

Table of Contents

▶ Company Information	02
▶ Vision and Mission Statement	03
▶ Chairman's Message	04
▶ CEO's Message	05
▶ Our Performance	06
▶ Wealth Generated and Distributed	07
▶ Year at a Glance	08
▶ Key Operating & Financial Data for Last Six Years	09
▶ Core Business	10
▶ Directors' Report	12
▶ Statement of Compliance CCG	16
▶ Auditors' Review Report to the Members CCG	18
▶ Auditors' Report to the Members	19
▶ Financial Statements	22
▶ Notes to the Financial Statements	27
▶ Pattern of Shareholding	60
▶ Notice of Annual General Meeting	63
Form of Proxy	

Board of Directors

Sheikh Amar Hameed	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. Muhammad Yahya Khan	
Mr. Abdul Jalil Jamil	
Mr. Osman Hameed	
Mr. Pervaiz Ahmad Khan	
Mrs. Nazia Qureshi	

Executive Management

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

Chief Financial Officer

Syed Sajid Nasim

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Nabeel Ahmad Khan

Auditors

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Mr. Pervaiz Ahmad Khan	- Chairman
Mr. Abdul Jalil Jamil	- Member
Mr. Osman Hameed	- Member

Human Resources & Remuneration Committee

Mrs. Nazia Qureshi	- Chairperson
Sheikh Amar Hameed	- Member
Mr. Zafar Mahmood	- Member

Bankers

The Bank of Punjab
Habib Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
Bank Alfalah Limited
Soneri Bank Limited
Al Baraka Bank (Pakistan) Limited
Pak Brunei Investment Company Limited
Meezan Bank Limited
JS Bank Limited
Bank Islami Pakistan Limited

Legal Advisors

M/s Hassan & Hassan
Advocates

Share Registrar

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

Registered Office / Plant - 1

14.5 Km, Lahore-Sheikhupura Road,
Lahore, Pakistan.
Tel : +92 42 37971512-14
Fax: +92 42 37970229

Plant - 2

14.8 Km, Sheikhupura-Faisalabad Road,
Bhikhi, Dist. Sheikhupura. Pakistan.
Tel : +92 56 3883001 - 7
Fax: +92 56 3883010

Lahore Office

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

Web Site

www.nimir.com.pk

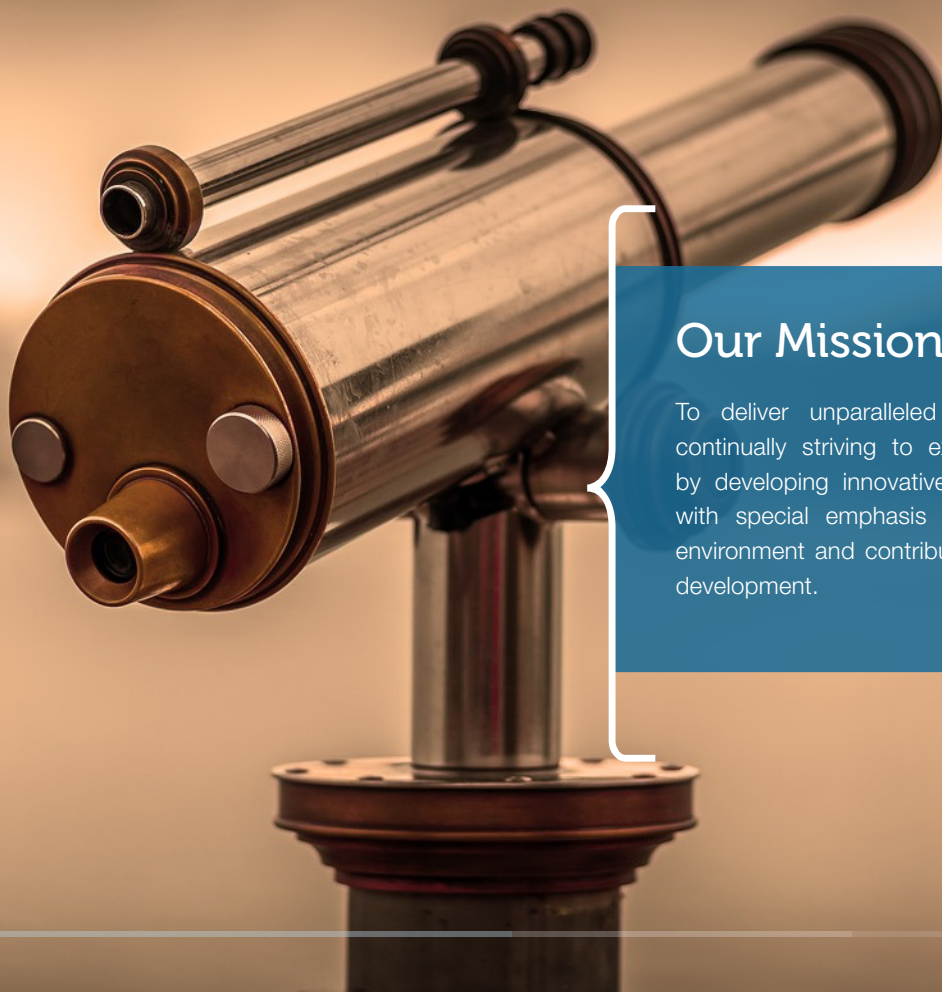
Our Vision

To become an industry leader through a persistent commitment to customer focus, technical innovation, managerial excellence, entrepreneurial spirit and social responsibility.



Our Mission

To deliver unparalleled value to stakeholders and continually striving to exceed customer expectations by developing innovative industrial chemical solutions with special emphasis on workforce, health, safety, environment and contribution to the national economic development.



Chairman's Message



It is my pleasure to announce the annual accounts of your company for the year ending 30th June 2021.

This year your company has shown the best performance of the last five years since the new sponsors and management took over the company. In spite of the continuing pandemic, Gross Sales increased by 40% resulting in a Net Profit of Rs.359 million which is nearly triple of the previous year. Admittedly last year was a bad year for our company because of repeated Covid lockdowns. This year, therefore, shows a big leap.

This year's Net Profit includes certain windfall gains due to the company's holding raw materials purchased at lower prices before the lockdown which were sold after the lockdown when prices had increased significantly. However, even if this extraordinary gain is adjusted the Net Profit was significantly higher than the last year.

While being very pleased at this excellent performance, the Directors were faced with a decision of how much dividend to finally declare. Our Management team, which has shown its mettle repeatedly over the last five years, presented plans and forecast which showed that a similar increase in Gross Sales can be achieved next year if sufficient funds are available in the company to finance the increase.

Your Board feels that it is better to opt for growth at this time because the strategy of capturing market share with higher quality products is bearing fruit. The Board, therefore, decided not to declare a dividend again this year and provide the management with the liquidity needed to fuel growth. The Sponsors also decided to defer repayment of their long standing interest free loans to the company.

Shareholders will be heartened to note that, apart from growth in sales and profits, their company's Net Worth has also increased by over 20% over last year and accumulated past losses have finally been wiped off setting the scene for future dividends.

Last but certainly not least, I would like to thank our customers for their continuous confidence, the management for their imaginative expertise, the employees for their untiring efforts and all other stakeholders for their valuable support.

May Allah keep us all blessed.

A handwritten signature in black ink, appearing to read 'Amar Hameed', written in a cursive style.

Sheikh Amar Hameed
Chairman

CEO's Message



When we assumed control of Nimir Resins Limited in January 2016, the financials of the company were indicating declining sales, negative bottom line of PKR 82 million and accumulated losses of more than PKR 800 million. The conscientiousness of the Nimir team allowed the company to ameliorate these numbers, producing positive net profit in the first financial year after the take-over. Five years since then, today, NRL's gross turnover has crossed PKR 7 billion with a 30 % CAGR. This substantial growth has helped the company increasing net profit to PKR 359 million during the financial year under review with a CAGR of 47% and completely eliminating the accumulated losses from the balance sheet.

The last year was severely affected due to prolonged lockdowns and international recession owing to the Covid-19 pandemic. This year, however, showed a substantial recovery of the economic and business activities, which allowed the company to increase its turnover by 40%. Furthermore, the rising international prices throughout the year improved company's margins. The reduction in discount rate helped reducing interest cost despite 40% increase in business. These factors helped the company to achieve an unprecedented 183% growth in after-tax profit.

The financial year 2022 presents challenges due to international supply chain constraints, which have resulted in exorbitant increases in international sea freights. Devaluing currency and continuous rising inflation are other challenges. My team at Nimir and I, however, will strive to coup against these challenging and continue bolstering the shareholders' value.

I would like to thank all our stakeholders for their incessant support and consideration in these arduous times. We are confident that our plans for next year will further strengthen our competitiveness and secure our sustainability in the long-term, Insha'Allah.

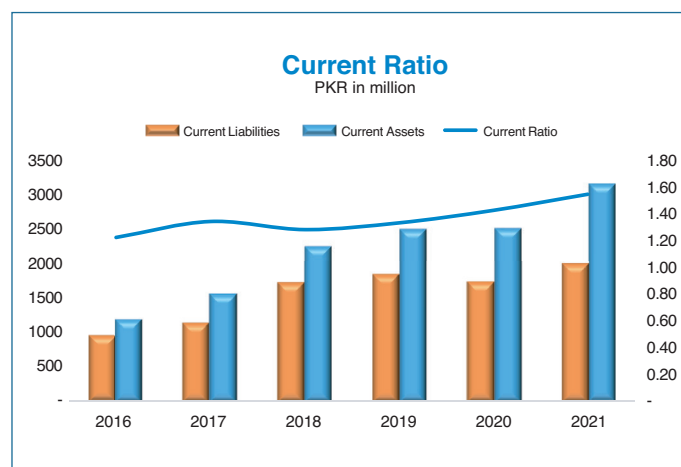
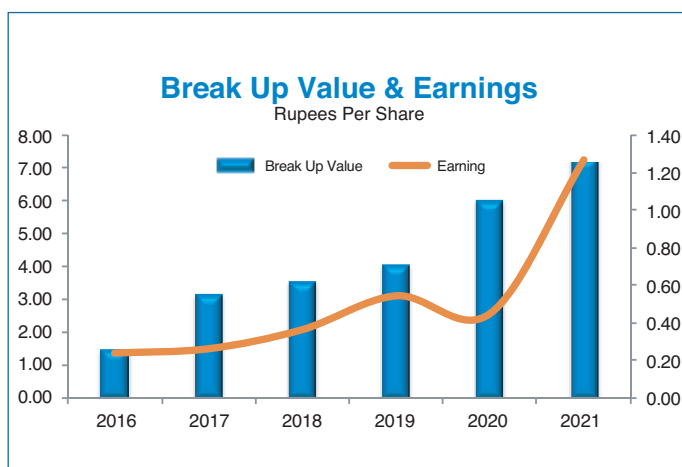
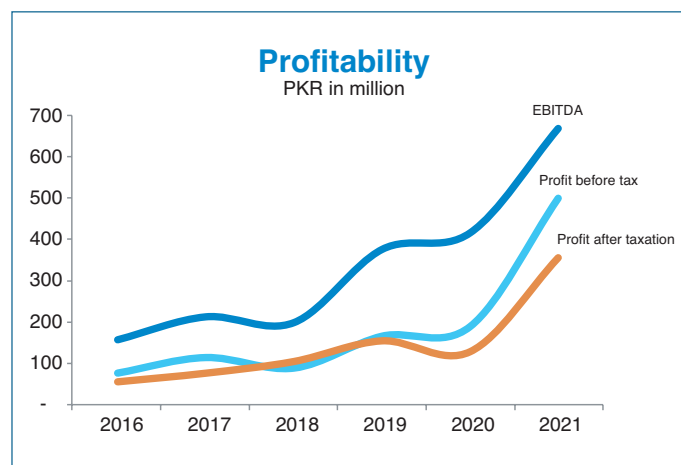
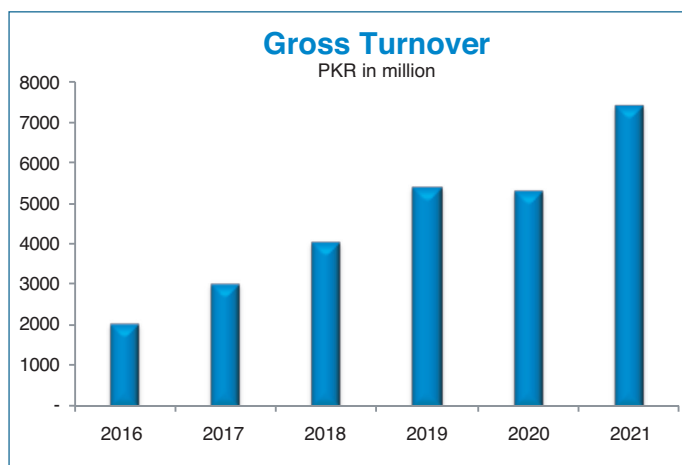
Zafar Mahmood

Chief Executive Officer

Our Performance

PKR*Min"

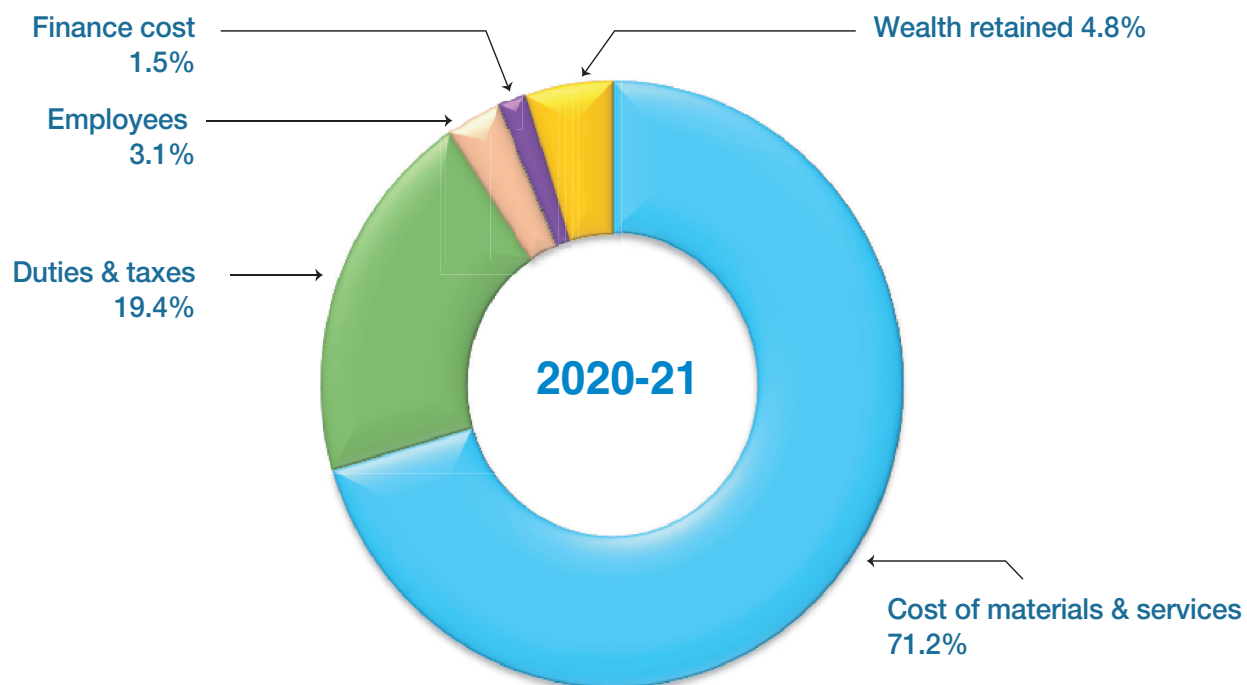
	2016	2017	2018	2019	2020	2021
Gross Turnover	2,055	3,041	4,067	5,424	5,298	7,405
Net Sales	1,778	2,669	3,580	4,883	4,499	6,278
Gross Profit	234	297	330	500	506	794
Operating Profit	136	219	236	389	394	652
Profit Before Tax	73	111	85	164	187	502
Profit after Tax	53	74	103	154	127	359
EBITDA	154	210	196	375	415	670
Long term borrowings	99	2	5	5	23	90
Net Worth	584	910	1,011	1,166	1,712	2,070
Current Assets	1,208	1,581	2,260	2,515	2,532	3,175
Current Liabilities	979	1,166	1,747	1,870	1,758	2,032
Current Ratio	1.23	1.36	1.29	1.34	1.44	1.56
Number of Shares (in Million)	200	277	283	283	283	283
Breakup value per share-Rupees	1.51	3.18	3.54	4.09	6.02	7.28
Earning per share-Rupees	0.24	0.26	0.36	0.54	0.45	1.27



Wealth Generated and Distributed

For The Year Ended June 30, 2021

	2021	
	Rs in million	Percentage
Wealth Generated		
Sales with sales Tax	7,405	99.8%
Other operating profit	16	0.2%
	<u>7,421</u>	<u>100.0%</u>
Distribution of Wealth		
Cost of materials & services	5,281	71.2%
Duties & taxes	1,441	19.4%
Employees	229	3.1%
Finance cost	113	1.5%
Wealth retained	358	4.8%
	<u>7,421</u>	<u>100.0%</u>



Year at a Glance 2020-2021

Performance Parameters	2021	2020
	Rs in million	
Sales	6,278	4,499
Gross Profit	794	506
Operating profit	652	394
Finance Cost	113	185
Profit before taxation	502	187
Profit after taxation	359	127
EBITDA	670	415
Current Ratio	1.56	1.44
Long term Borrowings to Equity Ratio	4.2 : 95.8	1.3 : 98.7
Interest coverage Ratio	5.46	2.01
Earning per share-Rupees	1.27	0.45
Breakup value per share- Rupees	7.28	6.02

39.5%

Increase in
Net Sales

57%

Increase in
Gross Profit

65.6%

Increase in
operating Profit

169%

Increase in
Profit Before Tax

182%

Increase in
Earning per Share

61.5%

Increase in
EBITDA

Key Operating & Financial Data for Last Six Years

	2016	2017	2018	2019	2020	2021
Rs in million						
Summary of Profit and Loss						
Net Sales	1,778	2,669	3,580	4,883	4,499	6,278
Gross Profit	234	297	330	500	506	794
Operating profit	136	219	236	389	394	652
Finance Cost	50	61	75	168	185	113
Profit before taxation	73	111	85	164	187	502
Profit after taxation	53	74	103	154	127	359
EBITDA	154	210	196	375	415	670
Financial Position						
Share Capital	998	1,383	1,413	1,413	1,413	1,413
Net Worth	584	910	1,011	1,166	1,712	2,070
Long term borrowings	99	2	5	5	23	90
Deferred Liabilities	31	28	15	11	36	80
Current Liabilities	979	1,166	1,747	1,870	1,758	2,032
Non Current Assets	485	526	518	537	997	1,128
Current Assets	1,208	1,581	2,260	2,515	2,532	3,175
Total Assets	1,693	2,106	2,778	3,052	3,529	4,303
Investor Information						
Gross profit margin	13.17%	11.14%	9.21%	10.24%	11.24%	12.65%
Pre tax margin	4.10%	4.16%	2.38%	3.35%	4.16%	8.00%
Net profit margin	3.0%	2.79%	2.88%	3.15%	2.83%	5.71%
Current Ratio	1.23	1.36	1.29	1.34	1.44	1.56
Long term Borrowing to Equity Ratio	15 : 85	0.2 : 99.8	0.5 : 99.5	0.5 : 99.5	1.3 : 98.7	4.2 : 95.8
Interest cover (Times)	2.46	2.82	2.13	1.98	2.01	5.46
Earnings per share-Rupees	0.24	0.26	0.36	0.54	0.45	1.27
Breakup value per share-Rupees *	1.51	3.18	3.54	4.09	6.02	7.28

* Breakup value is calculated after excluding share deposit money from net worth.

Core Business at a Glance

Coatings, Emulsions & Polyesters	Coatings & Emulsions	<p>One of the Leading & Oldest manufacturer of Resins, Emulsions & Additives for the Coatings industry. Range include following products.</p> <ul style="list-style-type: none"> • All types of Alkyd Resins & Modified Alkyds for Decorative, Refinish & OEM Paints. • Amino Resins, Saturated Polyesters, Epoxy ester & Urethane Alkyds. • Rosin modified Maleic & Phenolic Resins. • Thermo plastic, Thermo setting & Acrylic Polyol Resins. • Metal Driers (Cobalt, Zirconium & Calcium) • Acrylic, Styrene Acrylic & PVA Emulsion binders. • Wetting Agent, Antifoam, Liquid polymeric Pigment & Emulsifiers.
	Unsaturated Polyester Resins	<p>A complete line of Resin products for composites.</p> <ul style="list-style-type: none"> • General purpose & Gel Coat Resins for Tanks, Ducts, Pipes, sheets & Articles. • Chemicals Resistant Resin. • Filament Winding Resin, Pigment dispersion Resin & Accelerator catalyst. • Promoted & Non promoted Resins.
Textile, Paper, Adhesives, Solvents & Monomers	Textile Chemicals / Auxiliaries	<p>Complete range of specialty chemicals for pre-treatment and finishing for textile industry including.</p> <ul style="list-style-type: none"> • Textile Auxiliaries • Optical Brighteners • Binders and PVAs • PVAs for finishing • Binders for non-woven & woven interlining
	Pulp & Paper Chemicals	<p>Manufacturing all sizing solutions for paper industry including Alkaline, Alkyl Ketene Dimer (AKD) Neutral and Acidic sizing Coating Chemicals.</p> <ul style="list-style-type: none"> • Specialty Chemicals • Optical Brightening Agent • Sizing Agents • Antifoam • Dispersing Agent
	Adhesives	<ul style="list-style-type: none"> • Food grade packaging • Flexible packaging • Laminate glue
	Solvents & Monomers	<ul style="list-style-type: none"> • Providing tailor made solutions. • Liquid Formulations



Directors' Report

The Board of Directors of Nimir Resins Limited (the "Company") is pleased to submit the 57th Annual Report along with the Audited financial statements for the year ended June 30, 2021.

Globally, strict measures have been enforced to limit the spread of the COVID-19 pandemic. These measures include repeated lockdowns and restricted movement of people and goods. Consequentially, the agriculture, production, manufacturing, and services industries were significantly affected. This has resulted in shortage of many commodities and causing their prices to skyrocket. Compared with June 2020, the prices of most of the commodities have doubled. The chemical industry alike was affected during the year.

Due to the shortage of chemicals worldwide, supply challenges existed in the Pakistan's chemical industry. However, the Government of Pakistan introduced various measures to support the industry. As a result, the Pakistani industry, despite similar restrictions as those imposed globally, performed much better than last year.

Nimir Resins Limited has shown extraordinary performance during the year. Taking advantage of the availability of essential raw materials and increasing demand, the company grew in all major sectors of its operations.

Operating Results

	2021	2020
	PKR Million	
Gross Sales	7,405	5,398
Gross Profit	794	506
Operating Profit	652	394
Profit Before Taxation	502	187
Profit After Taxation	359	127
Earnings Per Share (PKR)	1.27	0.45

Due to its diverse business line, Nimir Resins Limited has shown extraordinary growth in its gross sale turnover, which exceeded Rs.7 billion during the year, boasting an impressive 37% growth year-on-year. This growth has also carried over to the bottom line of the company, which increased to 2.8 times of the preceding year.

Future Outlook

While the world is still battling COVID-19, Pakistan has, Alhamdulillah, been able to contain the spread to a manageable level. The government has largely lifted the lockdowns and most business activities have been normalised. The supply chain and feedstock challenges still exist, which may affect the company's profitability in the coming year.

Despite these facts, the management is committed to producing the best possible results during the financial year 2022 and continue enhancing the stakeholders' value, Insha'Allah.

Subsequent to the balance sheet date, the par value of the company's shares has been increased from Rs. 5 to Rs. 10 per share by reducing number of shares to half.

Credit Rating

PACRA (Pakistan Credit Rating Agency) has maintained the credit rating of the Company at A - for long-term and A 2 for short-term.

Summary of Key Operating and financial data of last Six financial years

Summary of key operating and financial data of last six years is annexed.

Outstanding Statutory Payments

All outstanding payments are of nominal and of routine nature.

Retirement Benefit Schemes

The Company operates a funded gratuity scheme for its employee as referred in Note-12 to the accounts.

Board of Directors

Currently, the Board of Directors consists of seven members – six male and one female. Out of these directors, one is executive, four are non-executive, and two are independent.

The board has two sub committees: Audit Committee and Human Resource and Remuneration Committee, the composition of which are shown below:

Audit Committee:

1. **Mr. Pervaiz Ahmad Khan** Chairman, Independent Director
2. **Mr. Abdul Jalil Jamil** Member, Non-Executive Director
3. **Mr. Osman Hameed** Member, Non-Executive Director

Human Resource and Remuneration Committee:

1. **Mrs. Nazia Qureshi** Chairperson, Independent Director
2. **Sheikh Amar Hameed** Member, Non-Executive Director
3. **Zafar Mahmood** Member, Executive Director

During the fiscal year, four (4) Board, four (4) Audit Committee, and one (1) Human Resource & Remuneration Committee meetings were held. Attendance by each director is as follows:

Name of Director	Board of Directors	Audit Committee	HR & R Committee
Sheikh Amar Hameed	4 / 4	-	1 / 1
Zafar Mahmood	4 / 4	-	1 / 1
Muhammad Yahya Khan	4 / 4	-	-
Abdul Jalil Jamil	4 / 4	4 / 4	-
Osman Hameed	4 / 4	4 / 4	-
Mrs. Nazia Qureshi	4 / 4	-	-
Pervaiz Ahmad Khan	4 / 4	4 / 4	1 / 1

Board Evaluation

In accordance with the Code of Corporate Governance (CCG) and the Companies Act, 2017 the evaluation of the Board, its committees, and individual directors was conducted. The Board is assisted by sub-committees i.e., the Audit Committee and the HR&R Committee, and these sub-committees held meetings during the year as per the stipulations of CCG. It is also important to recognize the key role played by the sub-committees in assisting Board of Directors in performing their duties.

Directors' Remuneration Policy

Executive Directors' remuneration is paid in line with the Company's formal policy, approved by the Board of Directors which is in accordance with the Companies Act, 2017 and the CCG. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Corporate Governance

As required by the Code of Corporate Governance (incorporated in the Listing Rules of the stock exchanges in the country), the Board of Directors is pleased to state:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt on the company's ability to continue as a going concern.
- There has been no material departure from best practices of Corporate Governance, as detailed in the listing regulations.
- Key operating and financial data for the last 6 years is annexed; and
- Outstanding taxes and levies are given in the notes to the financial statements.

The management of the Company is committed to following good corporate governance, taking all appropriate measures to comply with best practices, and continuously reviewing the system of internal controls in the light of Companies Act 2017.

Corporate Social Responsibilities

The Company recognizes its social responsibilities as a key member of the community. It is committed to contribute its resources for the betterment of the environment without prejudice. Its Health, Safety, and environmental (HSE) policies are geared towards the betterment of employees and community.

The Company ensures environment friendly operations, products, and services while promoting environmental awareness among its employee and the community. It inducts employees from the surrounding community, offers internship/apprenticeship opportunities to technical institutes, encourages student visits from different educational institutions and planting trees etc. The Company also supports needy children of the employees for studies to promote education in the country.

During the year, the Company set up a 580 KWA solar power project, which will help reducing the carbon footprint.

External Auditors

The present auditor, Crowe Hussain Chaudhury and Company,

Chartered Accountant, who is retiring this year, have offered themselves for re-appointment. Being eligible, the audit committee has recommended the reappointment of Crowe Hussain Chaudhury and Company, Chartered Accountant as the external auditor of the Company for the year ending June 30, 2022.

Internal Financial Control

The Company has a system of internal control which is sound in design and has been effectively implemented and monitored. The Board assumes the overall responsibility of overseeing the internal control processes.

Related Party Transaction

The Company has made detailed disclosures about the related party transaction in the financial statements annexed with the annual report. Such disclosure is in line with the requirement of the Companies Act, 2017 and applicable international Financial Reporting Standards.

A complete list of all Related Party Transaction is compiled and submitted by the Internal Auditor, which has verified that all transactions or arrangements with the related parties were carried out in the ordinary course and are conducted on an arm's length basis to the Board's Audit Committee every quarter. After the review by the Audit Committee the transactions or arrangements with all the related parties were placed before the Board of Directors for their consideration and approval.

Dividend / Bonus Shares

The Board, after examining the financial position of the Company, have decided to keep the company liquid to the maximum possible extent under the current economic situation. Hence it has recommended nil dividend for the year ended June 30, 2021.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed. There was no trading in the shares of the Company by the Directors, Chief Executive, Chief Financial Officer, Company Secretary, Company Executives and their spouses and minor children during the year except those which are mentioned in the annexed statement required under the Code of Corporate Governance.

Necessary returns in this respect were filed with the regulatory authorities besides informing the Board and the Stock Exchange of the said transactions as required under the Code of Corporate Governance.

Acknowledgment

We are thankful to our valued stakeholders including regulators, customers, banks, suppliers, contractors, and shareholders for their excellent support and confidence. We also thank our employees for their focussed dedication and hard work throughout this period.

For and on behalf of the Board



Zafar Mahmood
Chief Executive Officer



Muhammad Yahya Khan
Director

Lahore,
September 13, 2021

ڈائریکٹرز کی معاوضہ پالیسی

ایگزیکٹو ڈائریکٹرز کا معاوضہ کمیٹی ایکٹ، 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق بورڈ کی طرف سے منظور شدہ رسی پالیسی کے مطابق طے کیا گیا ہے۔ کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو اور آڈائریکٹرز کی فیس کا تعین وقتاً فوقتاً بورڈ کرتا ہے۔

کارپوریٹ گورننس

(ملک میں اسٹاک ایکسچینج کے فہرستی قوانین میں شامل) کارپوریٹ گورننس کے ضابطہ کے مطابق، بورڈ آف ڈائریکٹرز بخوشی بیان کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گورننگ کسٹرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- بقایا میگزین اور ایویز کا مالی حسابات کے نوٹ میں انکشاف کیا گیا ہے۔

کمپنی کی انتظامیہ اچھے کارپوریٹ گورننس کے لئے پُر عزم ہے، اور بہترین طریقوں کے مطابق عمل کرنے کے لئے مناسب اقدامات کئے گئے ہیں۔ تاہم کمپنی کی انتظامیہ کمیٹی ایکٹ 2017 کی روشنی میں داخلی کنٹرول کے نظام کا مسلسل جائزہ لینے کے لئے پُر عزم ہے۔

کارپوریٹ سماجی ذمہ داریاں

کمپنی کمیونٹی کے ایک اہم رکن کے طور پر اپنی سماجی ذمہ داریوں کو تسلیم کرتی ہے۔ یہ غیر جانبدارانہ نقطہ نظر کے ساتھ بہتر ماحول کے لئے اپنے وسائل کو شریک کرنے میں مصروف ہے۔ اس کی حفاظتی، صحت اور ماحولیاتی (SHE) پالیسیاں ملازمین اور کمیونٹی کی بہتری کے لئے تیار کی گئی ہیں۔

کمپنی ماحول دوست، مصنوعات اور خدمات کو یقینی بناتی ہے اور اپنے ملازمین اور کمیونٹی کے درمیان ماحولیاتی شعور کو فروغ دیتی ہے۔ یہ آدرگردد کی کمیونٹی سے ملازمین کو آگاہ اور تکنیکی اداروں کو انٹرنیشنل اور پرنٹس شپ کے مواقع پیش کرتی ہے۔ یہ مختلف تعلیمی اداروں کے طالب علموں کی طرف سے دوروں کی حوصلہ افزائی اور ملک میں تعلیم کو فروغ دینے کے لئے ملازمین کے ضرورت مند بچوں کی مدد کرتی ہے۔ علاوہ ازاں موجودہ سال شجرکاری مہم کا اہتمام کیا گیا۔

سال کے دوران، کمپنی نے 580 KWA سولر پاور پروجیکٹ قائم کیا، جو کاربن فٹ پرنٹ کو کم کرنے میں مدد کرے گا۔

بیرونی محاسب

موجودہ محاسب میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ، اس سال سیکلدوش ہو رہے ہیں، نے اہل ہونے کی بناء پر، دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2022ء کو ختم ہونے والے سال کے لئے کمپنی کے بیرونی محاسب کے طور پر میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے۔

داخلی مالیاتی کنٹرول

اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ بورڈ داخلی کنٹرول کے عمل کی نگرانی کی مجموعی ذمہ داری کو قبول کرتا ہے۔

متعلقہ پارٹی لین دین

کمپنی نے سالانہ رپورٹ کے ساتھ منسلک مالی حسابات میں متعلقہ پارٹی لین دین کے بارے میں تفصیلی انکشافات کئے ہیں۔ یہ انکشاف کمیٹی ایکٹ، 2017 اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق ہے۔

تمام متعلقہ پارٹی لین دین کی ایک مکمل فہرست مرتب کی گئی ہے اور داخلی آڈیٹر کو جمع کرائی گئی ہے، جس نے تصدیق کی ہے کہ متعلقہ فریقوں کے ساتھ تمام لین دین یا انتظامات عام معمول میں انجام پائے اور بورڈ کی آڈٹ کمیٹی کو ہر سہ ماہی میں قابل رسائی بنیاد پر منعقد کئے گئے ہیں۔ آڈٹ کمیٹی کے جائزے کے بعد تمام متعلقہ فریقوں کے ساتھ لین دین یا انتظامات غور و خوض اور ان کی منظوری کے لئے بورڈ آف ڈائریکٹرز کے ذریعہ منظور کئے گئے۔

ڈیویڈنڈ پالیسی

بورڈ نے کمپنی کی مالی حیثیت کا جائزہ لینے کے بعد موجودہ اقتصادی حالات کے پیش نظر کمپنی کی لیکویڈیٹی کو زیادہ سے زیادہ ممکنہ سطح تک برقرار رکھنے کا فیصلہ کیا ہے۔ چنانچہ بورڈ نے 30 جون 2021ء کے لئے کوئی ڈیویڈنڈ جاری نہ کرنے کی سفارش کی ہے۔

نمونہ حصص داری

کمپنی کا نمونہ حصص داری منسلک ہے۔ سال کے دوران کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، کمپنی ایگزیکٹو اور ان کے زوج اور نابالغ بچوں کے ذریعے کمپنی کے حصص میں کوئی ٹریڈنگ نہیں کی گئی، ماسوائے جس کا ذکر کوڈ آف کارپوریٹ گورننس (سی سی جی) کے ضابطہ کے تحت درکار منسلک بیان میں کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت درکار، مذکورہ لین دین کا بورڈ اور اسٹاک ایکسچینج کو مطلع کرنے کے علاوہ بابت ہذا میں ضروری ریٹرنز ریگولیٹری اتھارٹی کے ہاں داخل کی گئی ہیں۔

اظہار تشکر

ہم اپنے قابل قدر اسٹیک ہولڈرز سمیت ریگولیٹرز، صارفین، بینکاروں، سپلائرز، ٹھیکیداروں اور حصص داران کے شاندار تعاون اور اعتماد کے شکر گزار ہیں۔ ہم اس پوری مدت میں اپنے ملازمین کی مرکز توجہ اور سخت محنت کا بھی شکر یہ ادا کرتے ہیں۔

منجانب بورڈ



محمد یحییٰ خان

ڈائریکٹر



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

13 ستمبر 2021ء

ڈائریکٹرز رپورٹ

گزشتہ چھ مالی سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ
گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ منسلک ہے۔

بقایا قانونی ادائیگیاں

تمام بقایا ادائیگیاں برائے نام اور معمولی نوعیت کی ہیں۔

ریٹائرمنٹ کے فوائد کی سکیسٹیں:

کمپنی اپنے ملازمین کے لئے اکاؤنٹس کے نوٹ 12 پر درج، ایک فنڈ ڈگریجویٹ اسکیم چلاتی ہے۔

بورڈ آف ڈائریکٹرز

فی الحال بورڈ آف ڈائریکٹرز سات (7) ارکان، چھ مرد اور ایک خاتون ڈائریکٹر پر مشتمل ہے۔ ان سات ڈائریکٹرز میں سے ایک (1) ایگزیکٹو، چار (4) نان ایگزیکٹو اور دو (2) آزاد ڈائریکٹر ہیں۔ بورڈ کی دو ذیلی کمیٹیاں یعنی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریٹائرمنٹ کمیٹی ہیں۔ ان دو کمیٹیوں کی ترتیب حسب ذیل ہے:

آڈٹ کمیٹی:

- 1 - جناب پرویز احمد خان چیئرمین (آزاد ڈائریکٹر)
- 2 - جناب عبدالخلیل جمیل رکن (نان ایگزیکٹو ڈائریکٹر)
- 3 - جناب عثمان جمید رکن (نان ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریٹائرمنٹ کمیٹی:

- 1 - محترمہ نازیہ قریشی چیئر پرسن (آزاد ڈائریکٹر)
- 2 - شیخ عامر جمید رکن (نان ایگزیکٹو ڈائریکٹر)
- 3 - جناب ظفر محمود رکن (ایگزیکٹو ڈائریکٹر)

زیر جائزہ سال کے دوران چار (4) بورڈ، چار (4) آڈٹ کمیٹی اور ایک (1) ہیومن ریسورس اینڈ ریٹائرمنٹ کمیٹی کے اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر اینڈ ریٹائرمنٹ کمیٹی
شجاعت حسین	4/4	-	1/1
ظفر محمود	4/4	-	1/1
عبدالخلیل جمیل	4/4	4/4	-
پرویز احمد خان	4/4	4/4	-
محمد یحییٰ خان	4/4	-	-
عثمان جمید	4/4	4/4	-
محترمہ نازیہ قریشی	4/4	-	1/1

بورڈ کی تفصیلات

کوڈ آف کارپوریشن گورننس (سی سی جی) اور کمپنیز ایکٹ 2017 کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی تفصیلات کی گئی۔ بورڈ کی مدد دہلی کمیٹیوں، یعنی آڈٹ کمیٹی اور ایچ آر اینڈ ریٹائرمنٹ کمیٹی کے ذریعے کی جاتی ہے، اور ان ذیلی کمیٹیوں نے کارپوریشن گورننس کے ضابطہ اخلاق کی شرائط کے مطابق سال کے دوران اجلاس منعقد کئے۔ بہتری کے شعبوں کو اجاگر کرنے اور عملی حل تجویز کرنے میں ذیلی کمیٹیوں (آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریٹائرمنٹ کمیٹی) کے کلیدی کردار کی تعریف کرنا بھی ضروری ہے۔

نمر ریزنز لمیٹڈ (کمپنی) کا بورڈ آف ڈائریکٹرز 30 جون 2021ء کو ختم ہونے والے سال کے لئے 57 ویں سالانہ رپورٹ مع نظر ثانی شدہ مالیاتی گوشارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

عالمی سطح پر، COVID-19 وبائی بیماری کے پھیلاؤ کو محدود کرنے کے لیے سخت اقدامات نافذ کیے گئے ہیں۔ ان اقدامات میں بار بار لاک ڈاؤن اور لوگوں اور سامان کی نقل و حرکت محدود کرنا شامل ہے۔ اس کے نتیجے میں، زراعت، پیداوار، مینوفیکچرنگ، اور خدمات کی صنعتیں نمایاں طور پر متاثر ہوئیں۔ اس وجہ سے بہت سی اشیاء کی قلت پیدا ہوئی اور ان کی قیمتیں تیزی سے بڑھ رہی ہیں۔ جون 2020 کے مقابلے میں، زیادہ تر اشیاء کی قیمتیں دو گنا ہو گئی ہیں۔ سال کے دوران کمپنی صنعت یکساں طور پر متاثر ہوئی۔

دنیا بھر میں کمپنیز کی کمی کی وجہ سے، پاکستان کی کیمیکل صنعت میں سپلائی کے چیلنجز موجود تھے۔ تاہم، حکومت پاکستان نے صنعت کی امداد کے لیے مختلف اقدامات متعارف کروائے۔ اس کے نتیجے میں، پاکستانی صنعت نے عالمی سطح پر عائد کردہ پابندیوں کے باوجود، پچھلے سال کے مقابلے میں بہت بہتر کارکردگی کا مظاہرہ کیا۔

نمر ریزنز لمیٹڈ نے موجودہ مالی سال کے دوران غیر معمولی کارکردگی کا مظاہرہ کیا ہے۔ ضروری خام مال کی دستیابی اور بڑھتی ہوئی طلب سے فائدہ اٹھاتے ہوئے، کمپنی نے اپنے آپریٹنگ کے تمام اہم کیمیکلز میں اضافہ کیا۔

کاروباری نتائج

روپے بلین	2020	2021
فروخت آمدنی	5,398	7,405
مجموعی منافع	506	794
آپریٹنگ منافع	394	652
ٹیکس سے قبل منافع	187	502
ٹیکس کے بعد منافع	127	359
فی شیئر آمدنی (روپے)	0.45	1.27

فروخت آمدنی
مجموعی منافع
آپریٹنگ منافع
ٹیکس سے قبل منافع
ٹیکس کے بعد منافع
فی شیئر آمدنی (روپے)

اپنی متنوع کاروباری لائن کی وجہ سے، نمر ریزنز لمیٹڈ نے اپنی مجموعی فروخت آمدنی میں غیر معمولی نمو ظاہر کی ہے، جو سال کے دوران 7 بلین روپے سے تجاوز کر گئی، سالانہ 37 فیصد کی شاندار نمو کی حامل ہے۔ یہ نمو کمپنی کی خاص منافع تک پہنچ چکی ہے، جو کہ پچھلے سال سے 2.8 گنا کا اضافہ ہے۔

مستقبل کا نقطہ نظر

جبکہ دنیا ابھی تک کوویڈ 19 سے لڑ رہی ہے، الحمد للہ، پاکستان انتظامی سطح پر اس کے پھیلاؤ پر قابو پانے میں کامیاب رہا ہے۔ حکومت نے بڑے پیمانے پر لاک ڈاؤن ختم کر دیا ہے اور زیادہ تر کاروباری سرگرمیاں معمول پر آگئی ہیں۔ سپلائی چین اور فیڈ اسٹاک چیلنجز اب بھی موجود ہیں، جو آئندہ سال میں کمپنی کے منافع کو متاثر کر سکتے ہیں۔

ان حقائق کے باوجود، انتظامیہ مالی سال 2022 کے دوران، بہترین ممکن نتائج پیدا کرنے اور اسٹیک ہولڈرز کی قدر بڑھانا جاری رکھنے کے لیے پرعزم ہے، انشاء اللہ۔ موجودہ سال بیلنس شیٹ کی تاریخ کے بعد، شیئرز کی تعداد کو نصف کر کے کمپنی کے حصص کی بنیادی قیمت 5 روپے سے بڑھا کر 10 روپے فی شیئر کر دی گئی ہے۔

کریڈٹ ریٹنگ

PACRA (پاکستان کریڈٹ ریٹنگ ایجنسی) نے کمپنی کی کریڈٹ ریٹنگ طویل مدتی A اور مختصر مدتی A2 برقرار رکھی ہے۔

Statement of Compliance with the Listed Companies

(Code of Corporate Governance) Regulations, 2019 FOR THE YEAR ENDED JUNE 30, 2021

Nimir Resins Limited (the “Company”) has complied the requirement of the Regulations in the following manner:

Note: The Board is reconstituted after the election in December 2019.

1. The total number of directors is 07 as detailed below:

- a. Male : 06
- b. Female : 01

2. The composition of the board is as follows:

S. No.	Category	Name
1	Independent Director	1. Mr. Pervaiz Ahmad Khan 2. Mrs. Nazia Qureshi
2	Executive Director	1. Mr. Zafar Mahmood - Chief Executive Officer
3	Non- Executive Director	1. Sheikh Amar Hameed - Chairman 2. Mr. Abdul Jalil Jamil 3. Mr. Muhammad Yahya Khan 4. Mr. Osman Hameed
4	Female Director	1. Mrs. Nazia Qureshi

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
- 7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.
- 8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
- 9. All the directors of the existing Board had successfully completed their training under Directors’ Training Program.
- 10. The board has approved appointment of CFO including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Company Secretary and Head of Internal Audit have remained unchanged during the year.
- 11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The Board has formed committees comprising of members given below:

I. Audit Committee:

- i. Mr. Pervaiz Amad Khan – Chairman
- ii. Mr. Abdul Jalil Jamil
- iii. Mr. Osman Hameed

II. HR and Remuneration Committee:

- i. Mrs. Nazia Qureshi – Chairperson
- ii. Sheikh Amar Hameed
- iii. Mr. Zafar Mahmood

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half-yearly/yearly) of the committees were as per following:

I. Audit Committee

Four quarterly meetings were held during the financial year ended June 30, 2021.

II. HR & Remuneration Committee

One meeting was held during the financial year ended June 30, 2021.

15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for noncompliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36, are below: Not Applicable.



Sheikh Amar Hameed
Chairman



Zafar Mahmood
Chief Executive Officer

Lahore
September 13, 2021

Independent Auditors' Review Report to the Members on Statement of Compliance with the CCG

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nimir Resins Limited ("the Company") for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
September 13, 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIMIR RESINS LTD. FOR THE YEAR ENDED JUNE 30, 2021

Opinion

We have audited the annexed financial statements of Nimir Resins Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the Company's affairs as at June 30, 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

S.No.	Key audit matters	How the matter was addressed in our audit
Recoverability of Trade Debts		
1.	<p>The trade debts of the Company as at June 30, 2021 are Rs. 1,415.49 million. IFRS 9 requires the entities to incorporate an allowance for the impairment of financial assets using Expected Credit Loss (ECL) approach. The Company has incorporated a provision of Rs. 51.05 million as expected credit loss against trade debts.</p> <p>We have considered this matter as a key audit matter as the determination of ECL requires significant judgment and assumptions including consideration of factors such as forward looking.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> Reviewed the procedures employed by the Company for the estimation of recoverability of trade debts and for the determination of required ECL. Reviewed the judgments, assumptions, historical credit loss and forward looking factors exercised by the management for the development of ECL model. Obtained ageing reports and, on sample basis, checked the correctness of these reports. Assessed the adequacy of ECL model by performing recalculation on sample basis. Assessed the adequacy of disclosures made in the financial statements according to the requirements of the International Financial Reporting Standards.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2021, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

FOR THE YEAR ENDED JUNE 30, 2021

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

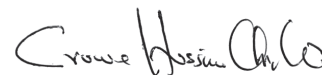
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Nasir Muneer.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
September 13, 2021

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 300,000,000 (2020: 300,000,000) Ordinary shares of Rs. 5 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up share capital	4	1,413,210,640	1,413,210,640
Share deposit money	5	11,391,005	11,391,005
Sponsors' interest free loans		107,000,000	107,000,000
Reserves	6	43,332,605	(321,055,880)
Surplus on revaluation of property, plant and equipment - net	7	494,832,110	501,575,832
		2,069,766,360	1,712,121,597
Non Current Liabilities			
Diminishing musharaka finance	8	208,924	1,653,414
Long term financing	9	90,253,745	21,096,259
Deferred income – Government grant	10	1,551,660	-
Lease liabilities	11	29,588,256	-
Post employment benefit obligations	12	24,146,520	16,395,841
Deferred tax liability	13	56,167,107	19,698,724
		201,916,212	58,844,238
Current Liabilities			
Trade and other payables	14	769,711,073	601,269,186
Unclaimed dividends		292,819	292,819
Accrued mark up		16,373,298	23,397,432
Short term borrowings	15	1,060,306,645	1,056,652,751
Current portion of diminishing musharaka finance	8	1,405,316	1,747,115
Current portion of long term financing	9	70,757,367	7,249,300
Current portion of deferred income – Government grant	10	1,830,144	-
Current portion of lease liabilities	11	4,624,278	-
Provision for taxation	16	106,348,448	67,616,275
		2,031,649,388	1,758,224,878
Contingencies and Commitments			
	17	-	-
Total Equity and Liabilities		4,303,331,960	3,529,190,713
ASSETS			
Non Current Assets			
Property, plant and equipment	18	1,100,275,494	983,942,611
Right-of-use assets	19	5,978,780	-
Intangible assets	20	-	331,736
Long term deposits	21	21,904,523	12,857,387
		1,128,158,797	997,131,734
Current Assets			
Stores and spares		20,442,937	15,484,713
Stock in trade	22	1,468,164,573	1,271,976,569
Trade debts	23	1,364,442,331	819,320,517
Loans and advances	24	36,198,775	40,486,704
Short term prepayments		1,385,397	894,777
Other receivables	25	1,409,000	1,309,000
Tax refunds due from the Government	26	255,372,152	368,134,107
Cash and bank balances	27	27,757,998	14,452,592
		3,175,173,163	2,532,058,979
		4,303,331,960	3,529,190,713

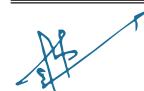
The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Revenue from Sales	28	7,404,990,718	5,298,206,112
Less:			
- Sales tax		(1,126,320,156)	(796,256,503)
- Commission		(967,561)	(2,844,897)
Net sales		6,277,703,001	4,499,104,712
Cost of sales	29	(5,483,668,485)	(3,993,379,722)
Gross Profit		794,034,516	505,724,990
Distribution cost	30	(73,812,505)	(56,994,912)
Administrative expenses	31	(67,889,549)	(54,704,812)
		(141,702,054)	(111,699,724)
Operating Profit		652,332,462	394,025,266
Other operating expenses	32	(53,434,423)	(36,061,190)
Finance cost	33	(112,700,527)	(185,128,264)
Other income	34	16,021,190	14,203,919
Profit before Taxation		502,218,702	187,039,731
Income tax expense	35		
Current tax		(106,553,626)	(73,709,509)
Deferred tax		(36,918,443)	13,884,779
		(143,472,069)	(59,824,730)
Net Profit for the Year		358,746,633	127,215,001
Earnings per Share - Basic and Diluted	36	1.27	0.45

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Net Profit for the Year	358,746,633	127,215,001
Other comprehensive income		
Items that will not be re-classified subsequently to profit or loss		
Surplus arising on revaluation of property, plant and equipment	-	456,190,205
Related deferred tax impact	-	(37,092,364)
Re-measurement of post employment benefits	(1,551,930)	(89,450)
Related deferred tax impact	450,060	25,940
Items that may be re-classified subsequently to profit or loss	-	-
Other comprehensive (loss)/income for the year	(1,101,870)	419,034,331
Total Comprehensive Income for the Year	<u>357,644,763</u>	<u>546,249,332</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Share Capital	Share Deposit Money	Sponsors' Interest Free Loan	Capital Reserves	Revenue Reserves	Surplus on Revaluation of Property, Plant and Equipment	Total
				Share Premium Reserve	Unappropriated (Loss) / Profit		
Rupees							
Balance as at June 30, 2019	1,413,210,640	11,391,005	107,000,000	1,281,303	(451,368,034)	84,357,351	1,165,872,265
Net profit for the year	-	-	-	-	127,215,001	-	127,215,001
Other comprehensive income for the year	-	-	-	-	(63,510)	419,097,841	419,034,331
Total comprehensive income for the year	-	-	-	-	127,151,491	419,097,841	546,249,332
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	1,879,360	(1,879,360)	-
Balance as at June 30, 2020	1,413,210,640	11,391,005	107,000,000	1,281,303	(322,337,183)	501,575,832	1,712,121,597
Net profit for the year	-	-	-	-	358,746,633	-	358,746,633
Other comprehensive loss for the year	-	-	-	-	(1,101,870)	-	(1,101,870)
Total comprehensive income for the year	-	-	-	-	357,644,763	-	357,644,763
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	6,743,722	(6,743,722)	-
Balance as at June 30, 2021	1,413,210,640	11,391,005	107,000,000	1,281,303	42,051,302	494,832,110	2,069,766,360

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	37	186,207,693	618,750,155
Finance cost paid		(117,831,035)	(194,702,910)
Income tax paid		(24,099,723)	(11,801,083)
Gratuity paid		(2,087,717)	(2,626,041)
Workers' welfare fund paid		(4,289,416)	(3,343,953)
Workers' (profit) participation fund paid		(10,082,784)	(8,795,980)
		(158,390,675)	(221,269,967)
Net Cash Generated from Operating Activities		27,817,018	397,480,188
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(11,815,778)	(8,167,959)
Proceeds from disposal of property, plant and equipment		124,999	750,000
Capital work in progress - property, plant and equipment		(131,045,891)	(38,516,059)
Long term deposits		(9,047,136)	(3,521,694)
Short term investments encashed		-	46,700,000
Net Cash Used in Investing Activities		(151,783,806)	(2,755,712)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		176,139,941	26,242,109
Long term financing repaid		(40,092,584)	(682,200)
Diminishing musharaka finance		(1,786,289)	(1,427,548)
Lease liabilities		(642,768)	-
Short term borrowings - net		3,653,894	(428,176,104)
Net Cash Generated / (Used in) from Financing Activities	38	137,272,194	(404,043,743)
Net Increase / (Decrease) in Cash and Cash Equivalents		13,305,406	(9,319,267)
Cash and cash equivalents at the beginning of the year		14,452,592	23,771,859
Cash and Cash Equivalents at the End of the Year		27,757,998	14,452,592

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1 The Company and its Operations

- 1.1** Nimir Resins Limited (the Company) was initially incorporated in Pakistan on December 17, 1964 as a private limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017). It 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 01, 2010 when the Company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Subsequent to a change of management, the Board of Directors was reconstituted on January 05, 2016 and the name of the Company was changed to Nimir Resins Limited. The change was made effective on April 18, 2016.
- 1.2** The Company is a subsidiary of Nimir Management (Private) Limited whereas Nimir Industrial Chemicals Limited is the ultimate parent company of Nimir Resins Limited.
- 1.3** "The principal activity of the Company is to manufacture coating resins, composite resins (UPR), optical brightener, textile auxiliaries and paper surface sizing agents."
- 1.4** The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its registered office is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore.

Corporate office of the Company is located at 14.5 KM, Lahore-Sheikhupura Road, Lahore while the production plants of the Company are located at 14.5 KM, Lahore-Sheikhupura Road, Lahore and 14.8 KM, Sheikhupura Faisalabad Road, Sheikhupura.

2 Basis of Preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Lease liabilities	Note 11	(stated at Present value)
Post employment benefit obligations	Note 12	(stated at Present value)
Certain property, plant and equipment	Note 18	(stated at Revalued / Fair value)

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These estimates and related assumptions are reviewed on an on-going basis. Significant management estimates in these financial statements are relating to the useful lives and residual values of property, plant and equipment; provision for doubtful receivables; post employment provisions for defined benefit plans; slow moving and obsolete inventory; recovery of trade debts and taxation.

The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statements of the Company for the year ended June 30, 2021 are consistent with previous year's unless otherwise stated.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards, as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard:

Standard or Interpretation	Effective Date (Period beginning on or after)
IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2022 & January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2023
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2022
IAS 12 Income Taxes [Amendments]	January 1, 2023
Annual improvements to IFRS Standards 2018-2020	January 1, 2023

The Company will assess the impacts of these changes in the period of initial application once such changes become effective for the Company.

3 Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any, except freehold land and building on freehold land. Land is stated at revalued amount while building on freehold land is stated at revalued amount less accumulated depreciation and impairment loss if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing assets to their working condition.

Depreciation is charged to statement of profit or loss account using straight line method at the rates specified in Note 18. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on assets disposed off during the month.

Freehold land and buildings on freehold land are revalued every three years. Latest revaluation of land and buildings was carried out by an independent valuer as at April 02, 2020. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Any revaluation increase arising on the revaluation of land and buildings on freehold land is recognised in other

comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss account, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building on freehold land is charged to profit or loss account to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset.

Each year the incremental depreciation, i.e. the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property, plant and equipment to retained earnings. All transfers from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment is impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economics benefit associated with the item will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year's income.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

3.2 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Company as a lessee

Recognition and measurement

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account.

Right-of-use asset

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease

payments made at or before the commencement date, plus any initial direct costs incurred.

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

3.3 Intangible asset

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible asset. However, costs associated with the maintenance of software are recognized as an expense.

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant. ERP software is being amortized over 5 years.

3.4 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

3.5 Stores and spares

These are valued at lower of moving average cost and net realizable value; whilst items considered obsolete are written off. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.6 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw and packing materials	- Moving average cost
Materials in transit	- Invoice value plus incidental charges
Work in process	- Estimated manufacturing cost
Finished goods	- Average manufacturing cost

Manufacturing cost in relation to work in process and finished goods comprises cost of materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprises cash in hand and cash at banks in current and savings accounts.

3.8 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.9 Post employment benefits

Defined benefits plan

The Company operates an approved, funded defined benefit plan for all of its permanent employees. Under this plan, gratuity is paid to the retiring employees on the basis of their last drawn gross salary for each completed year of service.

Actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions for the defined benefits plan are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the statement of profit or loss account.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.10 Income tax expense

Income tax expense for the year comprises current and deferred tax and is recognized in the statement of profit or loss account except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred

Deferred tax is recognized using the balance sheet method on all temporary differences between the carrying amount of assets, liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset

is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified for subsequent enactments at the reporting date.

3.11 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

3.12 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to profit or loss account in the period in which they are incurred.

3.14 Foreign currency transactions and translations

Transactions denominated in foreign currencies are initially recorded in Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the reporting date. Exchange differences are included in statement of profit or loss account.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities measured at fair value through OCI are recognised in other comprehensive income.

3.15 Related party transactions

Transactions in relation to sales, purchases and services to / from related parties are made at arm's length prices determined in accordance with the Company's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis.

3.16 Revenue recognition

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

- i) Identify the contract with a customer.
- ii) Identify the performance obligation in the contract.
- iii) Determine the transaction price of the contract.
- iv) Allocate the transaction price to each of the separate performance obligations in the contract.
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised at a point in time when control of the goods is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

3.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and another entity.

3.17.1 Financial asset

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

Initial recognition and measurement

All financial assets are initially measured at cost plus transaction costs that are directly attributable to its acquisition except for trade receivables. Trade receivables are initially measured at the transaction price.

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss account.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the profit or loss account.

Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the other comprehensive income.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss account.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.17.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss account. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss account when the liabilities are derecognized.

3.17.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (the Chief Executive Officer of the Company) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities.

3.19 Dividend

Dividends are recognized as a liability in the period in which these are approved.

3.20 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is then initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

4 Issued, Subscribed and Paid up Share Capital

2021		2020		2021	2020
No. of Shares				Rupees	Rupees
100,825,648	100,825,648	Ordinary shares of Rs. 5 each fully paid in cash		504,128,240	504,128,240
33,550,588	33,550,588	Ordinary shares of Rs. 5 each issued at 60% discount		167,752,940	167,752,940
2,699,247	2,699,247	Ordinary shares of Rs. 5 each issued for consideration other than cash - land		13,496,235	13,496,235
9,142,867	9,142,867	Ordinary shares of Rs. 5 each issued as fully paid bonus shares		45,714,335	45,714,335
143,689,875	143,689,875	Ordinary shares of Rs. 5 each issued pursuant to the scheme of amalgamation		718,449,375	718,449,375
(7,266,097)	(7,266,097)	Ordinary shares of Rs. 5 each cancelled pursuant to the scheme of amalgamation		(36,330,485)	(36,330,485)
<u>282,642,128</u>	<u>282,642,128</u>			<u>1,413,210,640</u>	<u>1,413,210,640</u>

4.1 The Company has not issued / cancelled any shares during the year.

4.2 As at the reporting date, the shares of the Company as held by its holding company and associated companies are as under:

	% of Shareholding	2021	2020
		Number of shares	
Nimir Management (Private) Limited	51%	144,147,485	144,147,485
Nimir Industrial Chemicals Limited	11.63%	32,876,612	32,876,612
Terranova (Private) Limited	5.00%	12,892,775	12,892,775
		<u>189,916,872</u>	<u>189,916,872</u>

4.3 Vide Extra Ordinary General Meeting of the Company held on June 10, 2021, the shareholders have resolved to increase the par value of the shares from Rs. 5 each to Rs. 10 each, by way of consolidating / aggregating the face value of shares and thereby reducing the number of shares to half under Section 85 of the Companies Act 2017.

5 Share Deposit Money

This represents the excess subscription money received from directors and related parties for issuance of right shares.



6 Reserves

	2021 Rupees	2020 Rupees
Capital reserves		
Share premium reserve	1,281,303	1,281,303
Revenue reserves		
Unappropriated profit / (loss)	42,051,302	(322,337,183)
	<u>43,332,605</u>	<u>(321,055,880)</u>

7 Surplus on Revaluation of Property Plant and Equipment - net

	2021 Rupees	2020 Rupees
Land - freehold		
Opening balance	408,355,203	80,069,703
Add: Surplus on revaluation arisen during the year	-	328,285,500
	408,355,203	408,355,203
Buildings on freehold land		
Opening balance	93,220,629	4,287,648
Add: Surplus on revaluation arisen during the year	-	127,904,705
Less: Related deferred taxation	-	(37,092,364)
	93,220,629	95,099,989
Transferred to retained earnings in respect of net incremental depreciation - net of deferred tax	(6,743,722)	(1,879,360)
Closing balance - net of tax	<u>494,832,110</u>	<u>501,575,832</u>

7.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders.

8 Diminishing Musharaka Finance

	2021 Rupees	2020 Rupees
Diminishing musharaka finance	1,614,240	3,400,529
Less: Current portion	(1,405,316)	(1,747,115)
	<u>208,924</u>	<u>1,653,414</u>

8.1 The Company acquired certain vehicles under the diminishing musharaka financing arrangements from First Punjab Modaraba, for a period of 60 months from December 2016. The financing is secured against specific charge on this asset to the extent of outstanding balance of diminishing musharaka. The effective rate is three months KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (2020: 8.55% - 8.66%).

9 Long Term Financing

	Note	2021 Rupees	2020 Rupees
Soneri Bank Limited	9.1	1,534,950	2,103,450
The Bank of Punjab	9.2	78,571,430	-
Bank Alfalah Limited	9.3	45,000,000	-
Refinance for salaries - The Bank of Punjab	9.4	39,286,536	26,242,109
Less: deferred income - Government grant		(3,381,804)	-
		35,904,732	-
		161,011,112	28,345,559
Less: current portion of loans		(70,757,367)	(7,249,300)
		<u>90,253,745</u>	<u>21,096,259</u>

9.1 The Company had obtained a loan of Rs. 3.411 million from Soneri Bank Limited for purchase of a vehicle. This loan is repayable in 60 equal monthly installments starting from August 01, 2018. Markup is charged at the rate of three months the KIBOR plus 1.5% p.a payable monthly in arrears. The vehicle is comprehensively insured in bank's favour.

9.2 During the year, the Company obtained a loan of Rs. 100 million from The Bank of Punjab for procurement, installation and augmentation of new and existing machinery, equipment related auxiliaries and civil works. This loan is repayable in 14 equal quarterly instalments starting from September 30, 2020. Mark-up is charged @ 3 months KIBOR plus 1.5%. This facility is secured against exclusive charge registered with SECP over property, plant & equipment of the Company amounting to Rs 134 million.

9.3 During the year, the Company has obtained a loan of Rs. 50 million from Bank Alfalah Limited for Solar Energy system of 450KW. This loan is repayable in 20 equal quarterly installments starting from March 31, 2021. Markup is charged at SBP rate plus 2% p.a payable quarterly in arrears. This loan is secured against first pari passu charge of Rs. 67 million over property, plant & equipment of the Company.

9.4 During the year, the Company has obtained a loan of Rs. 26.139 million (2020: Rs. 26.242 million) from The Bank of Punjab for disbursement of salaries of employees under the State Bank of Pakistan Refinance Scheme. This loan is repayable in 8 equal quarterly installments starting from January 01, 2021. Markup is charged at the rate of SBP rate plus 1% - 1.5% p.a payable quarterly in arrears. This facility is secured against exclusive charge of Rs 70.06 million over property, plant & equipment of the Company registered with SECP.

10 Deferred Income – Government Grant

	Note	2021 Rupees	2020 Rupees
Deferred income - Government grant	9.4 & 10.1	3,381,804	-
Less: current portion		(1,830,144)	-
		<u>1,551,660</u>	<u>-</u>

10.1 The Company has recorded deferred income for government grants in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" for the treatment of loan received under Refinance Scheme for Payment of Wages and Salaries that offers a lessor market rate of interest. The standard treats any benefit of a government loan at a below-market rate of interest as a government grant. The loan is initially recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The Company is treating it as per income approach thus grant's benefit shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes the related expense.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

11 Lease Liabilities

	2021	2020
	Rupees	Rupees
Opening balance	-	-
Add: Additions during the year	34,667,000	-
Add: Interest expense	188,571	-
Less: Payments made	(642,768)	-
Gross liability	34,212,534	-
Less: Current portion	(4,624,278)	-
Closing balance	29,588,256	-

11.1 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

			2021	2020
	Included in	Note	Rupees	Rupees
Carrying amount of ROU assets	Statement of financial position	19	5,978,780	-
Depreciation charge	Administrative expenses	29	113,502	-
Depreciation charge	Distribution cost	30	263,093	-
Interest expense	Finance cost	31	188,571	-

11.2 Maturity analysis of contractually undiscounted cash flows

At June 30, 2021	Within One Year	Between One to Five Years	Later than Five Years
	Rupees	Rupees	Rupees
	6,912,504	33,940,681	-

11.3 Nature of leasing activities

11.3.1 The Company acquired vehicles from different banks under the Finance lease arrangements, for a period of 60 months. Present value of minimum lease payments has been discounted using interest rate ranging from 3 months to 1 year KIBOR +1% to 2% (to be revised annually). Rentals are paid in equal monthly instalments. Taxes, repairs and insurance costs are borne by the Company. In case of earlier termination, the Company will be required to pay entire principal portion of the rentals for unexpired period of lease agreement. These vehicles are registered exclusively in the name of respective banks.

11.3.2 There are no variable lease payments in the lease contracts. There are no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

12 Post Employment Benefit Obligations

	2021	2020
	Rupees	Rupees
Post employment benefit obligations	24,146,520	16,395,841

12.1 As stated in note 3.9, the Company operates an approved funded gratuity scheme for its permanent employees. Actuarial valuation of the scheme is carried out annually by an independent actuary and the latest actuarial valuation was carried out as of June 30, 2021.

12.2 On the basis of the information included in the latest actuarial report, the actuarial valuation of the scheme has resulted in post employment benefit obligations in current year as presented in the following notes:

12.3 Actuarial assumptions

	2021	2020
Discount rate (per annum)	10.00%	9.00%
Expected rate of salary increase in future years	9.00%	8.00%
Average duration of liability	9.4 years	9.6 years
Actuarial valuation method	Projected Unit Credit Method	
Mortality rate	SLIC (2001-2005) Mortality Table	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

12.4 Reconciliation of the funded status

	Note	2021 Rupees	2020 Rupees
Present value of defined benefit obligations	12.4.1	35,208,974	26,506,113
Fair value of plan assets	12.4.2	(11,062,454)	(10,110,272)
	12.4.3	<u>24,146,520</u>	<u>16,395,841</u>
12.4.1 Movement in present value of defined benefit obligations			
Opening balance		26,506,113	20,779,813
Current service cost for the year		6,904,787	6,702,752
Interest on defined benefit liability		2,291,603	2,579,350
Benefits paid		(2,087,717)	(2,626,041)
Actuarial gains / (losses)		1,594,188	(929,761)
Closing balance		<u>35,208,974</u>	<u>26,506,113</u>
12.4.2 Movement in fair value of plan assets			
Opening balance		10,110,272	9,827,358
Total contribution made during the year		2,087,717	2,626,041
Interest income for the year		909,924	1,302,125
Benefits paid		(2,087,717)	(2,626,041)
Return / (deficit) on plan assets excluding interest income		42,258	(1,019,211)
Closing balance	12.4.5	<u>11,062,454</u>	<u>10,110,272</u>
12.4.3 Company's liability			
Opening balance of net defined benefit obligations		16,395,841	10,952,455
Expense chargeable to profit or loss	12.4.6	8,286,466	7,979,977
Remeasurements chargeable in other comprehensive income	12.4.4	1,551,930	89,450
Contribution paid during the year		(2,087,717)	(2,626,041)
Closing balance - net defined benefit liability		<u>24,146,520</u>	<u>16,395,841</u>
12.4.4 Remeasurements chargeable in other comprehensive income			
Actuarial (gain)/loss due to experience adjustments		1,594,188	(929,761)
Return on plan assets		(42,258)	1,019,211
		<u>1,551,930</u>	<u>89,450</u>
12.4.5 Composition of plan assets			
Investment in treasury bills		4,130,089	7,148,434
Investment in listed securities		6,732,352	1,871,160
Cash at bank		200,013	1,090,678
		<u>11,062,454</u>	<u>10,110,272</u>
12.4.6 Charge for the year			
Current service cost		6,904,787	6,702,752
Interest on defined benefit liability		2,291,603	2,579,350
Interest income for the year		(909,924)	(1,302,125)
		<u>8,286,466</u>	<u>7,979,977</u>
12.5 Estimated Charge for the year 2021-2022			2022 Rupees
Current service cost			7,349,155
Interest on defined benefit liability			3,520,897
Interest income for the year			(1,106,245)
			<u>9,763,807</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

12.6 Year end sensitivity analysis on defined benefit obligations

Reasonably possible changes as at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in defined benefit obligations as stated below:

	2021
	Rupees
Discount rate + 100 bps	32,065,058
Discount rate - 100 bps	38,661,102
Salary increase + 100 bps	38,661,582
Salary increase - 100 bps	32,065,089

12.7 Comparison of last five years

	2021	2020	2019	2018	2017
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligations	35,208,974	26,506,113	20,779,813	15,031,194	9,319,363
Fair value of plan assets	<u>(11,062,454)</u>	<u>(10,110,272)</u>	<u>(9,827,358)</u>	<u>(7,413,641)</u>	<u>(10,494,362)</u>
Retirement benefit liability / (asset)	<u>24,146,520</u>	<u>16,395,841</u>	<u>10,952,455</u>	<u>7,617,553</u>	<u>(1,174,999)</u>

13 Deferred Tax Liability

	2021	2020
	Rupees	Rupees
Taxable temporary differences		
- Accelerated tax depreciation	48,521,230	47,599,129
- Surplus on revaluation of property, plant and equipment	35,321,554	38,076,032
	83,842,784	85,675,161
Deductible temporary differences		
- Provisions and others	(27,675,677)	(47,586,891)
- Minimum tax	-	(18,389,546)
	56,167,107	19,698,724
13.1 Reconciliation of deferred tax liabilities / (assets), net		
Opening balance	19,698,724	(3,482,921)
Deferred tax expense / (income) during the year recognised in profit or loss	36,918,443	(13,884,779)
Deferred tax expense / (income) during the year recognised in other comprehensive income	(450,060)	37,066,424
Closing balance	<u>56,167,107</u>	<u>19,698,724</u>

13.2 Deferred tax assets / liabilities on temporary differences are measured at notified tax rate of 29%.

13.3 The Company has not adjusted the tax rate for exclusion of export related income since export sales constitute an insignificant portion of overall turnover of the Company.

14 Trade and Other Payables

		2021	2020
	Note	Rupees	Rupees
Creditors:			
- Unsecured	14.1	258,000,600	172,365,980
- Secured	14.2	392,004,767	350,872,162
		650,005,367	523,238,142
Accrued liabilities		73,920,817	48,281,397
Contract liabilities		7,358,102	14,752,067
Workers' (profit) participation fund	14.3	27,000,798	10,082,577
Workers' welfare fund	14.4	11,425,989	4,915,003
		<u>769,711,073</u>	<u>601,269,186</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

14.1 This includes Rs. 12,255,750 (2020: Rs. 16,146,000) payable to Nimir Industrial Chemicals Limited on account of purchase of raw materials.

14.2 These are secured against letter of credit issued by several banks on the behalf of the Company for import of raw materials.

	2021 Rupees	2020 Rupees
14.3 Opening balance	10,082,577	8,795,773
Add: Provision for the year	27,001,005	10,082,784
Less: Payments made during the year	(10,082,784)	(8,795,980)
Closing balance	<u>27,000,798</u>	<u>10,082,577</u>
14.4 Opening balance	4,915,003	3,725,796
Add: Provision for the year	10,800,402	4,533,160
Less: Payments made during the year	(4,289,416)	(3,343,953)
Closing balance	<u>11,425,989</u>	<u>4,915,003</u>
15 Short Term Borrowings		
Banking companies - Secured		
Running finance	302,034,751	393,338,021
Borrowings / finance against trust receipts	758,271,894	663,314,730
	<u>1,060,306,645</u>	<u>1,056,652,751</u>

15.1 Terms and conditions of borrowings

Purpose

The Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 3,562 million (2020: Rs. 3,140 million) including running finance facilities amounting to Rs. 847 million (2020: Rs. 900 million), to meet working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables and loan against trust receipts etc.

Markup

Mark-up on short term borrowings is charged using 1 to 6 Months KIBOR+ spread of up to 1.25% (2020: 1 to 6 Months KIBOR+ spread of up to 1.25%) per annum. Mark up is payable on monthly / quarterly basis in arrears or at the time of adjustment of liability whichever is earlier. Furthermore, some limits carry commission against foreign and local LCs at 0.05% to 0.10% (2020: 0.05% to 0.10%) per quarter.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Company and lien over title of imported goods.

16 Provision for Taxation

	2021 Rupees	2020 Rupees
Opening balance	67,616,275	59,114,825
Add: Charge for the year	106,348,448	67,616,275
	173,964,723	126,731,100
Less: Payment / adjustments	(67,616,275)	(59,114,825)
	<u>106,348,448</u>	<u>67,616,275</u>

16.1 The provision for current year tax represents corporate tax at rate of 29%. (2020: minimum tax on revenue @ 1.5%)

16.2 Income tax assessments are deemed finalized up to the Tax Year 2020 as tax returns were filed under the self assessment scheme.

17 Contingencies and Commitments

17.1 Contingencies

There are no material contingencies outstanding as at the reporting date.

17.2 Guarantees

The Company is liable for Bank guarantees arranged from different banks amounting Rs. 14.09 million (2020: Rs. 13.09 million) that have been issued in favour of the following:

	Note	2021 Rupees	2020 Rupees
Sui Northern Gas Pipelines Limited		3,090,000	3,090,000
Pakistan State Oil Company Limited		3,000,000	3,000,000
Total Parco Pakistan Limited		8,000,000	7,000,000
		<u>14,090,000</u>	<u>13,090,000</u>
17.3 Commitments			
Letters of credit		463,628,922	391,732,112
18 Property, Plant and Equipment			
Operating fixed assets	18.1	967,940,478	940,280,986
Capital work in progress	18.8	132,335,016	43,661,625
		<u>1,100,275,494</u>	<u>983,942,611</u>

18.1 Operating fixed assets

Year Ended June 30, 2021

Description	Freehold Land	Buildings on Freehold Land	Plant and Machinery	Office Equipment, Furniture and Fixtures	IT Equipment	Laboratory Equipment	Vehicles and Carriers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost/Revalued Amount								
Balance as at July 01, 2020	550,400,000	220,034,489	600,840,890	9,408,531	22,645,899	27,669,857	22,426,562	1,453,426,228
Additions	-	18,545,544	57,517,301	1,634,126	2,476,163	35,000	2,291,500	82,499,634
Disposals during the year	-	-	-	-	-	-	(170,200)	(170,200)
Balance as at June 30, 2021	<u>550,400,000</u>	<u>238,580,033</u>	<u>658,358,191</u>	<u>11,042,657</u>	<u>25,122,062</u>	<u>27,704,857</u>	<u>24,547,862</u>	<u>1,535,755,662</u>
Accumulated depreciation								
Balance as at July 01, 2020	-	4,926,485	450,091,155	7,054,016	21,540,827	16,670,853	12,861,906	513,145,242
Charge for the year	-	20,059,990	25,879,494	1,560,351	949,579	2,288,194	3,994,834	54,732,442
Disposals during the year	-	-	-	-	-	-	(62,500)	(62,500)
Balance as at June 30, 2021	-	<u>24,986,475</u>	<u>475,970,649</u>	<u>8,614,367</u>	<u>22,490,406</u>	<u>18,959,047</u>	<u>16,794,240</u>	<u>567,815,184</u>
Balance as at June 30, 2021	550,400,000	213,593,558	182,387,542	2,428,290	2,631,656	8,745,810	7,753,622	967,940,478
Depreciation rates	-	7% to 10%	7% to 33%	20% to 50%	20% to 50%	13% to 50%	20%	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Year Ended June 30, 2020

Description	Freehold Land	Buildings on Freehold Land	Plant and Machinery	Office Equipment, Furniture and Fixtures	IT Equipment	Laboratory Equipment	Vehicles and Carriers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost/Revalued Amount								
Balance as at July 01, 2019	222,114,500	111,964,066	593,750,559	9,508,782	21,868,278	19,562,546	23,487,562	1,002,256,293
Additions	-	2,261,070	7,090,331	446,220	777,621	8,107,311	202,000	18,884,553
Disposals during the year	-	-	-	(546,471)	-	-	(1,263,000)	(1,809,471)
Revaluation adjustment	-	(22,095,352)	-	-	-	-	-	(22,095,352)
Revaluation surplus	328,285,500	127,904,705	-	-	-	-	-	456,190,205
Balance as at June 30, 2020	550,400,000	220,034,489	600,840,890	9,408,531	22,645,899	27,669,857	22,426,562	1,453,426,228
Accumulated depreciation								
Balance as at July 01, 2019	-	15,921,795	427,607,882	5,684,216	20,437,024	14,324,805	10,419,384	494,395,106
Charge for the year	-	11,100,042	22,483,273	1,916,271	1,103,803	2,346,048	3,705,522	42,654,959
Disposals during the year	-	-	-	(546,471)	-	-	(1,263,000)	(1,809,471)
Revaluation adjustment	-	(22,095,352)	-	-	-	-	-	(22,095,352)
Balance as at June 30, 2020	-	4,926,485	450,091,155	7,054,016	21,540,827	16,670,853	12,861,906	513,145,242
Balance as at June 30, 2020	550,400,000	215,108,004	150,749,735	2,354,515	1,105,072	10,999,004	9,564,656	940,280,986
Depreciation rates	-	7% to 10%	7% to 33%	20% to 50%	20% to 50%	13% to 50%	20%	

18.2 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
14.5 Km Lahore Sheikhpura Road	Production and warehouse	476,111	192,698
14.8 km Sheikhpura Faisalabad Road	Warehouse	375,435	76,589

18.3 Apportionment of depreciation charge for the year

	Note	2021 Rupees	2020 Rupees
Depreciation charge for the year has been apportioned as follows:			
Cost of sales	29	52,557,718	40,353,823
Distribution cost	30	1,284,726	1,285,384
Administrative expenses	31	889,999	1,015,752
		<u>54,732,442</u>	<u>42,654,959</u>

18.4 As per the valuation report of independent valuer as of April 02, 2020, the forced sales value of freehold land and building was Rs. 467,840,000 and Rs. 187,029,315 respectively. The management believes that these values approximate to the values as on June 30, 2021.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

18.5 Cost, accumulated depreciation and book value of revalued assets

Latest revaluation of land and buildings was carried out by an independent valuer as at April 02, 2020. Had there been no revaluation, the cost, accumulated depreciation and book values of revalued assets would have been as follows:

	Cost	As at June 30, 2021 Accumulated depreciation	Written Down Value
	Rupees	Rupees	Rupees
Freehold land	142,044,797	-	142,044,797
Factory buildings on freehold land	190,969,996	(99,174,899)	91,795,097
	<u>333,014,793</u>	<u>(99,174,899)</u>	<u>233,839,894</u>

18.6 The following methods and assumptions were used to estimate the fair values:

The significant inputs used in the fair value measurements categorized within Level 2 of the fair value hierarchy, together with a quantitative sensitivity analysis are as shown below:

Description	Valuation Technique	Significant Observable Inputs	Quantitative Date / Range (weighted average)
Land and building	Sales value comparison approach	Market enquiries and survey as per kanal/marla for land rates and per square foot rates for building	Nil

There are no movement between level 1, level 2 and level 3 assets.

18.7 As mentioned in Note 9, long term financing of the Company are secured by way exclusive charge amounting to Rs. 271 million over fixed assets of the Company.

18.8 Capital Work in Progress

	Land		Plant and Machinery		Vehicles		Total	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
- Opening balance	-	-	43,661,625	15,862,160	-	-	43,661,625	15,862,160
- Additions during the year	2,781,000	-	127,286,247	38,516,059	29,290,000	-	159,357,247	38,516,059
	2,781,000	-	170,947,872	54,378,219	29,290,000	-	203,018,872	54,378,219
- Transferred to fixed assets	-	-	(70,683,856)	(10,716,594)	-	-	(70,683,856)	(10,716,594)
	2,781,000	-	100,264,016	43,661,625	29,290,000	-	132,335,016	43,661,625

18.9 Property, plant and equipment contains fully depreciated assets, having cost of Rs. 76.320 million (2020: Rs. 44.903 million) that are still in use as at the reporting date.

18.10 Owned vehicles include vehicles having cost of Rs. 9.095 million (2020: Rs. 9.095 million) which have been obtained through Diminishing Musharaka Financing (Note 8).

18.11 Additions to capital work in process for vehicles represent the cost of vehicles booked with car manufacturers which have been paid under leasing arrangements. Such cars have not been delivered to the Company as on the reporting dates.

19 Right-of-Use Assets

	Note	2021 Rupees	2020 Rupees
Motor Vehicles			
Opening balance		-	-
Add: Additions during the year		6,355,375	-
		6,355,375	-
Less: Depreciation charge for the year		(376,595)	-
Closing balance		5,978,780	-
Lease Term (Years)		5	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

19.1 Apportionment of depreciation charge for the year

	Note	2021 Rupees	2020 Rupees
Administrative expenses	31	113,502	-
Distribution cost	30	263,093	-
		<u>376,595</u>	<u>-</u>

19.2 The Company has lease contracts for purchase of motor vehicles having lease term of 5 years. The Company's obligations under its leases are secured by the lessor's title to the motor vehicles.

20 Intangible Assets

	Note	2021 Rupees	2020 Rupees
Net carrying value			
Net carrying value - opening balance		331,736	663,473
Additions during the year		-	-
		<u>331,736</u>	<u>663,473</u>
Amortization during the year	20.2	(331,736)	(331,737)
Net carrying value as at June 30,		<u>-</u>	<u>331,736</u>
Gross Carrying Value			
Cost		1,658,684	1,658,684
Accumulated amortization		(1,658,684)	(1,326,948)
Net book value		<u>-</u>	<u>331,736</u>
Amortization rate		<u>20%</u>	<u>20%</u>

20.1 Intangible assets represent the cost of ERP software.

20.2 Amortization charge for the year has been allocated to administrative expenses (Note 31).

21 Long Term Deposits

	Note	2021 Rupees	2020 Rupees
Deposits with:			
- Utility companies		12,871,123	10,757,387
- Others		9,033,400	2,100,000
		<u>21,904,523</u>	<u>12,857,387</u>

22 Stock in Trade

Raw and packing materials		1,083,532,327	798,691,550
Raw materials in transit		235,122,506	177,591,015
Finished goods		170,800,288	311,476,252
		<u>1,489,455,121</u>	<u>1,287,758,817</u>
Less: Provision for obsolescence of stock	22.1	(21,290,548)	(15,782,248)
		<u>1,468,164,573</u>	<u>1,271,976,569</u>

22.1 Provision for obsolescence of stock

	Note	2021 Rupees	2020 Rupees
Opening balance		15,782,248	27,185,268
Provision for the year		5,508,300	-
		<u>21,290,548</u>	<u>27,185,268</u>
Less: Obsolete stocks written off		-	(11,403,020)
		<u>21,290,548</u>	<u>15,782,248</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

22.2 As mentioned in Note 15, short term borrowings of the Company are secured by way of hypothecation charge on present and future current assets of the Company (including stock in trade).

23 Trade Debts

	Note	2021 Rupees	2020 Rupees
Local - Unsecured			
Considered good			
- Local sales		1,354,554,485	819,320,517
- Export sales		9,887,846	-
Considered doubtful		51,052,544	131,158,111
		1,415,494,875	950,478,628
Less: Allowance for expected credit losses	23.2	(51,052,544)	(131,158,111)
		<u>1,364,442,331</u>	<u>819,320,517</u>

23.1 Details of trade receivables from export sales

Jurisdiction	Export sales during the year Rupees	Gross trade receivables at the year end			Default Amount Rupees
		Confirmed LC Rupees	Contract Rupees	Total Rupees	
United Arab Emirates	9,887,846	-	9,887,846	9,887,846	-

23.2 Allowance for expected credit losses

	2021 Rupees	2020 Rupees
Opening balance	131,158,111	122,222,716
Charge for the year	10,124,716	9,681,948
	141,282,827	131,904,664
Less: Bad debts written off	(90,230,283)	(746,553)
	<u>51,052,544</u>	<u>131,158,111</u>

23.3 Aging of outstanding balance of trade receivables is as under:

	2021			2020		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1-30 days	8,701,150	586,334,648	595,035,798	5,773,947	367,215,881	372,989,828
31-60 days	1,747,857	328,856,308	330,604,165	-	109,054,382	109,054,382
61-120 days	-	319,101,504	319,101,504	-	179,760,231	179,760,231
More than 120 days	-	130,098,150	119,700,864	-	157,516,076	157,516,076
	<u>10,449,007</u>	<u>1,364,390,610</u>	<u>1,364,442,331</u>	<u>5,773,947</u>	<u>813,546,570</u>	<u>819,320,517</u>

23.4 Trade debts include an amount of Rs. 10,449,007 due from related party (2020: Rs. 5,773,947) as at June 30, 2021.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

23.5 Aging of outstanding balance of related party, is as under:

Related party	2021			2020		
	1 to 30 days	31 to 180 days	Total	1 to 30 days	31 to 180 days	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Nimir Industrial Chemicals Limited	212,850	108,857	321,707	5,773,947	-	5,773,947
Nimir Chemcoats Limited	8,488,300	1,639,000	10,127,300	-	-	-
Total	8,701,150	1,747,857	10,449,007	5,773,947	-	5,773,947

23.6 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 10,449,007 (2020: Rs 5,773,947)

24 Loans and Advances

	Note	2021 Rupees	2020 Rupees
Advances (Unsecured - Considered good):			
- Suppliers and contractors	24.1	35,003,937	39,662,816
- Employees	24.2	199,100	173,500
Short term loans to employees (Unsecured - Considered good)	24.3	995,738	650,388
		<u>36,198,775</u>	<u>40,486,704</u>

24.1 This includes an amount of Rs. NIL (2020: Rs. 31.495 million) advanced to clearing agent for clearing the shipment of imported raw materials.

24.2 Advances to employees do not include any amount given to directors or executives of the Company.

24.3 This represents interest-free loans given to employees and recoverable from salary in monthly installments.

25 Other Receivables

	2021 Rupees	2020 Rupees
Margin against letters of guarantees	1,409,000	1,309,000

26 Tax Refunds due from the Government

	2021 Rupees	2020 Rupees
Tax deducted at source and advance tax	170,843,216	214,564,946
Sales tax refundable - Net	84,528,936	153,569,161
	<u>255,372,152</u>	<u>368,134,107</u>

27 Cash and Bank Balances

	2021 Rupees	2020 Rupees
Cash in hand	49,492	1,264,654
Cash at banks in:		
- Current accounts	27,708,506	13,187,938
	<u>27,757,998</u>	<u>14,452,592</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

27.1 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

28 Revenue

	2021 Rupees	2020 Rupees
28.1 All the revenue is recognised at a point in time.		
28.2 Geographical markets		
Pakistan	6,267,949,124	4,499,104,712
United Arab Emirates	9,753,877	-
	<u>6,277,703,001</u>	<u>4,499,104,712</u>
28.3 The Company's net revenue disaggregated by operating segment are as follows:		
Coating, Emulsion and Blending	3,949,356,953	2,992,352,987
Textile, Paper and Others	2,328,346,048	1,506,751,725
	<u>6,277,703,001</u>	<u>4,499,104,712</u>

29 Cost of Sales

	Note	2021 Rupees	2020 Rupees
Raw materials consumed		4,947,900,878	3,779,704,837
Stores and spares consumed		27,245,974	16,778,229
Fuel and power		133,078,818	120,254,587
Salaries, wages and benefits	29.1	154,466,679	123,283,303
Printing and stationery		955,734	1,020,491
Repairs and maintenance		9,228,890	4,128,874
Travelling, conveyance and entertainment		9,593,553	9,271,976
Insurance		4,281,082	3,933,434
Rent, rates and taxes		241,650	240,000
Communication		957,885	484,202
Fees and consultancy charges		2,073,047	1,244,184
Depreciation on property, plant and equipment	18.3	52,557,718	40,353,823
Miscellaneous		410,613	405,492
		<u>5,342,992,521</u>	<u>4,101,103,432</u>
Finished goods:			
Opening finished goods		311,476,252	203,752,542
Closing finished goods		(170,800,288)	(311,476,252)
		<u>140,675,964</u>	<u>(107,723,710)</u>
		<u>5,483,668,485</u>	<u>3,993,379,722</u>

29.1 This includes Rs. 4,904,242 (2020: Rs. 4,657,753) in respect of employee benefits.

30 Distribution Cost

	Note	2021 Rupees	2020 Rupees
Salaries, wages and benefits	30.1	37,566,331	28,650,670
Packing, carriage and forwarding		27,492,457	20,772,052
Travelling, conveyance and entertainment		4,273,905	3,396,719
Printing and stationery		465,840	430,087
Sales promotion expenses		93,241	507,037
Insurance		1,196,695	944,066
Communication		452,464	354,594
Utilities		587,223	506,310
Repairs and maintenance		118,530	137,277
Depreciation on property, plant and equipment	18.3	1,284,726	1,285,384
Depreciation on right of use asset	19.1	263,093	-
Miscellaneous		18,000	10,716
		<u>73,812,505</u>	<u>56,994,912</u>

30.1 This includes Rs. 1,986,948 (2020: Rs. 1,956,948) in respect of employee benefits.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

31 Administrative Expenses

		2021	2020
	Note	Rupees	Rupees
Salaries, wages and benefits	31.1	42,311,821	35,272,522
Travelling, conveyance and entertainment		3,434,533	3,334,453
Repairs and maintenance		946,409	676,462
Printing and stationery		2,231,893	378,332
Insurance		108,676	111,168
Communication		3,023,770	2,497,342
Fees and subscription		8,647,155	5,819,497
Advertisement		632,640	381,547
Legal and professional charges		3,019,000	2,890,190
Auditors' remuneration	31.2	1,611,192	1,489,500
Utilities		587,223	506,310
Amortization	20.2	331,736	331,737
Depreciation on property, plant and equipment	18.3	889,999	1,015,752
Depreciation on right of use asset	19.1	113,502	-
		<u>67,889,549</u>	<u>54,704,812</u>

31.1 This includes Rs. 1,395,276 (2020: Rs. 1,365,276) in respect of employee benefits.

31.2 Auditors' remuneration:

	2021	2020
	Rupees	Rupees
- Audit fee	900,000	900,000
- Half yearly review	413,500	413,500
- Other certifications	221,692	100,000
- Out of pocket expenses	76,000	76,000
	<u>1,611,192</u>	<u>1,489,500</u>

32 Other Operating Expenses

		2021	2020
	Note	Rupees	Rupees
Expected credit losses on trade debts	23.2	10,124,716	9,681,948
Provision for obsolescence of stock	22.1	5,508,300	-
Foreign exchange loss		-	11,763,298
Workers' (profit) participation fund		27,001,005	10,082,784
Workers' welfare fund		10,800,402	4,533,160
		<u>53,434,423</u>	<u>36,061,190</u>

33 Finance Cost

	2021	2020
	Rupees	Rupees
Markup on :	98,199,460	177,983,815
- Short term borrowings	307,071	845,400
- Diminishing musharaka finance	8,041,851	356,786
- Long term finance	188,571	-
- Lease liabilities	4,258,519	4,076,746
LC discounting charges	1,705,055	1,865,517
Bank and other charges	<u>112,700,527</u>	<u>185,128,264</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

34 Other Income

	2021 Rupees	2020 Rupees
Excess liability written back	75,700	98,802
Sale of waste material / scrap	10,222,514	8,646,935
Foreign exchange gain	3,278,077	-
Fee for technical services	-	3,044,983
Rental income	2,427,600	1,663,199
Gain on disposal of property, plant and equipment	17,299	750,000
	<u>16,021,190</u>	<u>14,203,919</u>

35 Taxation

	2021 Rupees	2020 Rupees
Current tax:		
- Current year	106,348,448	67,616,275
- Adjustment for prior years	205,178	6,093,234
	106,553,626	73,709,509
Deferred tax	36,918,443	(13,884,779)
	<u>143,472,069</u>	<u>59,824,730</u>

35.1 Reconciliation of tax charge for the year

Profit before taxation	502,218,702	187,039,731
Tax @ 29% (2020: 29%) on profit before taxation	145,643,424	54,241,522
Tax effect of add backs / allowed deductions	(39,294,976)	13,374,753
Adjustment for prior years	205,178	6,093,234
Deferred taxation	36,918,443	(13,884,779)
Deferred tax	<u>143,472,069</u>	<u>59,824,730</u>

35.2 Tax expense on items recognised in other comprehensive income

Remeasurement of post employment benefits obligation	(450,060)	(25,940)
Revaluation of property, plant and equipment	-	37,092,364
	<u>(450,060)</u>	<u>14,203,919</u>

35.3 The current tax expense for the year is calculated using corporation tax rate of 29% (2020: 1.5% minimum tax based on turnover). The tax rate was enacted through the Finance Act, 2020. Deferred tax assets and liabilities on temporary differences are measured at 29%.

36 Earnings per Share

		2021 Rupees	2020 Rupees
Profit for the year attributable to ordinary shareholders	Rupees	358,746,633	127,215,001
Weighted average number of ordinary shares outstanding during the year	Numbers	282,642,128	282,642,128
Earning per share - basic	Rupees	1.27	0.45

36.1 There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitment that would result in dilution of earnings of the Company. As stated in note 4.3, the shareholders of the Company have resolved to consolidate/aggregate the number of shares to half. The sought consolidation has antidilutive effect on the EPS of the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

37 Cash Generated from Operations

	2021 Rupees	2020 Rupees
Profit before taxation	502,218,702	187,039,731
Adjustments for:		
Depreciation on property, plant and equipment	54,732,442	42,654,959
Depreciation on right of use asset	376,595	-
Amortization of intangible asset	331,736	331,737
Post employment benefit	8,286,466	7,979,977
Provision for obsolescence of stock	5,508,300	-
Expected credit losses on trade debts	10,124,716	9,681,948
Workers' (profit) participation fund	27,001,005	10,082,784
Workers' welfare fund	10,800,402	4,533,160
Exchange (gain) / loss - Net	(3,278,077)	11,763,298
Finance cost	110,995,472	183,262,747
Gain on disposal of property, plant and equipment	(17,299)	(750,000)
	224,861,758	269,540,610
Operating profit before working capital changes	727,080,460	456,580,341
(Increase) / decrease in current assets		
Stores and spares	(4,958,224)	473,137
Stock in trade	(201,696,304)	(414,811,056)
Trade debts	(555,246,530)	191,294,876
Loans and advances	4,287,929	(7,421,949)
Trade deposits and short term prepayments	(490,620)	(567,542)
Other receivables	(100,000)	11,262,616
Sales tax refundable - Net	69,040,225	83,744,750
Increase in current liabilities		
Trade and other payables	148,290,757	298,194,982
	(540,872,767)	162,169,814
Cash Generated from Operations	186,207,693	618,750,155

38 Liabilities arising from Financing Activities

	As at June 30, 2020	Non-cash changes	Cash flows (Net)	As at June 30, 2021
	Rupees			
Long term financing	28,345,559	-	136,047,357	164,392,916
Diminishing musharaka finance	3,400,529	-	(1,786,289)	1,614,240
Lease liabilities	-	34,855,302	(642,768)	34,212,534
Short term borrowings	1,056,652,751	-	3,653,894	1,060,306,645
Total liabilities from financing activities	1,088,398,839	34,855,302	137,272,194	1,260,526,335

	As at June 30, 2019	Non-cash changes	Cash flows (Net)	As at June 30, 2020
	Rupees			
Long term financing	2,785,650	-	25,559,909	28,345,559
Diminishing musharaka finance	4,828,077	-	(1,427,548)	3,400,529
Short term borrowings	1,484,828,855	-	(428,176,104)	1,056,652,751
Total liabilities from financing activities	1,492,442,582	-	(404,043,743)	1,088,398,839

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

39 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the financial statements for the year as remuneration and benefits paid to the chief executive officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Non-Executive Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees in Thousand							
Managerial remuneration	2,129	1,935	-	-	23,481	19,519	25,610	21,454
Housing and other allowances	958	871	-	-	10,566	8,783	11,524	9,654
Utilities	213	194	-	-	2,348	1,952	2,561	2,146
Bonus	576	516	-	-	6,141	5,451	6,717	5,967
Retirement benefits	-	-	-	-	3,033	2,521	3,033	2,521
Meeting fee	-	-	2,593	2,460	-	-	2,593	2,460
	3,876	3,516	2,593	2,460	45,569	38,226	52,038	44,202
Number of persons	1	1	6	6	11	11	18	18

39.1 An executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

40 Balances and Transaction with Related Parties

Related parties comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Significant balances and transactions with related parties are as follows:

Related party	Relationship	Nature of Transaction	June 30, 2021	June 30, 2020
			Rupees	
Nimir Industrial Chemicals Limited	Ultimate Parent Company	Purchase of goods	169,292,570	139,214,700
		Sales of goods	590,730	6,302,121
		Services provided	4,229,256	3,193,200
		Services received/acquired	5,458,332	4,300,056
		Other expenses reimbursed	350,716	555,964
Nimir Chemcoats Limited	Associated Company	Sales of goods	13,209,712	-
		Services provided	600,000	-

Balances outstanding as at June 30, 2021

Due to holding company / related parties - unsecured

Directors	Sponsors' interest free loans		107,000,000	107,000,000
Nimir Management (Private) Limited	Share deposit money	Note - 6	11,391,005	11,391,005
Nimir Industrial Chemicals Limited	Trade creditors	Note - 14	12,255,750	16,146,000

Due from related party - unsecured

Nimir Industrial Chemicals Limited	Trade debts	Note - 23	321,707	5,773,947
Nimir Chemocoats Limited	Trade debts	Note - 23	10,127,300	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 40.1** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S. No.	Aggregate % of Shareholding	Basis of Relationship	% of Shareholding
1	Nimir Management (Private) Limited	Holding Company	51%
2	Nimir Industrial Chemicals Limited	Ultimate Parent Company	11.63%
3	Terranova (Private) Limited	Associate	5.00%
4	Nimir Chemcoats Limited	Associate	Related due to Common directorship
5	Mr. Zafar Mahmood	Directorship	0.0005%
6	Mr. Amir Hameed	Directorship	0.0005%
7	Mr. Abdul Jalil Jamil	Directorship	0.0145%
8	Mr. Muhammad Yahya Khan	Directorship	4.3335%
9	Mr. Osman Hameed	Directorship	0.0005%
10	Mr. Pervaiz Ahmed Khan	Directorship	0.0004%
11	Mrs. Nazia Qureshi	Directorship	0.0004%

41 Segment Reporting

- 41.1** A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Operating Decision Maker for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into the following operating segments:

- Coating, Emulsion and Blending
- Textile, Paper and Others

The Chief Operating Decision Maker (the Chief Executive Officer) of the company monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions but do not include deferred tax. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

41.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2021 is as follows.

	Coating, Emulsion and Blending	Textile, Paper and others	Total
Rupees in Thousand			
Segment Results for the year ended June 30, 2021			
Revenue	3,949,357	2,328,346	6,277,703
Segment results	350,257	302,075	652,332
Other operating expenses			(53,434)
Finance costs			(112,701)
Other income			16,021
Profit before taxation			502,218

	Coating, Emulsion and Blending	Textile, Paper and others	Total
Rupees in Thousand			
Segment Results for the year ended June 30, 2020			
Revenue	2,992,353	1,506,752	4,499,105
Segment results	167,911	226,114	394,025
Other operating expenses			(36,061)
Finance costs			(185,128)
Other income			14,204
Profit before taxation			187,040

41.3 Entity-wide disclosures regarding reportable segment are as follows:

- **Information about major customers**

One customer of the Company accounts for 10.61% (2020: 14.58%) of total sales for the year. Revenue from such customer was Rs. 666.26 million (2020: Rs. 656.18 million).

- **Information about geographical areas**

- All non-current assets of the Company are located in Pakistan as at the reporting date.
- Revenue from export sales is Rs. 9.8 million (2020: Nil).

42 Financial Risk Management

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) **Market risk**

(i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to foreign payables. Currently, the Company's foreign exchange risk exposure is restricted to:

	2021 Rupees	2020 Rupees
Creditors (Secured)	392,004,767	350,872,162
Letters of credit commitments	463,628,922	391,732,112
Receivables from export sales	(9,887,846)	-
	845,745,843	742,604,274

The following exchange rates were applied during the year:

Rupees per foreign currency rate		
Average rate - Rupees per US Dollar	163.23	164.52
Reporting date rate - Rupees per US Dollar	158.4	168.05

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short and long-term borrowings. These are benchmarked to variable rates

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

which expose the Company to cash flow interest rate risk.

As the Company has no significant floating interest rate assets, the Company's income is substantially independent of changes in market interest rates. The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	2021 Rupees	2020 Rupees
Fixed rate instruments		
Financial liabilities	84,286,536	-
Floating rate instruments		
Financial liabilities	1,172,857,995	1,088,398,839

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2021, if interest rates on the Company's borrowings had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 11.73 million (2020: Rs. 10.88 million), mainly as a result of interest exposure on variable rate borrowings.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is not exposed to any market price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk of the Company arises from deposits with banks, trade receivables and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, 2021, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2021 Rupees	2020 Rupees
Long term deposits	21	21,904,523	12,857,387
Trade debts	23	1,364,442,331	819,320,517
Short term loans to employees	24	995,738	650,388
Other receivables	25	1,409,000	1,309,000
Bank balances	27	27,708,506	13,187,938

	2021 Rupees	2020 Rupees
The aging of trade debts as at reporting date is as follows:		
1 - 30 days	595,035,798	372,989,828
31 - 60 days	330,604,165	109,054,382
61 - 120 days	319,101,504	179,760,231
More than 120 days	119,700,864	157,516,076
	<u>1,364,442,331</u>	<u>819,320,517</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2021	2020
	Short term	Long term	Agency	Rupees	Rupees
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	20,065	20,065
Bank Al-Habib Limited	A1+	AAA	PACRA	2,387,633	15,569,338
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,356,656	1,170,345
The Bank of Punjab	A1+	AA+	PACRA	1,252,935	1,590,446
AL Baraka Bank (Pakistan) Limited	A1	A	PACRA	497,673	463,702
Meezan Bank Limited	A-1+	AAA	JCR-VIS	19,795,129	(6,115,318)
National Bank of Pakistan	A1+	AAA	PACRA	398,415	489,360
BankIslami Limited	A1	A+	PACRA	1,000,000	-
				27,708,506	13,187,938

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2021:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Diminishing musharaka finance	1,614,240	1,702,494	1,489,573	212,921	-	-
Long term financing	164,392,916	179,850,448	75,348,211	56,481,420	48,020,817	-
Lease liabilities	34,212,534	40,853,185	6,912,504	6,912,504	27,028,177	-
Trade and other payables	723,926,184	723,926,184	723,926,184	-	-	-
Accrued mark up	16,373,298	16,373,298	16,373,298	-	-	-
Short term borrowings	1,060,306,645	1,148,948,281	1,148,948,281	-	-	-
	2,000,825,817	2,111,653,890	1,972,998,051	63,606,845	75,048,994	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Contractual maturities of financial liabilities as at June 30, 2020:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Diminishing musharaka finance	3,400,529	3,921,704	2,131,871	1,563,995	225,838	
Long term financing	28,345,559	29,126,615	7,726,835	14,064,840	7,334,940	
Trade and other payables	571,519,539	571,519,539	571,519,539	-	-	-
Accrued mark up	23,397,432	23,397,432	23,397,432	-	-	-
Short term borrowings	1,056,652,751	1,144,988,921	1,144,988,921	-	-	-
	<u>1,683,315,810</u>	<u>1,772,954,211</u>	<u>1,749,764,598</u>	<u>15,628,835</u>	<u>7,560,778</u>	<u>-</u>

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

4.2 Financial instruments by categories

Financial asset as at amortized cost

	2021 Rupees	2020 Rupees
Long term deposits	21,904,523	12,857,387
Trade debts	1,364,442,331	819,320,517
Short term loans to employees	995,738	650,388
Other receivables	1,409,000	1,309,000
Cash and bank balances	27,757,998	14,452,592
	<u>1,416,509,590</u>	<u>848,589,884</u>

The Company did not possess any financial assets designated as fair value through profit or loss and fair value through other comprehensive income categories.

Financial liabilities at amortized cost

	2021 Rupees	2020 Rupees
Diminishing musharaka finance	1,614,240	3,400,529
Trade and other payables	723,926,184	571,519,539
Accrued mark up	16,373,298	23,397,432
Short term borrowings	1,060,306,645	1,056,652,751
Long term financing	161,011,112	28,345,559
Lease liabilities	34,212,534	-
	<u>1,997,444,013</u>	<u>1,683,315,810</u>

43 Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2021 Rupees	2020 Rupees
Total borrowings	1,258,696,191	1,088,398,839
Cash and bank balances	(27,757,998)	(14,452,592)
Net debt	1,230,938,193	1,073,946,247
Equity	2,069,766,360	1,712,121,597
Total capital employed	3,300,704,553	2,786,067,844
Gearing ratio	37.29%	38.55%

44 Shari'ah Screening Disclosure

	2021 Rupees	2020 Rupees
Loans and advances as per islamic mode	439,418,659	420,795,153
Shariah compliant bank deposits/bank balances/overdrawn	21,292,802	(5,651,616)
Profit earned from Shariah compliant bank deposits/bank balances	-	-
Revenue earned from a Shariah compliant business segment	-	-
Gain/loss or dividend earned from Shariah compliant investments	-	-
Exchange gain / (loss) earned from actual currency	3,278,077	(11,763,298)
Mark up paid on Islamic mode of financing	22,581,499	23,630,075
Profits earned or interest paid on any conventional loan or advance	84,155,454	155,555,926

45 Plant Capacity and Production

	2021 Metric Tons	2020 Metric Tons
Actual production	33,344	25,877
Total Capacity	45,600	42,000

46 Number of Employees

	2021 Rupees	2020 Rupees
Employees as at June 30,		
- Permanent	121	120
- Contractual	6	7
Average employees during the year		
- Permanent	120	122
- Contractual	7	8

47 General

- Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material re-arrangements / reclassifications have been made in these financial statements.
- The financial statements were authorized for issue by the board of directors on september 13, 2021.



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No. of Shareholders	-----Shareholding-----			Total Shares Held
	From		To	
963	1		100	30,611
877	101		500	275,996
792	501		1,000	657,830
1,321	1,001		5,000	3,478,721
436	5,001		10,000	3,382,887
167	10,001		15,000	2,053,608
94	15,001		20,000	1,729,732
67	20,001		25,000	1,562,025
41	25,001		30,000	1,142,633
27	30,001		35,000	885,097
18	35,001		40,000	695,600
10	40,001		45,000	434,228
35	45,001		50,000	1,735,314
13	50,001		55,000	672,161
4	55,001		60,000	234,000
7	60,001		65,000	439,377
5	65,001		70,000	335,143
7	70,001		75,000	502,197
7	75,001		80,000	548,582
1	80,001		85,000	80,643
1	85,001		90,000	86,415
3	90,001		95,000	278,500
19	95,001		100,000	1,900,000
8	100,001		105,000	822,852
2	105,001		110,000	216,000
3	110,001		115,000	341,000
3	115,001		120,000	351,631
2	120,001		125,000	244,636
4	125,001		130,000	512,060
2	135,001		140,000	275,500
6	140,001		145,000	847,116
4	145,001		150,000	600,000
3	150,001		155,000	454,655
1	160,001		165,000	162,833
2	165,001		170,000	340,000
2	175,001		180,000	360,000
1	185,001		190,000	190,000
1	190,001		195,000	192,128
2	195,001		200,000	395,500
2	200,001		205,000	405,000
1	205,001		210,000	209,000
1	210,001		215,000	215,000
1	225,001		230,000	228,000
1	235,001		240,000	236,000
1	255,001		260,000	259,500
2	270,001		275,000	545,000
1	275,001		280,000	276,000
4	295,001		300,000	1,197,000
1	300,001		305,000	300,500
1	310,001		315,000	314,536
1	330,001		335,000	333,253
1	345,001		350,000	350,000
1	360,001		365,000	361,000
2	370,001		375,000	750,000
1	395,001		400,000	400,000
1	400,001		405,000	403,000
1	435,001		440,000	437,605
1	465,001		470,000	467,000
1	475,001		480,000	480,000
1	485,001		490,000	487,000
1	550,001		555,000	551,286
2	580,001		585,000	1,167,500
1	590,001		595,000	592,000
2	665,001		670,000	1,336,500
2	745,001		750,000	1,498,000
1	945,001		950,000	946,000
1	995,001		1,000,000	1,000,000
1	1,000,001		1,005,000	1,003,500

-----Shareholding-----			
No. of Shareholders	From	To	Total Shares Held
1	1,015,001	1,020,000	1,016,500
1	1,285,001	1,290,000	1,289,559
1	1,310,001	1,315,000	1,312,000
1	1,390,001	1,395,000	1,391,500
1	1,955,001	1,960,000	1,959,000
1	1,970,001	1,975,000	1,973,500
1	1,995,001	2,000,000	2,000,000
1	2,035,001	2,040,000	2,038,500
1	2,045,001	2,050,000	2,047,181
1	2,495,001	2,500,000	2,500,000
1	2,995,001	3,000,000	3,000,000
1	3,495,001	3,500,000	3,500,000
1	5,095,001	5,100,000	5,100,000
1	5,150,001	5,155,000	5,152,968
1	12,245,001	12,250,000	12,248,157
1	12,890,001	12,895,000	12,892,775
1	32,875,001	32,880,000	32,876,612
1	144,145,001	144,150,000	144,147,485
5,017			282,642,128

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2021

S. No.	Categories of shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	13,587,393	4.8073
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	189,916,872	67.1934
2.3.3	NIT and ICP	9,718	0.0034
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	2,553	0.0009
2.3.5	Insurance Companies	0	0.0000
2.3.6	Modarabas and Mutual Funds	9,465,559	3.3490
2.3.7	Share holders holding 10% or more	177,024,097	62.6319
2.3.8	General Public		
	1 - Local	51,288,422	18.1461
	2 - Foreign	433,824	0.1535
2.3.9	Others (to be specified)		
	1 - Joint Stock Companies	12,562,459	4.4447
	2 - Government Holding	71,927	0.0254
	3 - Investment Companies	5,250,812	1.8578
	4 - Pension Funds	49,098	0.0174
	5 - Others	3,491	0.0012

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CATEGORIES OF SHAREHOLDERS (CCG)

AS AT JUNE 30, 2021

Sr. No.	Name	No. of Shares held	Percentage
1.	Associated Companies, Undertakings and Related Parties:		
1	Nimir Management (Pvt) Limited (CDC)	144,147,485	51.0000
2	Nimir Industrial Chemicals Limited (CDC)	32,876,612	11.6319
3	Terranova Limited (CDC)	12,892,775	4.5615
2.	Mutual Funds:		
1	PROIDENTIAL STOCKS FUND LTD.	59	0.0000
2	CDC - TRUSTEE ABL INCOME FUND MT (CDC)	361,000	0.1277
3	CDC - TRUSTEE ALFALAH GHP INCOME FUND (CDC)	209,000	0.0739
4	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	1,959,000	0.6931
5	CDC - TRUSTEE HBL - STOCK FUND (CDC)	1,003,500	0.3550
6	CDC - TRUSTEE HBL EQUITY FUND (CDC)	2,038,500	0.7212
7	CDC - TRUSTEE HBL INCOME FUND - MT (CDC)	1,000	0.0004
8	CDC - TRUSTEE HBL IPF EQUITY SUB FUND (CDC)	100,000	0.0354
9	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND (CDC)	467,000	0.1652
10	CDC - TRUSTEE HBL PF EQUITY SUB FUND (CDC)	100,000	0.0354
11	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	78,000	0.0276
12	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	80,000	0.0283
13	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	375,000	0.1327
14	CDC - TUSTEE PICIC GROWTH FUND (CDC)	1,312,000	0.4642
15	CDC - TUSTEE PICIC INVESTMENT FUND (CDC)	946,000	0.3347
16	CDC - TRUSTEE - MEEZAN DEDICATED EQUITY FUND (CDC)	7,500	0.0027
17	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	350,000	0.1238
18	MC FSL - TRUSTEE JS - INCOME FUND (CDC)	78,000	0.0276
3.	Directors And Their Spouse And Minor Children:		
1	SH. AMAR HAMEED (CDC)	1,413	0.0005
2	MR. ZAFAR MAHMOOD (CDC)	1,413	0.0005
3	MR. ABDUL JALIL JAMIL (CDC & Physical)	40,914	0.0145
4	MR. MUHAMMAD YAHYA KHAN (CDC)	12,248,157	4.3335
5	MR. OSMAN HAMEED (CDC)	1,413	0.0005
6	MR. PERVAIZ AHMED KHAN (CDC)	1,020	0.0004
7	MRS. NAZIA QURESHI (CDC)	1,000	0.0004
8	MRS. NUSRAT JAMIL (CDC & Physical)	1,292,063	0.4571
4.	Executives:	442,709	0.1566
5.	Public Sector Companies & Corporations:	-	0.0000
6.	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	51,651	0.0183
7.	Shareholders Holding Five Percent or More Voting Intrest in the Listed Company:		
	Name	No. of Shares held	Percentage
1	Nimir Management (Pvt.) Limited (CDC)	144,147,485	51.0000
2	Nimir Industrial Chemicals Limited (CDC)	32,876,612	11.6319
8.	All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children:		
	Name	Sale	Purchase
1	Mr. Imran Afzal (CDC)	-	100,000

NOTICE OF 57th ANNUAL GENERAL MEETING

FOR THE YEAR ENDED JUNE 30, 2021

Notice is hereby given that the 57th Annual General Meeting of Nimir Resins Limited (the "Company") shall be held on Wednesday, October 23, 2021 at 10:30 a.m. at 12-B, New Muslim Town, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2021 together with Chairman's review, the reports of the Directors', Statement of Compliance (CCG) and Independent Auditors' reports thereon.
2. To appoint Auditors for the year ending June 30, 2022 and fix their remuneration. The members are hereby given the notice that the Audit Committee and the Board of Directors have recommended the re-appointment of retiring auditors M/s Crowe Hussain Chaudhury & Co. – Chartered Accountants as auditors of the Company.

By Order of the Board

Lahore
October 02, 2021

Muhammad Inam-ur-Rahim
(Company Secretary)

Notes:

- I. Due to COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No. 5 issued on March 17, 2020 and Pakistan Stock Exchange Limited (PSX) through its notice Ref. PSX/N-372 dated March 19, 2020 had advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at AGM through proxies.

Shareholders interested to participate in the AGM are requested to share below information at corporate@nimir.com.pk for their appointment and proxy's verification by or before 05:00 p.m. on October 16, 2021.

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	Cell No.	Email Address

Shareholders who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will be open from 10:25 am at the date of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of AGM at corporate@nimir.com.pk by or before October 16, 2021 by 05:00 p.m.

- II. The share transfer books of the Company shall remain closed from October 17, 2021 to October 23, 2021 (both days inclusive). Transfers(Physical Shares) received in order at the office of the Company's shares registrar at the close of business on Saturday, October 16, 2021 will be treated in time for purpose of determine the entitlements attend and vote at the AGM.
- III. A member eligible to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company and shall produce his/her original Computerized National Identity Card (CNIC) or passport at the time of meeting. Proxies in order to be effective must be received at the registered office of the Company not later than forty eight (48) hours before the time of holding the meeting.
- IV. The corporate shareholders shall nominate someone to represent them at the AGM. The nominations, in order to be effective must be received by the Company not later than forty eight (48) hours before time of holding the meeting.

NOTICE OF 57th ANNUAL GENERAL MEETING

FOR THE YEAR ENDED JUNE 30, 2021

- V. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants' I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.
- VI. All shareholders who have not yet submitted the valid copies of CNIC and NTN Certificate(s) are requested to send the copies of the same to the Shares Registrar. Shareholders of the Company who holds shares in scrip-less form on CDC are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services.
- VII. Shareholders are requested to immediately notify change in address, if any, to the Company's Share Registrar, at the following address :

M/s Corplink (Pvt.) Limited

Wings Arcade, 1-K (Commercial), Model Town, Lahore.

Tel : 042 35916714, 35916719, 35839182. Fax: 042 35869037.

www.corplink.com.pk

Submission of CNIC - (Mandatory)

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(I)/2011, dated August 18, 2011, the Members/Shareholders who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company are required to send the same at the earliest directly of the Company's Share Registrar, M/s Corplink (Pvt.) Limited.

Kindly comply with the request, in case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold dividends in the future.

Shareholders are requested to promptly notify any change of address to the Company's Share Register (for Physical shares) or to their respective participant / broker (for CDS shares) as the case may be.

Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in other cities and holding at least 10% of the total paid up capital may demand the Company to provide the facility of video link for participation in the meeting. The demand for video-link facility shall be received at Shares Registrar address given hereinabove at least 7 days prior to the date of AGM.

Deposit of Physical Shares in to CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

Availability of Audited Financial Statements on Company's Website

In accordance with Section 223 and 237 of the Company Act, 2017, the audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website www.nimir.com.pk/nrl/financial_reports.html, in addition to annual and quarterly financial statements for the prior years.

FORM OF PROXY 57th ANNUAL GENERAL MEETING

The Company Secretary
 NIMIR RESINS LIMIED
 14.5 K.M. Lahore – Sheikhpura Road,
 Lahore, Pakistan.

Ledger Folio/CDC A/C No.

Shares Held

I / We of
 being member(s) of
 Nimir Resins Limited hereby appoint of as my/our
 proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company held on
 Saturday, October 23, 2021 at 10:30 a.m. and / or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this day of 2021 .

WITNESSES:

1. _____ 2. _____
 Name : _____
 CNIC : _____
 Address: _____
 Date: _____

Signature of Shareholder

(The signature should agree with the specimen registered with the Company)

Fifty Rupees
 Revenue Stamp

Notes:

- i. The share transfer books of the Company shall remain closed from October 17, 2021 to October 23, 2021 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Saturday, October 16, 2021 will be treated in time for purpose of determine the entitlements to attend and vote at the AGM.
- ii. A member eligible to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company and shall produce his/her original Computerized National Identity Card (CNIC) or passport at the time of meeting. Proxies in order to be effective must be received at the registered office of the Company not later than forty eight (48) hours before the time of holding the meeting.
- iii. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- iv. The corporate shareholders shall nominate someone to represent them at the AGM. The nominations, in order to be effective must be received by the Company not later than forty eight (48) hours before time of holding the meeting. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.
- v. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants' I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport.

- vi. All Shareholders of the Company who holds shares in scrip-less form on CDC are requested to submit/send valid copies of CNC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services. Physical Shareholders who had not yet submitted the valid copies of CNIC and NTN Certificate(s) are requested to send the copies of the same to the Company's Shares Registrar.
- vii. All CDC Shareholders are requested to immediately notify change in address, if any directly to their CDC participant (brokers)/CDC Investor Account Services. Physical Shareholders are requested to immediately notify change in address, if any, to the Company's Share Registrar, at the following address:

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