on April 1, 2010 when the company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group, the name of the company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated April 18, 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. 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 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 comprises of:

- International Accounting Standards (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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim consolidated financial statement does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended June 30, 2018.

2.3 The condensed interim consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements are prepared in Pak Rupees, which is the functional currency of the group. Figures have been rounded off to the nearest thousand of Rupee, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The accounting estimates and associated assumptions used in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2018.

4 TAXATION

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

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published consolidated financial statements of the Group for the year ended June 30, 2018.

	Note	Period ended September 2018 (Un-audited) Rs "000"	Year ended June 2018 (Audited) Rs "000"
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		2,761,603	2,719,291
Capital work in progress	6.3	382,020	301,156
		<u>3,143,623</u>	<u>3,020,447</u>
6.1 Operating fixed assets			
Opening net book value		2,719,291	2,113,636
Additions		2,829	30,536
Transfers from capital work in progress	6.3	109,297	858,021
Total additions	6.2	112,126	888,557
Disposals at net book value		-	(276)
Depreciation charge		(69,814)	(282,626)
Closing net book value		<u>2,761,603</u>	<u>2,719,291</u>
6.2 Additions in operating fixed assets			
Freehold land		-	21,917
Building on freehold land		3,713	27,582
Plant and machinery		106,607	804,480
Furniture and fittings		23	755
Office and factory equipment		1,589	17,334
Vehicles - owned		194	9,982
Vehicles - leased/diminishing musharika		-	6,507
		<u>112,126</u>	<u>888,557</u>
6.3 Capital work in progress			
Opening balance		301,156	590,172
Impairment charge		-	(63,365)
Additions		190,161	632,370
Transfers to operating fixed assets		(109,297)	(858,021)
Closing balance		<u>382,020</u>	<u>301,156</u>
7 LONG TERM LOANS			
Term finance - Secured I	7.1	9,375	18,750
Term finance - Secured II	7.2	72,917	83,854
Term finance - Secured III	7.3	32,813	37,500
Term finance - Secured IV	7.4	190,939	204,911
Term finance - Secured V	7.5	127,500	135,000
Term finance - Secured VI	7.6	168,747	112,399
Demand Finance - Vehicle	7.7	3,297	-
Loan from directors / sponsors	7.8	107,000	107,000
		<u>712,588</u>	<u>699,414</u>
Less:			
Current maturity shown under current liabilities		(179,535)	(174,159)
		<u>533,053</u>	<u>525,255</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 Holding 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 Holding 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 joint pari passu charge over present and future fixed assets of the Holding Company.
- 7.4** This represents long term finance facility amounting to Rs. 250 million 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.
- 7.5** This represents long term finance facility amounting to Rs. 150 million 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.
- 7.6** This represents long term finance facility amounting to Rs. 300 million 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. Till the reporting date Rs. 169 million has been availed out of the total facility. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.
- 7.7** During the period, the Company has entered into a demand finance arrangement for vehicle under Hire Purchase Agreement (HPA) with Soneri Bank, amounting to Rs. 3.4 million. Loan is repayable in 60 equal monthly instalment starting from August 01, 2018. Markup is charged at three months KIBOR plus 1.5% payable monthly in arrear.
- 7.8** 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 and resultant reinstatement adjustment in the books of Nimir Resins Limited, the amount has been stated with an adjustment to equity portion.

8 CONTINGENCIES AND COMMITMENTS

8.1 CONTINGENCIES

Holding Company/Subsidiary Company

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

8.2 COMMITMENTS

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

	Unaudited September 2018	Audited June 2018
Letters of credit established for the import of raw materials, spare parts and machinery	1,225 million	1,819 million
Letter of guarantee given to SNGPL	99 million	99 million
Letter of guarantee given to PSO	25 million	25 million
Letter of guarantee given to Total PARCO	8 million	8 million

9 SALES

	Unaudited September 2018 Rs '000'	Unaudited September 2017 Rs '000'
Gross Sales	5,883,189	4,071,050
Less: Sales Tax	(818,680)	(578,142)
Discounts	(18)	-
Net Sales	(818,698)	(578,142)
	5,064,491	3,492,908

10 COST OF SALES

Opening stock of finished goods	651,809	438,947
Cost of goods manufactured	4,414,028	3,034,831
	5,065,837	3,473,778
Closing stock of finished goods	(576,405)	(381,778)
	4,489,432	3,092,000

11 OPERATING SEGMENT INFORMATION
FOR THE QUARTER ENDED

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17
	Rupees '000'									
Sales	4,121,943 (3,625,772)	2,796,436 (2,456,427)	987,468 (911,141)	716,652 (656,216)	-	-	(44,920) 47,481	(20,180) 20,643	5,064,491 (4,489,432)	3,492,908 (3,092,000)
Cost of sales	496,171	340,009	76,327	60,436	-	-	2,561	463	575,059	400,908
Distribution cost	(41,248)	(33,083)	(14,249)	(9,657)	-	-	-	-	(55,497)	(42,740)
Administrative expenses	(45,994)	(34,262)	(9,535)	(9,521)	-	-	191	75	(55,338)	(43,708)
Operating profit	408,929	277,664	52,543	41,258	-	-	2,752	538	464,224	314,460
Other expenses	(22,897)	(15,261)	(1,100)	(3,477)	-	-	-	-	(23,997)	(18,738)
Other income	2,488	1,490	1,536	428	-	-	(371)	(503)	3,653	1,415
Foreign exchange loss	(6,102)	(3,573)	(1,597)	-	-	-	-	-	(7,699)	(3,573)
Finance cost	(73,475)	(49,412)	(35,332)	(16,664)	-	-	-	-	(108,807)	(66,076)
Profit before taxation	308,943	205,908	16,050	21,545	-	-	2,381	35	327,374	227,488
Taxation	(102,801)	(65,815)	(5,656)	(6,785)	-	-	-	-	(108,457)	(72,600)
Profit for the period	206,142	140,093	10,394	14,760	-	-	2,381	35	218,917	154,888
Segment assets	7,762,632	7,588,383	2,945,171	2,778,428	580,216	580,215	(847,371)	(853,953)	10,440,648	10,093,073
Segment liabilities	4,941,626	4,973,519	1,923,828	1,767,479	94,239	94,237	(2,876)	(7,077)	6,956,817	6,828,158

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

12 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 are as follows.

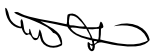
Relationship	Nature of transaction	(Unaudited)	(Unaudited)
		September 2018	September 2017
		Rs "000"	Rs "000"
Associated Company	Sale of goods	3,221	5,775
Staff retirement benefits	Company's contribution to Employees' Gratuity fund.	-	7,000
Key Management Personal			
Remuneration		34,809	23,842*
Other Benefits		9,823	6,971*

* The remuneration and other benefits of key management personnel for the quarter ended September 30, 2017 has been restated as per the requirement of fourth schedule of Companies Act, 2017.

13 GENERAL

13.1 Corresponding figures have been reclassified in cash flow statement and statement of changes in equity for better and fair presentation.

13.2 This consolidated condensed interim financial information was authorized for issue by the Board of Directors on October 27, 2018.



Chief Executive Officer



Director



Chief Financial Officer



NIMIR
NIMIR INDUSTRIAL CHEMICALS LTD.

NIMIR INDUSTRIAL CHEMICALS LTD.

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