

NIMIR INDUSTRIAL CHEMICALS LTD.



QUARTERLY REPORT
SEPTEMBER
2022

NIMIR

TRANSFORMING FOR A SUSTAINABLE FUTURE

▶ Board of Directors

| | |
|---|---------------------------|
| Mr. M. Saeed-uz-Zaman | - Chairman |
| Mr. Zafar Mahmood | - Chief Executive Officer |
| Mr. Imran Afzal | |
| Mr. Aamir Jamil | |
| Mr. Javed Saleem Arif | |
| Mr. Tariq Ahmad Khan | |
| Ms. Parveen Akhter Malik | |
| Mr. Saqib Anjum | |
| Mr. Abdul Jaleel Shaikh | |
| (Nominee - Pak Brunei Investment Company Limited) | |

▶ Executive Management

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

▶ Audit Committee

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

▶ Human Resource & Remuneration Committee

| | |
|--------------------------|---------------|
| Ms. Parveen Akhter Malik | - Chairperson |
| Mr. M. Saeed-uz-Zaman | - Member |
| Mr. Zafar Mahmood | - Member |

▶ External Auditors

EY Ford Rhodes
Chartered Accountants

▶ Legal Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

▶ Shares' Registrar

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

▶ Bankers

Al Baraka Bank Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Ltd
Bank Islami Pakistan Ltd
The Bank of Punjab
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China (ICBC)
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank Pakistan Ltd
Pak Brunei Investment Company Limited
Pak Kuwait Investment Company (Pvt) Limited
Pak China Investment Company Limited
Pair Investment Company Limited

▶ Registered Office / Factory

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

▶ Head Office

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

▶ Website

www.nimir.com.pk

Directors' Review Report

The Directors are pleased to present their review report with the unaudited financial statements of the Nimir Industrial Chemicals Limited (the "Company") for the first quarter, which ended on September 30, 2022.

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

| | September 2022 | September 2021 |
|--|-----------------------|-----------------------|
| | (Rs. '000') | (Rs. '000') |
| Gross Sales | 14,903,232 | 8,696,194 |
| Gross Profit | 1,152,655 | 754,274 |
| Operating Profit | 955,985 | 631,256 |
| Finance Cost | 610,604 | 160,486 |
| Profit Before Taxation | 345,001 | 455,613 |
| Profit After Taxation | 215,588 | 322,745 |
| Earnings per share (Rs.) Basic and diluted) | 1.95 | 2.92 |

During the quarter under review, your Company posted gross sales revenue of PKR 14.9 billion; an increase of 71% over the corresponding period, which is mainly attributed to rising prices in the international market and devaluation of PKR by 35%. The gross and operating profits grew by 53% and 51% respectively, but significant increase in the financial cost eroded the bottom line by 33% against same quarter of the last year.

The palm oil prices, after a consistent rise for almost two years, witnessed sharp decline from June 2022. This has affected the profitability of first quarter and will have some impact on the results of second quarter as well. The overall economy is passing through turbulent time due to deteriorating forex situation, high inflation and interest rate, devastated floods and unstable political situation. Hence, we foresee that the pressure on volumes and margins will continue throughout the current financial year.

The remaining projects which are in progress are expected to be commissioned during the end of second quarter or early third quarter. This will indeed help in strengthening the financial health of the Company. The management, however, is fully committed to produce the best possible results under the current difficult times, Insha Allah.

On behalf of the Company, the board of directors would like to thank all its stakeholders for their continued trust and support.

Lahore
October 21, 2022


Aamir Jamil
Director

For and on the behalf of the Board


Zafar Mahmood
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے لئے نمرانڈ سٹریٹل کمیٹیکز لمیٹڈ (کمپنی) کے غیر نظر ثانی شدہ مالی حسابات پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ مذکورہ سہ ماہی کے لئے مالی نتائج کا تجزیہ حسب ذیل ہے:

| 30 ستمبر 2022 | 30 ستمبر 2021 | |
|---------------|---------------|---|
| | | پاکستانی روپے ہزاروں میں |
| 8,696,194 | 14,903,232 | مجموعی فروخت |
| 754,274 | 1,152,655 | مجموعی منافع |
| 631,256 | 955,985 | آپریٹنگ منافع |
| 160,486 | 610,604 | مالی لاگت |
| 455,613 | 345,001 | قبل از ٹیکس منافع |
| 322,745 | 215,588 | منافع بعد از ٹیکس |
| 2.92 | 1.95 | فی عام شیئر آرمڈی (روپے) (بنیادی اور معتدل) |

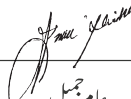
زیر جائزہ سہ ماہی کے دوران، آپ کی کمپنی نے مجموعی فروخت آمدنی 14.9 بلین روپے درج کی ہے، گزشتہ سال سے 71 فیصد زیادہ، جو کہ بین الاقوامی مارکیٹ میں بڑھتی ہوئی قیمتوں اور پاکستانی روپیہ کی قدر میں 35 فیصد کمی کی وجہ سے ہوا۔ مجموعی منافع اور آپریٹنگ منافع بھی بالترتیب 53 فیصد اور 51 فیصد تک بڑھا، لیکن مالی لاگت میں بہت زیادہ اضافے نے گزشتہ سال کی اسی سہ ماہی کے مقابلے میں زیریں لائن کو 33 فیصد نقصان پہنچایا۔

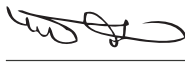
پام آئل کی قیمتوں میں تقریباً دو سال کے مسلسل اضافے کے بعد، جون 2022 سے تیزی سے گراؤٹ دیکھنے میں آئی۔ اس نے پہلی سہ ماہی کے منافع کو متاثر کیا ہے اور دوسری سہ ماہی کے نتائج پر بھی کچھ اثر پڑے گا۔ غیر ملکی کرنسی کی خراب صورتحال، مہنگائی اور سود کی بلند شرح، تاہم کن سیلاب اور غیر مستحکم سیاسی صورتحال کی وجہ سے مجموعی معیشت مشکل وقت سے گزر رہی ہے۔ لہذا، ہم پیش گوئی کرتے ہیں کہ حجم اور مارجن پر دباؤ پورے مالی سال میں جاری رہے گا۔

باقی منصوبے جو تکمیلی مراحل میں ہیں توقع ہے کہ دوسری سہ ماہی کے اختتام یا تیسری سہ ماہی کے آغاز میں مکمل ہو جائیں گے۔ اس سے یقینی طور پر کمپنی کی مالی حالت کو مزید مضبوط بنانے میں مدد ملے گی۔ تاہم، انتظامیہ موجودہ مشکل اوقات کے تحت بہترین ممکنہ نتائج درج کرنے کے لیے پُر عزم ہے۔ انشاء اللہ

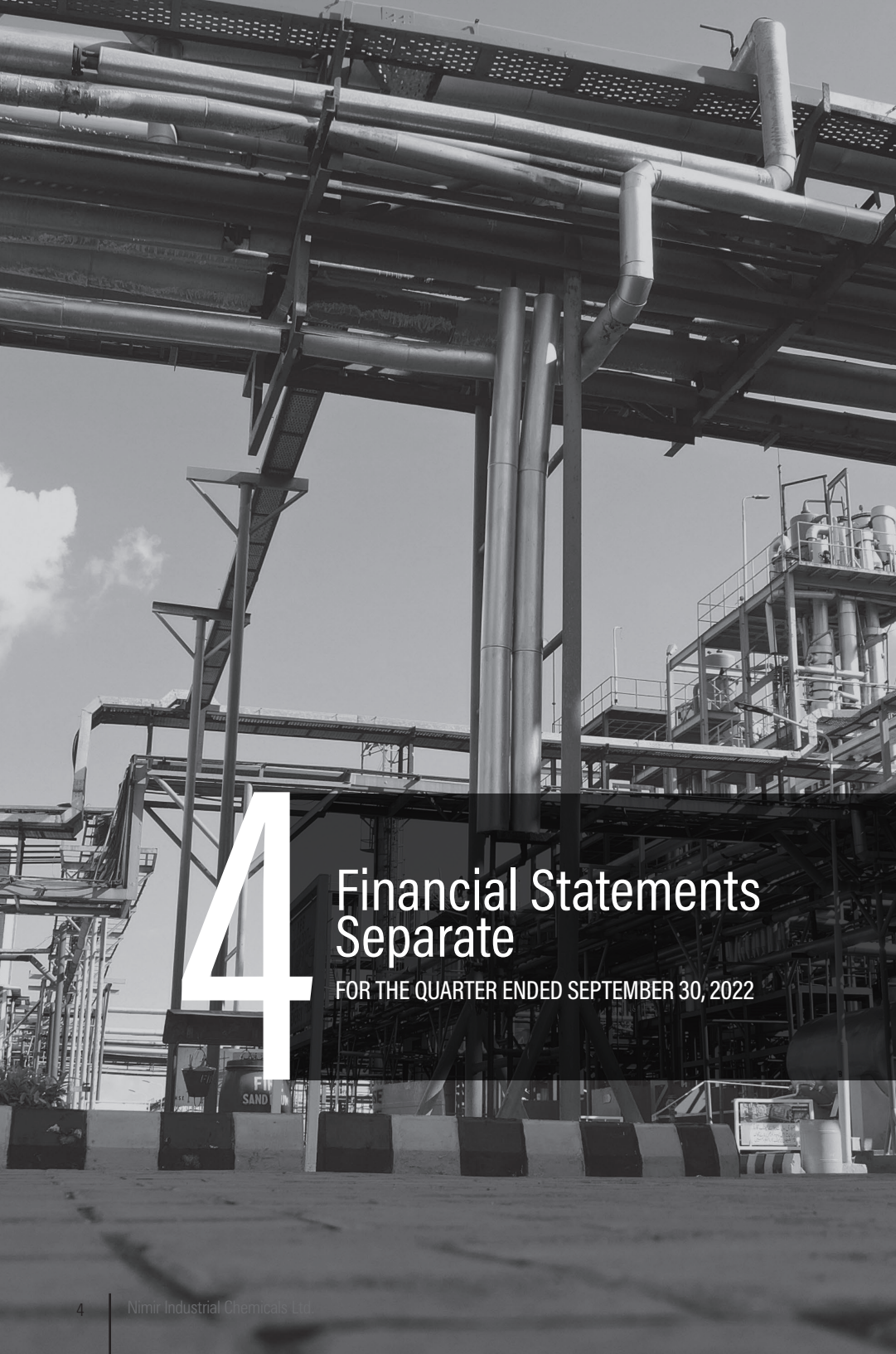
بورڈ کی جانب سے، ہم اپنے تمام اسٹیک ہولڈرز کے اعتماد اور تعاون کے لئے ان کا شکریہ ادا کرتے ہیں۔

مختار علی پورڈ


عامر جمیل
ڈائریکٹر


ظفر محمود
چیف ایگزیکٹو آفیسر

لاہور
21 اکتوبر 2022ء



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Financial Statements Separate

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Condensed Interim Statement of Financial Position (Unaudited)

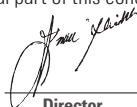
AS AT SEPTEMBER 30, 2022

| | | (Un-audited) September 2022 (Rs. '000') | (Audited) June 2022 (Rs. '000') |
|---|---|---|---------------------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 5 | 12,912,364 | 12,309,193 |
| Intangibles | | 27,797 | 30,487 |
| Investment in subsidiaries | 6 | 202,385 | 202,384 |
| Loan to subsidiary | | 14,512 | 14,512 |
| Long term deposits | | 36,972 | 36,812 |
| | | 13,194,030 | 12,593,388 |
| Current Assets | | | |
| Stores, spare parts and loose tools | | 561,409 | 527,802 |
| Stock in trade | | 7,685,438 | 7,823,007 |
| Trade debts | | 7,555,712 | 6,219,981 |
| Loans and advances | | 495,555 | 105,444 |
| Trade deposits and short term prepayments | | 62,051 | 19,912 |
| Other receivables | | 34,278 | 153,229 |
| Tax refunds due from the Government | | 2,809,178 | 2,425,410 |
| Cash and bank balances | | 122,744 | 260,276 |
| | | 19,326,365 | 17,535,061 |
| | | 32,520,395 | 30,128,449 |
| EQUITY AND LIABILITIES | | | |
| Authorized Share Capital | | | |
| 145,000,000 (June 30, 2022: 145,000,000) | | | |
| Ordinary Shares of Rs. 10/- each | | 1,450,000 | 1,450,000 |
| Issued, subscribed and paid up capital | | | |
| 110,590,546 (30 June 2022: 110,590,546) | | | |
| Ordinary Shares of Rs. 10/- each | | 1,105,905 | 1,105,905 |
| Unappropriated profit - revenue reserve | | 5,122,539 | 5,072,837 |
| | | 6,228,444 | 6,178,742 |
| NON CURRENT LIABILITIES | | | |
| Long term loans | 7 | 5,461,395 | 5,428,141 |
| Lease liabilities | | 79,700 | 71,739 |
| Net defined benefit liability-funded gratuity | | 181,783 | 151,983 |
| Deferred tax liability | | 472,024 | 440,320 |
| Deferred grant | | 871,755 | 913,533 |
| | | 7,066,657 | 7,005,716 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,347,766 | 1,980,253 |
| Contract liabilities | | 87,988 | 93,473 |
| Mark up accrued | | 528,894 | 355,984 |
| Unclaimed dividend | | 12,325 | 12,325 |
| Dividend payable | | 165,886 | - |
| Short term borrowings | | 14,534,578 | 13,040,528 |
| Current maturity of long term loans | 7 | 371,883 | 384,195 |
| Current maturity of lease liabilities | | 35,651 | 38,671 |
| Current portion of deferred grant | | 172,428 | 168,378 |
| Provision for taxation | | 967,894 | 870,184 |
| | | 19,225,294 | 16,943,991 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 8 | - | - |
| TOTAL EQUITY AND LIABILITIES | | | |
| | | 32,520,395 | 30,128,449 |

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



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| | Note | September 30, 2022 | September 30, 2021 |
|---|------|-----------------------|-----------------------|
| | | Rs. "000" | Rs. "000" |
| Revenue from contracts with customers - gross | | 14,903,232 | 8,696,194 |
| Less: Sales tax, trade discounts and commission | | (2,065,833) | (1,286,705) |
| Revenue from contracts with customers - net | | 12,837,399 | 7,409,489 |
| Cost of sales | 9 | (11,684,744) | (6,655,215) |
| Gross Profit | | 1,152,655 | 754,274 |
| Distribution costs | | (88,582) | (41,869) |
| Administrative expenses | | (108,088) | (81,149) |
| Operating Profit | | 955,985 | 631,256 |
| Other operating charges | | (25,570) | (33,693) |
| Other income | | 25,190 | 17,536 |
| Finance cost | | (610,604) | (160,486) |
| Profit before Taxation | | 345,001 | 454,613 |
| Taxation | | | |
| Current | | (97,709) | (152,189) |
| Deferred | | (31,704) | 20,321 |
| | | (129,413) | (131,868) |
| Profit after taxation | | 215,588 | 322,745 |
| Earning per Share - Basic & diluted (Rs.) | | 1.95 | 2.92 |

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

Condensed Interim Statement of Comprehensive Income (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| | September 30, 2022 | September 30, 2021 |
|--|-----------------------|-----------------------|
| | Rs. "000" | Rs. "000" |
| Net Profit for the Period | 215,588 | 322,745 |
| Other comprehensive income | - | - |
| Total Comprehensive Income for the Period | 215,588 | 322,745 |

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



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| Particulars | Issued, subscribed and paid up capital | Unappropriated Profit | Total |
|--|---|--------------------------|------------------|
| | Rs. "000" | Rs. "000" | Rs. "000" |
| Balance as on 01 July 2021 | 1,105,905 | 3,818,120 | 4,924,025 |
| Final dividend for 2021 @ Rs. 2.0 per share | - | (221,181) | (221,181) |
| Total comprehensive income for the period (Jul 2021 to Sep 2021) | - | 322,745 | 322,745 |
| Balance as on 30 September 2021 (unaudited) | <u>1,105,905</u> | <u>3,919,684</u> | <u>5,025,589</u> |
| Balance as on 01 July 2022 | 1,105,905 | 5,072,837 | 6,178,742 |
| Final dividend for 2022 @ Rs. 1.50 per share | - | (165,886) | (165,886) |
| Total comprehensive income for the period (Jul 2022 to Sep 2022) | - | 215,588 | 215,588 |
| Balance as on 30 September 2022 (unaudited) | <u>1,105,905</u> | <u>5,122,539</u> | <u>6,228,444</u> |

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



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| | September 30, 2022 | September 30, 2021 |
|---|-----------------------|-----------------------|
| | Rs. "000" | Rs. "000" |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 345,001 | 454,613 |
| Adjustments for: | | |
| Depreciation | 142,570 | 140,392 |
| Amortization | 2,690 | - |
| Gain on disposal of property, plant and equipment | (20) | (54) |
| Mark-up expense | 600,931 | 156,815 |
| Foreign exchange gain | - | (3,906) |
| Workers profit participation fund provision | 18,528 | 24,415 |
| Workers welfare fund provision | 7,041 | 9,278 |
| Provision for gratuity fund | 9,800 | 9,000 |
| | 781,540 | 335,940 |
| Operating profit before working capital changes | 1,126,541 | 790,553 |
| (Increase) / decrease in current assets: | | |
| Stores, spares and loose tools | (33,607) | 62,618 |
| Stock in trade | 137,569 | 871,651 |
| Trade debts | (1,335,731) | (458,480) |
| Loans and advances | (390,111) | 10,223 |
| Trade deposits and short term prepayments | (42,138) | (32,431) |
| Other receivables | 118,951 | 25,225 |
| Tax refunds due from the Government | (116,664) | 174,912 |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | 341,944 | (196,325) |
| Contract liabilities | (5,485) | (89,868) |
| | (1,325,273) | 367,525 |
| Cash generated / (consumed) in operations | (198,732) | 1,158,078 |
| Contribution drawn from gratuity fund | 20,000 | - |
| Markup paid | (425,185) | (121,559) |
| Tax paid | (267,102) | (140,677) |
| Long term deposits | (160) | 1,000 |
| | (672,447) | (261,236) |
| Net Cash Generated From Operating Activities | (871,179) | 896,842 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Property, plant and equipment purchased | (8,487) | (597) |
| Capital work in progress | (725,251) | (2,725,713) |
| Long term deposits | 20 | 19,756 |
| Net Cash Used In Investing Activities | (733,718) | (2,706,554) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term loans obtained | 105,730 | 1,466,936 |
| Long term loans repaid | (122,516) | (104,554) |
| Lease rentals paid | (9,899) | (13,229) |
| Dividend paid | - | (102) |
| Short term borrowings - net | 1,494,050 | 525,909 |
| Net cash generated from financing activities | 1,467,365 | 1,874,960 |
| Net (decrease) / increase in cash and cash equivalents | (137,532) | 65,248 |
| Cash and cash equivalents at the beginning of the period | 260,276 | 58,429 |
| Cash and cash equivalents at the end of the period | 122,744 | 123,677 |

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



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals Limited ("the Company") was incorporated in Pakistan as a public limited company and its shares are listed on Pakistan Stock Exchange. The Company is engaged in manufacturing and sales of chemical products along with toll manufacturing of aerosol, soap products, home and personal care.

2 BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2022.

2.3 These condensed interim financial statements are presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation of these condensed interim financial statements are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2022.

4 TAXATION

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

5 PROPERTY, PLANT AND EQUIPMENT

| | Period ended Sep. 30, 2022 (Un-audited) Rs."000" | Year ended June 30, 2022 (Audited) Rs."000" |
|--------------------------|---|--|
| Operating fixed assets | 5,329,232 | 5,437,069 |
| Capital work in progress | 7,583,132 | 6,872,124 |
| | <u>12,912,364</u> | <u>12,309,193</u> |

6 INVESTMENT IN SUBSIDIARIES

This represents 51% and 11.63% shares in Nimir Management (Private) Limited (NMPL) and Nimir Resins Limited (NRL) respectively. NMPL has majority shareholding of Nimir Resins Limited, a listed company engaged in the business of specialty chemicals. The investments have been made in accordance with the requirements under the Companies Act, 2017.

7 LONG TERM LOANS

| | (Un-audited) Sep. 30, 2022 Rs."000" | (Audited) June 30, 2022 Rs."000" |
|---|--|---|
| Term finance | 2,041,532 | 2,035,166 |
| Term finance - under refinance scheme for payroll financing | 21,725 | 44,877 |
| Term finance - under temporary economic refinance facility | 3,755,509 | 3,717,782 |
| Loan from directors / sponsors - unsecured | 14,512 | 14,512 |
| | <u>5,833,278</u> | <u>5,812,337</u> |
| Mark-up accrued | 102,249 | 96,992 |
| | <u>5,935,527</u> | <u>5,909,328</u> |
| Current maturity of term finance | (327,006) | (296,211) |
| Current maturity under refinance scheme for payroll financing | (21,725) | (44,877) |
| Current maturity under temporary economic refinance facility | (23,152) | (43,107) |
| | <u>5,563,644</u> | <u>5,525,133</u> |
| Less:- Mark-up accrued shown under current liabilities | (102,249) | (96,992) |
| | <u>5,461,395</u> | <u>5,428,141</u> |

Notes to the Condensed Interim Financial Informaiton (Unaudited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

8 CONTINGENCIES AND COMMITMENT

8.1 CONTINGENCIES

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2022.

8.2 COMMITMENTS

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

| | (Un-audited) Sep. 30, 2022 | (Audited) June 30, 2022 |
|--|-------------------------------|----------------------------|
| Letters of credit established for the import of raw materials, spare parts and machinery | 3,177 million | 3,721 million |
| Letter of guarantee given to SNGPL | 145 million | 133 million |
| Letter of guarantee given to PSO | 59 million | 59 million |
| Letter of guarantee given to TOTAL PARCO | 5 million | 5 million |

9 COST OF SALES

| | (Un-audited) Sep. 30, 2022 Rs."000" | (Audited) Sep. 30, 2021 Rs."000" |
|---------------------------------|---|--|
| Opening stock of finished goods | 1,456,673 | 1,492,413 |
| Cost of goods manufactured | 11,988,645 | 6,645,341 |
| | 13,445,318 | 8,137,754 |
| Closing stock of finished goods | (1,760,574) | (1,482,540) |
| Cost of goods sold | 11,684,744 | 6,655,215 |

10 TRANSACTIONS WITH RELATED PARTIES

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

| Name of Related Parties | Relationship | Nature of Transaction | Sep. 30, 2022 Rs."000" | Sep. 30, 2021 Rs."000" |
|-----------------------------------|--------------------|-----------------------|---------------------------|---------------------------|
| Nimir Resins Limited | Subsidiary Company | Sale of goods | 86,278 | 30,699 |
| | | Purchase of goods | 7,975 | 1,180 |
| | | Services provided | 1,651 | 1,501 |
| | | Services acquired | 1,279 | 1,163 |
| | | Other Expenses | 1,376 | 683 |
| Nimir Chemiclac Pakistan Limitied | Associated Company | Sale of goods | 9,216 | - |
| Nimir Chemcoats Limited | Associated Company | Purchase of goods | 3,891 | 2,256 |
| Key Management Personnel | | | | |
| | | Remuneration | 73,606 | 60,572 |
| | | Other Benefits | - | 16,549 |

11 Corresponding figures

Based on internal management reporting structure and products produced and sold, the Company has organized it business in the following two operating segments:

| Transferred from component | Transferred to component | Sep. 30, 2021 Rs."000" |
|------------------------------------|--------------------------|---------------------------|
| Statement of profit or loss | | |
| Foreign exchange gain | Other income | 3,906 |

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on Firday, 21 October 2022 by the Board of Directors of the Company.


Chief Executive Officer


Director


Chief Financial Officer



11

Financial Statements Consolidated

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Condensed Interim Consolidated Statement of Financial Position (Unaudited) AS AT SEPTEMBER 30, 2022

| | Note | (Un-audited) | (Audited) |
|--|------|-------------------|-------------------|
| | | Sep. 30, 2022 | June 30, 2022 |
| | | Rs."000" | Rs."000" |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized Share Capital | | - | - |
| 145,000,000 (30 June 2022: 145,000,000) Ordinary shares of of Rs.10/- each | | 1,450,000 | 1,450,000 |
| Issued, subscribed and paid up capital | | | |
| Unappropriated profit - revenue reserve | | 1,105,905 | 1,105,905 |
| Non-controlling interest | | 5,556,497 | 5,498,106 |
| | | 1,264,001 | 1,253,270 |
| | | 7,926,403 | 7,857,281 |
| NON-CURRENT LIABILITIES | | | |
| Long term loans | 7 | 5,678,526 | 5,662,586 |
| Lease liabilities | | 113,742 | 107,507 |
| Diminishing musharaka finance | | 215,700 | 182,840 |
| Deferred grant | | 871,755 | 913,532 |
| Deferred tax liability | | 482,562 | 454,211 |
| | | 7,362,285 | 7,320,676 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,847,475 | 2,297,269 |
| Contract liabilities | | 87,988 | 139,232 |
| Mark up accrued | | 613,468 | 412,132 |
| Unclaimed dividend | | 12,618 | 12,618 |
| Dividend payable | | 165,886 | - |
| Short term borrowings | | 16,875,714 | 15,524,046 |
| Current maturity of long term loans | 7 | 461,552 | 472,174 |
| Current maturity of lease liabilities | | 42,436 | 45,274 |
| Current maturity of diminishing musharaka finance | | 359 | 525 |
| Current maturity of deferred grant | | 173,204 | 169,891 |
| Provision for taxation | | 1,241,603 | 1,113,412 |
| | | 22,522,303 | 20,186,573 |
| Contingencies and commitments | 8 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 37,810,991 | 35,364,530 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 13,622,344 | 13,024,172 |
| Intangibles | | 27,797 | 30,487 |
| Long-term deposits | | 65,604 | 63,149 |
| | | 13,715,745 | 13,117,808 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 588,715 | 551,465 |
| Stock in trade | | 9,617,382 | 10,110,344 |
| Trade debts | | 9,966,972 | 8,194,810 |
| Loans and advances | | 525,696 | 150,001 |
| Trade deposits and short term prepayments | | 75,262 | 22,207 |
| Other receivables | | 52,098 | 182,414 |
| Tax refunds due from the Government | | 3,133,205 | 2,750,545 |
| Cash and bank balances | | 135,916 | 284,936 |
| | | 24,095,246 | 22,246,722 |
| TOTAL ASSETS | | 37,810,991 | 35,364,530 |

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


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| | Note | Sep. 30, 2022 | Sep. 30, 2021 |
|--|------|---------------|---------------|
| | | Rs. "000" | Rs. "000" |
| Revenue from contracts with customers-gross | | 17,530,432 | 10,064,844 |
| Less: Sales tax, trade discount and commission | | (2,477,137) | (1,140,992) |
| Revenue from contracts with customers-net | | 15,053,295 | 8,923,852 |
| Cost of sales | 9 | (13,692,992) | (8,026,444) |
| Gross profit | | 1,360,303 | 897,408 |
| Distribution costs | | (115,167) | (60,455) |
| Administrative expenses | | (130,244) | (98,913) |
| Operating profit | | 1,114,892 | 738,040 |
| Other expenses | | (28,791) | (43,400) |
| Other income | | 27,471 | 15,472 |
| Finance cost | | (722,675) | (187,405) |
| Profit before taxation | | 390,897 | 522,707 |
| Taxation | | (155,888) | (151,917) |
| Profit after taxation | | 235,009 | 370,790 |
| Attributable to: | | | |
| Equity holders of the parent | | 224,277 | 340,365 |
| Non-controlling interests | | 10,732 | 30,425 |
| | | 235,009 | 370,790 |
| Earnings per share- Basic and diluted (Rs.) | | 2.03 | 3.08 |

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

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| | Sep. 30, 2022 | Sep. 30, 2021 |
|--|---------------|---------------|
| | Rs. "000" | Rs. "000" |
| Profit after taxation | 235,009 | 370,790 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | 235,009 | 370,790 |
| Attributable to: | | |
| Equity holders of the parent | 224,277 | 340,365 |
| Non-controlling interest | 10,732 | 30,425 |
| | 235,009 | 370,790 |

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


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| Particulars | Issued, subscribed and paid up capital | Un- appropriated Profit | Non- controlling interest | Total |
|--|---|-------------------------------|---------------------------------|-----------|
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| Balance as on 01 July 2021 (audited) | 1,105,905 | 4,205,349 | 914,535 | 6,225,789 |
| Final dividend for 2021 @ Rs. 2.0 per share | - | (221,181) | - | (221,181) |
| Total comprehensive income for the period (Jul 2021 to Sep 2021) | - | 340,365 | 30,425 | 370,790 |
| Balance as on 30 September 2021 (unaudited) | 1,105,905 | 4,324,533 | 944,960 | 6,375,398 |
| Balance as on 01 July 2022 (audited) | 1,105,905 | 5,498,106 | 1,253,269 | 7,857,280 |
| Final dividend for 2022 @ Rs. 1.50 per share | - | (165,886) | - | (165,886) |
| Total comprehensive income for the period (Jul 2022 to Sep 2022) | - | 224,277 | 10,732 | 235,009 |
| Balance as on 30 September 2022 (unaudited) | 1,105,905 | 5,556,497 | 1,264,001 | 7,926,403 |

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



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

| | Sep. 30, 2022 | Sep. 30, 2021 |
|---|---------------|---------------|
| | Rs. "000" | Rs. "000" |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 390,897 | 522,707 |
| Adjustment for: | | |
| Depreciation | 162,349 | 156,062 |
| Amortization | 2,690 | - |
| Mark-up expense | 712,854 | 182,886 |
| Provision for gratuity fund | 12,860 | 11,460 |
| Gain on disposal of property, plant and equipment | (43) | (54) |
| Exchange loss / (gain) - unrealized | - | 4,604 |
| Workers' profit participation fund provision | 20,863 | 28,114 |
| Workers' welfare fund provision | 7,928 | 10,683 |
| | 919,501 | 393,755 |
| Operating profit before working capital changes | 1,310,398 | 916,462 |
| (Increase) / decrease in current assets | | |
| Stores, spares parts and loose tools | (37,250) | 64,619 |
| Stock in trade | 492,961 | 1,021,552 |
| Trade debts | (1,743,026) | (616,810) |
| Loans and advances | (375,695) | 15,092 |
| Trade deposits and short term prepayments | (53,054) | (43,602) |
| Other receivables | 130,316 | 25,226 |
| Tax refunds due from the Government | (83,810) | 198,376 |
| | (1,669,558) | 664,453 |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 446,544 | (159,306) |
| Contract liabilities | (5,485) | (97,226) |
| | (1,228,499) | 407,921 |
| Cash generated from operations | 81,899 | 1,324,383 |
| Contribution drawn from gratuity fund | 20,000 | - |
| Mark-up paid | (508,682) | (149,181) |
| Tax paid | (298,850) | (196,931) |
| Long term deposits | (2,455) | (156) |
| | (789,987) | (346,268) |
| Net cash (used in) / generated from operating activities | (708,088) | 978,114 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment - net | (9,319) | (1,900) |
| Additions in capital work in progress - net | (738,546) | (2,746,576) |
| Sale proceeds from disposal of property, plant and equipment | 20 | 19,756 |
| Net cash used in investing activities | (747,845) | (2,728,720) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term loan obtained | 105,730 | 1,466,936 |
| Long term loan repaid | (138,876) | (120,915) |
| Dividend paid | - | (102) |
| | (11,443) | (11,680) |
| Lease rentals paid | (166) | (473) |
| Repayment of liabilities against diminishing musharaka finance | 1,351,668 | 457,063 |
| Net cash generated from financing activities | 1,306,912 | 1,790,829 |
| Net (decrease) / increase in cash and cash equivalents | (149,021) | 40,223 |
| Cash and cash equivalents at the beginning of the period | 284,936 | 100,093 |
| Cash and cash equivalents at the end of the period | 135,915 | 140,316 |

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



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 THE GROUP AND ITS OPERATIONS

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

Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICTL")

Subsidiary Companies

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

The shareholding of the Nimir Group is as follows:

| | |
|--|--------|
| Holding of NICTL in NMPL | 51% |
| Holding of NMPL in NRL | 51% |
| Holding of NICTL in NRL | 11.63% |
| Effective shareholding of NICTL in NRL | 37.64% |

Nimir Industrial Chemicals Limited ('the Holding Company') was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange Limited. The Holding Company is engaged in manufacturing and sales of chemical products.

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

Nimir Resins Limited was initially incorporated in Pakistan on 17 December 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on 19 August 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on 1 April 2010 when the company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group, the name of the company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated 18 April 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile auxiliaries for textile industry.

2 BASIS OF PREPARATION

2.1 These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Interim Financial Reporting. The accounting and Reporting Standards as applicable in Pakistan for interim financial reporting comprises of:

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

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

2.2 These condensed interim consolidated financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting estimates and associated assumptions used in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 30 June 2022.

4 TAXATION

The accounting estimates and associated assumptions used in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 30 June 2022.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the preceding annual published consolidated financial statements of the Group for the year ended 30 June 2022.

6 PROPERTY, PLANT AND EQUIPMENT

| | (Unaudited) Quarter Ended Sep. 30, 2022 (Rs. '000') | (Audited) Year Ended June 30, 2022 (Rs. '000') |
|--------------------------|--|---|
| Operating fixed assets | 6,002,730 | 6,128,862 |
| Capital work in progress | 7,619,614 | 6,895,311 |
| | 13,622,344 | 13,024,173 |

7 LONG TERM LOANS

| | | |
|---|------------------|------------------|
| Term finance | 2,220,072 | 2,221,019 |
| Term finance - under refinance scheme for payroll financing | 27,497 | 56,459 |
| Term finance - under temporary economic refinance facility | 3,755,509 | 3,717,782 |
| Term finance - Secured (Renewable energy) | 30,000 | 32,500 |
| Loan from directors / sponsors | 107,000 | 107,000 |
| | 6,140,078 | 6,134,760 |
| Mark up accrued | 109,902 | 103,984 |
| | 6,249,980 | 6,238,744 |
| Less: Current maturity shown under current liabilities | (461,552) | (472,174) |
| Less: Markup accrued shown under current liabilities | (109,902) | (103,984) |
| | 5,678,526 | 5,662,586 |

8 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

Holding Company/Subsidiary Company

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2022.

COMMITMENTS

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

| | (Unaudited) Sep. 30, 2022 Rs. in million | (Audited) June 30, 2022 Rs. in million |
|--|---|---|
| Letters of credit established for the import of raw materials, spare parts and machinery | 3,890 | 4,185 |
| Letter of guarantee given to SNGPL | 148 | 136 |
| Letter of guarantee given to PSO | 62 | 62 |
| Letter of guarantee given to Total PARCO | 13 | 13 |

9 COST OF SALES

| | (Unaudited) Sep. 30, 2022 (Rs. '000') | (Audited) Sep. 30, 2021 (Rs. '000') |
|---------------------------------|--|--|
| Opening stock of finished goods | 1,947,496 | 1,670,468 |
| Cost of goods manufactured | 14,075,600 | 8,065,770 |
| | 16,023,096 | 9,736,238 |
| Closing stock of finished goods | (2,330,104) | (1,709,794) |
| | 13,692,992 | 8,026,444 |

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

10 TRANSACTIONS WITH RELATED PARTIES

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

| Name of Related Parties | Relationship | Nature of Transaction | Sep. 30, 2022 | Sep. 30, 2021 |
|----------------------------------|--------------------|-----------------------|---------------|---------------|
| | | | Rs."000" | Rs."000" |
| Nimir Chemcoats Limited | Subsidiary Company | Purchase of goods | 19,335 | 2,256 |
| | | Sale of goods | 7,975 | 19,471 |
| | | Services provided | 629 | 491 |
| Nimir Chemiclas Pakistan Limited | Associated Company | Sale of goods | 9,216 | - |
| Key Management Personnel | | | | |
| Remuneration | | | 92,451 | 73,854 |
| Other Benefits | | | - | 19,769 |

11 Corresponding figures

Corresponding figures have been re-arranged and re-classified, where necessary, for better and fair presentation. However no significant reclassifications / restatements have been made, other than the following:

| Transferred from component | Transferred to component | Sep. 30, 2021 Rs."000" |
|------------------------------------|--------------------------|---------------------------|
| Statement of profit or loss | | |
| Foreign exchange gain | Other income | 3,906 |

12 GENERAL

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Group on October 21, 2022.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

13 OPERATING SEGMENT INFORMATION

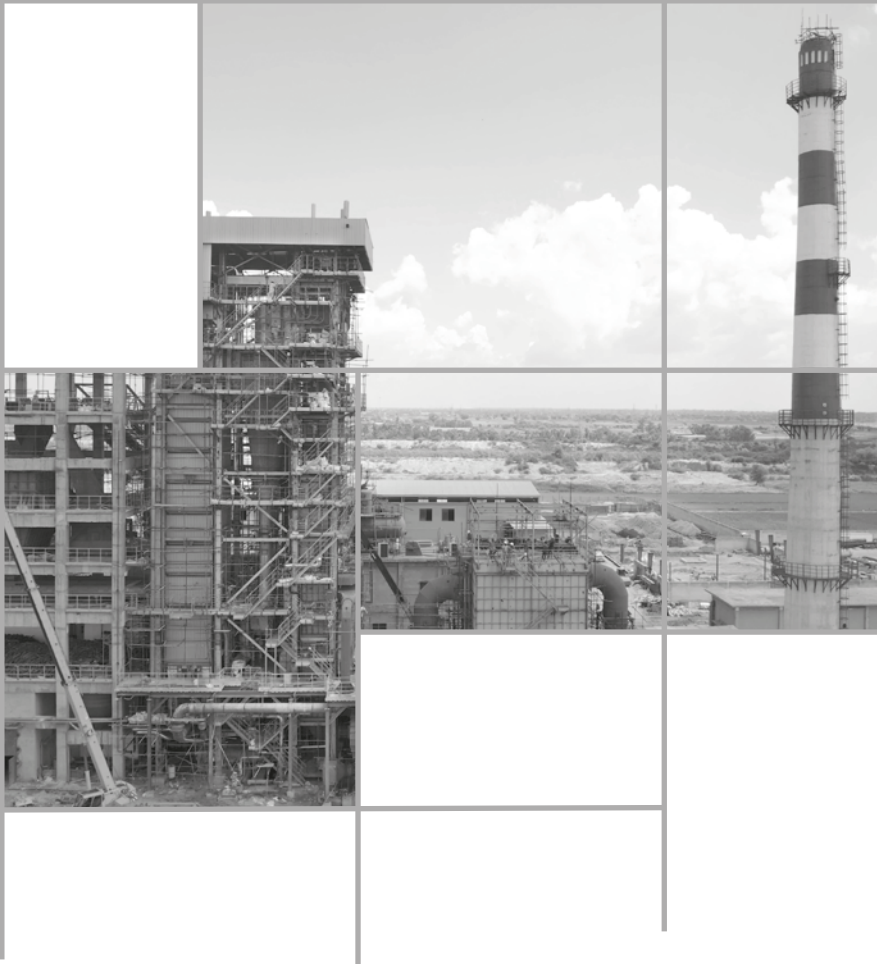
| | Nimir Industrial Chemicals Limited | | Nimir Resins Limited Coating, emulsion and resins | | Other segments | | Inter segment eliminations | | Total | |
|---|------------------------------------|---------------------|--|---------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | Rs. "000" | | | | | | | | | |
| Revenue from contracts with customers - net | 12,837,399 | 7,409,489 | 2,306,149 | 1,546,242 | - | - | (90,253) | (31,879) | 15,053,295 | 8,923,852 |
| Cost of sales | (11,684,744) | (6,655,215) | (2,100,921) | (1,402,603) | - | - | 92,673 | 31,374 | (13,692,992) | (8,026,444) |
| Gross profit | 1,152,655 | 754,274 | 205,228 | 143,639 | - | - | 2,420 | (505) | 1,360,303 | 897,408 |
| Distribution cost | (88,582) | (41,869) | (26,612) | (18,586) | - | - | 27 | - | (115,167) | (60,455) |
| Administrative expenses | (108,088) | (81,149) | (22,472) | (18,027) | - | - | 316 | 263 | (130,244) | (98,913) |
| Operating profit | 955,985 | 631,256 | 156,144 | 107,026 | - | - | 2,763 | (242) | 1,114,892 | 738,040 |
| Other expenses | (25,570) | (33,693) | (3,221) | (13,613) | - | - | - | - | (28,791) | (47,306) |
| Other income | 25,190 | 17,536 | 2,833 | 2,344 | - | - | (552) | (502) | 27,471 | 19,378 |
| Finance cost | (610,604) | (160,486) | (112,071) | (26,919) | - | - | - | - | (722,675) | (187,405) |
| Profit before taxation | 345,001 | 454,613 | 43,685 | 68,838 | - | - | 2,211 | (744) | 390,897 | 522,707 |
| Taxation | (129,413) | (131,868) | (26,475) | (20,049) | - | - | - | - | (155,888) | (151,917) |
| Profit after taxation | 215,588 | 322,745 | 17,210 | 48,789 | - | - | 2,211 | (744) | 235,009 | 370,790 |
| | 30 Sep. 2022 | 30 June 2022 | 30 Sep. 2022 | 30 June 2022 | 30 Sep. 2022 | 30 June 2022 | 30 Sep. 2022 | 30 June 2022 | 30 Sep. 2022 | 30 June 2022 |
| Segment assets | 32,520,395 | 30,128,450 | 6,030,858 | 5,963,417 | 292,912 | 292,912 | (1,033,175) | (1,020,249) | 37,810,990 | 35,364,531 |
| Segment liabilities | 26,291,951 | 23,949,708 | 3,581,043 | 3,637,812 | 78,957 | 78,956 | (67,365) | (159,227) | 29,884,586 | 27,507,250 |

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


Chief Executive Officer


Director


Chief Financial Officer



NIMIR

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E-Brochure



Corporate Video