NIMIR

TRANSFORMING FOR A SUSTAINABLE FUTURE

ANNUAL REPORT 2023

Nimir Industrial Chemicals Limited

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Company Information

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	
Mrs. Humaira Shazia	
Ms. Parveen Akhter Malik	
Mr. Saqib Anjum	
Mr. Abdul Jaleel Shaikh (Nominee - Pak Brunei Investment Company Limited)	

Chief Financial Officer

Syed Sajid Nasim

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Umair Tahir

Audit Committee

Mr. Javed Saleem Arif	- Chairman
Mrs. Humaira Shazia	- Member
Mr. Abdul Jaleel Shaikh	- Member

Human Resource & Remuneration Committee

Ms. Parveen Akhter Malik	- Chairman
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

Banks / DFIs

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 Metropolitian 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
Pak Libya Holding Company (Pvt) Limited
Pair Investment Company Limited
United Bank Limited

Registered Office / Factory

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

Head Office

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

Karachi Office

607, Progressive Centre, Block-6,
PECHS, Shahrah-e-Faisal, Karachi.
Tel: +92 21 34327661-62

Website

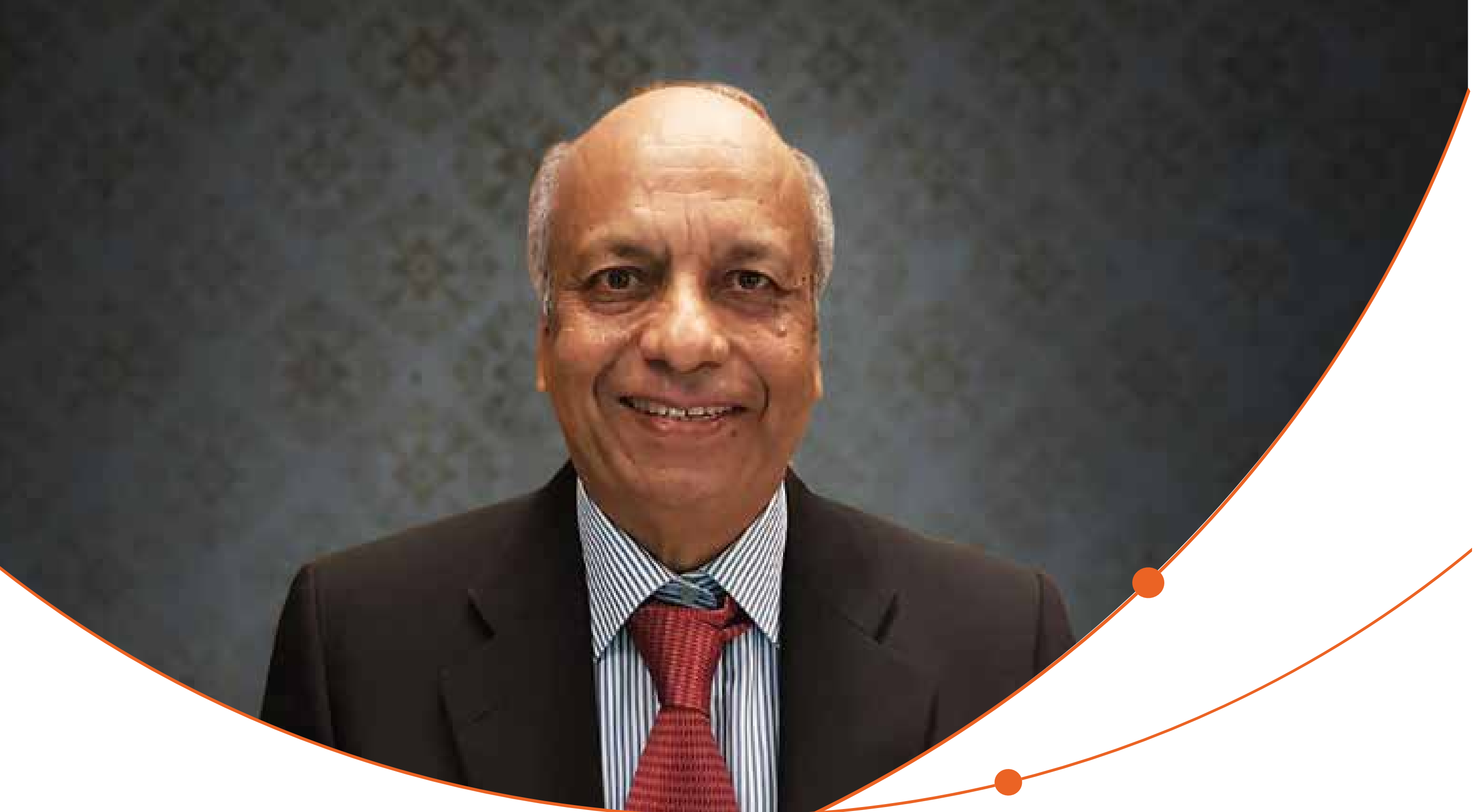
www.nimir.com.pk

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

Dear All

On behalf of the Board of Directors of Nimir Industrial Chemicals Limited, it gives me an immense pleasure in presenting to you, your Company's Annual Report for the year ended 30 June 2023 which highlights performance and achievements during this period.

During the year under review the country has witnessed problems from all directions causing economic instability which brought down GDP growth rate to less than 0.5% from 5% the previous years. The effects of this were felt by all sections of society, majority of which found it had to make both ends meet.

Despite all these adversities, Alhamdulillah, your Company's topline has reached PKR 51 billion, recording a growth of 30% year-on-year mainly on the back of rising prices. The operating profit and profit after tax increased by 50% and 15% over the corresponding period. The decline in After tax profit growth can be attributed to high finance cost which grew from PKR 1.1 billion to PKR 2.7 billion (an increase of 145%).

By the grace of the Almighty and with untiring efforts of the management and team, the company continued to deliver strong business growth through dedicated efforts which needs to be commended. On behalf of the Board, I would like to convey my thanks to all our stakeholders and everyone involved for their continued support and encouragement.

During the last few years, the company has started various capital projects to enhance the capacity and efficiency of the company which have been successfully completed. This will enhance the financial performance; thus creating consistent value growth for all stakeholders. The company has simultaneously contributed to the socio-economic development of Pakistan. We will continue to operate with sincerity and commitment to achieve optimal benchmarks with a strong focus on issues such as environment, social and corporate governance. Under the cloud of economic uncertainty, I have the confidence in the management team to overcome any challenge in the years to come.

The long term goal of the company is to come up to the expectations of the shareholders through a balanced top and bottom-line growth. NICL's aim is to use its competitive advantage of diversified products range to become market leader in all the segments. The rising financial cost, devaluation of the PKR and a record inflation is likely to challenge the management in its efforts. But the Board and management of the company are focused on to sail through all these problems successfully.

On behalf of the Board, I once again express my sincere appreciation to our management, employees, suppliers, customers, Government, regulators and all other stakeholders, without whose support the growth and performance would have not been possible. May the Almighty continue to bless us all. Ameen.

Muhammad Saeed uz Zaman
Chairman

CEO's Message

Valued Stakeholders

During the financial year 2023, we experienced the most turbulent time as Pakistan faced severe adversities such as restricted imports resulting from liquidity crunch and the shrinking economic movement resulting from the devastating floods. However, we persevered with the support of our suppliers and financial institutions.

My team and I have worked toward mitigating the impact of these challenges. Our efforts have yielded a 30% increase in topline, which has exceeded the PKR 50 billion mark, while the consolidated sales of the group stood at PKR 62 million. The operating standalone performance of the company remained robust as we increased the operating profit by 50%. However, the unprecedented increase in interest rates restricted this increase to 15% while coming down to the bottom line.

The increase in operating profit came from our recent investments on BMR, expansions, and new projects. By the grace of Almighty, these projects are now in commercial operation; most of them started their production during this financial year. As such full impact of these new investments on the operating results will be seen in the financial year 2024 and onwards.

Nimir Industrial Chemicals Limited has proven itself to be a thought leader in the chemical industry of Pakistan by continuously pioneering complicated products that have been contributing to the growth of the economy. Taking this forward, we have aggressively pursued exports, which focused on Central Asia through land-route via Afghanistan. In view of overwhelming response of our products in this region, we established our wholly owned subsidiary in Uzbekistan under the name of Nimir Overseas LLC, with prime objective of generating more exports for Pakistan in the region. Our exports during the year under review stood at US$ 11 million (most of them were in this Central Asia).

Looking forward to FY 2024, we expect maximum utilization of our new investments and increase our business and profitability. However, escalating inflation, highly volatile currency, and rising utility and financial costs are expected to add continued pressure to the margins.

The world is adopting automation. I am pleased to share that we have also inaugurated our journey toward digital transformation, which is aimed at bolstering business processes and building efficiency. Our latest upgradation of our ERP system to SAP S4 Hana is helping us improve our internal control systems and decision making.

On the Health, Safety and Environment (HSE) front, we have crossed 20 million safe manhours. This achievement was the result of a strengthening safety culture among staff working in the organization and continued trainings and mock drills.

With regards to CSR, we have initiated various welfare projects in the vicinity of plant with the objective to improve the livelihood of the people of the area through better education and health facilities.

I would like to extend my gratitude to all our shareholders and stakeholders for their continued support for navigating us through another year of success. I would also like to thank all our stakeholders for trusting us and the entire Nimir Family. The Company's performance and our proactive approach to counter potential future challenges speak to our commitment of enhancing the shareholder's value. I would like to commend and congratulate each and every one of you for an astounding level of resilience and commitment to excellence which has helped us get to where we are today. With your support we will, follow the path of growth, profitability and long-term sustainability of our business Insha'Allah.

Zafar Mahmood
Chief Executive Officer
Lahore, September 25, 2023

Accreditations

Sedex is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.

The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

Good Manufacturing Practices (GMP) in accordance with ISO 22716 : 2007 - Guidelines for Cosmetics

ISO 9001:2015 Certification
(Quality Management System)

Cert. No. HAL/ 057
www.ri-ca.org

IT IS HEREBY CERTIFIED THAT THE FOLLOWING PRODUCTS

SOAP NOODLE, GLYCERIN, STEARIC ACID & FINISHED SOAP

ARE IN COMPLIANCE WITH THE ISLAMIC SHARIAH (GUIDELINES), GLOBAL HALAL MANAGEMENT SYSTEM, IHI ALLIANCE-MALAYSIA (GHMS), PAKISTAN HALAL STANDARD (PS-3733:2016) AND UNDER THE SUPERVISION OF SHARIAH BOARD. THE PRODUCT CONTAINS HALAAL INGREDIENTS AND COMPLIES WITH THE ISLAMIC SHARIAH LAW, THEREFORE, IS LAWFUL FOR MUSLIM CONSUMPTION.

Core Business at a Glance

Distilled Fatty Acid / Oleo Chemicals

- Soap noodles
- Stearic Acid
- Glycerine

Soap Noodles (Palm Bright)

- Toilet soap

Stearic Acid (Double & Triple Press)

- Tyre and Rubber
- Textile Softener
- Metal Polishing
- Plastic
- Cosmetics
- Soap

Glycerine

- Pharmaceutical
- Alkyd Resin
- Tobacco
- Cosmetics

Caustic Soda

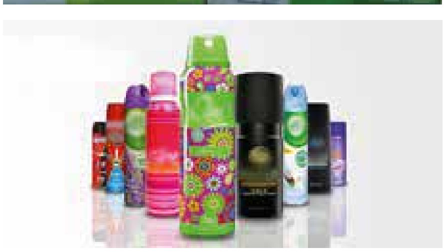
Sodium Hypochlorite

Hydrochloric Acid

- Textile Sector
- Cleaning & Bleaching
- Steel

Soap Bars

- Third party toilet soap finishing and packing facility



Aerosols

Home Care

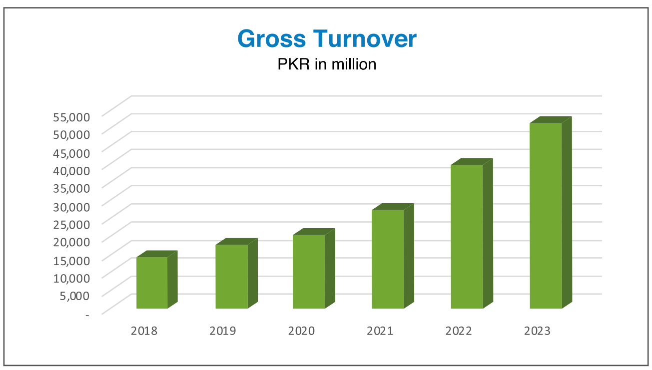
Personal Care

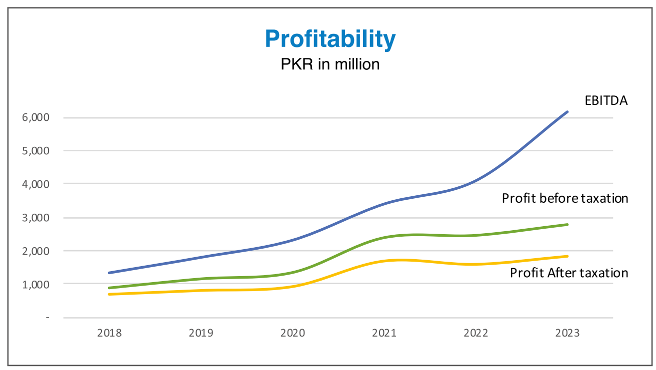
- Body Sprays
- Deodorants
- Antiperspirants
- Air Fresheners
- Insecticides
- Shaving Foam
- Hair Sprays
- Home Cleaners
- Starch Sprays
- Spray Paints
- Automobile Cleaners
- Metal Cleaners

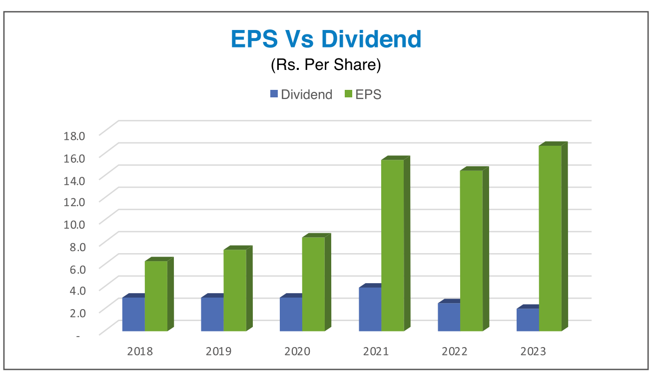
Our Performance Standalone

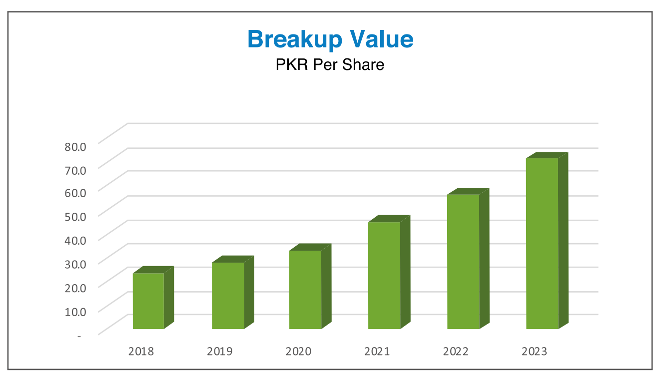
PKR"Million"

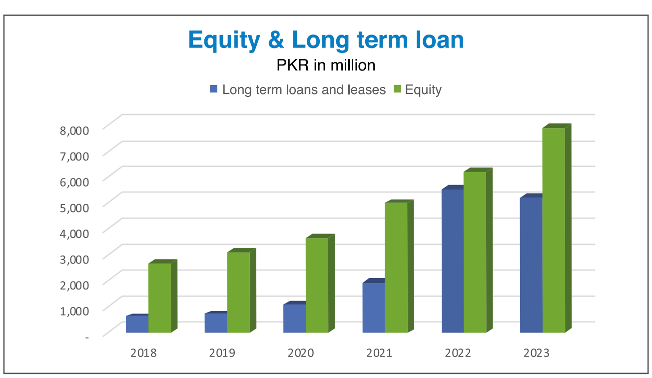
	2018	2019	2020	2021	2022	2023
Gross Turnover	14,222	17,432	20,220	27,169	39,564	51,257
Net Sales	12,091	14,850	17,173	23,094	33,786	43,826
Profit before taxation	887	1,159	1,349	2,397	2,466	2,790
Profit after Taxation	696	810	926	1,694	1,596	1,838
EBITDA	1,340	1,804	2,319	3,408	4,106	6,177
Long term loans and Leases	480	592	1,004	1,897	5,500	5,181
Equity	2,615	3,035	3,623	4,924	6,179	7,848
Current Assets	4,726	5,076	6,769	10,468	16,665	17,280
Current Liabilities	4,274	4,566	5,845	9,004	16,074	16,444
Current Ratio	1.11	1.11	1.16	1.16	1.04	1.05
Number of Shares (in Millions)	111	111	111	111	111	111
Breakup value per share - Rupees	23.6	27.4	32.8	44.5	55.9	71.0
Earning per share - Rupees	6.29	7.33	8.38	15.32	14.43	16.62
Dividend Per Share - Rupees	3.0	3.0	3.0	4.0	2.5	2.0

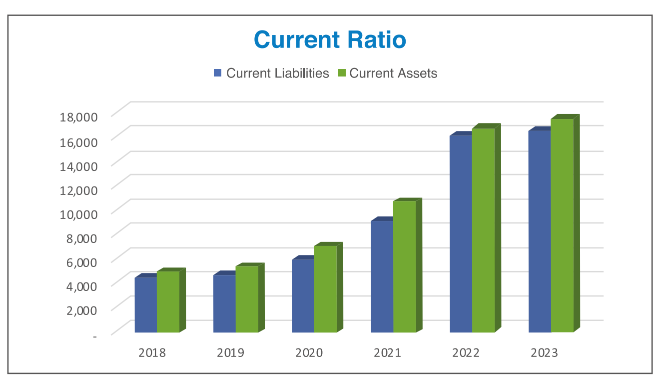








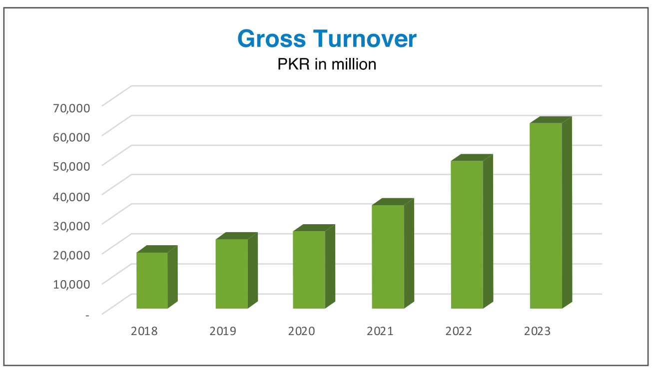


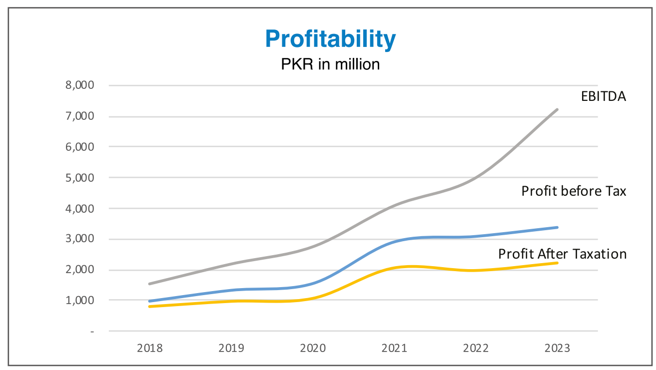


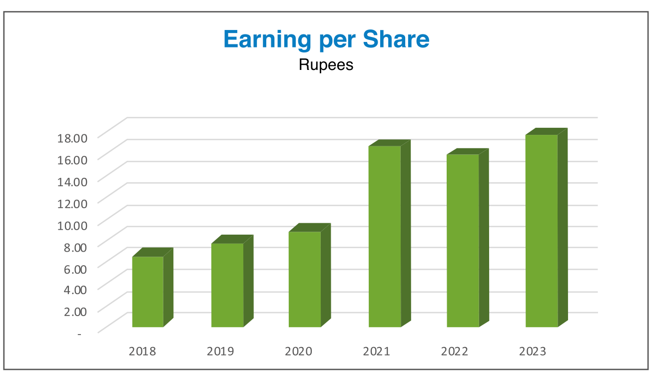
Our Performance Consolidated

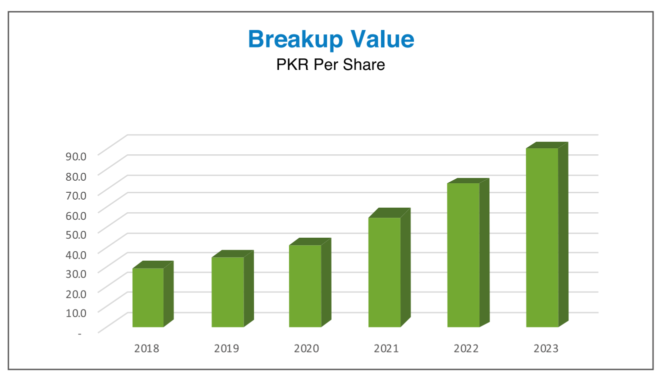
PKR"Million"

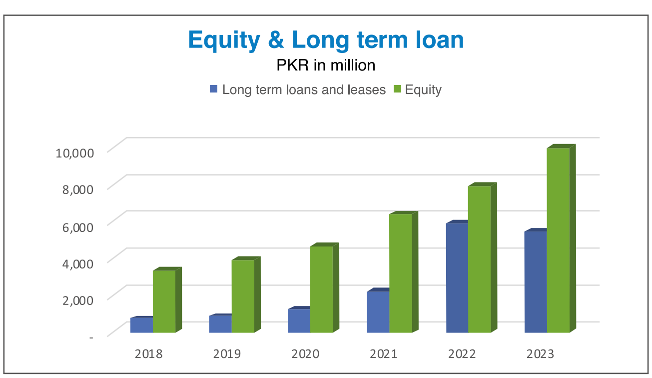
	2018	2019	2020	2021	2022	2023
Gross Turnover	18,186	22,723	25,373	34,404	49,113	61,603
Net Sales	15,569	19,601	21,526	29,202	41,853	52,479
Profit before taxation	972	1,325	1,544	2,901	3,082	3,374
Profit after Taxation	796	966	1,061	2,056	1,972	2,217
EBITDA	1,535	2,181	2,743	4,081	4,991	7,218
Long term loans and Leases	592	704	1,120	2,109	5,770	5,317
Equity	3,265	3,842	4,565	6,226	7,857	9,905
Current Assets	7,034	7,635	9,284	13,643	21,133	20,976
Current Liabilities	6,010	6,423	7,606	11,036	19,073	18,425
Current Ratio	1.17	1.19	1.22	1.24	1.11	1.14
Number of Shares (in Millions)	111	111	111	111	111	111
Breakup value per share - Rupees	29.5	34.7	41.3	56.3	71.0	89.6
Earning per share - Rupees	6.62	7.87	8.88	16.57	15.76	17.60
Dividend Per Share - Rupees	3.00	3.00	3.00	4.00	2.50	2.00

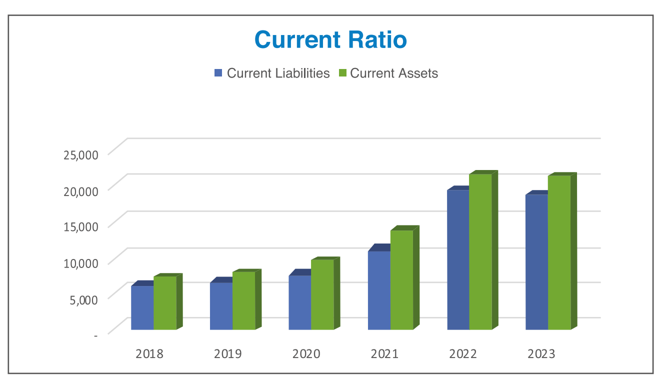












Year at A Glance 2023

	Standalone		Consolidated	
	2022	2023	2022	2023
	Rupees in Million		Rupees in Million	
Gross Turnover	39,564	51,257	49,113	61,603
Gross Profit	4,290	6,413	5,372	7,558
Operating Profit	3,685	5,521	4,599	6,450
Finance Cost	1,127	2,699	1,341	3,076
Profit before taxation	2,466	2,790	3,082	3,374
Profit after taxation	1,596	1,838	1,972	2,217
EBITDA	4,106	6,177	4,991	7,218
Net Worth	6,179	7,848	7,857	9,905
Long Term Loans and Leases	5,500	5,181	5,770	5,317
Total Assets	29,258	31,422	35,365	35,624
Breakup value per share - Rupees	55.9	71.0	71.0	89.6
Earning per share - Rupees	14.4	16.6	15.8	17.6

Standalone

30%
Increase in Gross Turnover

49%
Increase in Gross Profit

50%
Increase in Operating Profit

15%
Increase in Profit after Tax

50%
Increase in EBITDA

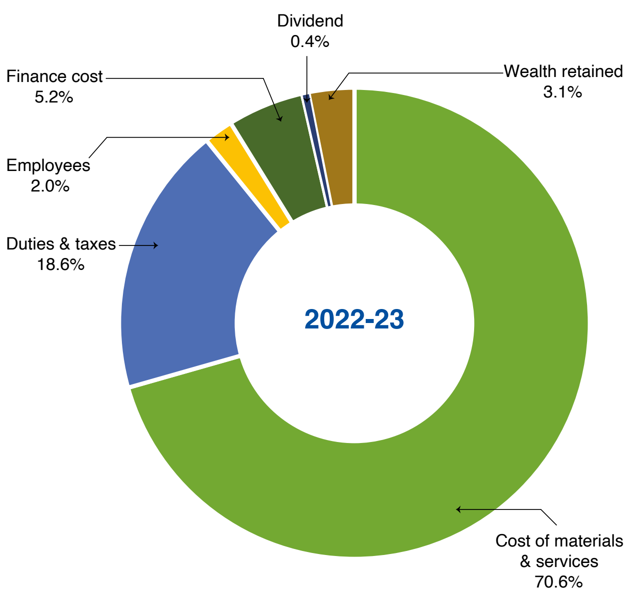
27%
Increase in Break Up Value

Wealth Generated and Distributed

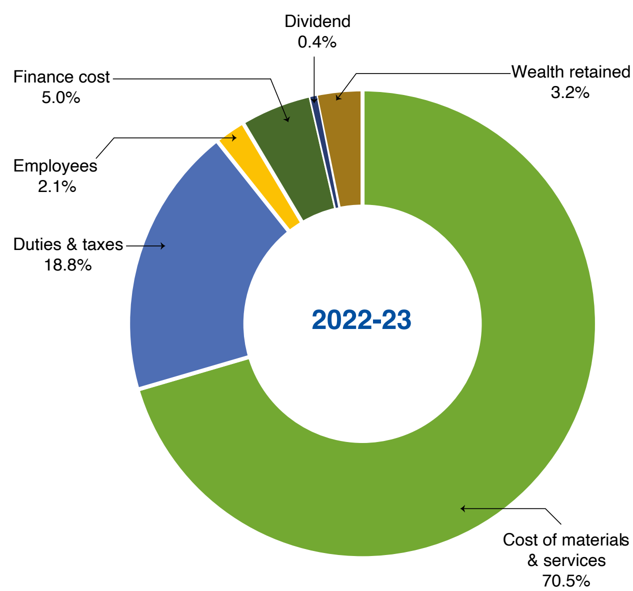
FOR THE YEAR ENDED JUNE 2023

	Standalone		Consolidated	
	2023		2023	
	Rs in million	% age	Rs in million	% age
Generation of Wealth				
Sales with sales Tax	51,257	99.7%	61,603	99.5%
Other operating profit	178	0.3%	286	0.5%
	51,436	100%	61,889	100%
Distribution of Wealth				
Cost of materials & services	36,308	70.6%	43,613	70.5%
Duties & taxes	9,555	18.6%	11,660	18.8%
Employees	1,038	2.0%	1,327	2.1%
Finance cost	2,699	5.2%	3,076	5.0%
Dividend	221	0.4%	221	0.4%
Wealth retained	1,614	3.1%	1,993	3.2%
	51,436	100.0%	61,889	100.0%

Standalone



Consolidated



Horizontal & Vertical Analysis

	2018	2019	2020	2021	2022	2023
			Rupees in million			
BALANCE SHEET						
Non Current Assets	2,862	3,438	4,079	5,801	12,593	14,142
Current Assets	4,726	5,076	6,769	10,468	16,665	17,280
TOTAL ASSETS	**7,588**	**8,514**	**10,849**	**16,269**	**29,258**	**31,422**
Share Capital and Reserves	2,615	3,035	3,623	4,924	6,179	7,848
Non Current Liabilities	699	913	1,381	2,341	7,006	7,129
Current Liabilities	4,274	4,566	5,845	9,004	16,074	16,444
TOTAL EQUITY AND LIABILITIES	**7,588**	**8,514**	**10,849**	**16,269**	**29,258**	**31,422**
PROFIT & LOSS ACCOUNT						
Sales- Net	12,091	14,850	17,173	23,094	33,786	43,826
Cost of Sales	10,542	12,821	14,626	19,550	29,495	37,412
Gross Profit	1,549	2,030	2,546	3,544	4,290	6,413
Distribution & Administration Cost	254	296	369	498	605	892
Operating Profit	1,295	1,733	2,177	3,046	3,685	5,521
Other Expenses/ (Income)	204	215	227	185	93	32
Finance Cost	204	359	602	464	1,127	2,699
Profit before Taxation	887	1,159	1,349	2,397	2,466	2,790
Taxation	192	349	423	702	870	952
Other Comprehensive Loss	4	3	6	7	9	2
Net Comprehensive income for the Year	**692**	**807**	**920**	**1,688**	**1,586**	**1,836**

Horizontal Analysis						Vertical Analysis					
2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
percentages changes from last year						Percentage					
12.34	20.12	18.64	42.20	117.10	12.29	37.72	40.38	37.60	35.65	43.04	45.01
61.50	7.40	33.37	54.64	59.19	3.69	62.28	59.62	62.40	64.35	56.96	54.99
38.62	**12.20**	**27.42**	**49.96**	**79.84**	**7.39**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
21.94	16.06	19.39	35.90	25.48	27.02	34.46	35.65	33.40	30.27	21.12	24.98
23.30	30.64	51.16	69.58	199.25	1.77	9.21	10.73	12.73	14.39	23.94	22.69
54.70	6.82	28.01	54.05	78.52	2.30	56.33	53.63	53.88	55.34	54.94	52.33
38.62	**12.20**	**27.42**	**49.96**	**79.84**	**7.39**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
64.08	22.82	15.64	34.48	46.30	29.72	100.00	100.00	100.00	100.00	100.00	100.00
67.22	21.62	14.09	33.66	50.87	26.84	87.19	86.33	85.17	84.66	87.30	85.37
45.48	30.99	25.46	39.17	21.07	49.48	12.81	13.67	14.83	15.34	12.70	14.63
10.30	16.49	24.56	35.02	21.51	47.44	2.10	1.99	2.15	2.16	1.79	2.04
55.19	33.84	25.61	39.88	21.00	49.81	10.71	11.67	12.68	13.19	10.91	12.60
(12,611)	5.6	5.3	(18.4)	(50.0)	(65.8)	1.69	1.45	1.32	0.80	0.27	0.07
50.82	76.00	67.33	(22.86)	142.86	139.54	1.69	2.42	3.50	2.01	3.34	6.16
26.58	30.61	16.44	77.65	2.88	13.15	7.34	7.80	7.86	10.38	7.30	6.37
(16.48)	81.94	21.25	66.16	23.91	9.45	1.58	2.35	2.46	3.04	2.58	2.17
(12.63)	(23.94)	115.60	6.29	37.28	(76.68)	0.03	0.02	0.04	0.03	0.03	0.00
48.10	**16.69**	**14.00**	**83.41**	**(6.00)**	**15.70**	**5.72**	**5.44**	**5.36**	**7.31**	**4.70**	**4.19**

Key Operating & Financial Data for Last Six Years

	2018	2019	2020	2021	2022	2023
			Rupees in million			
Net Sales	12,091	14,850	17,173	23,094	33,786	43,826
Gross Profit	1,549	2,030	2,546	3,544	4,290	6,413
Operating Profit	1,295	1,733	2,177	3,046	3,685	5,521
Finance Cost	204	359	602	464	1,127	2,699
Profit before taxation	887	1,159	1,349	2,397	2,466	2,790
Profit after taxation	696	810	926	1,694	1,596	1,838
EBITDA	1,340	1,804	2,319	3,408	4,106	6,177
Paid-up Capital	1,106	1,106	1,106	1,106	1,106	1,106
Net Worth	2,615	3,035	3,623	4,924	6,179	7,848
Long Term Loans and Leases	480	592	1,004	1,897	5,500	5,181
Deffered Liabilities	219	322	376	444	1,506	1,948
Current Liabilities	4,274	4,566	5,845	9,004	16,074	16,444
Total Equity and Liabilities	7,588	8,514	10,849	16,269	29,258	31,422
Current Assets	4,726	5,076	6,769	10,468	16,665	17,280
Non Current Assets	2,862	3,438	4,079	5,801	12,593	14,142
Total Assets	7,588	8,514	10,849	16,269	29,258	31,422
Breakup value per share - Rupees	23.6	27.4	32.8	44.5	55.9	71.0
Earnings per share - Rupees	6.3	7.3	8.4	15.3	14.4	16.6
Current Ratio	1.11 : 1	1.11 : 1	1.16 : 1	1.16 : 1	1.04 : 1	1.05 : 1
Lont Terms Debt to Equity Ratio	16 : 84	16 : 84	22 : 78	28 : 72	47 : 53	40 : 60
Interest Coverage Ratio	5.34	4.22	3.24	6.17	3.19	2.03

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Financial Statements - Separate

FOR THE YEAR ENDED JUNE 30, 2023

Directors' Report

The Board of Directors of Nimir Industrial Chemicals Limited (the "Company") is pleased to submit the 30th Annual Report along with the Audited financial statements for the year ended June 30, 2023.

The year under review has gone through a number of ups and downs especially on the economic front. The political instability accompanied by havoc played by unprecedented floods in large areas of the Country and rising food and fuel prices around the globe made the macro-economic management a herculean task. The discount rate and inflation rose to record high making it difficult for the majority of the population to keep the two ends meet. The shortage of USD forced SBP to impose some restrictions on import letter of credits. This made the import of raw materials by manufacturers difficult. These measures have disturbed the procurement of industrial inputs and resulted in slowing down the economy. These adversities caused in going down the growth rate to below 1%. The IMF envisions steady growth in real GDP over the next three years, stabilizing around 5% by FY27.

Just at the closure of the financial year, Government of Pakistan successfully negotiated a stand by arrangement with IMF resulting into an immediate disbursement of a loan of USD 1.2 billion. This supported the falling PKR to some extent but still the USD PKR parity went very close to 300. The CPI too will start going down as the IMF predicts a decrease in inflation in the later part of the year, with an expected period-end CPI of around 16% for FY24.

Performance of the Company's Business

Nimir Industrial Chemicals Limited has been able to post encouraging results during the financial year ended June 30, 2023, which are summarized as follows:

	2023	2022	Increase
	PKR Million		% age
Gross Sales Turnover	51,257	39,564	29.55%
Gross Profit	6,413	4,290	49.49%
Operating Profit	5,521	3,685	49.82%
Profit Before Taxation	2,790	2,466	13.14%
Profit After Taxation	1,838	1,596	15.18%
Earning Per Share	16.62	14.43	15.18%

The top line of the company has exceeded PKR 51 billion during the year, showing an impressive growth of 30% year-on-year. The gross and operating profits grew by 49% and 50% respectively over the corresponding period.

However due to high interest rate and increasing working capital requirements to cater increased costs, the financial cost grew by 161% over the last year. This huge increase in financial cost limited the growth in after tax profit to 15.18%.

Future Outlook

The projects initiated in the last two financial years have been made operational during the financial year 2023. The full impact of these projects on the financials of the company will be reflected in the financial year 2024. This will help management's efforts of the continuous growth in top line. However high labor cost, instable currency, rising utility and financial costs will pose pressure on margins. Despite all these challenges, the management is, however, committed to perform its best to continue increasing shareholders value, Insha'Allah.

Credit Rating

PACRA (Pakistan Credit Rating Agency) has maintained the credit rating of the Company to A+ for long term and A1 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 routine nature.

Gratuity Scheme

The Company operates a funded gratuity scheme for its employee as referred in Note 13 to the accounts.

Board of Directors

After the election in December 2021 currently, the Board of Directors consists of nine members including CEO – Seven male and Two female. Out of these directors, three are executive and six are non-executive (including three independent directors).

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. Javaid Saleem Arif	Chairman	Independent Director
2.	Mrs. Humaira Shazia	Member	Independent Director
3.	Mr. Abdul Jaleel Shaikh,	Member	Non-Executive Director

Human Resource and Remuneration Committee:

1.	Ms. Parveen Akhtar Malik	Chairperson	Independent Director
2.	Mr. M. Saeed uz Zaman	Member	Non-Executive Director
3.	Mr. Zafar Mahmood	Member	Executive Director

During the fiscal year, five (5) Board, four (4) Audit Committee, and one (1) HR & Remuneration Committee meetings were held. The attendance of the directors is as follows:

Name of Director	Board of Directors	Audit Committee	HR & R Committee
M. Saeed-uz-Zaman	6	–	1
Zafar Mahmood	6	–	1
Imran Afzal	6	–	–
Aamir Jamil	6	–	–
Parveen Akhter Malik	6	–	1
Javed Saleem Arif	6	4	–
Humaira Shazia	2	1	–
Abdul Jaleel Shaikhl	6	4	–
Saqib Anjum	6	–	–
Tariq Ahmed Khan (Late)	3	2	–

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 the CCG. It is also important to recognize the key role played by the sub-committees in highlighting areas of improvements and recommending practical solutions.

Directors' Remuneration Policy

Executive Directors' remuneration is fixed as per the formal policy approved by the Board in line with the Companies Act, 2017 and the Code of Corporate Governance.

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 under Code of Corporate Governance incorporated in the Listing Rules of the Pakistan Stock Exchange Limited in the country, the Board of Directors is pleased to state as follows:

- 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 controls is sound in design and has been effectively implemented and monitored,
- There is no significant doubt upon the company's ability to continue as a going concern,
- There has been no material departure from the best practices of the 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 good corporate governance and 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 with an unprejudiced approach. 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, and encourages student visits from different educational institutions. The Company also support needy children of the employees for studies to promote education in the country.

Subsidiary Companies

Nimir Industrial Chemicals Limited holds 51% shares in Nimir Management Private Limited and 11.63% shares in Nimir Resins Limited directly. The Company's effective shareholding in NRL stands unchanged at 37.64%.

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 all 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.

External Auditors

The present auditors, EY Ford Rhodes, Chartered Accountant, are retiring this year. M/s BDO Ebrahim & Co. - Chartered Accountant, have offered themselves for appointment to the Management and Audit Committee. The Audit Committee has recommended the appointment of M/s M/s BDO Ebrahim & Co. - Chartered Accountant as external auditor of the Company for the year ending June 30, 2024.

Dividend / Bonus Shares

The Board has recommended a PKR 2.0 per share (i.e. 20 %) final cash dividend for the year ended June 30, 2023. The Board had earlier declared and paid interim cash dividends totaling PKR NIL per share (i.e. 0 %). The total cash dividend for the year remained PKR 2.0 per share (i.e. 20 %).

Post Balance Sheet Event

The Company has filed a petition with Lahore High Court to approve a scheme of arrangement. After the approval of the scheme, Nimir Management Private Limited (NMPL), a 51% subsidiary which holds 51% shares in Nimir Resins Limited will be dissolved without winding up and the shares held by NMPL will be distributed among the shareholders in ratio of their shareholding in NMPL. Simultaneously the total shares available with NICL after the dissolution of NMPL will be distributed among the shareholders in ratio of their shareholding in NICL.

Pattern of Shareholding

TThe 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 Executive and their spouses and minor children during the year except those which are mentioned in the annexed statement required under code of CCG.

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 customers, banks, suppliers, contractors, and shareholders, regulators for their excellent support and confidence. We also thank our employees for their focused dedication and hard work throughout this period.

For and on behalf of the Board

Zafar Mahmood **Aamir Jamil**

Lahore
September 25, 2023

TRANSFORMING FOR A SUSTAINABLE FUTURE

کی تشخیص کی گئی۔ بورڈ کی مدد ذیلی کمیٹیوں، یعنی آڈٹ کمیٹی اور ایچ آر اینڈ آر کمیٹی کے ذریعے کی جاتی ہے، اور ان ذیلی کمیٹیوں نے کارپوریٹ 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 کے کلیدی کردار کی تعریف کرنا بھی ضروری ہے۔

ڈائریکٹرز کی معاوضہ پالیسی

ایگزیکٹو ڈائریکٹرز کا معاوضہ کمپنیز ایکٹ، 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق بورڈ کی طرف سے منظور شدہ رسمی پالیسی کے مطابق طے کیا گیا ہے۔

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو اور آزاد ڈائریکٹرز کی فیس کا تعین وقتاً فوقتاً بورڈ کرتا ہے۔

کارپوریٹ گورننس

ملک میں اسٹاک ایکسچینج لمیٹڈ 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 ایکوئٹی 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 مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- فہرستی قواعد وضوابط 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 ٹیکسز اور لیویز کا مالی حسابات کے نوٹ میں انکشاف کیا گیا ہے۔

کمپنی کی انتظامیہ اچھے کارپوریٹ گورننس کے لئے پُرعزم ہے، اور بہترین طریقوں کے مطابق عمل کرنے کے لئے مناسب اقدامات کئے گئے ہیں اور کمپنیز ایکٹ 2017 کی روشنی میں مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

کارپوریٹ سماجی ذمہ داریاں

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

کمپنی ماحول دوست آپریشنز، مصنوعات اور خدمات کو یقینی بناتی ہے اور اپنے ملازمین اور کمیونٹی کے درمیان ماحولیاتی شعور کو فروغ دیتی ہے۔ یہ اردگرد کی کمیونٹی سے ملازمین کو شامل اور تکنیکی اداروں کو انٹرن شپ اور اپرنٹس 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 ضرورت مند ملازمین کے بچوں کی مدد کرتی ہے۔

ذیلی کمپنیاں

نمر مینجمنٹ پرائیویٹ لمیٹڈ میں نمر انڈسٹریل کیمیکلز لمیٹڈ کے 51% شیئرز اور براہِ راست نمر ریزنز لمیٹڈ میں 11.63% شیئرز ہیں۔ NRL میں کمپنی کی مؤثر شیئر ہولڈنگ 37.64% برقرار ہے۔

داخلی مالیاتی کنٹرول

اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر 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 کمپنیز 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 وخوض اور ان کی منظوری کے لئے بورڈ آف ڈائریکٹرز کے رُوبرو رکھے گئے۔

بیرونی محاسب

موجودہ محاسب میسرز ای وائی فورڈ رہوڈس، چارٹرڈ اکاؤنٹنٹ اس سال ریٹائر ہو گئے ہیں۔ میسرز بی ڈی او ابراہیم اینڈ کو چارٹرڈ اکاؤنٹنٹ، نے خود کو انتظامیہ اور آڈٹ کمیٹی کو تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے میسرز بی ڈی او ابراہیم اینڈ کو چارٹرڈ اکاؤنٹنٹ کو کمپنی کے بیرونی آڈیٹر کے طور پر تقرری کی سفارش کی ہے۔

ڈیویڈنڈ/بونس شیئرز

بورڈ نے 30 جون 2023ء کو ختم ہونے والے سال کے لئے -/2 روپے فی شیئر (یعنی 20%) حتمی نقد منافع کی سفارش کی ہے۔ بورڈ پہلے ہی عبوری نقد منافع صفر -/0 روپے فی شیئر (یعنی 0%) کا اعلان کر چکا ہے۔ موجودہ سال کے لئے کل نقد حتمی نقد منافع -/2 روپے فی شیئر (یعنی 20%) کی منظوری دی ہے۔

بیلنس شیٹ کے بعد کے واقعات

کمپنی نے انتظامات کی اسکیم کی منظوری کے لیے لاہور ہائی کورٹ میں درخواست دائر کی ہے۔ اسکیم کی منظوری کے بعد، نمر مینجمنٹ پرائیویٹ لمیٹڈ (NMPL)، ایک 51% ذیلی ادارہ جس کے پاس نمر ریزنز لمیٹڈ میں 51% حصص ہیں، کو وائنڈ اپ کئے بغیر تحلیل کر دیا جائے گا اور NMPL کے پاس موجودہ حصص کو NMPL میں اُن کے شیئر ہولڈنگ کے تناسب میں ان کے حصص یافتگان میں تقسیم کر دیا جائے گا۔ اس کے ساتھ ہی NMPL کی تحلیل کے بعد NICL کے پاس دستیاب کل حصص کو حصص یافتگان کے درمیان NICL میں ان کے شیئر ہولڈنگ کے تناسب سے تقسیم کیے جائیں گے۔

نمونہ حصص داری

کمپنی کا نمونہ حصص داری منسلک ہے۔ سال کے دوران کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، 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 منسلکہ 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۔

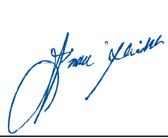
اظہار تشکر

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

منجانب بورڈ

ظفر محمود

چیف ایگزیکٹو آفیسر



عامر جمیل

ڈائریکٹر

25 ستمبر 2023ء

لاہور

ڈائریکٹرز رپورٹ

نمرانڈسٹریل کیمیکلز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے 30 ویں سالانہ رپورٹ معہ نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

زیر جائزہ سال خاص طور پر اقتصادی محاذ پر بہت زیادہ اتار چڑھاؤ کا شکار رہا ہے۔ سیاسی عدم استحکام کے ساتھ ساتھ ملک کے بہت سے علاقوں میں بے پناہ سیلاب کی تباہی اور دنیا بھر میں خوراک اور ایندھن کی بڑھتی ہوئی قیمتوں نے میکرو اکنامک مینجمنٹ کو مشکل ترین کام بنا دیا۔ ڈسکاؤنٹ شرح اور مہنگائی ریکارڈ بلندی پر پہنچ گئی جس کی وجہ سے اکثر آبادی کے لیے گزارا کرنا مشکل ہو گیا۔ امریکی ڈالر کی کمی نے اسٹیٹ بینک کو امپورٹ لیٹر آف کریڈٹس پر کچھ پابندیاں عائد کرنے پر مجبور کیا۔ اس نے مینوفیکچررز کے لئے خام مال کی درآمد کو مشکل بنا دیا۔ ان اقدامات نے صنعتی آلات کی خریداری میں رکاوٹ ڈالی اور اس کے نتیجے میں معیشت سست روی کا شکار ہوگئی۔ ان مشکلات کی وجہ سے شرح نمو 1 فیصد سے نیچے آ گئی۔ آئی ایم ایف نے اگلے تین سالوں میں حقیقی جی ڈی پی میں مستحکم نمو کا تصور کرتے ہوئے، مالی سال 27 تک تقریباً 5 فیصد نمو کا تخمینہ لگایا ہے۔

مالی سال کے اختتام پر، حکومت پاکستان نے آئی ایم ایف کے ساتھ اسٹینڈ بائی ارینجمنٹ پر کامیابی سے بات چیت کی جس کے نتیجے میں 1.2 بلین امریکی ڈالر کے قرض کی فوری وصولی ہوئی۔ اس نے گرتے ہوئے روپیہ کو کسی حد تک سہارا دیا لیکن پھر بھی امریکی ڈالر پاکستانی روپیہ کی برابری 300 کے بہت ہی قریب پہنچ گئی۔ CPI بھی نیچے جانا شروع ہو جائے گا کیونکہ IMF نے سال کے آخری عرصہ میں مہنگائی میں کمی کی پیش گوئی کی ہے، متوقع مدت کے بعد CPI مالی سال 24 کے لیے تقریباً 16 فیصد کا اندازا لگایا گیا ہے۔

کمپنی کے کاروبار کی کارکردگی۔

نمرانڈسٹریل کیمیکلز لمیٹڈ نے 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران حوصلہ افزاء نتائج درج کئے ہیں، جن کا خلاصہ مندرجہ ذیل ہے:

	2023	2022	اضافہ
	روپے ملین		فیصد
مجموعی فروخت آمدنی	51,257	39,564	29.55%
مجموعی منافع	6,413	4,290	49.49%
آپریٹنگ منافع	5,521	3,685	49.82%
ٹیکس سے قبل منافع	2,790	2,466	13.14%
ٹیکس کے بعد منافع	1,838	1,596	15.18%
فی حصص آمدنی	16.62	14.43	15.18%

سال کے دوران کمپنی کی ٹاپ لائن 51 بلین روپے سے تجاوز کر گئی ہے، جو سال بہ سال 30% کی متاثر کن نمو کو ظاہر کرتی ہے۔ مجموعی اور آپریٹنگ منافع میں گزشتہ اسی مدت سے بالترتیب 49% اور 50% اضافہ ہوا۔ تاہم بڑھتی ہوئی لاگت کو پورا کرنے کے لیے اعلی شرح سود اور ورکنگ کیپیٹل کی بڑھتی ہوئی ضروریات کی وجہ سے، مالی لاگت گزشتہ سال سے 161 فیصد تک زیادہ ہوگئی۔ مالیاتی لاگت میں اس بھاری اضافہ نے بعد از ٹیکس منافع میں اضافہ کو 15.18 فیصد تک محدود کر دیا۔

مستقبل کا نقطہ نظر

گزشتہ دو مالی سالوں میں شروع کیے گئے منصوبوں کو مالی سال 2023 کے دوران آپریشنل کر دیا گیا ہے۔ کمپنی کے مالیات پر ان منصوبوں کا مکمل اثر مالی سال 2024 میں نظر آئے گا۔ اس سے انتظامیہ کی ٹاپ لائن میں مسلسل نمو کی کوششوں کو مدد ملے گی۔ تاہم مزدوروں کی زیادہ اُجرت، غیر مستحکم کرنسی، بلوں اور مالی اخراجات میں اضافہ مارجن پر دباؤ ڈالیں گے۔ ان تمام مشکلات کے باوجود، انتظامیہ، تاہم، شیئر ہولڈرز کی قدر میں اضافہ جاری رکھنے کے لیے اپنی بہترین کارکردگی کا مظاہرہ کرنے کے لیے پرعزم ہے، انشاءاللہ۔

کریڈٹ ریٹنگ:

PACRA (پاکستان کریڈٹ ریٹنگ ایجنسی) نے کمپنی کی طویل مدت کے لئے +A اور مختصر مدت کے لئے A1 کی کریڈٹ ریٹنگ برقرار رکھی۔

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۔

گریجویٹی سکیم

کمپنی اپنے ملازمین کے لئے اکاؤنٹس کے نوٹ 13 پر درج، فنڈڈ گریجوئٹی سکیم چلاتی ہے۔

بورڈ آف ڈائریکٹرز

دسمبر 2021 میں انتخابات کے بعد حالیہ، بورڈ آف ڈائریکٹرز نو (9) ارکان پر مشتمل ہے جس میں بشمول سی ای یو- اور سات مرد اور دو خواتین شامل ہیں۔ ان ڈائریکٹرز میں سے تین ایگزیکٹو اور چھ نان ایگزیکٹو (بشمول تین آزاد) ہیں۔

بورڈ کی دو ذیلی کمیٹیاں یعنی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی کی ترتیب حسبِ ذیل ہے:

آڈٹ کمیٹی:

1۔ جناب جاوید سلیم عارف	(آزاد ڈائریکٹر)	چیئرمین
2۔ محترمہ حمیرا شازیہ	(آزاد ڈائریکٹر)	رکن
3۔ عبدالجلیل شیخ	(نان ایگزیکٹو ڈائریکٹر)	رکن

ہیومن ریسورس اینڈ ریمنریشن کمیٹی:

1۔ محترمہ پروین اختر ملک	(آزاد ڈائریکٹر)	چیئرپرسن
2۔ جناب محمد سعید الزمان	(نان ایگزیکٹو ڈائریکٹر)	رکن
3۔ جناب ظفر محمود	(ایگزیکٹو ڈائریکٹر)	رکن

مالی سال 23-22 کے دوران، چھ (6) بورڈ، چار (4) آڈٹ کمیٹی اور ایک (1) ایچ آر اینڈ ریمنریشن کمیٹی کے اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر & ریمنریشن کمیٹی
محمد سعید الزمان	6	-	1
ظفر محمود	6	-	1
عمران افضل	6	-	-
عامر جمیل	6	-	-
محترمہ پروین اختر	6	-	1
جاوید سلیم عارف	6	4	-
محترمہ حمیرا شازیہ	2	1	-
عبدالجلیل شیخ	6	4	-
ثاقب انجم	6	-	-
طارق احمد خان (مرحوم)	3	2	-

بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورننس (سی سی جی) اور کمپنیز ایکٹ 2017 کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

FOR THE YEAR ENDED JUNE 30, 2023

Nimir Industrial Chemicals Limited (the "Company") has complied the requirement of the Regulations in the following manner:

Note: The Board was reconstituted after the elections in December 2021.

1. The total number of directors is 09 as detailed below:

a. Male : 07
b. Female : 02

2. The composition of the board is as follows:

S. No.	Categaory	Name
1	Independent Director	1. Mr. Javed Saleem Arif 2. Mrs. Humaira Shazia 3. Ms. Parveen Akhter Malik
2	Executive Director	1. Mr. Zafar Mahmood - Chief Executive Officer 2. Mr. Imran Afzal 3. Mr. Aamir Jamil
3	Non- Executive Director	1. Mr. Muhammad Saeed uz Zaman - Chairman 2. Mr. Saqib Anjum 3. Mr. Abdul Jaleel Shaikh
4	Female Director	1. Ms. Parveen Akhter Malik 2. Mrs. Humaira Shazia

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies (as applicable), including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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.

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 (Board) have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. During the year Head of Internal Audit (HoIA) had successfully completed his training under Directors' Training Program. Mrs. Humaira Shazia, Independent Director also become part of the Board due the creation of casual vacancy had already successfully completed their respective training under Directors' Training Program.

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer (CFO) and Chief Executive Officer (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. Javed Saleem Arif	– Chairman
II.	Mr. Humaira Shazia	
III.	Mr. Abdul Jaleel Shaikh	

II. HR and Remuneration Committee:

I.	Ms. Parveen Akhter Malik	– Chairperson
II.	Mr. Muhammad Saeed uz Zaman	
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, 2023.

II. HR & Remuneration Committee

One meeting(s) was held during the financial year ended June 30, 2023.

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 (CEO), Chief Financial Officer (CFO), 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, is/are below:

The functions of Nomination Committee and Risk Management Committee are already being performed by other committees. Furthermore, these committees fall in the non-mandatory category of the CCG-2019, therefore the Board is of the opinion that separate committees are not required.

For Nimir Industrial Chemicals Limited

Muhammad Saeed uz Zaman
Chairman

Zafar Mahmood
Chief Executive Officer

Lahore
September 25, 2023

Review Report to the Members on Statement of Compliance With Best Practices of 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 Industrial Chemicals Limited (the Company) for the year ended 30 June 2023 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 30 June 2023.

EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner : Ahsan Shahzad

Lahore
October 02, 2023

UDIN: CR202310079ZCrwjoFNi

Report on the Audit of the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2023

Opinion

We have audited the annexed financial statements of Nimir Industrial Chemicals Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, 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, statement of profit or loss, 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 state of the Company's affairs as at 30 June 2023 and of the profit, total 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 Standards 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 are the key audit matters:

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition	
As described in Note 7.13 and Note 30 to the accompanied unconsolidated financial statements, the Company generates revenue from several types of products and services including three major categories i.e. oleo chemicals, chlor alkali and toll manufacturing. During the year ended 30 June 2023, the Company generated net revenue of Rs. 43.83 billion as compared to Rs. 33.79 billion during the previous year, which represents an increase of approximately 29.72% as compared to last year. The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Company and raises the risk that revenue could be misstated to meet targets.	Our audit procedures amongst others included the following: Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; On a sample basis, reviewed sales transactions near the reporting date to assess whether transactions are recorded in relevant accounting period; Performed procedures to analyze the variation in price and quantity sold during the year; Reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards and the Companies Act, 2017.

Information Other than the Financial Statements and Auditors' Report Thereon

included in the Annual Report 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 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 auditors' 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, 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Ahsan Shahzad.

EY Ford Rhodes
Chartered Accountants

Lahore
October 02, 2023
UDIN: AR202310079XJu9iZ4m3

Unconsolidated Statement Of Financial Position

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
145,000,000 (2022: 145,000,000) Ordinary shares of Rs.10 each		1,450,000,000	1,450,000,000
Issued, subscribed and paid up capital	8	1,105,905,460	1,105,905,460
Unappropriated profits - revenue reserve		6,742,468,524	5,072,836,550
		7,848,373,984	6,178,742,010
NON CURRENT LIABILITIES			
Long-term loans	9	5,130,676,832	5,428,141,420
Lease liabilities	10	50,402,024	71,739,400
Net defined benefit liability - funded gratuity	11	200,405,387	151,982,862
Deferred tax liability	12	1,017,418,927	440,319,945
Deferred grant	13	730,544,244	913,532,529
		7,129,447,414	7,005,716,156
CURRENT LIABILITIES			
Trade and other payables	14	2,015,052,550	1,980,252,695
Contract liabilities	15	150,861,886	93,472,936
Mark up accrued		633,476,468	355,984,178
Unclaimed dividend		12,870,678	12,325,435
Short-term borrowings	16	12,296,372,135	13,040,527,898
Current maturity of long-term loans	9	1,119,516,685	384,195,136
Current maturity of lease liabilities	10	34,232,975	38,670,693
Current maturity of deferred grant	13	181,452,039	168,378,206
		16,443,835,416	16,073,807,177
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		31,421,656,814	29,258,265,343
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	18	13,849,351,954	12,309,192,553
Intangibles	19	29,823,616	30,487,348
Investment in subsidiaries	20	211,772,751	202,384,469
Loan to subsidiary	21	14,512,000	14,512,000
Long-term deposits	22	36,104,972	36,811,932
		14,141,565,293	12,593,388,302
CURRENT ASSETS			
Stores, spare parts and loose tools	23	810,135,044	527,801,596
Stock-in-trade	24	8,217,932,687	7,823,007,102
Trade receivables	25	5,165,559,604	6,219,981,029
Loans and advances	26	111,769,422	105,443,666
Short-term prepayments		2,476,296	19,912,251
Other receivables	27	214,717,201	153,228,985
Tax refunds due from the Government	28	2,541,876,312	1,555,226,065
Cash and cash equivalents	29	215,624,955	260,276,347
		17,280,091,521	16,664,877,041
TOTAL ASSETS		31,421,656,814	29,258,265,343

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Unconsolidated Statement Of Profit Or Loss

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Revenue from contracts with customers - gross		51,257,414,394	39,564,124,471
Less: Sales tax, trade discounts and commission		(7,431,873,602)	(5,778,476,690)
Revenue from contracts with customers - net	30	43,825,540,792	33,785,647,781
Cost of sales	31	(37,412,329,076)	(29,495,243,747)
Gross profit		6,413,211,716	4,290,404,034
Distribution costs	32	(408,378,559)	(227,418,225)
Administrative expenses	33	(483,794,292)	(377,687,055)
		(892,172,851)	(605,105,280)
Operating profit		5,521,038,865	3,685,298,754
Other expenses	34	(209,998,863)	(152,396,983)
Other income	35	178,296,163	59,768,481
Finance costs	36	(2,699,351,262)	(1,126,894,948)
Profit before taxation		2,789,984,903	2,465,775,304
Taxation	37	(952,334,584)	(870,144,950)
Profit after taxation		1,837,650,319	1,595,630,354
Earnings per ordinary share - basic and diluted	38	16.62	14.43

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Unconsolidated Statement Of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Profit after taxation		1,837,650,319	1,595,630,354
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		-	-
Re-measurement losses on defined benefit plan	11.4	(8,173,282)	(13,646,427)
Deferred tax		3,187,580	4,503,321
Re-measurement losses on defined benefit plan - net		(4,985,702)	(9,143,106)
Effect of change in tax rate on:			
Remeasurement of defined benefit obligation		2,853,165	-
Total comprehensive income for the period		1,835,517,782	1,586,487,248

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Unconsolidated Statement Of Changes In Equity

FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up share capital	Revenue Reserve Unappropriated profits	Total
	Rupees	Rupees	Rupees
Balance as on 1 July 2021	1,105,905,460	3,818,120,940	4,924,026,400
Profit after taxation	-	1,595,630,354	1,595,630,354
Other comprehensive loss	-	(9,143,106)	(9,143,106)
Total comprehensive income	-	1,586,487,248	1,586,487,248
Final dividend for 2021 @ Rs. 2.00 per share	-	(221,181,092)	(221,181,092)
Interim dividend for 2022 @ Rs. 1.00 per share	-	(110,590,546)	(110,590,546)
Balance as on 30 June 2022	1,105,905,460	5,072,836,550	6,178,742,010
Balance as on 01 July 2022	1,105,905,460	5,072,836,550	6,178,742,010
Profit after taxation	-	1,837,650,319	1,837,650,319
Other comprehensive loss	-	(2,132,537)	(2,132,537)
Total comprehensive income	-	1,835,517,782	1,835,517,782
Final dividend for 2022 @ Rs. 1.50 per share	-	(165,885,808)	(165,885,808)
Balance as on 30 June 2023	1,105,905,460	6,742,468,524	7,848,373,984

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Statement Of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,789,984,903	2,465,775,304
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation	18.4	675,316,999	513,119,242
Amortization	19	12,261,606	1,793,374
Reversal of expected credit loss	34	-	(20,190,677)
Reversal of provision for slow moving stores and spares	34	-	(3,029,447)
Mark-up expense	36	2,663,447,844	1,098,921,083
Provision for gratuity	11.3	42,749,243	30,917,789
Grant income	35	(102,684,522)	(14,670,974)
Profit on savings account	35	(465,160)	(1,895,023)
Loan from directors / sponsors - write-back	35	(14,512,000)	-
Gain on disposal of property, plant and equipment	35	(1,436,406)	(557,724)
Exchange gain unrealized - net		(4,241,289)	-
Workers' profit participation fund provision	34	149,999,188	132,515,713
Workers' welfare fund provision	34	59,999,675	43,101,394
Working capital changes:			
Increase in stores, spare parts and loose tools		(282,333,448)	(232,678,613)
Increase in stock-in-trade		(394,925,585)	(1,872,191,142)
Decrease / (increase) in trade receivables		1,037,905,205	(2,973,079,232)
Increase in loans and advances		(6,325,756)	(40,343,666)
Decrease / (increase) in trade deposits and short-term prepayments		17,435,955	(8,851,695)
Increase in other receivables		(61,488,216)	(107,596,215)
Increase in sales tax refundable		(384,257,430)	(1,191,918,880)
Increase in trade and other payables		16,246,295	451,348,027
Increase / (decrease) in contract liabilities		57,388,950	(53,206,150)
		6,270,066,051	(1,782,717,512)
Contribution to gratuity fund		(2,500,000)	(21,000,000)
Mark-up paid		(2,748,293,797)	(815,888,812)
Income tax paid		(974,775,254)	(1,176,864,335)
Decrease in long-term deposits		706,960	2,806,800
Workers' profit participation fund paid	14.4	(132,515,713)	(129,340,589)
Workers' welfare fund paid	14.5	(41,632,348)	(52,546,000)
Net cash generated from / (used in) operating activities		2,371,055,899	(3,975,550,448)
Balance carried forward		2,371,055,899	(3,975,550,448)

	Note	2023 Rupees	2022 Rupees
Balance brought forward		2,371,055,899	(3,975,550,448)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(184,829,303)	(268,554,961)
Additions in capital work-in-progress		(1,539,196,139)	(6,998,068,849)
Sale proceeds from disposal of property, plant and equipment		2,865,520	20,363,189
Profit on savings account		465,160	1,895,023
Additions in intangible asset		(11,597,874)	(32,280,722)
Net cash used in investing activities		(1,732,292,636)	(7,276,646,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans obtained		900,000,000	5,068,561,181
Repayment of long-term loans		(617,545,490)	(407,589,959)
Dividend paid		(165,340,565)	(330,212,780)
Payment of lease liabilities		(50,444,821)	(48,184,465)
Short-term borrowings - net		(744,155,764)	7,171,469,786
Net cash (used in) / generated from financing activities		(677,486,640)	11,454,043,763
Net (decrease) / increase in cash and cash equivalents		(38,723,377)	201,846,995
Net foreign exchange differences		(5,928,015)	-
Cash and cash equivalents at the beginning of the year		260,276,347	58,429,352
Cash and cash equivalents at the end of the year		215,624,955	260,276,347

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

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 products. Following are the business units of the Company along with their respective locations:

Business Unit	Address
Registered office and plant	14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan.
Head office	Nimir House, 122-B, New Muslim Town, Lahore, Pakistan.

1.1 Nimir Industrial Chemicals Limited is part of Nimir Group which consist of:

Subsidiary Companies	% age of Direct shareholding	% age of Effective shareholding
Nimir Management (Private) Limited ("NMPL")	51%	51%
Nimir Resins Limited ("NRL")	11.63%	37.64%
Nimir Overseas LLC ("NOL")	100%	100%

The registered office of Nimir Management (Private) Limited (NMPL) is Nimir House, 122-B, New Muslim Town, Lahore, Pakistan. NMPL was formed for the purpose of investment in Nimir Resins Limited.

NRL is a listed company engaged in the manufacturing of surface coating resins, polyesters, optical brightener and textile auxiliaries. The registered office of the NRL is 14.5 Km, Lahore-Sheikhupura Road, Lahore. NRL is a sub-subsidiary of the Company as 51% shares of NRL are held by the NMPL, accordingly the Company exercises control over NRL.

NOL is a company registered and operating in the Republic of Uzbekistan. It is a limited liability company established in accordance with the legislation of the Republic of Uzbekistan. NOL was incorporated on January 28, 2023. NOL is involved in acting as agents for the wholesale trade of fuel, ores, metals and chemicals, unspecialized wholesome trade, export and import operations, and investment activities.

These financial statements are the separate financial statements of the Company in which investment in subsidiary companies are accounted for on cost basis rather than on the basis of reported results.

2 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 New standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2023

3.1 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

IFRS 3 Reference to the Conceptual Framework (Amendments)

IAS 37 Onerous Contracts – Costs of Fullling a Contract (Amendments)

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

IAS 16 Property, plant, and equipment - prohibition of deduction of sale proceeds from cost of an asset

IAS 41 Agriculture – Taxation in fair value measurements

IFRS 16 Leases: Lease incentives

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

3.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendments or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	1 January 2023
IAS 1 / IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	1 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	1 January 2023
IFRS 16	Lease liability in a Sale and Lease back (Amendments)	1 January 2024

The above standards and amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standards		IASB effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 January 2004
IFRS 17	Insurance Contracts	1 January 2023

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention', except for recognition of certain employee benefits on the basis mentioned in note 7.14.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

5 PRESENTATION CURRENCY

These financial statements are presented in Pak Rupee, which is the also Company's functional currency.

6 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and ssumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Company based its assumptions and estimates on parameters available when the unconsolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives, residual values and depreciation method of property, plant and equipment – Note 7.1

The Company reviews the useful lives and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

b) Provision for expected credit losses of trade receivable – Note 7.7.1

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

c) Estimation of provision - Note 7.10

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

d) Staff retirement benefits - Note 7.14

Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

e) Provision for inventory obsolescence - Note 23 and 24

The Company reviews the carrying amount of stock in trade, and stores and spares on an annual basis, and as appropriate, inventory is written down to its net realizable value, or a provision is made for obsolescence if there is any change in the usage pattern and physical form of related inventory. Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

f) Taxation - Note 7.11

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company recognizes deferred tax assets, to the extent it is probable that taxable profits and tax liability, as applicable, will be available against which the deductible temporary differences and tax credits can be utilized, based on its assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies while also keeping in view the provisions of Income Tax Ordinance, 2001 related to adjustment / carry forward of the underlying temporary differences and tax credits, in subsequent years.

g) Contingencies - Note 7.10

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

h) Impairment of non financial assets - Note 7.1

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any.

i) Sales tax refundable - Note 7.20

Management has classified the whole of the amount of Sales tax refundable as current asset based on the assessment that either the amount will be refunded in the next year or related settlement of amounts due to Government, within next twelve months will include refund of Sales tax. Only significant impact of time value of money is recognized in the financial statements.

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior period except as stated otherwise.

7.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any, except freehold land which is stated at cost less any identified impairment loss. Cost of property, plant and equipment consists of historical cost and directly attributable cost of bringing the assets to their present location and condition. Cost in relation to self constructed assets includes direct cost of material, labor, applicable manufacturing overheads and borrowing costs on qualifying assets.

Depreciation is is charged to statement of profit or loss, unless it is included in the carrying amount of another asset is calculated using the straight line method at rates disclosed in Note 18.1 which are considered appropriate to write off the cost of the assets over their useful lives after taking into account their residual values.

Depreciation on additions is charged from the month in which asset is capitalized / available for use while no depreciation is charged for the month in which the asset is disposed off.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any 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 values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized as expense. 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 charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized in statement of profit and loss as income or expense.

The assets residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of residual values and useful life of its operating fixed assets during the year has not required any adjustment as its impact is considered insignificant.

Capital Work-in-Progress

These are stated at cost less impairment loss, if any, including capitalization of borrowing costs. It consists of expenditures incurred in respect of fixed assets in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

b) Lease liabilities - rented premises

In calculating the present value of lease payments, the Company initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate (IBR) applicable in the market for such leases. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which these are incurred.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and in addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

7.2 Intangibles

Intangibles acquired separately are measured on initial recognition at cost. Following initial recognition, intangibles are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangibles are measured to be finite. Intangibles with finite lives are amortized over the useful life using straight line method as mentioned in Note 20 and assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and amortization method for intangibles with a finite life is reviewed at each financial period end. The Company's estimate of residual values and useful life of its intangible asset during the year has not required any adjustment as its impact is considered insignificant. The amortization expense is recognized in profit or loss in the expense category consistent with the function of the intangibles.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in unconsolidated statement of profit or loss when incurred.

Amortization on additions is charged from the month in which an asset is capitalized / available for use while no amortization is charged for the month in which the asset is disposed off.

7.3 Stores, spare parts and loose tools

These are valued at lower of cost, which is calculated according to moving average method, and net realizable value. Stores in transit are valued at invoice value including other charges, if any, incurred thereon. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if required

7.4 Stock-in-trade

Stock-in-trade, stores, spares and loose tools are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the stock-in-trade to their present location and condition. Basis of determining cost is as follows:

Raw and packing material	-	weighted average cost
Material in transit	-	cost
Work in process	-	cost
Finished goods	-	weighted average cost
Stores, spare parts and loose tools	-	weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

7.5 Trade receivables

Trade receivables are initially measured at their transaction price under IFRS 15 and subsequently local customers are measured at amortized cost less expected credit losses while foreign debtors are stated at translated amount by applying exchange rate applicable on the reporting date less expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance. Refer to accounting policies of financial assets in note 7.7.1

7.6 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost.

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

7.7 Financial instruments - initial recognition and subsequent measurement

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.

7.7.1 Financial assets

Financial assets - initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include long-term deposits, trade debts, advance to employees against salary, other receivables and bank balances.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at fair value through profit or loss
b) Financial assets at amortized cost (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI at initial recognition. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company does not presently have financial asset at fair value through profit or loss.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized costs includes long-term deposits, trade debts, advance to employees against salary, other receivables and bank balances.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange gains and losses and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses at the statement of financial position date.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. 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. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade debts and other receivables, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The expected credit losses are recognized in the statement of profit or loss. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For bank balances, the Company applies a general approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

7.7.2 Financial liabilities

Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long-term loans, short-term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities - subsequent measurement

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 & loss.

This category applies to long-term loans, short-term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the unconsolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

7.7.3 Offsetting of financial assets and financial liabilities

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

7.8 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to unconsolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

7.9 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are recognised initially at fair value and subsequently measured at amortised cost using the e ective interest method.

7.10 Provisions and contingencies

a) Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

b) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

7.11 Taxation

Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. 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.

Deferred

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the balance sheet date.

7.12 Contract liabilities

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

7.13 Revenue recognition

The Company is in the business of providing goods (i.e. oleo chemicals, and chlor alkali) and services (i.e. toll manufacturing). Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specific revenue recognition details are as follows:

Sale of goods

Revenue from the sale of goods is recognized upon the transfer of control of the goods to the buyer when performance obligation is satisfied, which refers to the storage of processed finished goods in Company's warehouse and its intimation to the respective customer, the delivery or the dispatch of such goods to respective customer, as agreed in the contract. Payment is generally due within 7 to 90 days of satisfaction of performance obligation.

Service income from toll manufacturing

Sale of goods and toll manufacturing services are distinct performance obligations as the promise to transfer the goods and to provide services are distinct within the context of the contract. The goods and services are not inputs to a combined item in the contract. In addition, the goods and services are not highly interdependent or highly interrelated, because the performance obligation for goods is satisfied upon storage of processed goods into separate warehouse and its intimation to the customer or delivery to the customer if toll manufacturing services are not opted by the customer, while performance obligation for toll manufacturing services is satisfied upon completion of goods into packaged soap and dispatch of such goods to customers. The Company determines the transaction price of the sale of goods and the toll manufacturing services based on relative stand-alone selling prices.

Service income from toll manufacturing is recognized upon the completion of processing, packaging of goods and dispatch of such packaged goods to respective customer. Payment is generally due within 7 to 90 days of satisfaction of performance obligation.

Cost to obtain contract

The Company pays sales commission to its distributors and dealers for each contract that they obtain for sale of goods. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately charge sales commissions (included in note 32) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Profit on bank deposit

Profit earned on saving and deposit accounts is accrued on time proportion basis by reference to the principal outstanding at the applicable rate of return.

7.14 Staff retirement benefits

Defined benefit plan

The Company formed an approved funded defined benefit gratuity plan for all of its permanent employees (excluding members of executive management). 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.

Experience adjustments are recognized in statement of comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / expense. All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to statement of profit or loss.

7.15 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in OCI if they relate to qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

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 is 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 investment in equities measured at fair value through OCI are recognised in other comprehensive income.

7.16 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are 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. Such borrowing costs are capitalized as part of the cost of the qualifying asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments.

7.17 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

7.18 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax e ect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

7.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision. The management has determined that the Company has a single reportable segment, as Board of Directors views the Company's operations as one reportable segment.

7.20 Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the Taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the Taxation authority is included as part of receivables or payables in the unconsolidated statement of financial position.

7.21 Investment in subsidiary

Investment in subsidiary company is measured at cost as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has su ered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised recoverable amount.

7.22 Dividend

The Company recognizes a liability to pay a dividend when the distribution is authorized by the Board of Directors of the Company (The Board), and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

7.23 Events after the reporting period

If the Company receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Company assesses if the information a ects the amounts that it recognized in the unconsolidated financial statements. The Company adjusts the amounts recognized in its unconsolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Company does not change the amounts recognized in its unconsolidated financial statements but discloses the nature of the non-adjusting event and an estimate of its financial e ect, or a statement that such an estimate cannot be made, if applicable.

7.24 Current vs non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
No. of shares			Rupees	Rupees
110,590,546	110,590,546	Ordinary shares of Rs. 10 each fully paid in cash	1,105,905,460	1,105,905,460

8.1 The holders of voting ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Company.

9 LONG-TERM LOANS

	Note	2023 Rupees	2022 Rupees
Term finance	9.1	2,506,418,064	2,035,166,005
Term finance - under refinance scheme for payroll financing	9.2	-	44,876,916
Term finance - under temporary economic refinance facility	9.3	3,743,775,453	3,717,781,635
Loan from directors / sponsors - unsecured	9.4	-	14,512,000
		6,250,193,517	5,812,336,556
Mark up accrued		140,550,146	96,991,545
		6,390,743,663	5,909,328,101
Current maturity of term finance		(627,533,196)	(296,211,181)
Current maturity under refinance scheme for payroll financing		-	(44,876,916)
Current maturity under temporary economic refinance facility		(491,983,489)	(43,107,039)
Less: Current maturity shown under current liabilities		(1,119,516,685)	(384,195,136)
Less: Mark up accrued shown under current liabilities		(140,550,146)	(96,991,545)
		5,130,676,832	5,428,141,420

9.1 These represent long-term finance facilities obtained from financial institutions carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in equal monthly and quarterly instalments over a period of 5 to 6 years including 1 year grace period. These facilities are secured against first joint pari passu charge and mortgage charge (equitable) over present and future fixed assets of the Company.

9.2 This represented loan obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The loan carried mark-up at SBP rate plus 100 bps to 200 bps per annum and repayable in 8 equal quarterly instalments commencing from January 2021. This facility was secured against first joint pari passu charge over fixed assets of the Company. The loan was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using effective interest rate of 3-month KIBOR plus spread. The difference between fair value of loan and loan proceeds had been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

9.3 These represent loans obtained under the Temporary Economic Refinance Facility offered by the State Bank of Pakistan (the "SBP TERF") for setting up imported and locally manufactured plants and machinery for new projects. The loans carry mark-up at the rate of 2.02% per annum repayable in equal quarterly installments over a period of 10 years including 2 years grace period. These facilities are secured against first joint pari passu charge over all present and future fixed assets of the Company. The loan was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using interest rate of three (3) month KIBOR plus spread. The difference between the fair value of the loan and loan proceeds has been recognized as deferred income as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance).

9.4 This represented unsecured loan obtained from ex-director / sponsors of Nimir Resins Limited acquired as a result of winding of Nimir Holding (Private) Limited in the prior years. This loan has been written-back during the current year with the consent of lender.

10 LEASE LIABILITIES

	2023	2022
	Rupees	Rupees
Present value of lease rentals	84,634,999	110,410,093
Less: Current portion shown under current liabilities	(34,232,975)	(38,670,693)
	50,402,024	71,739,400

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	2022
Opening balance	110,410,093	116,691,049
Additions	12,797,000	31,403,000
Accretion of interest	11,872,727	10,500,509
Payments	(50,444,820)	(48,184,465)
Closing balance	84,634,999	110,410,093

Salient features of the leases are as follows:	2023	2022
	Rupees	Rupees
Discounting rate	8.68% to 23.42 %	8.68% to 12.86 %
Period of lease	60 months	60 months

10.1 Amount recognized in statement of profit or loss:

The following are the amounts recognized in profit or loss:

	2023	2022
Short term lease	11,085,191	7,271,820
Interest expense on lease liabilities	11,872,727	10,500,509
Depreciation of right-of-use assets	36,213,059	33,079,211
	59,170,977	50,851,540

10.2 Cash outflow for leases

The Company had total cash outflows for leases of Rs. 50.44 million (2022: Rs. 48.18 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 12.80 million (2022: Rs. 31.40 million).

10.3 The maturity analysis of lease liability has been disclosed in note 41.2.

11 NET DEFINED BENEFIT LIABILITY - FUNDED GRATUITY

	Note	2023 Rupees	2022 Rupees
Staff retirement benefits - gratuity		200,405,387	151,982,862

11.1 The amounts recognised in the statement of financial position is follows:

		2023 Rupees	2022 Rupees
Present value of defined benefit obligation		224,178,990	195,554,240
Less: Fair value of plan assets		(23,773,603)	(43,571,378)
		200,405,387	151,982,862

11.2 The amounts recognized in the statement of profit or loss are as follows:

	Note	2023 Rupees	2022 Rupees
Current service cost		22,611,514	18,150,925
Interest cost on defined benefit obligation - net		20,137,729	12,766,864
Expense recognized in the statement of profit or loss	11.3	42,749,243	30,917,789

11.3 The charge for the year has been allocated is as follows:

		2023 Rupees	2022 Rupees
Cost of sales		28,778,703	19,448,865
Distribution costs		2,970,255	2,165,933
Administrative expenses		11,000,285	9,302,991
		42,749,243	30,917,789

11.4 Movements in the net liability recognized as follows:

		2023 Rupees	2022 Rupees
Net liabilities at the beginning of the year		151,982,862	128,418,646
Current service cost		22,611,514	18,150,925
Net interest cost		20,137,729	12,766,864
Contribution by employer		(2,500,000)	(21,000,000)
Remeasurement adjustments charged to other comprehensive income		8,173,282	13,646,427
Net liabilities at the end of the year		200,405,387	151,982,862

11.5 Movements in the present value of defined benefit obligation:

		2023 Rupees	2022 Rupees
Present value of defined benefits obligation at the beginning of the year		195,554,240	151,222,142
Current service cost		22,611,514	18,150,925
Interest cost on defined benefit obligation		24,179,645	15,047,214
Benefits paid		(26,132,700)	(1,000,000)
Remeasurement:			
Experience adjustments		7,511,840	12,133,959
Changes in Financial Assumptions		454,451	-
Present value of defined benefits obligation at the end of the year		224,178,990	195,554,240

11.6 Movements in the fair value of plan assets:

		2023 Rupees	2022 Rupees
Fair value of plan assets at the beginning of the year		43,571,378	22,803,496
Contributions by employer		2,500,000	21,000,000
Interest income		4,041,916	2,280,350
Benefits paid		(26,132,700)	(1,000,000)
Return on plan assets excluding interest income		(206,991)	(1,512,468)
Fair value of plan assets at the end year		23,773,603	43,571,378

	2023	2022
	Rupees	Rupees
11.7 Components of plan assets		
Mutual funds units	18,256,018	23,318,258
Cash and cash equivalents	5,517,585	20,253,120
	23,773,603	43,571,378

11.8 Estimated expense to be charged to statement of profit or loss in next year

Current service cost	27,503,441
Interest cost on defined benefit obligation - (net)	32,927,125
Amount chargeable to profit or loss	60,430,566

11.9 Significant assumptions

Qualified actuaries had carried out the valuation as on 30 June 2023. The projected unit credit method, based on the following significant assumptions, is used for valuation of the plan:

	2023	2022
Discount rate for obligation	16.25%	13.25%
Expected rates of salary increase in future years	15.25%	12.25%
Retirement assumption	Age 60	Age 60

11.10 Maturity profile of the defined benefit obligation:

The Company expects to contribute to the gratuity fund on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments (undiscounted)	2023	2022
	Rupees	Rupees
Year 1	13,346,094	12,109,255
Year 2	18,278,051	15,217,582
Year 3	23,242,142	18,524,063
Year 4	28,804,959	21,227,254
Year 5	36,104,784	25,792,816
Year 6 to Year 10	244,734,416	174,810,297

11.11 Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption on defined benefit obligation is as shown below:

Sensitivity level	Assumption	Defined benefit obligation
+100 bps	Discount rate	207,028,079
-100 bps	Discount rate	242,756,108
+100 bps	Expected increase in salary	242,750,741
-100 bps	Expected increase in salary	207,025,536

12 DEFFERED TAX LIABILITY

This comprises of:

	Note	2023 Rupees	2022 Rupees
Deferred tax liabilities on taxable temporary differences			
Accelerated tax depreciation		1,582,144,622	486,943,520
Deferred tax assets on deductible temporary differences			
Capital work-in-progress - impairment		(23,186,187)	(20,336,700)
Allowance for expected credit losses		(8,007,922)	(7,023,781)
Provision for obsolescence of stores		(4,070,999)	(3,570,690)
Deferred and unpaid liabilities		(36,264,078)	(15,692,404)
Minimum tax	12.2	(493,196,509)	-
		1,017,418,927	440,319,945

12.1 Reconciliation of deferred tax liabilities - net

	Note	2023 Rupees	2022 Rupees
Opening balance		440,319,945	314,595,926
Tax expense recognized in statement of profit or loss	37	583,139,727	130,227,340
Deferred tax income recognized in OCI		(6,040,745)	(4,503,321)
Closing balance		1,017,418,927	440,319,945

12.2 The expiry of minimum tax credit is as follows:

Nature	Tax Year	2023	2022
Minimum tax - tax year 2023	2026	493,196,509	-

13 DEFERRED GRANT

This represents deferred grant recognized on loans received at below market interest rate under SBP temporary economic refinance facility for imported and locally manufactured new plant and machinery to be used for setting up of new projects.

	Note	2023 Rupees	2022 Rupees
Movement during the period is as follows:			
Opening balance		1,081,910,735	9,112,437
Amount recognized as deferred grant during the year		-	1,211,564,627
Amortization during the year			
- Charged to other income	35	(102,684,522)	(14,670,974)
- Charged to CWIP		(67,229,930)	(124,095,355)
		911,996,283	1,081,910,735
Less: current maturity of deferred grant		(181,452,039)	(168,378,206)
Closing balance		730,544,244	913,532,529

14 TRADE AND OTHER PAYABLES

	Note	2023 Rupees	2022 Rupees
Creditors	14.1	1,362,628,159	1,291,066,234
Accrued liabilities	14.2	429,120,679	477,796,373
Security deposits	14.3	400,000	400,000
Workers' profit participation fund	14.4	149,999,188	132,515,713
Workers' welfare fund	14.5	62,689,213	44,321,886
Shares money payable	14.6	9,590,465	-
Withholding tax payable		624,846	609,734
Others		-	33,542,755
		2,015,052,550	1,980,252,695

14.1 Creditors include amount payable to Nimir Resins Limited (subsidiary company) amounting to Rs. 21,806,400 (2022: Rs. 2,195,529) and Nimir Chemcoats Limited (associated company) amounting to Nil (2022: Rs. 38,001) on account of purchase of raw materials.

14.2 This includes modified liability of Government Infrastructure Development Cess payable amounting to Rs. 147,160,704 initially recognized at fair value as per the the requirements of "Guidance on Accounting of GIDC" issued by the Institute of Chartered Accountants of Pakistan (ICAP) in January 2021.

14.3 These represent security deposits from distributors which, by virtue of agreement, are interest free, repayable on demand and are used in the normal course of business in accordance with section 217 of Companies Act, 2017.

14.4 Workers' profit participation fund	**Note**	**2023 Rupees**	**2022 Rupees**
Opening balance		132,515,713	129,340,589
Add: Provision for the year	34	149,999,188	132,515,713
Less: Payments made during the year		(132,515,713)	(129,340,589)
Closing balance		149,999,188	132,515,713
14.5 Workers' welfare fund			
Opening balance		44,321,886	53,766,492
Add: Provision for the year	34	59,999,675	43,101,394
Less: Payments made during the year		(41,632,348)	(52,546,000)
Closing balance		62,689,213	44,321,886

14.6 This represents payable to Nimir Overseas LLC, a subsidiary, on account of unpaid share capital. This includes foreign exchange loss of Rs. 0.2 million (refer note 20.3).

15 CONTRACT LIABILITIES

15.1 These represent advances received from customers in ordinary course of business.

15.2 Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period amounts to Rs. 93,472,936 (2022: Rs. 136,733,485).

16 SHORT-TERM BORROWINGS - SECURED

	Note	**2023 Rupees**	**2022 Rupees**
Running finance	16.1	1,826,047,974	1,700,453,957
Local bills discounting	16.1	743,171,297	728,001,210
Finance against trust receipts	16.1	9,575,391,650	10,612,072,731
Short term loan	16.2	151,761,214	-
		12,296,372,135	13,040,527,898

16.1 The aggregate limit of short term finance facilities available from various financial institutions (including commercial banks) at year end is Rs.18,600 million (2022: Rs.18,450 million).

The limit of running finance facilities amounts to Rs. 2,800 million (2022: Rs.2,600 million). The rate of markup ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (2022: 1 month KIBOR to 6 months KIBOR + 0 to 75 bps with no floor and no cap). The limit of local bills discounting amounts to Rs. 1,500 million (2022: Rs. 1,100 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 25 bps to 50 bps (2022: 1 month KIBOR to 3 months KIBOR + 50 bps). The limit of finance against trust receipts amount to Rs. 14,300 million (2022: Rs. 14,750 million). The rate of markup ranges from 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap (2022: 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap). These facilities are secured against joint pari passu charge on the present and future current assets of the Company."

The unutilized facility for letters of credit, bank guarantees, running finance, local bills discounting as on 30 June 2023 amounts to Rs. 3,993 million (2022: Rs. 1,370 million), Rs.90 million (2022: Rs. 13 million), Rs.627 million (2022: Rs. 899 million), and Rs. 757 (2022: Rs. 372 million) respectively.

16.2 These represent short-term loans obtained in foreign currency from a bank under the Trade Loan Facility FE-25 scheme offered by the State Bank of Pakistan. The scheme operates on a self-liquidating basis or utilizing export proceeds. The rate of markup varies case to case basis as per treasury terms with no floor and no cap. These facilities are secured against joint pari passu charge on the present and future current assets of the Company.

17 CONTINGENCIES AND COMMITMENTS

17.1 CONTINGENCIES

Pending the outcome of below cases, no provision has been made in the financial statements, since the management of the Company based on its consultants' opinion, is confident that the outcome of the appeals will be in favor of the Company. The aggregate exposure of the following cases amounts to Rs. 925.13 million (2022: Rs. 249.7 million)

17.1.1 The income tax authority amended the Company's assessment relating to tax year 2009 under section 122 (5A) of the Ordinance, disallowing certain expenses thereby reducing declared loss from Rs. 167 million to Rs. 65 million (consequent tax exposure Rs. 35.7 million). The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who upheld the order on major additions vide Order dated 23 April 2018. The Company has filed second appeal before the ATIR dated 21 May 2018, which is pending adjudication.

17.1.2 The income tax authority raised a tax demand of Rs. 206 million by treating the remission of loan as taxable income of Rs. 711 million for the Tax Year 2011 which was challenged at Appellate Tribunal Inland Revenue (ATIR). The ATIR decided the case in favour of the Company vide Order dated 2 December 2013. The Income Tax Department has filed an appeal in February 2014 before Lahore High Court against the ATIR's decision. The Lahore High Court remanded back the case to ATIR for fresh hearing. Being aggreived, the Company filed an appeal before the Supreme court which was dismissed. The case was remanded back to ATIR for de-novo proceedings.

17.1.3 The deemed assessment for tax year 2017 was amended through order dated 28 June 2023 issued under section 122(5A) of the Ordinance, whereby tax demand (including demand on account of workers' welfare fund) was assessed at Rs 647.16 million. The appeal against such amendment order is pending adjudication before CIR(A).

17.1.4 Through order dated 26 June 2023 pertaining to tax year 2019, effect was given by the concerned assessing officer to the findings recorded by the first appellate authority ['CIR(A)'] in the appellate order dated 28 January 2021, assessing tax demand of Rs 36.27 million. The said appeal effect order has been assailed before the CIR(A) on grounds that neither his predecessor's findings have been complied with nor the Appellate Tribunal Inland Revenue's order dated 4 January 2022 has been taken into account. The said appeal is pending adjudication.

17.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 30 June are as follows:

	2023	2022
	Rupees	Rupees
Letters of credit established for the import of raw materials, spare parts and machinery	3,132 million	5,048 million
Letter of guarantee issued by financial institution in favour of Sui Northern Gas Pipeline Limited (SNGPL)	156 million	96 million
Letter of guarantee issued by financial institution in favor of Pakistan State Oil (PSO)	59 million	59 million
Letter of guarantee issued by financial institution in favor of Total PARCO	7 million	5 million

18 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		Rupees	Rupees
Operating fixed assets	18.1	13,647,381,976	5,437,069,000
Capital work-in-progress	18.5	201,969,978	6,872,123,553
		13,849,351,954	12,309,192,553

18.1 Operating fixed assets

2023

PARTICULARS	COST: As At 01 July 2022	COST: Additions / Transfers*	COST: Disposals	COST: Transfer/ Adjustment	COST: As At 30 June 2023	Rate %	DEPRECIATION: Accumulated as at 01 July 2022	DEPRECIATION: Charge for the year	DEPRECIATION: Disposals	DEPRECIATION: Transfer/ Adjustment	DEPRECIATION: Accumulated as at 30 June 2023	Net book value: As at 30 June 2023
	Rupees						Rupees					Rupees
OWNED												
Free-hold land	575,189,801	-		-	575,189,801	-	-	-	-	-	-	575,189,801
Building on free-hold land	1,084,487,345	986,370,180	-	-	2,070,857,525	4-5	257,772,104	81,519,807	-	-	339,291,911	1,731,565,614
Plant and machinery	6,179,287,331	7,692,575,377	(903,773)	-	13,870,958,935	4-50	2,384,453,177	477,694,620	(39,603)	890	2,862,109,084	11,008,849,851
Furniture and fittings	7,633,400	18,675,181	-	-	26,308,581	10-33	5,608,952	1,335,934	-	-	6,944,886	19,363,695
Office and factory equipment	318,033,137	159,158,364	(1,352,157)	-	475,839,344	10-50	187,708,916	69,694,222	(1,255,595)	(890)	256,146,653	219,692,691
Vehicles	111,941,811	9,853,987	(320,675)	19,003,245	140,478,368	20	84,824,957	8,859,357	(93,370)	18,283,623	111,874,567	28,603,801
	8,276,572,825	8,866,633,089	(2,576,605)	19,003,245	17,159,632,554		2,920,368,106	639,103,940	(1,388,568)	18,283,623	3,576,367,101	13,583,265,453
RIGHT-OF-USE												
Vehicles	98,027,531	20,426,000	(1,315,000)	(19,003,245)	98,135,286	20	44,982,479	20,316,359	(1,073,922)	(18,283,623)	45,941,292	52,193,994
Plant and machinery	-	-	-	-	-	4-50	-	-	-	-	-	-
Building - lease-hold	74,274,371	-	-	-	74,274,371	20-25	46,455,142	15,896,700	-	-	62,351,842	11,922,529
	172,301,902	20,426,000	(1,315,000)	(19,003,245)	172,409,657		91,437,621	36,213,059	(1,073,922)	(18,283,623)	108,293,134	64,116,523
2023	8,448,874,727	8,887,059,089	(3,891,605)	-	17,332,042,211		3,011,805,727	675,316,999	(2,462,490)	-	3,684,660,235	13,647,381,976

2022

PARTICULARS	COST: As At 01 July 2021	COST: Additions / Transfers*	COST: Disposals	COST: Transfer/ Adjustment	COST: As At 30 June 2022	Rate %	DEPRECIATION: Accumulated as at 01 July 2021	DEPRECIATION: Charge for the year	DEPRECIATION: Disposals	DEPRECIATION: Transfer/ Adjustment	DEPRECIATION: Accumulated as at 30 June 2022	Net book value: As at 30 June 2022
	Rupees						Rupees					Rupees
OWNED												
Free-hold land	411,951,255	163,238,546		-	575,189,801	-	-	-	-	-	-	575,189,801
Building on free-hold land	633,890,991	450,725,731*	(213,480)	84,103	1,084,487,345	4-5	209,292,520	48,640,608	(211,469)	50,445	257,772,104	826,715,241
Plant and machinery	4,581,895,784	1,571,292,684*	(24,244,751)	50,343,614	6,179,287,331	4-50	2,018,126,442	346,875,164	(4,527,847)	23,979,418	2,384,453,177	3,794,834,154
Furniture and fittings	7,096,462	700,437	(163,499)	-	7,633,400	10-33	4,785,308	949,574	(125,930)	-	5,608,952	2,024,448
Office and factory equipment	236,701,799	83,953,128	(2,621,790)	-	318,033,137	10-50	112,441,466	77,866,214	(2,598,764)	-	187,708,916	130,324,221
Vehicles	57,240,361	20,662,850	(164,900)	34,203,500	111,941,811	20	45,025,435	5,708,471	(138,945)	34,229,996	84,824,957	27,116,854
	5,928,776,652	2,290,573,376	(27,408,420)	84,631,217	8,276,572,825		2,389,671,171	480,040,031	(7,602,955)	58,259,859	2,920,368,106	5,356,204,719
RIGHT-OF-USE												
Vehicles	102,679,306	29,551,725	-	(34,203,500)	98,027,531	20	62,029,964	17,182,511	-	(34,229,996)	44,982,479	53,045,052
Plant and machinery	50,427,717	-	-	(50,427,717)	-	4-50	24,029,863	-	-	(24,029,863)	-	-
Building - lease-hold	74,274,371	-	-	-	74,274,371	20-25	30,558,442	15,896,700	-	-	46,455,142	27,819,229
	227,381,394	29,551,725	-	(84,631,217)	172,301,902		116,618,269	33,079,211	-	(58,259,859)	91,437,621	80,864,281
2022	6,156,158,046	2,320,125,101	(27,408,420)	-	8,448,874,727		2,506,289,440	513,119,242	(7,602,955)	-	3,011,805,727	5,437,069,000

* These represent capital expenditure transferred from capital work in progress.

18.2 The aggregate net book value of operating fixed assets disposed off during the period have not exceeded Rs. 5 million. Accordingly particulars of such assets have not been disclosed.

18.3 Particulars of immovable fixed assets are as follows:

Description	Location	Area
Registered office and plant	14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan.	68.90 acres
Head office	Plot No. 122, Block B, Muslim Town, Lahore, Pakistan.	2.544 kanal
Open plot of land	Plot # 14/14-A, Block K, Johar Town, Lahore, Pakistan.	2.036 kanal
Open plot of land	Plot # 515-D, Block K, Johar Town, Lahore, Pakistan.	5 marla

18.4 Depreciation for the year has been allocated as under:

	Note	2023 Rupees	2022 Rupees
Cost of sales	31	639,210,095	485,554,980
Distribution costs	32	4,947,149	4,151,687
Administrative expenses	33	31,159,755	23,412,575
		675,316,999	513,119,242

18.5 Capital work-in-progress	Note	2023 Building on free-hold land Rupees	2023 Plant and machinery Rupees	2023 Others Rupees	2023 Total Rupees	2022 Total Rupees
Opening balance		-	6,915,814,829	19,673,744	6,935,488,573	1,957,586,864
Additions during the year	18.5.1	986,370,180	1,017,847,802	4,574,000	2,008,791,982	6,999,920,124
		986,370,180	7,933,662,631	24,247,744	8,944,280,555	8,957,506,988
Transferred to fixed assets		(986,370,180)	(7,672,901,633)	(19,673,744)	(8,678,945,557)	(2,022,018,415)
		-	260,760,998	4,574,000	265,334,998	6,935,488,573
Less: Accumulated impairment	18.5.2	-	(63,365,020)	-	(63,365,020)	(63,365,020)
	18.7	-	197,395,978	4,574,000	201,969,978	6,872,123,553

18.5.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 462,224,843 (2022: Rs. 160,448,610). The expansion has been financed by term finance facilities from financial institutions described in note 9. In addition, the company has utilized general borrowings to bridge the financing gap. The rate used to determine the amount of borrowing costs eligible for capitalisation is three (3) month KIBOR plus 1 to 2% spread, reduced by the amortization of relevant deferred grant.

18.5.2 This represents impairment charged against two steam turbines in prior periods.

18.6 There is no lien on property, plant, and equipment except those disclosed in note 9.

18.7 These include major capital expenditure incurred on the following ongoing projects:

- Expansion of glycerine plant

- Expansion of caustic soda plant

- Finsihed goods warehouse

19 INTANGIBLES

	Note	2023 Rupees	2022 Rupees
Software and licenses			
Cost:			
Opening balance		36,484,972	4,204,250
Additions during the year		11,597,874	32,280,722
Closing balance		48,082,846	36,484,972
Accumulated amortization:			
Opening balance		(5,997,624)	(4,204,250)
Amortization during the year	33	(12,261,606)	(1,793,374)
Closing balance		(18,259,230)	(5,997,624)
Net book value		29,823,616	30,487,348
Rate of amortization		20%-33.33%	20%-33.33%

20 INVESTMENT IN SUBSIDIARIES

	Note	2023 Rupees	2022 Rupees
Investment in shares of Nimir Management (Private) Limited - cost	20.1	128,161,710	128,161,710
Investment in shares of Nimir Resins Limited - cost	20.2	74,222,759	74,222,759
Investment in shares of Nimir Overseas LLC - cost	20.3	9,388,282	-
		211,772,751	202,384,469

20.1 This represents 12,816,121 (2022:12,816,121) ordinary shares aggregating to 51% of total paid up capital of Nimir Management (Private) Limited.

20.2 This represents 16,438,306 (2022: 16,438,306) ordinary shares of Rs. 10 (2022: Rs. 10) each, aggregating to 11.63% of total paid up capital of Nimir Resins Limited. NRL is a sub-subsidiary of the Company as 51% shares of NRL are held by the NMPL, accordingly the Company exercises control over NRL.

20.3 This represents 100% unpaid share capital of Nimir Overseas LLC. According to the legislation of Uzbekistan, share capital must be paid within one year from the date of incorporation of a company. Since the capital injection is legally binding, the Company has recognized investment in Nimir Overseas LLC, with a corresponding increase in financial liability (refer to note 14.6).

21 LOAN TO SUBSIDIARY

	Note	2023 Rupees	2022 Rupees
Loan to Nimir Resins Limited - unsecured	21.1	14,512,000	14,512,000

21.1 This represents loan to subsidiary novated from ex-director of Nimir Resins Limited. This loan is interest free and repayable on demand, however, the Company has agreed not to demand repayment for a period of next twelve months. This loan has not been discounted to present value using the effective interest rate method as the effect of discounting is considered to be immaterial.

21.2 Maximum aggregate amount due from the subsidiary at the end of any month in the year was Rs. 14,512,000 (2022: Rs. 14,512,000). No interest has been charged on the amounts due from associated undertakings.

22 LONG-TERM DEPOSITS

	Note	2023 Rupees	2022 Rupees
Security deposits			
Financial institutions (including banks)		17,067,370	17,514,330
Others	22.1	19,037,602	19,297,602
	22.2	36,104,972	36,811,932

22.1 This includes deposit amounting to Rs. 12.24 million (2022: Rs. 12.24 million) given to electricity supply company for dedicated line.

22.2 These deposits have not been discounted to present value using the effective interest rate method as the effect of discounting is considered to be immaterial.

23 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023 Rupees	2022 Rupees
Stores, spare parts and loose tools			
In hand		775,059,837	401,725,535
In transit		46,200,751	137,201,605
Less: Provision for slow moving items	23.1	(11,125,544)	(11,125,544)
		810,135,044	527,801,596

23.1 Movement in provision for slow moving items is as follows:

Opening balance	11,125,544	14,154,991
Reversal of provision	-	(3,029,447)
Closing balance	11,125,544	11,125,544

24 STOCK-IN-TRADE

Raw and packing material		
In hand	4,676,956,670	5,683,694,160
In transit	544,601,791	682,640,150
	5,221,558,461	6,366,334,310
Finished goods	2,996,374,226	1,456,672,792
	8,217,932,687	7,823,007,102

24.1 There is no lien on stock-in-trade except those disclosed in note 9 and note 16.

25 TRADE RECIEVABLES

Considered good - unsecured			
Due from customers	25.1	4,706,806,823	6,214,019,642
Due from associated companies	25.2	480,637,454	27,846,060
		5,187,444,277	6,241,865,702
Allowance for expected credit losses	25.4	(21,884,673)	(21,884,673)
		5,165,559,604	6,219,981,029

25.1 These customers have no recent history of default. For age analysis of these trade receivables, refer to Note 39.1.1

25.2 Due from associated companies	2023 Rupees	2022 Rupees
Nimir Overseas LLC	421,211,179	-
Nimir Resins Limited	56,197,830	26,939,825
Nimir Chemicals Pakistan Limited	3,228,445	906,235
	480,637,454	27,846,060

25.3 Maximum aggregate amount due from Nimir Overseas LLC, Nimir Resins Limited, and Nimir Chemicals Pakistan Limited at the end of any month in the year was Rs. 558.12 million (2022: Nil), Rs. 114.53 million (2022: Rs. 42.06 million), and Rs. 3.22 million (2022: 0.91 million), respectively. No interest has been charged on the amounts due from associated undertakings.

25.4 Movement in allowance for expected credit losses is as follows:	2023 Rupees	2022 Rupees
Opening balance	21,884,673	42,075,350
Reversal for the year	-	(20,190,677)
Closing balance	21,884,673	21,884,673

26 LOANS AND ADVANCES

	Note	2023 Rupees	2022 Rupees
Considered good - unsecured			
Advances to suppliers		95,915,355	82,014,918
Advances to employees:			
- against business expenses	26.1	5,821,585	17,962,462
- against salary	26.2	10,032,482	5,466,286
		111,769,422	105,443,666

26.1 These include advances given to executives amounting to Rs. 4.08 million (2022: Rs. 14.3 million).

26.2 These include advances given to executives amounting to Rs. 3.88 million (2022: Rs. 2.03 million).

27 OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Margin against bank guarantee		28,306,400	16,000,000
Margin against LC		156,977,293	123,699,427
Recoverable from Bank	27.1	13,927,947	-
Receivable from associated companies	27.2	15,505,561	13,529,558
		214,717,201	153,228,985

27.1 This represents amount recoverable from a bank due to erroneously excess amount deducted from the company's bank account on account of a loan repayment . Subsequent to the reporting date, this amount has been credited by the bank.

27.2 This includes other receivables from Nimir Resins Limited amounting to Rs. 12.96 million (2022: Rs. 12.34 million) and Nimir Chemcoats Limited amounting to Rs. 2.54 million (2022: Rs. 1.19 million).

27.3 Maximum aggregate amount due from Nimir Resins Limited, and Nimir Chemcoats Limited at the end of any month during the year amount to Rs. 12.96 million (2022: 12.34 million) and Rs. 2.54 million (2022: Rs. 1.19 million) respectively. No interest has been charged on the amounts due from associated undertakings.

28 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	2023 Rupees	2022 Rupees
Income tax - net of provision for taxation	28.1	960,533,368	358,140,552
Sales tax		1,581,342,944	1,197,085,513
		2,541,876,312	1,555,226,065

28.1 The management is confident that it is probable that future taxable profits will be available against which these income tax refunds can be utilised.

29 CASH AND BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Cash in hand		588,947	3,005,787
Cash at bank			
Local currency current accounts		113,527,458	214,346,914
Local currency savings accounts	29.1	14,148,772	42,923,646
Foreign currency current accounts		87,359,778	-
		215,036,008	257,270,560
		215,624,955	260,276,347

29.1 These carry mark-up rate at 14.5 % - 19.5% (2022: 6.5 % - 11.5%) per annum.

30 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

30.1 Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Note	2023 Rupees	2022 Rupees
Manufacturing		50,122,722,425	38,383,453,998
Toll manufacturing		1,134,691,969	1,180,670,473
		51,257,414,394	39,564,124,471
Less:			
Sales tax		(7,207,373,779)	(5,625,043,480)
Trade discounts		(107,565,626)	(66,491,749)
Commission		(116,934,197)	(86,941,461)
		(7,431,873,602)	(5,778,476,690)
		43,825,540,792	33,785,647,781
Local Sales		41,118,989,239	32,854,401,658
Export Sales		2,706,551,553	931,246,123
	30.2	43,825,540,792	33,785,647,781

30.2 Geographical region:

		2023 Rupees	2022 Rupees
Pakistan - South Asia		41,118,989,239	32,854,401,658
Export Sales - Middle East		66,165,106	748,197,822
Export Sales -Central Asia		2,635,528,847	183,048,301
Export Sales -East Africa		4,857,600	-
		43,825,540,792	33,785,647,781

30.3 Timing of transfer of goods and services:

		2023 Rupees	2022 Rupees
At a point in time		43,825,540,792	33,785,647,781

30.4 Contract balances

	Note	2023 Rupees	2022 Rupees
Trade receivables	30.4.1	5,165,559,604	6,219,981,029
Contract liabilities	30.4.2	150,861,886	93,472,936

30.4.1 Trade receivables are non-interest bearing and become due after 7 to 90 days of the invoice date.

30.4.2 Contract liabilities represents short term advances received from customers against delivery of goods in future. Revenue recognized in the current year that was included in the contract liabilities balance at the beginning of the year amounts to Rs. 93,472,936 (2022: Rs. 136,733,485).

31 COST OF SALES

	Note	2023 Rupees	2022 Rupees
Raw and packing material consumed	31.1	35,239,192,066	26,741,904,361
Salaries, wages and benefits	31.2	782,225,298	623,256,620
Depreciation	18.4	639,210,095	485,554,980
Fuel and power		1,874,446,136	1,274,434,115
Stores, spare parts and loose tools consumed		200,367,801	145,726,863
Repairs and maintenance		21,255,234	38,484,821
Traveling, conveyance and entertainment		114,807,030	78,435,200
Communications		2,692,588	3,699,575
Insurance		59,807,296	38,652,240
Rent, rates and taxes		6,963,059	19,284,794
Printing and stationery		838,668	1,809,792
Dues, fees and subscription		5,940,024	4,127,199
Miscellaneous expenses		4,285,215	4,132,686
		38,952,030,510	29,459,503,246
Add: Opening stock-finished goods	24	1,456,672,792	1,492,413,293
Less: Closing stock-finished goods	24	(2,996,374,226)	(1,456,672,792)
		37,412,329,076	29,495,243,747

31.1 Raw and packing material consumed

	Note	2023 Rupees	2022 Rupees
Opening balance		4,412,958,000	4,458,402,667
Purchases		36,047,792,527	26,696,459,694
		40,460,750,527	31,154,862,361
Less: Closing balance	24	(5,221,558,461)	(4,412,958,000)
Raw and packing material consumed		35,239,192,066	26,741,904,361

31.2 This includes Rs. 28.779 million (2022: Rs. 19.449 million) in respect of staff retirement benefits - gratuity scheme.

32 DISTRIBUTION COSTS

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits	32.1	93,649,843	69,683,161
Depreciation	18.4	4,947,149	4,151,687
Repairs and maintenance		326,461	113,633
Traveling, conveyance and entertainment		15,317,625	8,142,768
Communications		1,390,479	1,687,639
Insurance		4,390,610	3,553,044
Printing and stationery		507,246	232,134
Freight outward		278,304,544	136,357,316
Dues, fees and subscription		5,043,522	542,975
Packing, carriage and forwarding		-	600
Miscellaneous expenses		4,501,080	2,953,268
		408,378,559	227,418,225

32.1 This includes Rs. 2.97 million (2022: Rs. 2.17 million) in respect of staff retirement benefits - gratuity scheme.

33 ADMINISTRATIVE EXPENSES

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits	33.1	261,769,125	212,693,577
Depreciation	18.4	31,159,755	23,412,575
Amortization	19	12,261,606	1,793,374
Fuel and power		7,313,501	5,743,358
Repairs and maintenance		4,792,758	6,313,213
Traveling, conveyance and entertainment		41,649,264	30,573,132
Communications		14,233,614	14,484,625
Insurance		3,634,120	2,992,609
Rent, rates and taxes		4,477,632	7,432,720
Printing and stationery		4,674,770	4,445,049
Advertisement		4,594,879	3,023,993
Legal, professional and consultancy charge		10,737,880	14,690,652
Auditor's remuneration	33.2	5,587,934	2,804,000
Dues, fees and subscription		36,989,011	26,288,912
Miscellaneous expenses	33.3	39,918,443	20,995,266
		483,794,292	377,687,055

33.1 This includes Rs. 11.00 million (2022: Rs. 9.30 million) in respect of staff retirement benefits - gratuity scheme.

33.2 Auditor's remuneration

	Note	2023 Rupees	2022 Rupees
Audit fee		1,950,000	1,800,000
Fee for special purpose audit		2,196,000	-
Consolidation, reviews and certifications		954,000	954,000
Out of pocket expenses		487,934	50,000
		5,587,934	2,804,000

34 OTHER EXPENSES

	Note	2023 Rupees	2022 Rupees
Workers' profit participation fund	14.4	149,999,188	132,515,713
Workers' welfare fund	14.5	59,999,675	43,101,394
Rerversal of provision for slow moving stores and spares	23.1	-	(3,029,447)
Reversal of allowance for expected credit losses		-	(20,190,677)
		209,998,863	152,396,983

35 OTHER INCOME

	Note	2023 Rupees	2022 Rupees
Non financial assets			
Gain on disposal of property, plant and equipment		1,436,406	557,724
Grant income	13	102,684,522	14,670,974
Scrap sales		38,793,726	34,257,762
Other income		902,483	1,062,468
Financial assets - amortized cost			
Profit on savings account		465,160	1,895,023
Foreign exchange gain		19,501,866	7,324,530
Loan from directors / sponsors - write-back	9.4	14,512,000	-
		178,296,163	59,768,481

36 FINANCE COST

	Note	2023 Rupees	2022 Rupees
Mark-up on			
Long-term loans	36.1	474,608,044	125,616,090
Short-term borrowings		2,176,967,073	961,572,141
Financial charges on lease		11,872,727	10,500,509
Financial charges on GIDC unwinding		-	1,232,343
Bank charges, fee and commission		35,903,418	27,973,865
		2,699,351,262	1,126,894,948

36.1 This includes financial charges on unwinding of term finance loan under “Temporary Economic Refinance Facility” of State Bank of Pakistan (as explained in Note 9.2) amounting to Rs. 200.69 (2022: Rs. 200.78) million through effective interest rate (EIR).

37 TAXATION

	Note	2023 Rupees	2022 Rupees
Current tax:			
Current period	37.1	544,754,026	824,928,118
Prior period	37.2	(175,559,169)	(85,010,508)
		369,194,857	739,917,610
Deferred tax			
Relating to the reversal and origination of temporary differences		503,081,555	130,227,340
Relating to rate change		80,058,172	-
		583,139,727	130,227,340
		952,334,584	870,144,950

37.1 This includes final tax on export sales under Section 154 of the Income Tax Ordinance, 2001.

37.2 The Lahore High Court, in its judgement dated 27 June 2023, declared the First Proviso to Division IIB of Part 1 of the First Schedule of the Income Tax Ordinance 2001 to be ultra vires to the Constitution and hence reduced the rate of super tax from 10% to 4% for Tax Year 2022. Accordingly, the Company has reversed the super tax amounting to Rs. 126.68 million (representing additional 6% super tax) during the year (2022: Nil).

37.3 Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented, being impracticable, as provision for current taxation represents final tax on export sales under Section 154 of the Income Tax Ordinance, 2001 and minimum tax under Section 113 of the Income Tax Ordinance, 2001 on local sales.

38 EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED

38.1 Basic	2023	2022
Profit attributable to ordinary shareholders (Rupees)	1,837,650,319	1,595,630,354
Weighted average number of ordinary shares (Number)	110,590,546	110,590,546
Earnings per ordinary share	16.62	14.43

38.2 Diluted

No figure for diluted earning per share has been presented as the Company has not issued any instrument carrying option which would have an impact on earnings per share when exercised.

39 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The main risks arising from the Company's financial instruments are, credit risk, liquidity risk, foreign currency risk, interest rate risk and other price risk such as equity price risk. The management reviews and agrees policies for managing each of these risks which are summarized below.

39.1 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers.

The Company is exposed to credit risk on loan to subisidiary, long-term deposits, trade receivables, advances to employees against salary, other receivables and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Note	Carrying values	
		2023	2022
		Rupees	Rupees
Loan to subsidiary	21	14,512,000	14,512,000
Long-term deposits	22	19,037,602	19,297,602
Trade receivables – unsecured	25	5,165,559,604	6,219,981,029
Advances to employees - against salary	26	10,032,482	5,466,286
Other receivables	27	214,717,201	153,228,985
Bank balances	29	215,036,008	257,270,560

39.1.1 Trade receivables	2023 Rupees	2022 Rupees
Other than related parties		
Not yet due	3,787,408,287	5,495,656,356
Past due		
1-30 days	701,072,996	550,766,978
31-60 days	96,332,906	87,918,908
61-90 days	28,901,033	34,684,609
Over 90 days	76,337,140	44,992,791
	902,644,075	718,363,286
	4,690,052,362	6,214,019,642
Related parties		
Not yet due	476,656,188	27,846,060
Past due	20,735,727	-
1-30 days	497,391,915	27,846,060

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). 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 maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Set out below is the information about the credit risk exposure on the Company's trade debts using a provision matrix:

	Not due	1-30 days	31-60 days	61-90 days	Over 90 days	Total
As at 30 June 2023						
Expected credit loss rate	0.07%	0.28%	3.03%	6.35%	15.97%	
Estimated total gross carrying amount	4,264,064,475	721,808,723	96,332,906	28,901,033	76,337,140	5,187,444,277
Expected credit loss	2,941,393	1,997,049	2,918,655	1,834,909	12,192,667	21,884,673
As at 30 June 2022						
Expected credit loss rate	0.05%	0.37%	3.32%	5.34%	39.74%	
Estimated total gross carrying amount	5,555,790,169	533,134,976	87,918,908	34,340,667	30,680,983	6,241,865,702
Expected credit loss	2,941,393	1,997,049	2,918,655	1,834,909	12,192,667	21,884,673

As at 30 June 2023, trade debts of Rs. Nil (30 June 2022: Rs. 21.9 million) were impaired and provided for.

Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly a ect groups of counterparties whose aggregate credit exposure is significant in relation to the Companay's total credit exposure. The Company's portfolio of financial assets is limited to certain sectors, however all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk. Therefore the Company does not believe it is exposed to major concentration of credit risk as its exposure is spread over several institutions and customers. However to manage any possible exposure the Company applies approved credit limits to its customers.

39.1.2 Bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counterparties. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Banks	Ratings			2023	2022
	Agency	Short-term	Long-term	Rupees	Rupees
Albaraka Bank (Pakistan) Limited	JCR-VIS	A-1	A+	35,584,096	3,209,852
Bank Alfalah Limited	PACRA	A1+	AA+	5,149,133	-
Askari Bank Limited	PACRA	A1+	AA+	-	40,121
BankIslami Pakistan Limited	PACRA	A1	A+	23,337,220	451,182
Habib Bank Limited	JCR-VIS	A1+	AAA	56,910,773	13,801,692
United Bank limited	JCR-VIS	A1+	AAA	666,775	-
Meezan Bank Limited	JCR-VIS	A1+	AAA	1,574,126	3,600,000
MCB Bank Limited	PACRA	A1+	AAA	13,346,018	387,201
National Bank of Pakistan	JCR-VIS	A-1+	AAA	3,716,008	1,359,967
Industrial and Commercial Bank of China	Moody's	P-1	A-2	3,770,756	7,559,537
Silk Bank Limited	JCR-VIS	A-2	A-	50,479	10,479
Standard Chartered Bank	PACRA	A1+	AAA	-	126,626,748
Soneri Bank Limited	PACRA	A1+	AA-	35,620,458	-
The Bank of Punjab	PACRA	A1+	AA+	35,310,166	100,223,781
				215,036,008	257,270,560

39.1.3 Other receivables

Advances and other receivables mainly comprise of cash margin withheld by banks against imports and other deposits.The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

39.1.4 Loans and advances

The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with loans to employees is trivial and therefore no impairment charge has been accounted for.

39.1.5 Long-term deposits

The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with security deposits is trivial therefore no impairment charge has been accounted for.

39.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

Financial liabilities are analyzed below, with regard to their remaining contractual maturities.

	Carrying Values	Maturity Up to One Year	Maturity After One Year	Total
As at 30 June 2023		**Rupees**		
Long-term loans	6,250,193,517	1,300,968,724	5,861,221,076	7,162,189,800
Lease liabilities	84,634,999	44,089,010	60,485,875	104,574,885
Short-term borrowings	12,296,372,135	12,296,372,135	-	12,296,372,135
Mark up accrued	633,476,468	633,476,468	-	633,476,468
Unclaimed dividend	12,870,678	12,870,678	-	12,870,678
Trade and other payables	1,801,739,302	1,801,739,302	-	1,801,739,302
Total financial liabilities	21,079,287,099	16,089,516,317	5,921,706,951	22,011,223,268
As at 30 June 2022				
Long-term loans	5,812,336,556	552,573,342	6,341,673,949	6,894,247,291
Lease liabilities	110,410,093	50,510,559	104,574,885	155,085,444
Short-term borrowings	13,040,527,898	13,040,527,898	-	13,040,527,898
Mark up accrued	355,984,178	355,984,178	-	355,984,178
Unclaimed dividend	12,325,435	12,325,435	-	12,325,435
Trade and other payables	1,802,805,362	1,802,805,362	-	1,802,805,362
Total financial liabilities	21,134,389,522	15,814,726,774	6,446,248,834	22,260,975,608

39.2.1 Changes in liabilities arising from financing activities

	As at 1 July 2022	Cash flows	New leases	Others	As at 30 June 2023
			Rupees		
Long-term loans	6,894,247,291	282,454,509	-	-	7,162,189,800
Lease Liability	155,085,444	(50,444,821)	12,797,000	11,872,727	129,310,350
Short-term borrowings	13,040,527,898	(744,155,764)	-	-	12,296,372,134
Unclaimed dividend	12,325,435	(165,340,565)	-	165,885,808	12,870,678
	20,102,186,068	(677,486,641)	12,797,000	177,758,535	19,600,742,962

	As at 1 July 2021	Cash flows	New leases	Others	As at 30 June 2022
			Rupees		
Long-term loans	2,224,163,632	5,068,561,181	-	(1,480,388,257)	5,812,336,556
Lease Liability	116,691,049	(48,184,465)	31,403,000	10,500,509	110,410,093
Short-term borrowings	5,869,058,112	7,171,469,786	-	-	13,040,527,898
Unclaimed dividend	10,766,577	(330,212,780)	-	331,771,638	12,325,435
	8,220,679,370	11,861,633,722	31,403,000	(1,138,116,110)	18,975,599,982

39.2.2 There are a few non-compliances with respect to loan covenants relating to maintenance of specified ratios. However, none of such non-compliances triggered any default clause under the respective loan facility agreements.

39.3 Market Risk

39.3.1 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. Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company, are periodically restated to Pak Rupee equivalent and the associated gain or loss is taken to the statement of profit or loss.

The Company is exposed to currency risk on trade and other payables, short term borrowing, accrued mark up and trade receivables that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD).

Particulars	2023 USD	2022 USD
Assets		
Cash and Bank	140,562	-
Trade recievables	1,530,108	-
Liabilities		
Trade and other payables	(1,432,884)	(1,435,483)
Short-term borrowings	(550,982)	-
Accrued mark up	(1,902)	-
	(315,098)	(1,435,483)

39.3.1.1 Exchange rate applied during the year

The following significant exchange rates have been applied during the year:

	Average rupees per FCY		Reporting date rupees per FCY	
	2023	2022	2023	2022
USD to PKR	247.86	204.57	275.44	182.35

The following analysis demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before taxation.

Changes in USD Rate	2023 Effects on profit before taxation Rupees	2022 Rupees
+1%	(867,899)	(2,617,603)
-1%	867,899	2,617,603

The effect may be respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

39.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect the fair value or future cash flows of financial instruments. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is:

Variable rate instruments	2023 Rupees	2022 Rupees
Liabilities	(2,506,418,064)	(5,812,336,556)
Long term loan	(65,746,506)	(110,410,093)
Lease liabilities	(12,296,372,135)	(13,040,527,898)
Short-term borrowings - secured		
Assets	14,148,772	42,923,646
Bank balances - saving accounts	(14,854,387,933)	(18,920,350,901)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on loans from borrowings from banks, at the year end date, fluctuate by 100 (2022: 100) bps higher / lower with all other variables, in particularly foreign exchange rates held constant, profit before taxation for the year would have been affected as follows:

	2023	2022
	Rupees	Rupees
Effect on profit or loss of an increase	(148,543,879)	(189,203,509)
Effect on profit or loss of a decrease	148,543,879	189,203,509

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and assets / liabilities of the Company.

39.3.3 Other price risk

Other price risk represents 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 interest rate risk or currency 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 significant other price risk.

39.3.4 Financial instruments by categories

	At amortized cost	
	2023	2022
	Rupees	Rupees
Financial assets		
Loan to subsidiary	14,512,000	14,512,000
Long-term deposits	19,037,602	19,297,602
Trade receivables – unsecured	5,165,559,604	6,219,981,029
Loans and advances	10,032,482	5,466,286
Other receivables	214,717,201	153,228,985
Cash and bank balances	215,624,955	260,276,347
	5,639,483,844	6,672,762,249

	At amortized cost	
	2023	2022
Financial liabilities	Rupees	Rupees
Long-term loans	6,250,193,517	5,812,336,556
Lease liabilities	84,634,999	110,410,093
Short-term borrowings - secured	12,296,372,135	13,040,527,898
Mark up accrued	633,476,468	355,984,178
Unclaimed dividend	12,870,678	12,325,435
Trade and other payables	1,801,739,302	1,802,805,362
	21,079,287,099	21,134,389,522

39.4 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

i) To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

ii) To provide an adequate return to shareholders

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using a gearing ratio. Capital includes ordinary share capital and reserves, whereas, net debt includes long-term loans, short-term borrowings and liabilities against assets subject to finance lease less cash and cash equivalents.

The gearing ratio as at year end is as follows:	**2023** **Rupees**	**2022** **Rupees**
Long-term loans	6,250,193,517	5,812,336,556
Short-term borrowings - secured	12,296,372,135	13,040,527,898
Lease liabilities	84,634,999	110,410,093
Less: cash and cash equivalents	(215,624,955)	(260,276,347)
Net debt	18,415,575,696	18,702,998,200
Share capital	1,105,905,460	1,105,905,460
Reserves	6,742,468,524	5,072,836,550
Total equity	7,848,373,984	6,178,742,010
Gearing ratio	70%	75%

39.5 Fair value measurement of financial instruments

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. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

40 RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

The Company has interest based on common directorship and / or percentage of shareholding in following companies:

Names of companies	Basis of relationship	Status of relationship	Percentage of effective shareholding
Nimir Management (Private) Limited	Shareholding	Subsidiary company	51%
Nimir Resins Limited (NRL)	Shareholding and Common Directorship	Sub-Subsidiary company	37.64%
Nimir Overseas FE LLC	Shareholding	Subsidiary company	100%
Nimir Resources (Private) Limited	Common Directorship	Associated company	Nil
Nimir Chemcoats Limited	Common Directorship	Associated company	Nil
Nimir Chemicals Pakistan Limited	Common Directorship	Associated company	Nil
Nimir Energy Limited	Common Directorship	Associated company	Nil
Terranova (Private) Limited	Common Directorship	Associated company	Nil
Extracts 4 Life (Private) Limited	Common Directorship	Associated company	Nil

The related parties and associated undertakings comprise related group companies, directors and key management personnel. Remuneration of Chief Executive, directors and executives is shown in note 41. The transactions with related parties are carried at mutually agreed terms and are as follows:

Names of Company	Nature and Description of Related Party Transaction	2023 Rupees	2022 Rupees
Nimir Resins Limited	Sale of goods	319,117,680	198,427,950
	Purchase of goods	24,128,569	5,302,679
	Services provided	6,604,580	6,004,164
	Services acquired	5,117,402	4,652,184
	Reimbursement of expenses	9,081,105	598,633
Nimir Overseas LLC	Sale of goods	550,537,405	-
Nimir Chemcoats Limited	Purchase of goods	26,609,566	14,656,729
Nimir Chemicals Pakistan Limited	Sale of goods	16,628,480	11,422,560
Nimir Energy Ltd.	Purchase of goods	14,811,769	-
Key Management Personnel	Managerial Remuneration	313,537,550	238,668,038
	Other employment benefits	128,232,099	106,689,087
Staff retirement benefits	Contribution to gratuity fund	2,500,000	21,000,000

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
Number of persons	1	1	2	2	51	38
			Rupees			
Managerial remuneration	18,580,645	16,258,065	28,645,162	24,774,194	155,056,483	112,947,122
Housing	8,361,290	7,316,129	12,890,322	11,148,388	69,775,416	50,826,207
Utilities	1,858,065	1,625,806	2,864,516	2,477,418	15,505,651	11,294,709
Bonus	11,889,100	10,184,049	18,110,278	15,645,060	86,071,166	70,770,978
Gratuity	-	-	-	-	12,161,555	10,089,000
	40,689,100	35,384,049	62,510,278	54,045,060	338,570,271	255,928,016

41.1 The Chief Executive Officer and Directors have been provided with company maintained cars and generator sets, further they are also entitled to club membership and reimbursement of medical and entertainment expenses whereas some executives have been provided with company- maintained cars.

41.2 An amount of Rs. 10,405,000 (2022: Rs 10,488,500) was paid to non-executive directors for attending the board meetings.

42 TOTAL NUMBER OF EMPLOYEES

	2023	2022
Number of employees	274	254
Average number of employees during the year	260	230

43 PRODUCTION CAPACITY

	2023 Maximum Capacity	2023 Actual Production	2022 Maximum Capacity	2022 Actual Production
Oleo Chemicals (Metric ton)[1]	140,000	100,810	140,000	86,716
Chlor Alkali Products (Metric ton)[2]	158,400	108,035	79,000	50,446
Chlorinated Paraffin Wax (Metric ton)[3]	11,000	1,640	-	-
Soap Finishing Line (Metric ton)[4]	54,000	40,502	54,000	38,106
Aerosol (Cans)	80,000,000	6,234,948	80,000,000	8,540,775
Blending[5]	-	21,335	-	33,605
Home Care (Bottles)[6]	46,500,000	8,926,860	-	-
Personal Care (Metric ton)[7]	4,500	747	-	-
Dish Wash (Metric ton)[8]	9,000	4,064	-	-

1 Actual production increased due to increase in demand.
2 The plant was upgraded with latest technology in the last quarter of the financial year.
3 The capacity is under utilized because the production started during the current year.
4 The plant capacity was underutilized due to product mix.
5 The plant capacity is indeterminable because it is a multi-product plant involving varying processes.
6 The capacity is under utilized because the production started during the current year.
7 The capacity is under utilized because the production started during the current year.
8 The capacity is under utilized because the production started during the current year.

44 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	Transferred to	2022 Rupees
Provision for taxation	Tax refunds due from the Government - Income tax	870,184,294

45 GENERAL

Figures have been rounded off to nearest rupee unless otherwise stated.

46 SUBSEQUENT EVENTS

The Board of Directors at its meeting held on September 25, 2023 has proposed a final dividend @ Rs. 2.00 per share for the year ended June 30, 2023 (2022: Rs. 1.50) amounting to Rs. 221,181,092 (2022: Rs. 165,885,808) for approval of the members at the Annual General Meeting to be held on October 28, 2023. These financial statements do not reflect this dividend.

46.1 Date of Authorization for issue

These financial statements were authorized for issue by the Board of Directors on September 25, 2023.

Chief Executive Officer | **Director** | **Chief Financial Officer**

67 Financial Statements - Consolidated

FOR THE YEAR ENDED JUNE 30, 2023

Directors' Report

The Directors are pleased to present Consolidated Directors' Report together with the Group Financial Statements of Nimir Industrial Chemicals Limited and its subsidiaries for the year ended June 30, 2023.

During the year under review Pakistani Economy has faced unprecedented challenges due to poor demand driven policies, devastating floods and political uncertainty. In addition, the Russia-Ukraine war severely disrupted the global supply balance which led to a commodity super cycle resulting in slow down of the global economic growth. All this caused the country economic growth rate fall to less than 0.5% during the current financial year.

The consolidated gross revenue of your Company grew by 25%, helped in crossing PKR. 60 billion bench mark during the year. Consequently, the consolidated operating profit crossed PKR. 6.4 billion during the year; which is 40% higher year on year. High financial cost limited the profit before taxation growth to just 9% and net profit after tax at 12.5% from PKR 1.97 billion to PKR 2.22 billion.

The management is focused on the continuous growth in the topline and is ready to overcome the challenges caused by adverse economic conditions during the coming financial year.

We shall continue to capitalize all opportunities that come our way, while remaining vigilant against any risk to stakeholders' value, which shall, as the precedent dictates and committed to perform its best to continue increasing shareholders value, Insha'Allah.

For and on behalf of the Board

Zafar Mahmood
Chief Executive Officer

Aamir Jamil
Director

Lahore
September 25, 2023.

ڈائریکٹرز کی مجموعی رپورٹ

ڈائریکٹرز 30 جون 2023 کوختم ہونے والے سال کے لیے نمر انڈسٹریل کیمیکلز لمیٹڈ اوراس کے ذیلی اداروں کے گروپ مالی گوشواروں کے ہمراہ ڈائریکٹرز کی مجموعی رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

زیرجائزہ سال کے دوران پاکستانی معیشت کوناقص طلب پرمبنی پالیسیوں، تباہ کن سیلابوں اورسیاسی غیریقینی صورتحال کی وجہ سے بہت زیادہ مشکلات کا سامنا کرنا پڑا۔اس کے علاوہ، روس-یوکرین جنگ نے عالمی سپلائی کے توازن کو بری طرح متاثر کیا جس کی وجہ سے اجناس کا سپرسائیکل شروع ہوگیا جس کے نتیجے میں عالمی اقتصادی نموکی رفتارکم ہوگئی۔جن کی وجہ سے رواں مالی سال کے دوران ملک کی اقتصادی شرح نمو 0.5 فیصد سے بھی کم رہ گئی۔

آپ کی کمپنی کی کنسولیڈیٹڈ مجموعی آمدنی سال کے دوران بینچ مارک 25% بڑھ کر 60 بلین روپے تک پہنچ گئی۔ نیتیجتاً، مجموعی آپریٹنگ منافع سال کے دوران 6.4 بلین روپے سے تجاوز کرگیا؛ جو سال بہ سال 40 فیصدرہا۔ زیادہ مالیاتی لاگت نے ٹیکس سے پہلے کے منافع کوصرف 9% اور ٹیکس کے بعد خالص منافع کو 12.5% بمطابق 1.97 بلین روپے سے 2.22 بلین روپے تک محدود کردیا۔

انتظامیہ کی توجہ ٹاپ لائن میں مسلسل نموپر ہے اورآئندہ مالی سال کے دوران منفی معاشی حالات کی وجہ سے پیدا ہونے والی مشکلات پرقابو پانے کے لیے تیار ہے۔

ہم اسٹیک ہولڈرز کی قدر کولاحق کسی بھی خطرے کے خلاف چوکس رہتے ہوئے میسرآنے والے تمام مواقعوں سے فائدہ اٹھاتے رہیں گے، اورشیئر ہولڈرز کی قدر بڑھانے کے لیے اپنی بہترین کارکردگی کا عزم کرتے ہیں، انشاءاللہ۔

منجانب بورڈ

ظفرمحمود
چیف ایگزیکٹوآفیسر

عامرجمیل
ڈائریکٹر

25 ستمبر 2023ء
لاہور

Opinion

We have audited the annexed consolidated financial statements of Nimir Industrial Chemicals Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition	
As described in Note 7.13 and Note 30 to the accompanied consolidated financial statements, the Group generates revenue from several types of products and services. During the year ended 30 June 2023, the Group generated net revenue of Rs. 52.48 billion as compared to Rs. 41.85 billion during the previous year, which represents an increase of approximately 25.39% as compared to last year. The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Group and raises the risk that revenue could be misstated to meet targets.	Our audit procedures amongst others included the following: Obtained an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; On a sample basis, reviewed sales transactions near the reporting date to assess whether transactions are recorded in relevant accounting period; Performed procedures to analyze the variation in price and quantity sold during the year; Reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards and the Companies Act, 2017.

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, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditors' report is Ahsan Shahzad.

EY Ford Rhodes
Chartered Accountants

Lahore
October 02, 2023
UDIN: AR2023100790s8m1cNDp

Consolidated Statement of Financial Position

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
145,000,000 (2022: 145,000,000) Ordinary shares of Rs.10 each		1,450,000,000	1,450,000,000
Issued, subscribed and paid up capital	8	1,105,905,460	1,105,905,460
Unappropriated profits - revenue reserve		7,275,995,237	5,498,106,070
Exchange translation reserve - foreign investment		163,009	-
Non-controlling interest	9	1,523,215,523	1,253,269,339
		9,905,279,229	7,857,280,869
NON CURRENT LIABILITIES			
Long-term loans	10	5,234,620,332	5,662,585,683
Lease liabilities	11	82,392,067	107,507,404
Net defined benefit liability - funded gratuity	12	242,496,861	182,839,637
Diminishing musharaka finance	13	-	-
Deferred tax liability	14	1,003,924,591	454,210,695
Deferred grant	15	730,544,244	913,532,529
		7,293,978,095	7,320,675,948
CURRENT LIABILITIES			
Trade and other payables	16	2,977,376,015	2,297,268,902
Contract liabilities	17	195,847,922	139,231,891
Mark up accrued		678,169,216	412,132,129
Unclaimed dividend		13,163,497	12,618,254
Short-term borrowings	18	13,147,748,928	15,524,046,275
Current maturity of long-term loans	10	1,188,445,259	472,173,938
Current maturity of lease liabilities	11	42,387,935	45,273,681
Current maturity of diminishing musharaka finance	13	-	525,325
Current maturity of deferred grant	15	181,452,039	169,891,401
		18,424,590,811	19,073,161,796
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		35,623,848,135	34,251,118,613
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	20	14,555,032,351	13,024,172,260
Intangibles	21	29,823,615	30,487,348
Long-term deposits	22	63,120,242	63,148,402
		14,647,976,208	13,117,808,010
CURRENT ASSETS			
Stores, spare parts and loose tools	23	838,452,971	551,465,198
Stock-in-trade	24	10,119,407,186	10,110,344,068
Trade receivables	25	6,625,641,758	8,194,810,479
Loans and advances	26	163,146,616	150,000,699
Short-term prepayments		2,476,297	22,206,862
Other receivables	27	231,057,063	182,413,993
Tax refunds due from the Government	28	2,644,113,057	1,637,133,254
Cash and cash equivalents	29	351,576,979	284,936,050
		20,975,871,927	21,133,310,603
TOTAL ASSETS		35,623,848,135	34,251,118,613

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Revenue from contracts with customers - gross		61,603,373,899	49,113,399,389
Less: Sales tax, trade discounts and commission		(9,124,177,974)	(7,260,101,725)
Revenue from contracts with customers - net	30	52,479,195,925	41,853,297,664
Cost of sales	31	(44,921,286,772)	(36,481,415,400)
Gross profit		7,557,909,153	5,371,882,264
Distribution costs	32	(524,640,206)	(315,896,814)
Administrative expenses	33	(583,704,878)	(456,991,382)
		(1,108,345,084)	(772,888,196)
Operating profit		6,449,564,069	4,598,994,068
Other expenses	34	(285,564,690)	(248,294,370)
Other income	35	285,876,433	72,282,754
Finance costs	36	(3,075,587,851)	(1,340,661,083)
Profit before taxation		3,374,287,961	3,082,321,369
Taxation	37	(1,157,253,263)	(1,110,754,338)
Profit after taxation		2,217,034,698	1,971,567,031
Attributable to:		1,946,352,042	1,742,946,847
Equity holders of the Holding Company		270,682,656	228,620,184
Non-controlling interests		2,217,034,698	1,971,567,031
Earnings per ordinary share - basic and diluted	38	17.60	15.76

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Profit after taxation	2,217,034,698	1,971,567,031
Other comprehensive income		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	-	-
Re-measurement losses on defined benefit plan	(10,109,351)	(12,393,524)
Deferred tax	3,942,648	4,089,863
Re-measurement losses on defined benefit plan - net	(6,166,703)	(8,303,661)
Effect of change in tax rate on:		
Remeasurement of defined benefit obligation	2,853,164	-
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operation	163,009	-
Total comprehensive income for the year	2,213,884,168	1,963,263,370
Attributable to:		
Equity holders of the Holding Company	1,946,833,978	1,734,119,708
Non-controlling interests	267,050,190	229,143,662
	2,213,884,168	1,963,263,370

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up share capital	Unappropriated profits- Revenue reserve	Exchange translation reserve - foreign investment	Non-controlling interest	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on 01 July 2021	1,105,905,460	4,205,348,842	-	914,534,835	6,225,789,137
Profit after taxation	-	1,742,946,847	-	228,620,184	1,971,567,031
Other comprehensive (loss) / income	-	(8,827,139)	-	523,478	(8,303,661)
Total comprehensive income for the year	-	1,734,119,708	-	229,143,662	1,963,263,370
Reclassification adjustment relating to reserves (Note 9.1)	-	(109,590,842)	-	109,590,842	-
Final dividend for 2021 @ Rs.2.00 per share	-	(221,181,092)	-	-	(221,181,092)
Interim dividend for 2022 @ Rs. 1.00 per share	-	(110,590,546)	-	-	(110,590,546)
Balance as on 30 June 2022	1,105,905,460	5,498,106,070	-	1,253,269,339	7,857,280,869
Profit after taxation	-	1,946,352,042	-	270,682,656	2,217,034,698
Other comprehensive (loss) / income	-	(2,577,066)	163,009	(736,473)	(3,150,530)
Total comprehensive income for the year	-	1,943,774,975	163,009	269,946,183	2,213,884,168
Final dividend for 2022 @ Rs.1.50 per share	-	(165,885,808)	-	-	(165,885,808)
Balance as on 30 June 2023	1,105,905,460	7,275,995,237	163,009	1,523,215,523	9,905,279,229

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

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,374,287,961	3,082,321,369
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation	20.4	755,451,566	566,180,992
Amortization	21	12,261,606	1,793,373
Mark-up expense	36	3,039,684,433	1,310,472,336
Provision for obsolescence of stock		-	8,539,600
Provision for slow moving stores and spares	34	9,103,040	(3,029,447)
Allowance of expected credit loss	34	21,443,660	1,963,743
Provision for gratuity		56,000,334	39,688,067
Grant income	35	(102,684,522)	(14,670,974)
Gain on disposal of property, plant and equipment	35	(1,414,894)	(557,724)
Exchange loss unrealized - net		(4,280,463)	35,416,693
Profit on savings account	35	(465,160)	-
Loan written back	35	(93,056,500)	-
Workers' profit participation fund provision	34	180,885,478	165,123,430
Workers' welfare fund provision	34	70,931,323	56,144,481
Working capital changes:			
Increase in stores, spare parts and loose tools		(286,987,773)	(235,899,278)
Increase in stock-in-trade		(18,166,159)	(2,700,881,187)
Decrease / (increase) in trade debts		1,560,344,196	(3,605,620,771)
Increase in loans and advances		(13,145,918)	(48,701,924)
Decrease / (increase) in trade deposits and short-term prepayments		19,730,567	(9,760,909)
Increase in other receivables		(39,052,605)	(135,372,223)
Increase in sales tax refundable		(386,171,530)	(1,140,792,639)
Increase in trade and other payables		596,154,895	194,024
Increase / (decrease) in contract liabilities		96,349,613	(53,206,150)
		8,847,203,148	(2,680,655,118)
Contribution to gratuity fund		(6,452,461)	(21,807,120)
Mark-up paid		(3,130,298,500)	(987,665,412)
Income tax paid		(1,224,739,409)	(1,406,442,414)
Decrease / (increase) long-term deposits		28,160	(1,625,147)
Workers' profit participation fund paid	16.3	(165,123,430)	(156,341,594)
Workers' welfare fund paid	16.4	(54,312,845)	(62,590,400)
Net cash generated from / (used in) operating activities		4,266,304,663	(5,317,127,205)
Balance carried forward		4,266,304,663	(5,317,127,205)

	2023 Rupees	2022 Rupees
Balance brought forward	4,266,304,663	(5,317,127,205)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(209,842,579)	(278,294,506)
Additions in capital work-in-progress	(1,581,740,630)	(7,129,760,058)
Sale proceeds from disposal of property, plant and equipment	2,960,520	20,363,189
Profit on savings account	465,160	-
Additions in intangible asset	(11,597,873)	(32,280,721)
Net cash used in investing activities	(1,799,755,402)	(7,419,972,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans obtained	900,000,000	5,218,561,181
Repayment of long-term loans	(690,065,176)	(490,534,615)
Dividend paid	(165,340,565)	(330,212,780)
Payment of lease liabilities	(61,751,900)	(55,681,429)
Diminishing musharika paid	-	(1,088,915)
Short-term borrowings - net	(2,376,822,675)	8,594,681,518
Net cash (used in) / generated from financing activities	(2,393,980,316)	12,935,724,960
Net increase in cash and cash equivalents	72,568,945	198,625,659
Net foreign exchange differences	(5,928,017)	-
Cash and cash equivalents at the beginning of the year	284,936,050	86,310,391
Cash and cash equivalents at the end of the year	351,576,979	284,936,050

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

Chief Executive Officer **Director** **Chief Financial Officer**

1 THE GROUP AND ITS OPERATIONS

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

Holding Company

Nimir Industrial Chemicals Limited ("NICL")

Subsidiary Companies

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

Nimir Overseas LLC ("NOL")

The shareholding of Nimir Group as at reporting date is as follows:

• The holding of NICL in NMPL:	51.00%
• The holding of NMPL in NRL:	51.00%
• The holding of NICL in NRL:	11.63%
• Effective holding of NICL in NRL:	37.64%
• The holding of NICL in NOL:	100.00%

Nimir Industrial Chemicals Limited ("NICL")

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

Business Unit	Address
Registered office and plant	14.8 Km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan.
Head Office	Plot No. 122, Block B, New Muslim Town, Lahore, Pakistan.

Nimir Management (Private) Limited ("NMPL")

The registered office of Nimir Management (Private) Limited (NMPL) is Nimir House, 122-B, New Muslim Town, Lahore, Pakistan. NMPL was formed for the purpose of investment in Nimir Resins Limited.

Nimir Resins Limited ("NRL")

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 as explained in note 1.2, 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. Following are the business units of the company along with their respective locations:

Business Unit	Address
Registered office and plant 1	14.5 Km, Lahore-Sheikhupura Road, Lahore, Pakistan.
Plant 2	14.8 Km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan.

Nimir Overseas LLC ("NOL")

NOL is a company registered and operating in the Republic of Uzbekistan. It is a limited liability company established in accordance with the legislation of the Republic of Uzbekistan. NOL was incorporated on January 28, 2023. NOL is involved in acting as agents for the wholesale trade of fuel, ores, metals and chemicals, unspecialized wholesome trade, export and import operations, and investment activities.

Business Unit	Address
Head office	7A Ibrohim ota, Olmazor district,Tashkent city

1.2 In accordance with International Financial Reporting Standard (IFRS) – 10 'Consolidated Financial Statements', the Holding Company assessed the control conclusion of its investment in Nimir Resins Limited (NRL) that although the Holding Company has less than 50% shareholding in NRL, however, based on absolute size of the Holding Company's shareholding, common directorship and management, the Holding Company has the ability to exercise control over NRL as per the terms of IFRS-10. Henceforth, Nimir Industrial Chemicals Limited (NICL) is deemed to be holding company of NRL.

2 STATEMENT OF COMPLIANCE

These consolidated 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 New standards, interpretations and amendments applicable to the consolidated consolidated financial statements for the year ended 30 June 2023

3.1 New standards, interpretations and amendments applicable to the consolidated consolidated financial statements for the year ended 30 June 2023

The Group has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financialreporting which became effective for the current year:

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 37	Onerous Contracts – Costs of Fullling a Contract (Amendments)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
IAS 16	Property, plant, and equipment - prohibition of deduction of sale proceeds from cost of an asset
IAS 41	Agriculture – Taxation in fair value measurements
IFRS 16	Leases: Lease incentives

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Group's consolidated financial statements.

3.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendments or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	1 January 2023
IAS 1 / IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	1 January 2023
IFRS 10 / IAS 28	"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)"	1 January 2023
IFRS 16	Lease liability in a Sale and Lease back (Amendments)	1 January 2024

The above standards and amendments and improvements are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Standards		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

The Group expects that above standards will not have any material impact on the Group's consolidated financial statements.

4 BASIS OF PREPARATION

4.1 Basis of measurement

These consolidated financial statements have been prepared under the 'historical cost convention', except for recognition of certain employee benefits on the basis mentioned in note 7.14.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

4.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at 30 June 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets,liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

a) fair values of the assets transferred;

b) liabilities incurred to the former owners of the acquired business;

c) equity interests issued by the Holding Company

d) fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Holding Company recognises any non-controlling interests in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

The excess of the:

a) consideration transferred;

b) amount of any non-controlling interest in the acquired entity; and

c) acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

4.4 Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating unit (CGU) (or the groups of CGUs) that are expected to benefit from the synergies of the operations irrespective of whether other assets or liabilities of the acquiree are assigned to these units or group of units.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in the consolidated profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.5 Non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transaction with parties external to the Group. Disposals of non-controlling interests results in gain and losses for the Group that are recorded in the consolidated statement of profit or loss.

5 PRESENTATION CURRENCY

These consolidated financial statements are presented in Pak Rupee, which is the also Group's functional currency.

6 USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Useful lives, residual values and depreciation method of property, plant and equipment – Note 7.1

The Group reviews the useful lives and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

b) Provision for expected credit losses of trade receivable – Note 7.7.1

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. the Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. the Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

c) Estimation of provision - Note 7.10

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

d) Staff retirement benefits - Note 7.14

Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

e) Provision for inventory obsolescence - Note 24 and 25

The Group reviews the carrying amount of stock in trade, stores and spares on an annual basis, and as appropriate, inventory is written down to its net realizable value, or a provision is made for obsolescence if there is any change in the usage pattern and physical form of related inventory. Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

f) Taxation - Note 7.11

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Group recognizes deferred tax assets, to the extent it is probable that taxable profits and tax liability, as applicable, will be available against which the deductible temporary differences and tax credits can be utilized, based on its assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies while also keeping in view the provisions of Income Tax Ordinance, 2001 related to adjustment / carry forward of the underlying temporary differences and tax credits, in subsequent years.

g) Contingencies - Note 7.10

The Group reviews the status of all the legal cases on a regular basis. Based on the expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

h) Impairment of non financial assets - Note 7.1

The carrying amount of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any.

Judgements

In the process of applying Group's accounting policies, management has made the judgements, as mentioned below, which have most significant effects on the amounts recognized in the financial statements.

a) Sales tax refundable - Note 7.20

Management has classified the whole of the amount of Sales tax refundable as current asset based on the assessment that either the amount will be refunded in the next year or related settlement of amounts due to Government, within next twelve months will include refund of Sales tax.

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior period except as stated otherwise.

7.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any, except freehold land which is stated at cost less any identified impairment loss. Cost of property, plant and equipment consists of historical cost and directly attributable cost of bringing the assets to their present location and condition. Cost in relation to self constructed assets includes direct cost of material, labor, applicable manufacturing overheads and borrowing costs on qualifying assets.

Depreciation is is charged to statement of profit or loss, unless it is included in the carrying amount of another asset is calculated using the straight line method at rates disclosed in Note 20.1 which are considered appropriate to write off the cost of the assets over their useful lives after taking into account their residual values.

Depreciation on additions is charged from the month in which asset is capitalized / available for use while no depreciation is charged for the month in which the asset is disposed off.

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any 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 values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized as expense. 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 charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized in statement of profit and loss as income or expense.

The assets residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Group's estimate of residual values and useful life of its operating fixed assets during the year has not required any adjustment as its impact is considered insignificant.

Capital Work-in-Progress

These are stated at cost less impairment loss, if any, including capitalization of borrowing costs. It consists of expenditures incurred in respect of fixed assets in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

b) Lease liabilities - rented premises

In calculating the present value of lease payments, the Group initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate (IBR) applicable in the market for such leases. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which these are incurred.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and in addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

7.2 Intangibles

Intangibles acquired separately are measured on initial recognition at cost. Following initial recognition, intangibles are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangibles are measured to be finite. Intangibles with finite lives are amortized over the useful life using straight line method as mentioned in Note 20 and assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and amortization method for intangibles with a finite life is reviewed at each financial period end. The Group's estimate of residual values and useful life of its intangible asset during the year has not required any adjustment as its impact is considered insignificant. The amortization expense is recognized in profit or loss in the expense category consistent with the function of the intangibles.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in consolidated statement of profit or loss when incurred.

Amortization on additions is charged from the month in which an asset is capitalized / available for use while no amortization is charged for the month in which the asset is disposed off.

7.3 Stores, spare parts and loose tools

These are valued at lower of cost, which is calculated according to moving average method, and net realizable value. Stores in transit are valued at invoice value including other charges, if any, incurred thereon. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if required.

7.4 Stock-in-trade

Stock-in-trade, stores, spares and loose tools are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the stock-in-trade to their present location and condition. Basis of determining cost is as follows:

Raw and packing material	-	weighted average cost
Material in transit	-	cost
Work in process	-	cost
Finished goods	-	weighted average cost
Stores, spare parts and loose tools	-	weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

7.5 Trade receivables

Trade receivables are initially measured at their transaction price under IFRS 15 and subsequently local customers are measured at amortized cost less expected credit losses while foreign debtors are stated at translated amount by applying exchange rate applicable on the reporting date less expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance. Refer to accounting policies of financial assets in note 7.7.1

7.6 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost.

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

7.7 Financial instruments - initial recognition and subsequent measurement

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.

7.7.1 Financial assets

Financial assets - initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include long-term deposits, trade debts, advance to employees against salary, other receivables and bank balances.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at fair value through profit or loss

b) Financial assets at amortized cost (debt instruments)

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI at initial recognition. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group does not presently have financial asset at fair value through profit or loss.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized costs includes long-term deposits, trade debts, advance to employees against salary, other receivables and bank balances.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange gains and losses and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses at the statement of financial position date.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets - Impairment

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade debts and other receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The expected credit losses are recognized in the statement of profit or loss. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For bank balances, the Group applies a general approach in calculating ECLs based on lifetime expected credit losses. The Group reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

7.7.2 Financial liabilities

Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include long-term loans, short-term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities - subsequent measurement

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 & loss.

This category applies to long-term loans, short-term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

7.7.3 Offsetting of financial assets and financial liabilities

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

7.8 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to consolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

7.9 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are recognised initially at fair value and subsequently measured at amortised cost using the e ective interest method.

7.10 Provisions and contingencies

a) Provisions

Provisions are recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

b) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

7.11 Taxation

Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. 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.

Deferred

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the balance sheet date.

7.12 Contract liabilities

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

7.13 Revenue recognition

The Group is in the business of providing goods (i.e. oleo chemicals, and chlor alkali) and services (i.e. toll manufacturing). Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specific revenue recognition details are as follows:

Sale of goods

Revenue from the sale of goods is recognized upon the transfer of control of the goods to the buyer when performance obligation is satisfied, which refers to the storage of processed finished goods in Group's warehouse and its intimation to the respective customer, the delivery or the dispatch of such goods to respective customer, as agreed in the contract. Payment is generally due within 7 to 90 days of satisfaction of performance obligation.

Service income from toll manufacturing

Sale of goods and toll manufacturing services are distinct performance obligations as the promise to transfer the goods and to provide services are distinct within the context of the contract. The goods and services are not inputs to a combined item in the contract. In addition, the goods and services are not highly interdependent or highly interrelated, because the performance obligation for goods is satisfied upon storage of processed goods into separate warehouse and its intimation to the customer or delivery to the customer if toll manufacturing services are not opted by the customer, while performance obligation for toll manufacturing services is satisfied upon completion of goods into packaged soap and dispatch of such goods to customers. The Group determines the transaction price of the sale of goods and the toll manufacturing services based on relative stand-alone selling prices.

Service income from toll manufacturing is recognized upon the completion of processing, packaging of goods and dispatch of such packaged goods to respective customer. Payment is generally due within 7 to 90 days of satisfaction of performance obligation.

Cost to obtain contract

The Group pays sales commission to its distributors and dealers for each contract that they obtain for sale of goods. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately charge sales commissions (included in note 32) because the amortization period of the asset that the Group otherwise would have used is one year or less.

Profit on bank deposit

Profit earned on saving and deposit accounts is accrued on time proportion basis by reference to the principal outstanding at the applicable rate of return.

7.14 Staff retirement benefits

Defined benefit plan

The Group formed an approved funded defined benefit gratuity plan for all of its permanent employees (excluding members of executive management). 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.

Experience adjustments are recognized in statement of comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / expense. All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to statement of profit or loss.

7.15 Foreign currency translation

i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in OCI if they relate to qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

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 is 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 investment in equities measured at fair value through OCI are recognised in other comprehensive income.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Pak Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailed during the year . The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

7.16 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are 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. Such borrowing costs are capitalized as part of the cost of the qualifying asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments.

7.17 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

7.18 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax e ect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

7.19 Operating segments

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments, as follows:

- Oleo chemicals and chlor alkali
- Coating emulsion and resins

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group 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 Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to assess segment's performance, and for which discrete financial information is available. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

7.20 Pricing for related party transactions

All transactions with related parties and associated undertakings are carried at mutually agreed terms.

7.21 Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the Taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

7.22 Dividend

The Group recognizes a liability to pay a dividend when the distribution is authorized by the Board of Directors of the Group (The Board), and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

7.23 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Group assesses if the information a ects the amounts that it recognized in the consolidated financial statements. The Group adjusts the amounts recognized in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group does not change the amounts recognized in its consolidated financial statements but discloses the nature of the non-adjusting event and an estimate of its financial e ect, or a statement that such an estimate cannot be made, if applicable.

7.24 Current vs non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
No. of shares			Rupees	Rupees
110,590,546	110,590,546	Ordinary shares of Rs. 10 each fully paid in cash	1,105,905,460	1,105,905,460

8.1 The holders of voting ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Group.

9 NON-CONTROLLING INTEREST (NCI)

The following table summarizes the information relating to each of the Group's subsidiaries that have NCI, before any intra-group eliminations.

	2023		
	Nimir Management (Private) Limited	Nimir Resins Limited	Total
NCI Percentage	49.00%	62.36%	
		Rupees	
Non current assets	290,900,843	773,369,420	1,064,270,263
Current assets	-	3,882,111,156	3,882,111,156
Non current liabilities	-	(354,797,555)	(354,797,555)
Current liabilities	(21,526,446)	(2,069,730,378)	(2,091,256,824)
Net assets	269,374,397	2,230,952,643	2,500,327,040
Net assets attributable to NCI	131,993,455	1,391,222,068	1,523,215,523
Revenue	-	9,370,907,642	
Profit for the year	55,418,578	385,874,856	441,293,434
Other comprehensive loss	-	(1,181,002)	(1,181,002)
Total comprehensive income	55,418,578	384,693,854	440,112,432
Profit allocated to NCI	30,051,096	240,631,560	270,682,656
Other comprehensive income allocated to NCI	-	(736,473)	(736,473)
	30,051,096	239,895,087	269,946,183
Cashflows from operating activites	(513,625)	1,895,330,780	1,894,817,155
Cashflows from investing activites	-	(69,462,769)	(69,462,769)
Cashflows from financing activites	2,000,000	(1,716,493,676)	(1,714,493,676)
Net increase in cash and cash equivalents	1,486,375	109,374,335	110,860,710

	2022		
	Nimir Management (Private) Limited	Nimir Resins Limited	Total
NCI Percentage	49.00%	62.36%	
		Rupees	
Non current assets	292,900,843	734,343,254	1,027,244,097
Current assets	123,341	4,744,826,366	4,744,949,707
Non current liabilities	(78,544,500)	(366,506,258)	(445,050,758)
Current liabilities	(196,000)	(3,271,306,187)	(3,271,502,187)
Net assets	214,283,684	1,841,357,175	2,055,640,859
Net assets attributable to NCI	104,999,005	1,148,270,334	1,253,269,339
Revenue	-	8,271,380,512	
Profit / (loss) for the year	(327,865)	366,871,132	366,543,267
Other comprehensive income	-	839,445	839,445
Total comprehensive income / (loss)	(327,865)	367,710,577	367,382,712
Profit / (loss) allocated to NCI	(160,654)	228,780,838	228,620,184
Other comprehensive income allocated to NCI	-	523,478	523,478
	(160,654)	229,304,316	229,143,662
Cashflows from operating activites	(112,265)	(1,343,359,514)	(1,343,471,779)
Cashflows from investing activites	-	(141,430,754)	(141,430,754)
Cashflows from financing activites	-	1,481,681,197	1,481,681,197
Net decrease in cash and cash equivalents	(112,265)	(3,109,071)	(3,221,336)

10 LONG-TERM LOANS

	Note	2023 Rupees	2022 Rupees
Term finance	10.1	2,665,346,638	2,221,018,757
Term finance - under refinance scheme for payroll financing	10.2	-	56,459,229
Term finance - under temporary economic refinance facility	10.3	3,718,775,453	3,717,781,635
Term Finance - under financing scheme for renewable energy	10.4	25,000,000	32,500,000
Loan from directors / sponsors - unsecured	10.5	13,943,500	107,000,000
		6,423,065,591	6,134,759,621
Mark up accrued		140,550,146	103,983,546
		6,563,615,737	6,238,743,167
Current maturity of term finance		(696,461,770)	(372,607,670)
Current maturity under refinance scheme for payroll financing		-	(56,459,229)
Current maturity under temporary economic refinance facility		(491,983,489)	(43,107,039)
Less: Current maturity shown under current liabilities		(1,188,445,259)	(472,173,938)
Less: Mark up accrued shown under current liabilities		(140,550,146)	(103,983,546)
		5,234,620,332	5,662,585,683

10.1 These represent long-term finance facilities obtained from financial institutions carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in equal monthly and quarterly instalments over a period of 5 to 6 years including 1 year grace period. These facilities are secured against first joint pari passu charge and mortgage charge (equitable) over present and future fixed assets of the Group.

10.2 This represented loan obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The loan carried mark-up at SBP rate plus 100 bps to 200 bps per annum and repayable in 8 equal quarterly instalments commencing from January 2021. This facility was secured against first joint pari passu charge over fixed assets of the Group. The loan was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using effective interest rate of 3-month KIBOR plus spread. The difference between fair value of loan and loan proceeds had been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

10.3 These represent loans obtained under the Temporary Economic Refinance Facility offered by the State Bank of Pakistan (the "SBP TERF") for setting up imported and locally manufactured plants and machinery for new projects. The loans carry mark-up at the rate of 2.02% per annum repayable in equal quarterly installments over a period of 10 years including 2 years grace period. These facilities are secured against first joint pari passu charge over all present and future fixed assets of the Group. The loan was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using interest rate of three (3) month KIBOR plus spread. The difference between the fair value of the loan and loan proceeds has been recognized as deferred income as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance).

10.4 This represents long-term finance facility obtained from financial institution under State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy. This loan is repayable in 20 equal installments payable quarterly in arrears starting from March 31, 2021. Markup is charged at SBP rate plus 2% p.a.payable quarterly in arrears. This loan is secured against joint pari passu charge of Rs. 67 million over fixed assets of the Group with 25% margin.

10.5 This represents unsecured loan obtained from ex-director / sponsors of Nimir Resins Limited acquired as a result of winding of Nimir Holding (Private) Limited in the prior years. During the year the loan amounting to Rs 93.06 million has been written-back with the consent of lender.

11 LEASE LIABILITIES

	2023 Rupees	2022 Rupees
Present value of lease rentals	124,780,002	152,781,085
Less: Current portion shown under current liabilities	(42,387,935)	(45,273,681)
	82,392,067	107,507,404
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
Opening balance	152,781,085	150,903,583
Additions / transfers	16,191,000	37,494,576
Accretion of interest	17,559,816	13,210,159
Payments	(61,751,899)	(48,827,233)
Closing balance	124,780,002	152,781,085

Salient features of the leases are as follows:

	2023 Rupees	2022 Rupees
Discounting rate	8.68% to 23.42 %	8.68% to 12.86 %
Period of lease	60 months	60 months

11.1 Amount recognized in statement of profit or loss:

	2023	2022
The following are the amounts recognized in profit or loss:		
Short term lease	11,085,191	7,271,820
Interest expense on lease liabilities	17,559,816	13,210,159
Depreciation of right-of-use assets	46,430,227	38,007,189
	75,075,234	58,489,168

11.2 Cash outflow for leases

The Group had total cash outflows for leases of Rs. 72.84 million (2022: Rs. 56.1 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 16.19 million (2022: Rs. 37.49 million).

11.3 The maturity analysis of lease liability has been disclosed in note 37.2.

12 NET DEFINED BENEFIT LIABILITY - FUNDED GRATUITY

	Note	2023 Rupees	2022 Rupees
Staff retirement benefits - gratuity		242,496,861	182,839,637
12.1 The amounts recognised in the statement of financial position is follows:			
Present value of defined obligation		279,304,704	237,930,639
Less: Fair value of plan assets		(36,807,843)	(55,091,002)
		242,496,861	182,839,637
12.2 Net defined benefit liability of the Group compose of the following:			
Staff retirement benefit plan - Holding company			
Present value of defined benefits obligation		224,178,990	195,554,240
Less: Fair value of plan assets		(23,773,603)	(43,571,378)
		200,405,387	151,982,862
Staff retirement benefit plan - Subsidiary			
Present value of defined benefits obligation		55,125,714	42,376,399
Less: Fair value of plan assets		(13,034,240)	(11,519,624)
		42,091,474	30,856,775
12.3 The amounts recognized in the statement of profit or loss are as follows:			
Current service cost		32,035,933	24,546,907
Interest cost on defined benefit obligation - net		23,964,401	15,141,160
Expense recognized in the statement of profit or loss	12.4	56,000,334	39,688,067
12.4 The charge for the year has been allocated is as follows:			
Cost of sales		36,013,315	24,435,507
Distribution costs		6,046,155	4,394,669
Administrative expenses		13,940,864	10,857,891
		56,000,334	39,688,067
12.5 Movements in the net liability recognized as follows:			
Net liabilities at the beginning of the year		182,839,637	152,565,166
Current service cost		32,035,933	24,546,907
Net interest cost		23,964,401	15,141,160
Contribution by employer		(6,452,461)	(21,807,120)
Remeasurement adjustments charged to other comprehensive income		10,109,351	12,393,524
Net liabilities at the end of the year		242,496,861	182,839,637

12.6 Movements in the present value of defined benefit obligation:

	2023 Rupees	2022 Rupees
Present value of defined benefits obligation at the beginning of the year	237,930,639	186,431,116
Current service cost	32,035,933	24,546,907
Interest cost on defined benefit obligation	29,537,040	18,527,755
Benefits paid	(30,019,161)	(1,807,120)
Remeasurement:	-	-
Experience adjustments	9,365,802	10,231,981
Changes in Financial Assumptions	454,451	-
Present value of defined benefits obligation at the end of the year	279,304,704	237,930,639

12.7 Movements in the fair value of plan assets:

	2023 Rupees	2022 Rupees
Fair value of plan assets at the beginning of the year	55,091,002	33,865,950
Contributions by employer	6,452,461	21,807,120
Interest income	5,572,639	3,386,595
Benefits paid	(30,019,161)	(1,807,120)
Return on plan assets excluding interest income	(289,098)	(2,161,543)
Fair value of plan assets at the end of year	36,807,843	55,091,002

12.8 Components of plan assets

	2023 Rupees	2022 Rupees
Treasury bills	12,936,232	7,098,392
Investment in listed shares	-	4,171,256
Mutual funds units	18,256,018	23,318,258
Cash and cash equivalents	5,615,593	20,503,104
	36,807,843	55,091,010

12.9 Estimated expense to be charged to statement of profit or loss in next year

	2023 Rupees
Current service cost	38,575,578
Interest cost on defined benefit obligation - (net)	39,766,990
Amount chargeable to profit or loss	78,342,568

12.10 Significant assumptions

Qualified actuaries had carried out the valuation as on 30 June 2023. The projected unit credit method, based on the following significant assumptions, is used for valuation of the plan:

	2023	2022
Discount rate for obligation	16.25%	13.25%
Expected rates of salary increase in future years	15.25%	12.25%
Retirement assumption	Age 60	Age 60

12.11 Maturity profile of the defined benefit obligation:

The Group expects to contribute to the gratuity fund on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments (undiscounted)	2023 Rupees	2022 Rupees
Year 1	18,304,726	14,226,845
Year 2	23,406,533	18,436,933
Year 3	29,335,598	22,809,291
Year 4	35,806,577	26,568,879
Year 5	44,074,489	32,078,235
Year 6 to Year 10	296,842,305	206,982,943

12.12 Sensitivity analysis

A quantitative sensitivity analysis for significant assumption on defined benefit obligation is as shown below:

Sensitivity level	Assumption	Defined benefit obligation
+100 bps	Discount rate	257,432,334
–100 bps	Discount rate	303,046,882
+100 bps	Expected increase in salary	303,040,182
–100 bps	Expected increase in salary	257,429,172

13 DIMINISHING MUSHARAKA FINANCE

	2023 Rupees	2022 Rupees
Diminishing musharaka finance	-	525,325
Less: Current maturity shown under current liabilities	-	(525,325)
	-	-

13.1 The subsidiary 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 was secured against specific charge on this asset to the extent of outstanding balance of diminishing musharaka . The effective rate was three months KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (2022: 8.55% - 8.66%).

14 DEFFERED TAX LIABILITY

	Note	2023 Rupees	2022 Rupees
This comprises of:			
Deferred tax liabilities on taxable temporary differences			
Accelerated tax depreciation		1,637,140,474	544,999,645
Deferred tax assets on deductible temporary differences			
Allowance for expected credit losses		(44,898,492)	(31,162,471)
Provision for obsolescence of stores and stock		(19,254,942)	(13,414,639)
Deferred and unpaid liabilities		(52,679,753)	(25,875,140)
Capital work-in-progress - impairment		(23,186,187)	(20,336,700)
Minimum tax		(493,196,509)	-
		1,003,924,591	454,210,695

14.1 Reconciliation of deferred tax liabilities - net

	Note	2023 Rupees	2022 Rupees
Opening balance		454,210,695	333,032,483
Tax expense recognized in statement of profit or loss	37	556,509,708	125,268,075
Deferred tax income recognized in OCI		(6,795,812)	(4,089,863)
Closing balance		1,003,924,591	454,210,695

14.2 The expiry of minimum tax credit is as follows:

Nature	Tax Year	2023	2022
Minimum tax - tax year 2023	2026	493,196,509	-

15 DEFERRED GRANT

This represents deferred grant recognized on loans received at below market interest rate under SBP temporary economic refinance facility for imported and locally manufactured new plant and machinery to be used for setting up of new projects.

	Note	2023 Rupees	2022 Rupees
Movement during the period is as follows:			
Opening balance		1,083,423,930	12,494,241
Amount recognized as deferred grant during the year		-	1,211,564,627
Amortization during the year			
- Charged to other income	35	(104,197,717)	(16,539,583)
- Charged to CWIP		(67,229,930)	(124,095,355)
		911,996,283	1,083,423,930
Less: current maturity of deferred grant		(181,452,039)	(169,891,401)
Closing balance		730,544,244	913,532,529

16 TRADE AND OTHER PAYABLES

	Note	2023 Rupees	2022 Rupees
Creditors		2,172,428,772	1,469,929,158
Accrued liabilities	16.1	547,672,089	568,917,470
Security deposits	16.2	400,000	400,000
Workers' profit participation fund	16.3	180,885,271	165,123,223
Workers' welfare fund	16.4	75,365,040	58,746,562
Withholding tax payable		624,843	609,734
Others		-	33,542,755
		2,977,376,015	2,297,268,902

16.1 This includes modified liability of Government Infrastructure Development Cess payable amounting to Rs. 147,160,704 initially recognized at fair value as per the the requirements of "Guidance on Accounting of GIDC" issued by the Institute of Chartered Accountants of Pakistan (ICAP) in January 2021.

16.2 These represent security deposits from distributors which, by virtue of agreement, are interest free, repayable on demand and are used in the normal course of business in accordance with section 217 of Companies Act, 2017.

16.3 Workers' profit participation fund

	Note	2023 Rupees	2022 Rupees
Opening balance		165,123,223	156,341,387
Add: Provision for the year	34	180,885,478	165,123,430
Less: Payments made during the year		(165,123,430)	(156,341,594)
Closing balance		180,885,271	165,123,223

16.4 Workers' welfare fund

	Note	2023 Rupees	2022 Rupees
Opening balance		58,746,562	65,192,481
Add: Provision for the year	34	70,931,323	56,144,481
Less: Payments made during the year		(54,312,845)	(62,590,400)
Closing balance		75,365,040	58,746,562

17 CONTRACT LIABILITIES

17.1 These represent advances received from customers in ordinary course of business.

17.2 Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period amounts to Rs. 139,231,891 (2022: Rs. 136,733,485).

18 SHORT-TERM BORROWINGS - SECURED

	Note	2023 Rupees	2022 Rupees
Running finance	18.1	2,215,060,317	2,356,092,258
Local bills discounting	18.2	743,171,297	728,001,210
Finance against trust receipts	18.3	10,037,756,099	12,439,952,807
Short term loan	18.4	151,761,215	-
		13,147,748,928	15,524,046,275

18.1 The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at year end is Rs.23,855 million (2022: Rs.18,450 million) which includes running finance facilities amounting Rs. 4,275 million (2022: Rs.3,575 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 125 bps with no floor and no cap (2022: 1 month KIBOR to 6 months KIBOR + 0 to 75 bps). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

18.2 The limit of local bills discounting amounts to Rs. 1,500 million (2022: Rs. 1,100 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 25 bps to 50 bps (2022: 1 month KIBOR to 3 months KIBOR + 50 bps). The limit of finance against trust receipts amount to Rs. 17,580 million (2022: Rs. 18,080 million). The rate of markup ranges from 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap (2022: 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap). These facilities are secured against joint pari passu charge on the present and future current assets of the Group.

18.3 The unutilized facility for letters of credit, bank guarantees, running finance, local bills discounting as on 30 June 2023 amounts to Rs. 3,993 million (2022: Rs. 1,370 million), Rs.90 million (2022: Rs. 13 million), Rs.2,060 million (2022: Rs. 1,219 million), and Rs. 757 (2022: Rs. 372 million) respectively.

18.4 These represent short-term loans obtained in foreign currency from a bank under the Trade Loan Facility FE-25 scheme offered by the State Bank of Pakistan. The scheme operates on a self-liquidating basis or utilizing export proceeds. The rate of markup varies case to case basis as per treasury terms with no floor and no cap. These facilities are secured against joint pari passu charge on the present and future current assets of the Group.

19 CONTINGENCIES AND COMMITMENTS

19.1 CONTINGENCIES

Pending the outcome of below cases, no provision has been made in the consolidated financial statements, since the management of the Group based on its consultants' opinion, is confident that the outcome of the appeals will be in favor of the Group. The aggregate exposure of the following cases amounts to Rs. 925.13 million (2022: Rs. 249.7 million)

Holding Company

19.1.1 The income tax authority amended the Holding Company's assessment relating to tax year 2009 under section 122 (5A) of the Ordinance, disallowing certain expenses thereby reducing declared loss from Rs. 167 million to Rs. 65 million (consequent tax exposure Rs. 35.7 million). The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals), who upheld the order on major additions vide Order dated 23 April 2018. The Holding Company has filed second appeal before the ATIR dated 21 May 2018, which is pending adjudication.

19.1.2 The income tax authority raised a tax demand of Rs. 206 million by treating the remission of loan as taxable income of Rs. 711 million for the Tax Year 2011 which was challenged at Appellate Tribunal Inland Revenue (ATIR). The ATIR decided the case in favour of the Holding Company vide Order dated 2 December 2013. The Income Tax Department has filed an appeal in February 2014 before Lahore High Court against the ATIR's decision. The Lahore High Court remanded back the case to ATIR for fresh hearing. Being aggreived, the Holding Company filed an appeal before the Supreme court which was dismissed. The case was remanded back to ATIR for de-novo proceedings.

19.1.3 The deemed assessment for tax year 2017 was amended through order dated 28 June 2023 issued under section 122(5A) of the Ordinance, whereby tax demand (including demand on account of workers' welfare fund) was assessed at Rs 647.16 million. The appeal against such amendment order is pending adjudication before CIR(A).

19.1.4 "Through order dated 26 June 2023 pertaining to tax year 2019, effect was given by the concerned assessing officer to the findings recorded by the first appellate authority ['CIR(A)'] in the appellate order dated 28 January 2021, assessing tax demand of Rs 36.27 million. The said appeal effect order has been assailed before the CIR(A) on grounds that neither his predecessor's findings have been complied with nor the Appellate Tribunal Inland Revenue's order dated 4 January 2022 has been taken into account. The said appeal is pending adjudication.

19.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 30 June are as follows:

	Note	2023 Rupees	2022 Rupees
Letters of credit established for the import of raw materials, spare parts and machinery		3,132 million	4,185 million
Letter of guarantee issued by financial institution in favour of Sui Northern Gas Pipeline Limited (SNGPL)		159 million	136 million
Letter of guarantee issued by financial institution in favor of Pakistan State Oil (PSO)		65 million	62 million
Letter of guarantee issued by financial institution in favor of Total PARCO		15 million	13 million

20 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
Operating fixed assets	20.1	14,337,371,171	6,128,861,551
Capital work-in-progress	20.5	217,661,180	6,895,310,709
		14,555,032,351	13,024,172,260

20.1 Operating fixed assets

2023

PARTICULARS	COST: As At 01 July 2022	Additions / Transfers*	Disposals	Transfer/ Adjustment	As At 30 June 2023	Rate %	DEPRECIATION: Accumulated as at 01 July 2022	Charge for the year	Disposals	Transfer/ Adjustment	Accumulated as at 30 June 2023	Net book value As at 30 June 2023
	Rupees						Rupees					Rupees
OWNED												
Free-hold land	760,322,801	-	-	-	760,322,801	-	-	-	-	-	-	760,322,801
Building on free-hold land	1,305,765,957	1,008,949,603*	-	-	2,314,715,560	4-5	378,785,641	97,041,813	-	-	475,827,454	1,838,888,106
Plant and machinery	7,036,677,425	7,730,031,657**	(903,773)	-	14,765,805,309	4-50	2,895,551,521	522,008,850	(39,603)	890	3,417,521,658	11,348,283,651
Furniture and fittings	7,633,400	18,675,181	-	-	26,308,581	10-33	5,608,952	1,335,934	-	-	6,944,886	19,363,695
Office and factory equipment	391,502,756	164,244,384	(10,304,383)	-	545,442,757	10-50	243,102,640	76,678,052	(10,091,309)	(890)	309,688,493	235,754,264
Vehicles	136,629,173	9,853,987	(320,675)	19,003,245	165,165,730	20	104,954,710	11,956,689	(93,370)	18,283,623	135,101,652	30,064,078
	9,638,531,512	8,931,754,812	(11,528,831)	19,003,245	18,577,760,738		3,628,003,464	709,021,339	(10,224,282)	18,283,623	4,345,084,144	14,232,676,595
RIGHT-OF-USE												
Vehicles	140,801,326	33,752,000 **	(1,315,000)	(19,003,245)	154,235,081	20	50,287,052	30,533,527	(1,073,922)	(18,283,623)	61,463,034	92,772,047
Plant and machinery	-	-	-	-	-	4-50	-	-	-	-	-	-
Building - lease-hold	74,274,371	-	-	-	74,274,371	20-25	46,455,142	15,896,700	-	-	62,351,842	11,922,529
	215,075,697	33,752,000	(1,315,000)	(19,003,245)	228,509,452		96,742,194	46,430,227	(1,073,922)	(18,283,623)	123,814,876	104,694,576
2023	9,853,607,209	8,965,506,812	(12,843,831)	-	18,806,270,190		3,724,745,658	755,451,566	(11,298,204)	-	4,468,899,020	14,337,371,171

2022

PARTICULARS	COST: As At 01 July 2021	Additions / Transfers*	Disposals	Transfer/ Adjustment	As At 30 June 2022	Rate %	DEPRECIATION: Accumulated as at 01 July 2021	Charge for the year	Disposals	Transfer/ Adjustment	Accumulated as at 30 June 2022	Net book value As at 30 June 2022
	Rupees						Rupees					Rupees
OWNED												
Free-hold land	597,084,255	163,238,546	-	-	760,322,801	-	-	-	-	-	-	760,322,801
Building on free-hold land	834,125,433	471,769,901*	(213,480)	84,103	1,305,765,957	4-5	325,965,397	52,981,268	(211,469)	50,445	378,785,641	926,980,316
Plant and machinery	5,240,253,975	1,770,324,587 *	(24,244,751)	50,343,614	7,036,677,425	4-50	2,494,097,091	382,002,859	(4,527,847)	23,979,418	2,895,551,521	4,141,125,904
Furniture and fittings	7,096,462	700,437	(163,499)	-	7,633,400	10-33	4,785,308	949,574	(125,930)	-	5,608,952	2,024,448
Office and factory equipment	300,571,375	93,553,171	(2,621,790)	-	391,502,756	10-50	162,505,286	83,196,118	(2,598,764)	-	243,102,640	148,400,116
Vehicles	81,788,223	20,802,350	(164,900)	34,203,500	136,629,173	20-25	61,819,675	9,043,984	(138,945)	34,229,996	104,954,710	31,674,463
	7,060,919,723	2,520,388,992	(27,408,420)	84,631,217	9,638,531,512		3,049,172,757	528,173,803	(7,602,955)	58,259,859	3,628,003,464	6,010,528,048
RIGHT-OF-USE												
Vehicles	109,034,681	65,970,145	-	(34,203,500)	140,801,326	20	62,406,559	22,110,489	-	(34,229,996)	50,287,052	90,514,274
Plant and machinery	50,427,717	-	-	(50,427,717)	-	4-50	24,029,863	-	-	(24,029,863)	-	-
Building - lease-hold	74,274,371	-	-	-	74,274,371	20	30,558,442	15,896,700	-	-	46,455,142	27,819,229
	233,736,769	65,970,145	-	(84,631,217)	215,075,697		116,994,864	38,007,189	-	(58,259,859)	96,742,194	118,333,503
2022	7,294,656,492	2,586,359,137	(27,408,420)	-	9,853,607,209		3,166,167,621	566,180,992	(7,602,955)	-	3,724,745,658	6,128,861,551

* These represent capital expenditure transferred from capital work in progress.

** These include capital expenditure amounting to Rs.7,710.35 (2022: Rs.1,770.32) million transferred from capital work in progress.

*** These include leased vehicles amounting to Rs.13.07 (2022: Rs.36.42) million transferred from capital work in progress.

20.2 The aggregate net book value of operating fixed assets disposed off during the period have not exceeded Rs. 5 million. Accordingly particulars of such assets have not been disclosed.

20.3 Location and usage of immovable property

Location and usage of immovable property	Total Area
Oleo chemicals and chlor alkali plant and warehouse	
14.8 Km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura.	68.9 acres
Coating, emulsion and resins plant and warehouse	
14.5 Km, Lahore Sheikhupura Road, Lahore	13.3 acres
Warehouse	
14.8 Km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura.	10.4 acres
Head office	
Plot No. 122-A, Muslim Town, Lahore	2.54 kanals
Land	
Plot No 14,14-A block K, Johar Town, Lahore, Pakistan	2.04 kanals
Plot No. 515-D, block K, Johar Town, Lahore, Pakistan	5 kanals

20.4 Depreciation for the year has been allocated as under:

	Note	2023 Rupees	2022 Rupees
Cost of sales	31	708,408,346	532,851,527
Distribution costs	32	8,689,865	6,256,533
Administrative expenses	33	38,353,355	27,072,932
		755,451,566	566,180,992

20.5 Capital work-in-progress	Note	2023				2022
		Building on free-hold land	Plant and machinery	Others	Total	Total
		Rupees	Rupees	Rupees	Rupees	Rupees
Opening balance		1,000,000	6,929,474,985	28,200,744	6,958,675,729	2,089,921,880
Additions during the year	20.5.1	986,370,180	1,059,237,293	9,123,000	2,054,730,473	7,151,508,355
		987,370,180	7,988,712,278	37,323,744	9,013,406,202	9,241,430,235
Transferred to operating fixed assets		(986,370,180)	(7,713,260,078)	(19,673,744)	(8,719,304,002)	(2,282,754,506)
Transferred to right of use assets		-	-	(13,076,000)	(13,076,000)	-
		1,000,000	275,452,200	4,574,000	281,026,200	6,958,675,729
Less: Accumulated impairment	20.5.2	-	(63,365,020)	-	(63,365,020)	(63,365,020)
		1,000,000	212,087,180	4,574,000	217,661,180	6,895,310,709

20.5.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 462,224,843 (2022: Rs. 160,448,610). The expansion has been financed by term finance facilities from financial institutions described in note 9. In addition, the company has utilized general borrowings to bridge the financing gap. The rate used to determine the amount of borrowing costs eligible for capitalisation is three (3) month KIBOR plus 1-2% spread, reduced by the amortization of relevant deferred grant.

20.5.2 This represents impairment charged against two steam turbines in prior periods.

20.6 There is no lien on property, plant, and equipment except those disclosed in note 10.

20.7 These include major capital expenditure incurred on the following ongoing projects:

- Expansion of glycerine plant
- Expansion of caustic soda plant
- Finsihed goods warehouse

21 INTANGIBLES

	Note	2023 Rupees	2022 Rupees
Software and licenses			
Cost:			
Opening balance		38,143,655	5,862,934
Additions during the year		11,597,873	32,280,721
Closing balance		49,741,528	38,143,655
Accumulated amortization:			
Opening balance		(7,656,307)	(5,862,934)
Amortization during the year	33	(12,261,606)	(1,793,373)
Closing balance		(19,917,913)	(7,656,307)
Net book value		29,823,615	30,487,348
Rate of amortization		20%-33.33%	20%-33.33%

22 LONG-TERM DEPOSITS

	Note	2023 Rupees	2022 Rupees
Security deposits			
Financial institutions (including banks)		17,067,370	27,071,330
Others	22.1	46,052,872	36,077,072
	22.2	63,120,242	63,148,402

22.1 This includes deposit amounting to Rs. 12.24 million (2022: Rs. 12.24 million) given to electricity supply Group for dedicated line.

22.2 These deposits have not been discounted to present value using the effective interest rate method as the effect of discounting is considered to be immaterial.

23 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023 Rupees	2022 Rupees
Stores, spare parts and loose tools			
In hand		803,377,764	425,389,137
In transit		46,200,751	137,201,605
Less: Provision for slow moving items	23.1	(11,125,544)	(11,125,544)
		838,452,971	551,465,198

23.1 Movement in provision for slow moving items is as follows:

	2023 Rupees	2022 Rupees
Opening balance	11,125,544	14,154,991
Reversal of provision	-	(3,029,447)
Closing balance	11,125,544	11,125,544

24 STOCK-IN-TRADE

	2023 Rupees	2022 Rupees
Raw and packing material		
In hand	5,632,868,957	7,136,414,411
In transit	733,240,905	1,056,263,599
	6,366,109,862	8,192,678,010
Finished goods	3,777,373,378	1,854,556,506
Solar panel purchased for resale to Nimir Energy Limited	14,857,134	92,939,700
Less: Provision for obsolescence	(38,933,188)	(29,830,148)
	3,753,297,324	1,917,666,058
	10,119,407,186	10,110,344,068

24.1 There is no lien on stock-in-trade except those disclosed in note 9 and 18.

Movement in provision for obsolescence of stock is as follows:

	2023 Rupees	2022 Rupees
Opening balance	29,830,148	21,290,548
Charge for the year	9,103,040	8,539,600
Closing balance	38,933,188	29,830,148

25 TRADE RECIEVABLES

	Note	2023 Rupees	2022 Rupees
Considered good - unsecured	25.1	6,709,865,793	8,288,936,461
Due from customers	25.2	32,251,842	906,235
Due from associated companies		6,742,117,635	8,289,842,696
Allowance for expected credit losses	25.4	(116,475,877)	(95,032,217)
		6,625,641,758	8,194,810,479

25.1 These customers have no recent history of default. For age analysis of these trade receivables, refer to Note 39.1.1

25.2 Due from associated companies

	2023 Rupees	2022 Rupees
Nimir Chemocoats Limited	29,023,397	-
Nimir Chemicals Pakistan Limited	3,228,445	906,235
	32,251,842	906,235

25.3 Maximum aggregate amount due from Nimir Chemocoats Limited and Nimir Chemicals Pakistan Limited at the end of any month in the year was Rs. 29.23 million (2022: Rs. 10.13 million) and Rs. 3.22 million (2022: Rs. 0.91 million), respectively. No interest has been charged on the amounts due from associated undertakings.

25.4 Movement in allowance for expected credit losses is as follows:

	Note	2023 Rupees	2022 Rupees
Opening balance		95,032,217	93,127,894
Charge for the year	34	21,443,660	1,904,323
Closing balance		116,475,877	95,032,217

26 LOANS AND ADVANCES

	Note	2023 Rupees	2022 Rupees
Considered good - unsecured			
Advances to suppliers		146,160,527	122,858,123
Advances to employees:			
- against business expenses	26.1	6,518,918	18,661,490
- against salary	26.2	10,467,171	8,481,086
		163,146,616	150,000,699

26.1 These include advances given to executives amounting to Rs. 4.08 million (2022: Rs. 14.3 million).

26.2 These include advances given to executives amounting to Rs. 3.88 million (2022: Rs. 2.03 million).

27 OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Margin against bank guarantee		29,106,400	17,409,000
Margin against LC		185,480,757	165,004,993
Recoverable from Bank	27.1	13,927,947	-
Receivable from associated companies	27.2	2,541,959	-
		231,057,063	182,413,993

27.1 This represents amount recoverable from a bank due to erroneously excess amount deducted from the Holding Company's bank account on account of a loan repayment . Subsequent to the reporting date, this amount has been credited by the bank.

27.2 This includes other receivables from Nimir Chemcoats Limited amounting to Rs. 2.54 million (2022: Rs. 1.19 million).

27.3 Maximum aggregate amount due from Nimir Chemcoats Limited at the end of any month during the year amount to Rs. 2.54 million (2022: Rs. 1.19 million) respectively. No interest has been charged on the amounts due from associated undertakings.

28 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	2023 Rupees	2022 Rupees
Income tax - net of provision for taxation	28.1	1,027,453,319	406,645,046
Sales tax		1,616,659,738	1,230,488,208
		2,644,113,057	1,637,133,254

28.1 The management is confident that it is probable that future taxable profits will be available against which these income tax refunds can be utilised.

29 CASH AND BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Cash in hand		1,126,269	3,477,151
Cash at bank			
Local currency current accounts		248,510,549	238,535,253
Local currency savings accounts	29.1	14,148,772	42,923,646
Foreign currency current accounts		87,791,388	-
		350,450,710	281,458,899
		351,576,979	284,936,050

29.1 These carry mark-up rate at 14.5 % - 19.5% (2022: 6.5 % - 11.5%) per annum.

30 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

30.1 Set out below is the disaggregation of the Group's revenue from contracts with customers:	Note	2023 Rupees	2022 Rupees
Manufacturing		60,468,681,930	47,932,728,916
Toll manufacturing		1,134,691,969	1,180,670,473
		61,603,373,899	49,113,399,389
Less:			
Sales tax		(8,899,678,151)	(7,105,440,928)
Trade discounts		(107,565,626)	(66,491,749)
Commission		(116,934,197)	(88,169,048)
		(9,124,177,974)	(7,260,101,725)
		52,479,195,925	41,853,297,664
Local sales		49,772,644,372	40,885,149,128
Export sales		2,706,551,553	968,148,536
	30.2	52,479,195,925	41,853,297,664
30.2 Geographical region:			
Pakistan - South Asia		49,772,644,372	40,885,149,128
Export Sales - Middle East		66,165,106	785,100,235
Export Sales - Central Asia		2,635,528,847	183,048,301
Export Sales - East Africa		4,857,600	-
		52,479,195,925	41,853,297,664
30.3 Timing of transfer of goods and services:			
At a point in time		52,479,195,925	41,853,297,664
30.4 Contract balances			
Trade receivables	30.4.1	6,625,641,758	8,194,810,479
Contract liabilities	30.4.2	195,847,922	139,231,891

30.4.1 Trade receivables are non-interest bearing and become due after 7 to 90 days of the invoice date.

30.4.2 Contract liabilities represents short term advances received from customers against delivery of goods in future. Revenue recognized in the current year that was included in the contract liabilities balance at the beginning of the year amounts to Rs. 139,231,891 (2022: Rs. 136,733,485).

31 COST OF SALES

	Note	2023 Rupees	2022 Rupees
Raw and packing material consumed	31.1	42,511,152,180	33,624,388,970
Salaries, wages and benefits	31.2	982,486,248	800,968,210
Depreciation	20.4	708,408,346	532,851,527
Fuel and power		2,075,809,106	1,405,235,701
Stores, spare parts and loose tools consumed		227,951,264	169,980,473
Repairs and maintenance		33,867,086	44,767,212
Traveling, conveyance and entertainment		133,478,372	93,869,369
Communications		3,894,114	4,897,901
Insurance		69,551,279	46,081,994
Rent, rates and taxes		6,052,713	22,817,819
Printing and stationery		1,084,834	2,225,170
Provision for obsolescence of stock		-	8,539,600
Fee and consultancy charges		1,188,663	634,154
Dues, fees and subscription		5,940,024	4,127,199
Miscellaneous expenses		5,156,849	4,312,726
		46,766,021,078	36,765,698,025
Add: Opening stock-finished goods	24	1,947,496,206	1,663,213,581
Less: Closing stock-finished goods	24	(3,792,230,512)	(1,947,496,206)
		44,921,286,772	36,481,415,400

31.1 Raw and packing material consumed

	Note	2023 Rupees	2022 Rupees
Opening balance		7,819,054,561	5,540,956,942
Purchases		41,058,207,481	35,902,486,589
		48,877,262,042	41,443,443,531
Less: Closing balance	24	(6,366,109,862)	(7,819,054,561)
Raw and packing material consumed		42,511,152,180	33,624,388,970

31.2 This includes Rs. 36.01 million (2022: Rs. 24.44 million) in respect of staff retirement benefits - gratuity scheme.

32 DISTRIBUTION COSTS

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits	32.1	138,339,328	114,310,864
Repairs and maintenance		2,011,034	1,259,142
Traveling, conveyance and entertainment		25,654,081	13,452,199
Communications		1,655,502	2,136,261
Insurance		6,247,750	5,035,071
Freight outward		278,304,544	136,357,316
Packing, carriage and forwarding		44,657,786	30,696,077
Printing and stationery		788,456	429,660
Depreciation	20.4	8,689,865	6,256,533
Sales promotion expenses		-	120,000
Rent, rates and taxes		322,150	134,800
Utilities		859,000	620,500
Dues, fees and subscription		7,271,980	2,135,123
Miscellaneous expenses		4,501,080	2,953,268
		519,302,556	315,896,814

32.1 This includes Rs. 5.91 million (2022: Rs. 4.39 million) in respect of staff retirement benefits - gratuity scheme.

33 ADMINISTRATIVE EXPENSES

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits	33.1	318,141,559	261,637,225
Fuel and power		7,313,501	6,363,858
Repairs and maintenance		8,756,191	7,392,030
Traveling, conveyance and entertainment		48,754,712	36,082,580
Communications		16,372,301	17,744,230
Insurance		4,793,689	5,171,355
Rent, rates and taxes		4,498,832	6,753,936
Printing and stationery		6,900,530	6,033,606
Advertisement		5,149,918	3,460,892
Legal, professional and consultancy charge		14,190,431	17,357,017
Auditor's remuneration	33.2	9,988,654	4,659,904
Depreciation	20.4	38,353,355	27,072,932
Amortization	21	12,261,606	1,793,373
Utilities		859,000	-
Dues, fees and subscription		47,421,959	34,447,217
Miscellaneous expenses		39,948,640	21,021,227
		583,704,878	456,991,382

33.1 This includes Rs. 14.08 million (2022: Rs. 10.86 million) in respect of staff retirement benefits - gratuity scheme.

33.2 Auditor's remuneration

	Note	2023 Rupees	2022 Rupees
Holding Company			
Audit fee		1,950,000	1,800,000
Fee for special purpose audit		2,196,000	-
Consolidation, reviews and certifications		954,000	954,000
Out of pocket expenses		487,934	50,000
		5,587,934	2,804,000
Subsidiary Companies			
Audit fee		3,032,620	1,146,000
Special audit		712,500	-
Consolidation, reviews and certifications		440,000	610,000
Out of pocket expenses		215,600	99,904
		4,400,720	1,855,904

34 OTHER EXPENSES

	Note	2023 Rupees	2022 Rupees
Workers' profit participation fund	16.3	180,885,478	165,123,430
Workers' welfare fund	16.4	70,931,323	56,144,481
Bad debts written off		-	59,420
Allowance for expected credit losses		21,443,660	1,904,323
Provision for slow moving stores and spares	23.1	9,103,040	(3,029,447)
Foreign exchange loss		-	28,092,163
Miscellaneous		3,201,189	-
		285,564,690	248,294,370

35 OTHER INCOME

	Note	2023 Rupees	2022 Rupees
Non financial assets			
Gain on disposal of property, plant and equipment		1,414,894	557,724
Grant income	15	102,684,522	14,670,974
Rental Income		3,651,523	1,706,228
Other income		902,483	1,062,468
Scrap sales		61,210,933	52,390,337
Financial assets - amortized cost			
Profit on savings account		465,159	1,895,023
Foreign exchange gain		22,490,419	-
Loan from directors / sponsors - write-back	10.5	93,056,500	-
		285,876,433	72,282,754

36 FINANCE COST

	Note	2023 Rupees	2022 Rupees
Mark-up on			
Long-term loans	36.1	504,199,393	142,924,877
Short-term borrowings		2,507,995,223	1,148,479,131
Financial charges on lease		17,559,816	13,210,159
Financial charges on GIDC unwinding		-	1,232,343
Bank charges, fee and commission		45,829,426	34,413,914
Diminishing musharaka finance		3,993	400,659
		3,075,587,851	1,340,661,083

36.1 This includes financial charges on unwinding of term finance loan under "Temporary Economic Refinance Facility" of State Bank of Pakistan (as explained in Note 10.3) amounting to Rs. 200.69 (2022: Rs. 200.78) through effective interest rate (EIR).

37 TAXATION

	Note	2023 Rupees	2022 Rupees
Current tax:			
Current year	37.1	814,915,291	1,068,155,932
Prior year	37.2	(214,171,736)	(82,669,669)
		600,743,555	985,486,263
Deferred tax			
Relating to the reversal and origination of temporary differences		476,451,536	125,268,075
Relating to rate change		80,058,172	-
		556,509,708	125,268,075
		1,157,253,263	1,110,754,338

37.1 This includes final tax on export sales under Section 154 of the Income Tax Ordinance, 2001.

37.2 The Lahore High Court, in its judgement dated 27 June 2023, declared the First Proviso to Division IIB of Part 1 of the First Schedule of the Income Tax Ordinance 2001 to be ultra vires to the Constitution and hence reduced the rate of super tax from 10% to 4% for Tax Year 2022. Accordingly, the Group has reversed the super tax amounting to Rs. 163.89 million (representing additional 6% super tax) during the year (2022: Nil).

37.3 Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented, being impracticable, as provision for current taxation represents final tax on export sales under Section 154 of the Income Tax Ordinance, 2001 and minimum tax under Section 113 of the Income Tax Ordinance, 2001 on local sales.

38 EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED

38.1 Basic

	2023	2022
Profit attributable to equity holders of the Holding Company (Rupees)	1,946,352,044	1,742,946,847
Weighted average number of ordinary shares (Number)	110,590,546	110,590,546
Earnings per ordinary share	17.60	15.76

38.2 Diluted

No figure for diluted earning per share has been presented as the Group has not issued any instrument carrying option which would have an impact on earnings per share when exercised.

39 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The main risks arising from the Group's financial instruments are, credit risk, liquidity risk, foreign currency risk, interest rate risk and other price risk such as equity price risk. The management reviews and agrees policies for managing each of these risks which are summarized below.

39.1 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Group does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Group applies approved credit limits to its customers.

The Group is exposed to credit risk on loan to subisidiary, long-term deposits, trade receivables, advances to employees against salary, other receivables and bank balances. The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Note	Carrying values 2023 Rupees	Carrying values 2022 Rupees
Long-term deposits	22	46,052,872	36,077,072
Trade receivables – unsecured	25	6,742,117,635	8,289,842,696
Advances to employees - against salary	26	10,467,171	8,481,086
Other receivables	27	231,057,063	182,413,993
Bank balances	29	350,450,710	281,458,899

39.1.1 Trade receivables

	2023	2022
Other than related parties		
Not yet due	3,880,175,998	6,765,041,576
Past due		
1-30 days	2,257,574,196	973,075,155
31-60 days	296,611,120	299,291,903
61-90 days	99,008,660	91,414,798
Over 90 days	176,495,819	160,113,029
	2,829,689,795	1,523,894,885
	6,709,865,793	8,288,936,461
Related parties		
Not yet due	32,251,842	-
1-30 days	-	906,235
	32,251,842	906,235
	6,742,117,635	8,289,842,696

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). 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 maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Set out below is the information about the credit risk exposure on the Group's trade recievables using a provision matrix:

	Not yet due	1-30 days	31-60 days	61-90 days	Over 90 days	Total
As at 30 June 2023						
Expected credit loss rate	0.08%	0.31%	9.24%	9.74%	39.35%	
Estimated total gross carrying amount	3,912,427,840	2,257,574,196	296,611,120	99,008,660	176,495,819	6,742,117,635
Expected credit loss	2,941,393	7,027,245	27,411,199	9,643,260	69,452,780	116,475,877
As at 30 June 2022						
Expected credit loss rate	0.06%	0.42%	4.51%	8.21%	41.04%	
Estimated total gross carrying amount	6,765,041,576	973,981,390	299,291,903	91,414,798	160,113,028	8,289,842,696
Expected credit loss	4,212,974	4,108,590	13,487,305	7,507,928	65,715,420	95,032,217

Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly a ect groups of counterparties whose aggregate credit exposure is significant in relation to the Companay's total credit exposure. The Group's portfolio of financial assets is limited to certain sectors, however all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk. Therefore the Group does not believe it is exposed to major concentration of credit risk as its exposure is spread over several institutions and customers. However to manage any possible exposure the Group applies approved credit limits to its customers.

39.1.2 Bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The Group believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counterparties. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Banks	Ratings			2023	2022
	Agency	Short-Term	Long-Term	Rupees	Rupees
Albaraka Bank (Pakistan) Limited	JCR-VIS	A-1	A+	35,584,095	4,119,387
Bank Alfalah Limited	PACRA	A1+	AA+	5,149,132	-
Askari Bank Limited	PACRA	A1+	AA+	-	40,121
BankIslami Pakistan Limited	PACRA	A1	A+	23,477,831	737,871
Habib Bank Limited	JCR-VIS	A1+	AAA	62,497,395	14,073,118
Bank Al-Habib Limited	JCR-VIS	A-1+	AAA	2,142,509	3,531,072
Al Baraka Bank (Pakistan) Limited	PACRA	A1	A+	80,102,964	-
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	302,013	20,065
Allied Bank Limited	PACRA	A-1+	AAA	2,000	-
JS Bank Limited	PACRA	A-1+	AA-	724,908	-
United Bank limited	JCR-VIS	A1+	AAA	666,775	-
Meezan Bank Limited	JCR-VIS	A1+	AAA	42,260,371	6,177,439
MCB Bank Limited	PACRA	A1+	AAA	14,150,788	387,201
National Bank of Pakistan	JCR-VIS	A-1+	AAA	4,114,423	1,758,382
Industrial and Commercial Bank of China	Moody's	P-1	A-2	3,770,756	7,559,537
Silk Bank Limited	JCR-VIS	A-2	A-	50,480	10,479
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	-	126,626,748
Soneri Bank Limited	PACRA	A1+	AA-	35,620,460	-
The Bank of Punjab	PACRA	A1+	AA+	39,402,200	116,417,479
National Bank of Uzbekistan	Fitch	b	BB-	431,610	-
				350,450,710	281,458,899

39.1.3 Other receivables

Other receivables mainly comprise of cash margin withheld by banks against imports and other deposits.The Group has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

39.1.4 Loans and advances

The Group has assessed, based on historical experience and available securities, that the expected credit loss associated with loans to employees is trivial and therefore no impairment charge has been accounted for.

39.1.5 Long-term deposits

The Group has assessed, based on historical experience and available securities, that the expected credit loss associated with security deposits is trivial therefore no impairment charge has been accounted for.

39.2 Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

Financial liabilities are analyzed below, with regard to their remaining contractual maturities.

	Carrying values	Maturity Up to One Year	Maturity After One Year	Total
As at 30 June 2023		**Rupees**		
Long-term loans	6,423,065,591	1,385,525,603	5,980,737,641	7,366,263,244
Lease liabilities	124,780,001	56,119,930	96,978,364	153,098,294
Short-term borrowings	13,147,748,926	13,147,748,926	-	13,147,748,926
Mark up accrued	678,169,216	678,169,216	-	678,169,216
Unclaimed dividend	13,163,497	13,163,497	-	13,163,497
Trade and other payables	2,720,500,861	2,720,500,861	-	2,720,500,861
Total financial liabilities	23,107,428,092	18,001,228,033	6,077,716,005	24,078,944,038

	Carrying values	Maturity Up to One Year	Maturity After One Year	Total
As at 30 June 2022		**Rupees**		
Long-term loans	6,134,759,621	472,173,938	5,662,585,683	6,134,759,621
Lease liabilities	152,781,085	45,273,681	107,507,404	152,781,085
Diminishing musharaka finance	525,325	525,325	-	525,325
Short-term borrowings	15,544,046,275	15,524,046,275	-	15,524,046,275
Mark up accrued	412,132,129	412,132,129	-	412,132,129
Unclaimed dividend	12,618,254	12,618,254	-	12,618,254
Trade and other payables	2,277,515,003	2,297,268,902	-	2,297,268,902
Total financial liabilities	24,534,377,692	18,764,038,504	5,770,093,087	24,534,131,591

39.2.1 Changes in liabilities arising from financing activities

	As at 1 July 2022	Cash flows	New leases	Others	As at 30 June 2023
			Rupees		
Long-term loans	6,134,759,621	209,934,824		78,371,146	6,423,065,591
Lease liabilities	152,781,085	(61,751,900)	21,878,089	11,872,727	124,780,001
Diminishing musharaka finance	525,325	(525,325)	-	-	-
Short-term borrowings	15,524,046,275	(2,376,297,349)	-	-	13,147,748,926
Unclaimed dividend	12,618,254	(165,340,565)	-	165,885,808	13,163,497
	21,824,730,560	(2,393,980,315)	21,878,089	256,129,681	19,708,758,015

	As at 1 July 2021	Cash flows	New leases	Others	As at 30 June 2022
			Rupees		
Long-term loans	2,477,662,744	4,744,566,149	-	(1,087,469,272)	6,134,759,621
Lease liabilities	150,903,583	(48,827,233)	37,494,576	13,210,159	152,781,085
Diminishing musharaka finance	1,614,240	(1,088,915)	-	-	525,325
Short-term borrowings	6,943,146,874	8,580,899,401	-	-	15,524,046,275
Unclaimed dividend	11,059,396	(330,212,780)	-	331,771,638	12,618,254
	9,584,386,837	12,945,336,622	37,494,576	(742,487,475)	21,824,730,560

39.2.2 There are few non-compliances with respect to loan covenants relating to maintenance of specified ratios. However, none of such non-compliances triggered any default clause under the respective loan facility agreements.

39.3 Market Risk

39.3.1 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. Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Group, are periodically restated to Pak Rupee equivalent and the associated gain or loss is taken to the statement of profit or loss.

The Group is exposed to currency risk on trade and other payables, short term borrowing, accrued mark up and trade receivables that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD).

Particulars	2023	2022
	USD	USD
Assets		
Cash and Bank	142,129	-
Trade recievables	95,142	-
Liabilities		
Trade and other payables	(3,541,377)	(1,435,483)
Short-term borrowings	(550,982)	-
Accrued mark up	(1,902)	-
	(3,856,990)	(1,435,483)

39.3.1.1 Exchange rate applied during the year

The following significant exchange rates have been applied during the year:

	Average rupees per FCY		Reporting date rupees per FCY	
	2023	2022	2023	2022
USD to PKR	247.86	204.57	275.44	182.35

The following analysis demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Group's profit before taxation.

Changes in USD Rate	2023 Effects on profit before taxation Rupees	2022 Effects on profit before taxation Rupees
+1%	(10,623,605)	(2,617,603)
-1%	10,623,605	2,617,603

The effect may be respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

39.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect the fair value or future cash flows of financial instruments. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments is:

Variable rate instruments	2023 Rupees	2022 Rupees
Liabilities		
Long term loan	(2,640,346,638)	(5,812,336,556)
Lease liabilities	(105,891,508)	(110,410,093)
Short-term borrowings - secured	(13,147,748,928)	(13,040,527,898)
Assets		
Bank balances - saving accounts	14,148,772	42,923,646
	(15,879,838,302)	(18,920,350,901)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on loans from borrowings from banks, at the year end date, fluctuate by 100 (2022: 100) bps higher / lower with all other variables, in particularly foreign exchange rates held constant, profit before taxation for the year would have been affected as follows:

	2023 Rupees	2022 Rupees
Effect on profit or loss of an increase	(158,798,383)	(189,203,509)
Effect on profit or loss of a decrease	158,798,383	189,203,509

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and assets / liabilities of the Group.

39.3.3 Other price risk

Other price risk represents 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 interest rate risk or currency 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 Group is not exposed to any significant other price risk.

39.3.4 Financial instruments by categories

Financial assets	At amortized cost 2023 Rupees	At amortized cost 2022 Rupees
Long-term deposits	46,052,872	36,077,072
Trade receivables – unsecured	6,625,641,758	8,289,842,696
Loans and advances	10,467,171	8,481,086
Other receivables	231,057,063	182,413,993
Cash and bank balances	350,450,710	281,458,899
	7,263,669,574	8,798,273,746

Financial liabilities	At amortized cost 2023 Rupees	At amortized cost 2022 Rupees
Long-term loans	6,423,065,591	6,134,759,621
Lease liabilities	124,780,001	152,781,085
Diminishing musharaka finance	-	525,325
Short-term borrowings - secured	13,147,748,926	15,544,046,275
Mark up accrued	678,169,216	412,132,129
Unclaimed dividend	13,163,497	12,618,254
Trade and other payables	2,720,500,861	2,277,515,003
	23,107,428,092	24,534,377,692

39.4 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

i) To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

ii) To provide an adequate return to shareholders

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. Capital includes ordinary share capital and reserves, whereas, net debt includes long-term loans, short-term borrowings and liabilities against assets subject to finance lease less cash and cash equivalents.

The gearing ratio as at year end is as follows:	2023 Rupees	2022 Rupees
Long-term loans	6,423,065,591	6,134,759,621
Short-term borrowings - secured	13,147,748,926	525,325
Lease liabilities	124,780,001	152,781,085
Less: cash and cash equivalents	(351,576,979)	(284,936,050)
Net debt	19,344,017,539	6,003,129,981
Share capital	1,105,905,460	1,105,905,460
Reserves	9,905,279,229	7,857,280,869
Total equity	11,011,184,689	8,963,186,329
Gearing ratio	64%	40%

39.5 Fair value measurement of financial instruments

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. The carrying amounts of all the financial instruments reflected in these consolidated financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Group does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

40 RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

The Group has interest based on common directorship and / or percentage of shareholding in following companies:

Names of companies	Basis of relationship	Status of relationship	Percentage of effective shareholding
Nimir Resources (Private) Limited	Common Directorship	Associated company	Nil
Nimir Chemcoats Limited	Common Directorship	Associated company	Nil
Nimir Chemicals Pakistan Limited	Common Directorship	Associated company	Nil
Nimir Energy Limited	Common Directorship	Associated company	Nil
Terranova (Private) Limited	Common Directorship	Associated company	Nil
Extracts 4 Life (Private) Limited	Common Directorship	Associated company	Nil

The related parties and associated undertakings comprise related group companies, directors and key management personnel. Remuneration of Chief Executive, directors and executives is shown in note 41. The transactions with related parties are carried at mutually agreed terms and are as follows:

Names of Company	Nature and Description of Related Party Transaction	2023	2022
		Rupees	Rupees
Nimir Chemcoats Limited	Purchase of goods	88,800,793	31,900,928
	Sale of goods	74,201,444	51,439,529
	Services provided	2,669,233	1,933,219
	Other reimbursable expenses	237,962	1,029,309
Nimir Chemicals Pakistan Limited	Other reimbursable expenses	16,628,480	11,422,560
Nimir Energy Ltd.	Purchase of goods / services	20,971,420	-
	Sale of goods	158,468,608	-
	Other reimbursable expenses	666,253	-
Extracts4Life (Private) Limited	Sale of goods	3,177,900	-
Staff retirement benefits	Contribution to gratuity fund	6,452,461	21,807,120

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
Number of persons	1	1	2	2	64	51
			Rupees			
Managerial remuneration	23,225,645	20,129,065	28,693,794	24,774,194	186,733,483	144,624,122
Housing	10,451,290	9,058,129	12,912,409	11,148,388	84,029,416	65,367,207
Utilities	2,323,065	2,012,806	2,869,379	2,477,418	15,792,651	14,461,709
Bonus	14,205,100	11,428,049	18,135,148	15,645,060	89,238,166	84,159,978
Gratuity	-	-	3,682	-	25,550,555	12,630,000
	50,205,100	42,628,049	62,614,412	54,045,060	401,344,271	321,243,016

41.1 The Chief Executive and Directors have been provided with Group maintained cars and generator sets, further they are also entitled to club membership and reimbursement of medical and entertainment expenses whereas some executives have been provided with Group- maintained cars.

41.2 An amount of Rs. 15,215,000 (2022: Rs 10,488,500) was paid to non-executive directors for attending the board meetings.

42 TOTAL NUMBER OF EMPLOYEES

	2023	2022
Number of employees	409	379
Average number of employees during the year	390	356

43 PRODUCTION CAPACITY

	2023	2023	2022	2022
	Maximum Capacity	Actual Production	Maximum Capacity	Actual Production
Oleo Chemicals (Metric ton)[1]	140,000	100,810	140,000	86,716
Chlor Alkali Products (Metric ton)[2]	158,400	108,035	79,000	50,446
Chlorinated Paraffin Wax (Metric ton)[3]	11,000	1,640	-	-
Resin Products[4]	45,600	26,183	45,600	30,499
Soap Finishing Line (Metric ton)[5]	54,000	40,502	54,000	38,106
Aerosol (cans)	80,000,000	6,234,948	80,000,000	8,540,775
Blending[6]	-	21,335	-	33,605
Home Care (Bottles)[7]	46,500,000	8,926,860	-	-
Personal Care (Metric ton)[8]	4,500	747	-	-
Dish Wash (Metric ton)[9]	9,000	4,064	-	-

1 Actual production increased due to increase in demand.
2 The plant was upgraded with latest technology in the last quarter of the financial year.
3 The capacity is under utilized because the production started during the current year.
4 Production of goods relates to the sales orders received from the customers and the Group produces goods to meet those orders.
5 The plant capacity was underutilized due to product mix.
6 The plant capacity is indeterminable because it is a multi-product plant involving varying processes.
7 The capacity is under utilized because the production started during the current year.
8 The capacity is under utilized because the production started during the current year.
9 The capacity is under utilized because the production started during the current year.

44 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
					Rupees					
Revenue from contracts with customers - net	44,002,071,937	33,785,647,781	9,370,907,642	8,271,380,512	-	-	(893,783,654)	(203,730,629)	52,479,195,925	41,853,297,664
Cost of sales	(37,580,673,790)	(29,495,243,747)	(8,163,332,358)	(7,205,099,750)	-	-	822,719,376	218,928,097	(44,921,286,773)	(36,481,415,400)
Gross profit	6,421,398,147	4,290,404,034	1,207,575,284	1,066,280,762	-	-	(71,064,278)	15,197,468	7,557,909,152	5,371,882,264
Distribution cost	(408,378,559)	(227,418,225)	(111,150,279)	(88,839,071)	-	-	226,282	360,482	(519,302,556)	(315,896,814)
Administrative expenses	(486,335,760)	(377,687,055)	(104,040,083)	(80,390,304)	(490,167)	(327,865)	1,823,482	1,413,842	(589,042,527)	(456,991,382)
Operating profit / (loss)	5,526,683,828	3,685,298,754	992,384,922	897,051,387	(490,167)	(327,865)	(69,014,514)	16,971,792	6,449,564,069	4,598,994,068
Other expenses	(213,200,052)	(145,072,453)	(72,364,638)	(103,221,917)	-	-	-	-	(285,564,690)	(248,294,370)
Other income	178,296,163	52,443,951	32,124,174	21,849,163	78,544,500	-	(3,088,404)	(2,010,360)	285,876,433	72,282,754
Foreign exchange loss	-	-	-	-	-	-	-	-	-	-
Finance cost	(2,699,351,262)	(1,126,894,948)	(376,236,589)	(213,766,135)	-	-	-	-	(3,075,587,851)	(1,340,661,083)
Profit / (loss) before taxation	2,792,428,677	2,465,775,304	575,907,869	601,912,498	78,054,333	(327,865)	(72,102,918)	14,961,432	3,374,287,961	3,082,321,369
Taxation	(952,701,220)	(870,144,950)	(190,033,012)	(235,041,366)	(22,635,757)	-	8,116,726	(5,568,022)	(1,157,253,263)	(1,110,754,338)
Profit / (loss) for the year	1,839,727,457	1,595,630,354	385,874,857	366,871,132	55,418,576	(327,865)	(63,986,192)	9,393,410	2,217,034,698	1,971,567,031
Segment assets	31,865,929,836	30,128,449,637	5,453,055,138	5,963,417,444	269,762,537	292,911,919	(1,964,899,376)	(1,020,248,279)	35,623,848,135	35,364,530,721
Segment liabilities	24,005,927,424	23,949,707,627	2,424,527,933	3,637,812,445	388,140	78,956,100	(712,274,594)	(159,226,320)	25,718,568,903	27,507,249,852

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

45 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	Transferred to	2022 Rupees
Provision for taxation	Tax refunds due from the Government - Income tax	1,113,412,108

46 GENERAL

Figures have been rounded off to nearest rupee unless otherwise stated.

47 SUBSEQUENT EVENTS

The Board of Directors at its meeting held on September 25, 2023 has proposed a final dividend @ Rs. 2.00 per share for the year ended June 30, 2023 (2022: Rs. 1.50) amounting to Rs. 221,181,092 (2022: Rs. 165,885,808) for approval of the members at the Annual General Meeting to be held on October 28, 2023. These financial statements do not reflect this dividend.

47.1 Date of Authorization for issue

These financial statements were authorized for issue by the Board of Directors on September 25, 2023.

Chief Executive Officer **Director** **Chief Financial Officer**

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
226	1	100	8,161
907	101	500	265,402
189	501	1,000	167,083
284	1,001	5,000	791,119
89	5,001	10,000	684,285
46	10,001	15,000	577,689
29	15,001	20,000	525,945
15	20,001	25,000	349,510
9	25,001	30,000	254,519
9	30,001	35,000	293,350
3	35,001	40,000	111,841
3	40,001	45,000	134,500
6	45,001	50,000	296,750
6	50,001	55,000	307,251
2	55,001	60,000	115,900
2	65,001	70,000	139,000
1	70,001	75,000	74,500
2	75,001	80,000	154,600
4	80,001	85,000	331,816
1	85,001	90,000	87,500
2	95,001	100,000	200,000
1	100,001	105,000	103,500
1	105,001	110,000	108,400
1	110,001	115,000	112,900
1	115,001	120,000	117,700
1	130,001	135,000	135,000
1	135,001	140,000	136,000
1	140,001	145,000	144,000
1	170,001	175,000	175,000
1	195,001	200,000	200,000
1	230,001	235,000	234,500
1	250,001	255,000	255,000
1	290,001	295,000	290,500
1	295,001	300,000	300,000
1	300,001	305,000	305,000
1	305,001	310,000	310,000
2	310,001	315,000	624,750
1	330,001	335,000	333,500
1	370,001	375,000	372,500
1	445,001	450,000	448,500

	Shareholding		
No. of Shareholders	**From**	**To**	**Total Shares Held**
1	650,001	655,000	652,425
1	785,001	790,000	788,000
1	1,805,001	1,810,000	1,807,500
1	3,455,001	3,460,000	3,458,000
1	6,480,001	6,485,000	6,482,750
1	8,180,001	8,185,000	8,182,500
1	8,510,001	8,515,000	8,511,750
1	9,565,001	9,570,000	9,569,999
1	10,700,001	10,705,000	10,700,026
1	11,725,001	11,730,000	11,730,000
1	14,065,001	14,070,000	14,068,000
1	24,060,001	24,065,000	24,062,125
1,867			110,590,546

S. No.	Categories of shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor childern	42,588,156	38.5098%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3	NIT and ICP	1,500	0.0014%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	2,300	0.0021%
2.3.5	Insurance Companies	0	0.0000%
2.3.6	Modarabas and Mutual Funds	273,000	0.2469%
2.3.7	Share holders holding 10% or more	49,860,125	45.0853%
2.3.8	General Public	64,578,492	58.3942%
	1 - Local	500	0.0005%
	2 - Foreign		
2.3.9	Others (to be specified)		
	1 - Joint Stock Companies	1,779,876	1.6094%
	2 - Pension Funds	350,523	0.3170%
	3 - Investment Companies	30,600	0.0277%
	4 - Leasing Companies	24,010	0.0217%
	5 - Investment Companies	11,012	0.0100%
	6 - Others	950,577	0.8595%

Categories of Shareholding required under Code of Corporate Governance (CCG) AS AT JUNE 30, 2023

S. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties :		-	-
Mutual Funds :			
1	CDC Trustee Al Habib Stock Fund (CDC)	12,000	0.0109
2	CDC Trustee First Capital Mutual Fund (CDC)	5,000	0.0045
3	Golden Arrow Selected Stocks Fund Limited (CDC)	255,000	0.2306
Directors and their Spouse and Minor Children :			
1	Mr. Zafar Mahmood (CDC) (Chief Executive Officer)	24,062,125	21.7578
2	Mr. Amir Jamil (CDC)	6,482,750	5.8619
3	Mr. M. Saeed Uz Zaman	310,781	0.2810
4	Mr. Javed Saleem Arif (CDC)	500	0.0005
5	Mrs. Parveen Akhtar Malik (CDC)	500	0.0005
6	Mr. Imran Afzal (CDC)	11,730,000	10.6067
7	Mr. Abdul Jaleel Shaikh (Nominee - PBICL)	-	0.0000
8	Mr. Saqib Anjum (CDC)	1,000	0.0009
9	Mst. Humaira Shazia (CDC)	500	0.0005
Executives:		32,979,526	29.8213
Public Sector Companies & Corporations :		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds :		377,833	0.3417

Shareholders holding five percent or more voting intrest in the listed company

S. No.	Name	Holding	%
1	Mr. Zafar Mahmood (CDC) (Chief Executive Officer)	24,062,125	21.7578
2	Mr. Khalid Mumtaz Qazi (CDC)	14,068,000	12.7208
3	Mr. Imran Afzal (CDC)	11,730,000	10.6067
4	Mr. Muhammad Yahya Khan (CDC)	10,700,026	9.6754
5	Mr. Nadeem Nisar (CDC)	9,569,999	8.6535
6	Mst. Shaheen Nadeem (CDC)	8,511,750	7.6966
7	Mr. Umar Iqbal (CDC)	8,182,500	7.3989
8	Mr. Amir Jamil (CDC)	6,482,750	5.8619

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed :

S. No.	Name	Sale	Purchase
1	Mr. Salman Azamat	10,000	19,500

Notice of 30th Annual General Meeting

FOR THE YEAR ENDED JUNE 30, 2023

Notice is hereby given that the 30th Annual General Meeting ("AGM") of Nimir Industrial Chemicals Limited (the "Company") will be held on Saturday, October 28, 2023 at 11:00 a.m., at Sultan Grand Hotel, Lahore – Faisalabad By-pass, near Housing colony, Sheikhupura to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidate) of the Company for the year ended June 30, 2023 together with Chairman's review, the reports of the Directors', Statement of Compliance (CCG) and Independent Auditors' reports thereon.
2. To approve the payment of final cash dividend of Rs. 2.0 per share (i.e. 20%) in addition to the interim dividend of Rs. Nil per share (i.e. Nil%), in total Rs. 2.0 per share (i.e. 20%) cash dividend for the year ended June 30, 2023.
3. To appoint Auditors for the year ending June 30, 2024 and fix their remuneration. The Audit Committee and the Board of Directors have recommended the appointment of M/s BDO Ebrahim & Co. – Chartered Accountants as external auditors of the Company for the FY 23-24.

By Order of the Board

Sheikhupura
October 7, 2023

Muhammad Inam-ur-Rahim
(Company Secretary)

Notes:

I. The share transfer books of the Company shall remain closed from October 22, 2023 to October 28, 2023 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Saturday, October 21, 2023 will be treated in time for the purpose of entitlements of final cash dividend and 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. 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.

IV. 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.

V. Shareholders desiring to claim exemption from Zakat deduction may file their Declaration before the closing date of the books i.e., October 21, 2023, duly attested by Oath Commissioner on Stamp paper to Company's Share Registrar, otherwise Company shall have to deduct Zakat according to the Zakat and Ushr Ordinance, 1980; and Shareholders are also 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 (Physical) who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) and/or NTN Certificate(s) to the Company are required to send the same at the earliest directly of the Company's Share Registrar, M/s Corplink (Pvt.) Limited. Member/shareholders (CDC) directly to their CDC participant (brokers)/CDC Investor Account Services, as the case may be.

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.

Deduction of withholding Income Tax on the amount of Dividend

Pursuant of the provisions of Finance Act, 2023 effective from July 1, 2023, the deduction of income tax from the dividend payments shall be made on the bases of filer and non-filers as follows:

Shareholders seeking exemption from deduction of income tax or are eligible at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Shareholders desiring non-deduction of Zakat are also requested to submit a valid declaration for non-deduction of Zakat.

The shareholders who have joint shareholdings held by filers or non-filers shall be dealt separately. If the shares are not ascertainable then each account holder will be assumed to hold equal proportion of shares and deduction will be made accordingly.

Payment of Cash Dividend through Electronic Mode (IBAN format)

In accordance with the Section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled Shareholders. Shareholders are requested to provide their bank account details (IBAN format) to our share registrar (for Physical shares) or to their respective participant / broker (for CDS shares) as the case may be. The subject Form is available at Company's website i.e. www.nimir.com.pk. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

Video Conference Facility

Pursuant to the provisions 132 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. The Company will arrange video conference facility in that city subject to the availability of such facility in that city.

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 Limited.

Unclaimed Shares / Dividend Under Section 244 of the Companies Act, 2017

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law. Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

Availability of Audited Financial Statements on Company's Website

In accordance to Section 223 and 237 of the Company Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023 have been made available on the Company's website www.nimir.com.pk/nicl/financial _ reports.html, in addition to annual and quarterly financial statements for the prior years.

Circulation of Annual Audited Financial Statements to Shareholders Through Email/CD/USB/DVD or Any Other Media:

SECP through SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 has allowed the companies to circulate its Annual Audited Financial Statements to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses. The Company circulates its Annual Audited Financial Statements to its members through CD. However, shareholders who wish to receive the hard copy of Financial Statements shall have to write request and send it to the Company's registered address.

Proxy Form :

Proxy Form is enclosed and also available on the website of the company i.e. www.nimir.com.pk

Form of Proxy 30th Annual General Meeting

The Company Secretary
Nimir Industrial Chemicals Limited
14.8 K.M. Sheikhupura - Faisalabad Road,
Bhikhi – Dist. Sheikhupura,
Pakistan.

Ledger Folio/CDC A/C No.

Shares Held

I / We .... of

.... being member(s) of

Nimir Industrial Chemicals Limited hereby appoint .... of

.... as my/our proxy to vote for me / us .... on my / our behalf at the

Annual General Meeting (AGM) of the Company held on Saturday, October 28, 2023 at 11:00 a.m. and / or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this .... day of .... 2023.

Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

WITNESSES:

1. ______________________ 2. ______________________

Name : ______________________ ______________________

CNIC : ______________________ ______________________

Address: ______________________ ______________________

Date: ______________________ ______________________

Fifty Rupees
Revenue Stamp

Notes:

i. The share transfer books of the Company shall remain closed from October 22, 2023 to October 28, 2023 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Saturday, October 21, 2023 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 CNIC 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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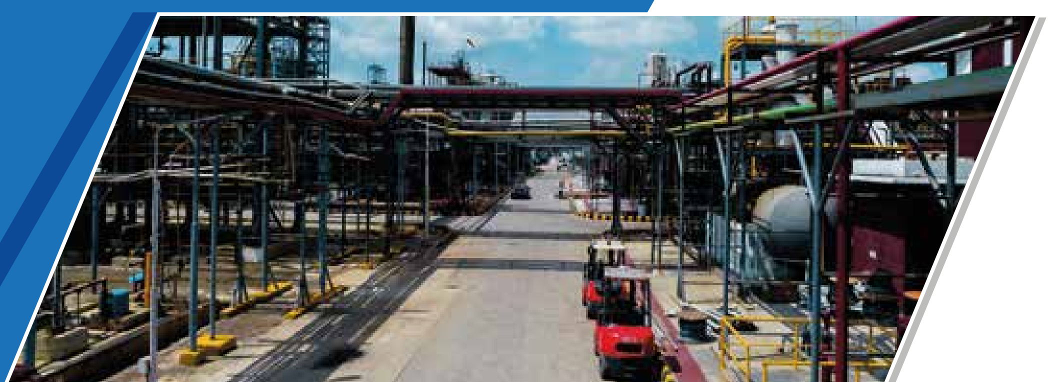
NIMIR INDUSTRIAL CHEMICALS LTD.
14.8 Km., Sheikhupura-Faisalabad Road,
Bhikhi, District Sheikhupura, Pakistan.
Ph: +92 56 3883001-7 • Fax: +92 56 3883010
Cell: +92 301 8221151, 301 8483950
www.nimir.com.pk

Posted Stamp



NIMIR

Nimir Industrial Chemicals Limited
14.8 Km., Sheikhupura Faisalabad Road,
Bhikhi, District Sheikhupura, Pakistan.
Phone: +92 (0)301 8483950 | Phone: +92 42 35926090-93
www.nimir.com.pk

E-Brochure

Corporate Video