



NIMIR

TRANSFORMING FOR A SUSTAINABLE FUTURE

HALF YEARLY REPORT DECEMBER **2023**



Nimir Industrial Chemicals Limited

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

BDO Ibrahim & Co.
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 Metropolitan Bank Limited
Industrial & Commercial Bank of China (ICBC)
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank Pakistan Ltd
Pak Brunei Investment Company Limited
Pak Kuwait Investment Company (Pvt) Limited
Pak China Investment Company Limited
Pak Libya Holding Company (Pvt) Limited
Pair Investment Company Limited
United Bank Limited

▶ Registered Office / Factory

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

▶ 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.nimr.com.pk

Directors' Review Report

On behalf of the Board of Directors, we are pleased to present our performance review report together with unaudited financial statements of Nimir Industrial Chemicals Limited (the "Company") for the quarter and six months ended December 31, 2023.

During the half year under review, the net turnover for the period shrunk from PKR. 26.7 billion to PKR. 24.4 billion, caused mainly by product mix and prices. The gross profit for the period, however, increased from PKR. 2.08 billion to PKR. 2.95 billion, an increase of about 42%. The operating profit also grew by 43% from PKR 1.685 billion to PKR 2.416 billion, but the benefit of improved operating could not be translated to such improved profit after taxation due to high financial cost and taxation which grew by 45% and 123% respectively. The profit after taxation has grown by 25% during the period. The basic earnings per share is reported at PKR. 3.76 as compared to PKR. 3.01 for the corresponding period of last year.

The record high inflation, political and economic turmoil in Pakistan in particular, and in the region in general has been adversely affecting all sectors of the business and your Company is no exception. Although the discount rate and KIBOR is somewhat unchanged during this period, this cannot be sustainable for any economy. SBP has somewhat controlled the devaluation of PKR, but the critical situation of FOREX may push the currency further down. Despite these adverse scenarios, the management of the Company is committed to put all its efforts to achieve the best possible results in the remaining half of the year, Insha Allah.

After the balance sheet date, The Honourable Lahore High Court has sanctioned the "Scheme of Arrangement" filed by the Company and its subsidiaries Nimir Management Private Limited (NMPL) and Nimir Resins Limited (NRSL) pursuant to which Nimir Management Private Limited has been liquidated and the assets held by this Company have been transferred to its shareholders after paying off its liabilities. Furthermore, NICL has also distributed the shares held by it (including the shares transferred by NMPL) to its shareholders in proportion to their shareholding in NICL. As a result of this, NRSL ceased to be a subsidiary of NICL w.e.f. February 13, 2024.

The Board has recommended interim cash dividend of Re. 1 per share (i.e. 10%) for the half year ended December 31, 2023.

On behalf of the board, we extend our heartfelt appreciation to the shareholders, employees, suppliers, customers and bankers for their continued confidence and support during this time of unprecedented challenges and look forward to a productive second half of the financial year

For and on the behalf of the Board



Aamir Jamil
Director



Zafar Mahmood
Chief Executive Officer

Lahore
February 23, 2024

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2023 کو ختم ہونے والی سد ماہی اور ششماہی کے لئے نمائندہ سٹریٹجی کی کمیٹی رپورٹ (کمپنی) کی غیر نظر ثانی شدہ مالی گوشوارے معالجی کارکردگی کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ ششماہی کے دوران، اس مدت کے لیے خالص کاروبار 26.7 بلین روپے سے کم ہو کر 24.4 بلین روپے ہو گیا، جس کی بنیادی وجہ پرائڈ کس مگس اور فینٹین ہیں۔ تاہم، اس مدت کے لیے مجموعی منافع 2.08 بلین روپے سے بڑھ کر 2.95 بلین روپے ہو گیا، تقریباً 42 فیصد کا اضافہ ہوا۔ آپریٹنگ منافع بھی 43% بڑھ کر 1.685 بلین روپے سے 2.416 بلین روپے ہو گیا، لیکن بہتر آپریٹنگ کا فائدہ زیادہ مالی لاگت اور ٹیکسیشن جس میں بالترتیب 45% اور 123% اضافہ ہوا کی وجہ سے بعد از ٹیکس اتنے بہتر منافع میں تبدیل نہیں ہو سکا۔ اس مدت کے دوران بعد از ٹیکس منافع میں 25 فیصد کا اضافہ ہوا ہے۔ فی شخص کی بنیادی آمدنی گزشتہ سال کی اسی مدت کے لیے 3.01 روپے کے مقابلے میں 3.76 روپے درج کی گئی ہے۔

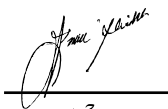
ریکارڈ بلنڈ افراط زر، پاکستان میں بالخصوص اور خطے میں بالعموم سیاسی اور معاشی بحران کاروبار کے تمام شعبوں کو بری طرح متاثر کر رہا ہے اور آپ کی کمپنی بھی اس سے مستثنیٰ نہیں ہے۔ اگرچہ اس عرصہ کے دوران ڈسکاؤنٹ شرح اور KIBOR میں کچھ تبدیلیاں نہیں ہوئی، یہ کسی بھی معیشت کے لیے پائیدار نہیں ہو سکتی۔ اسٹیٹ بینک پاکستان نے پاکستانی روپیہ کی قدر میں کمی کو کسی حد تک کنٹرول کیا ہے، لیکن فاریکس کی نازک صورتحال کرنسی کو مزید کمزور کر سکتی ہے۔ ان منفی حالات کے باوجود، کمپنی کی انتظامیہ سال دوسری ششماہی میں بہتر ممکنہ نتائج حاصل کرنے کے لیے اپنی تمام کوششیں بروئے کار لانے کے لیے پُر عزم ہے، انشاء اللہ۔

معزز لاہور ہائی کورٹ نے کمپنی اور اس کے ذیلی اداروں نمبر اینجمنٹ پرائیویٹ لمیٹڈ (NMPL) اور نمبر ریزرولڈ لمیٹڈ (NRSL) کی طرف سے دائر کردہ "اسکیم آف ارتجمنٹ" کی منظوری دے دی ہے جس کے تحت نمبر اینجمنٹ پرائیویٹ لمیٹڈ کو ختم کر دیا گیا ہے اور اس کمپنی کے ملکیتی اٹانے اس کے واجبات کی ادائیگی کے بعد اس کے شیئر ہولڈرز کو منتقل کر دیئے گئے ہیں۔ مزید برآں، NICL نے اپنے پاس ملکیتی حصص (بشمول NMPL کے ذریعے منتقل کیے گئے حصص) کو بھی NICL میں ان کے شیئر ہولڈنگ کے تناسب سے اپنے حصص یافتگان میں تقسیم کر دیا ہے۔ اس کے نتیجے میں، NRSL کو NICL کا ماتحت ادارہ قرار دیا گیا ہے۔

بورڈ نے 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لیے ایک روپے فی شیئر (یعنی 10%) کے عبوری نقد منافع منقسمہ کی سفارش کی ہے۔

بورڈ کی جانب سے ہم شیئر ہولڈرز، ملازمین، سپلائرز، صارفین اور بینکرز کا تہہ دل سے شکریہ ادا کرتے ہیں جنہوں نے غیر متوقع مشکلات کے اس دور میں مسلسل اعتماد اور حمایت کی اور مالی سال کی دوسری ششماہی کے نتیجے میں خیر نتائج کے منتظر ہیں۔

مجاہد بورڈ آف ڈائریکٹرز



عامر جمیل
ڈائریکٹر



ظفر محمود
چیف ایگزیکٹو آفیسر

لاہور

23 فروری 2024ء

Independent Auditors' Review Report

To the members of Nimir Industrial Chemicals Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nimir Industrial Chemicals Limited (the "Company") as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

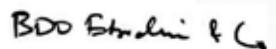
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The condensed interim financial statements of Nimir Industrial Chemicals Limited for the half year ended December 31, 2022 and for year ended June 30, 2023 were reviewed and audited by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 28, 2023 and October 02, 2023, respectively.

The engagement partner on the review resulting in this independent auditor's review report is Sajjad Hussain Gill.



Lahore: February 23, 2024

UDIN: RR202310087CGdn1vmKL

BDO EBRAHIM & CO.

Chartered Accountants



5

Financial Statements Separate

FOR THE HALF YEAR ENDED
DECEMBER 31, 2023

Unconsolidated Condensed Interim Statement Of Financial Position

AS AT DECEMBER 31, 2023

Note	Unaudited	Audited	
	31 December 2023	30 June 2023	
	Rs. "000"	Rs. "000"	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	13,679,516	13,849,351
Intangible assets		21,690	29,824
Investment in subsidiary		211,773	211,773
Loan to subsidiary		14,512	14,512
Long term deposits		36,103	36,105
		13,963,594	14,141,565
CURRENT ASSETS			
Stores, spare parts and loose tools		800,723	810,135
Stock-in-trade	8	8,941,626	8,217,933
Trade receivables	9	5,679,383	5,165,560
Loans and advances		87,208	111,769
Trade deposits and short-term prepayments		74,168	2,476
Other receivables		52,896	214,717
Tax refunds due from the Government		2,281,453	2,541,876
Cash and bank balances		299,384	215,625
		18,216,841	17,280,091
		32,180,435	31,421,656
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital (145 million ordinary shares of Rs. 10 each)		1,450,000	1,450,000
Issued, subscribed and paid up capital		1,105,905	1,105,905
Revenue reserves - unappropriated profits		6,936,705	6,742,469
		8,042,610	7,848,374
NON CURRENT LIABILITIES			
Long term loans	10	4,803,691	5,130,677
Lease liabilities		43,913	50,402
Net defined benefit liability - funded gratuity		208,305	200,405
Deferred tax liability		948,184	1,017,419
Deferred grant		642,969	730,544
		6,647,062	7,129,447
CURRENT LIABILITIES			
Trade and other payables		1,103,899	2,015,052
Contract liabilities		69,256	150,862
Mark up accrued		726,246	633,476
Unclaimed dividend		14,578	12,871
Short-term borrowings	11	14,342,998	12,296,372
Current maturity of long-term loans	10	1,035,805	1,119,517
Current maturity of lease liabilities		20,918	34,233
Current maturity of deferred grant		177,063	181,452
		17,490,763	16,443,835
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	12	32,180,435	31,421,656

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Profit or Loss

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

Note	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Revenue from contracts with customers - gross	24,403,593	26,661,382	12,140,100	11,758,150
Less: Sales tax, trade discounts	(3,778,666)	(3,737,445)	(1,866,072)	(1,671,612)
Revenue from contracts with customers - net	20,624,927	22,923,937	10,274,028	10,086,538
Cost of sales	(17,674,726)	(20,845,034)	(8,897,496)	(9,160,290)
Gross profit	2,950,201	2,078,903	1,376,532	926,248
Distribution costs	(253,832)	(183,635)	(122,019)	(95,052)
Administrative and selling expenses	(280,504)	(210,126)	(151,846)	(102,038)
	(534,336)	(393,761)	(273,865)	(197,090)
Operating profit	2,415,865	1,685,142	1,102,667	729,158
Other expenses	(55,251)	(25,301)	(35,890)	269
Other income	189,869	94,960	61,191	69,770
Finance cost	(1,918,187)	(1,324,315)	(988,021)	(713,711)
Profit before taxation	632,296	430,486	139,947	85,486
Taxation	(216,878)	(97,671)	(35,455)	31,742
Profit for the period	415,418	332,815	104,492	117,228
Earnings per share - basic and diluted	3.76	3.01	0.94	1.06

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Unconsolidated Condensed Interim Statement Of Comprehensive Income

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Profit for the period	415,418	332,815	104,492	117,228
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	415,418	332,815	104,492	117,228

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Changes In Equity

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Capital Reserve	Revenue Reserve	
	Issued, subscribed and paid up share capital	Unappropriated profits	Total
	Rs. "000"	Rs. "000"	Rs. "000"
Balance as at July 01, 2022 (Audited)	1,105,905	5,072,837	6,178,742
Profit for the period	-	332,815	332,815
Other comprehensive income	-	-	-
Total comprehensive income	-	332,815	332,815
Final dividend for the year ended June 30, 2022 at the rate of Rs. 1.5 per share	-	(165,886)	(165,886)
Balance as at December 31, 2022 - (Un-audited)	<u>1,105,905</u>	<u>5,239,766</u>	<u>6,345,671</u>
Balance as at July 01, 2023 - (Audited)	1,105,905	6,742,469	7,848,374
Profit for the period	-	415,418	415,418
Other comprehensive income	-	-	-
Total comprehensive income	-	415,418	415,418
Final dividend for the year ended June 30, 2023 at the rate of Rs. 2 per share	-	(221,182)	(221,182)
Balance as at December 31, 2023 - (Un-audited)	<u>1,105,905</u>	<u>6,936,705</u>	<u>8,042,610</u>

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half year ended	
	31 DECEMBER 2023	31 DECEMBER 2022
	Rs."000"	Rs."000"
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	632,296	430,486
Adjustments for		
Depreciation	444,823	269,461
Amortization of Intangible Asset	8,134	5,380
Gain on disposal of property, plant and equipment	(73,023)	(1,591)
Finance cost	1,895,082	1,307,682
Amortization of deferred grant	(91,964)	(67,230)
Provision for gratuity	29,900	20,000
Workers' profit participation fund	33,958	23,120
Workers' welfare fund	12,903	8,785
	2,259,813	1,565,607
Profit before working capital changes	2,892,109	1,996,093
Effect on cash flow due to working capital changes:		
Increase / (decrease) in current assets		
Stores, spare parts and loose tools	9,412	(173,660)
Stock in trade	(723,693)	176,376
Trade receivables	(513,823)	452,620
Loans and advances	24,561	11,161
Trade deposits and short term prepayments	(71,692)	(15,490)
Other receivables	161,821	65,663
Tax refunds due from the Government	430,566	(511,372)
	(682,848)	5,298
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	(763,054)	181,919
Contract liabilities	(81,606)	68,077
	(844,660)	249,996
Cash generated from operations	1,364,601	2,251,387
Contribution (to) / from gratuity fund	(22,000)	16,800
Finance costs paid	(1,710,349)	(1,032,985)
Income taxes paid	(456,255)	(502,557)
Long-term deposits	-	(950)
Workers' welfare fund paid	(44,961)	-
Workers' profit participation fund paid	(149,999)	(132,516)
Net cash (used in) / generated from operating activities	(1,018,963)	599,179
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(77,857)	(56,457)
Addition in capital work-in-progress	(209,945)	(1,580,447)
Decrease in long-term deposits - net	2	-
Proceeds from sale of property, plant and equipment	90,511	2,721
	(197,289)	(1,634,183)
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term loan	(502,662)	(279,693)
Increase in deferred liabilities	-	425,000
Long-term loans obtained	-	900,000
Dividend paid	(219,475)	(165,029)
Repayment of lease liabilities	(24,478)	(13,192)
Short-term borrowings - net	2,046,626	171,479
	1,300,011	1,038,565
Net cash generated from financing activities		
Net increase in cash and cash equivalents	83,759	3,561
Cash and cash equivalents at the beginning of the period	215,625	260,276
Cash and cash equivalents at the end of the period	299,384	263,837

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Notes To The Unconsolidated Condensed Interim Financial Statements

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

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.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office and plant of the Company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. Following are the business units of the Company along with their respective locations:

BUSINESS UNIT	LOCATION
Head office	Nimir House, 122-B, New Muslim Town, Lahore, Pakistan.

3 THE GROUP

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")	51.00%	51.00%
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.

Nimir Resins Limited 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-Sheikhpura 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.

Nimir Overseas LLC (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 is accounted for on cost basis rather than on the basis of reported results. Consolidated financial statements are prepared separately.

4 BASIS OF PREPARATION

4.1 Statement of compliance

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

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

Provisions of and directives issued under the Companies Act, 2017.

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

These are the (unconsolidated) separate condensed interim financial statements of the Company; consolidated interim financial statements have been presented separately.

4.2

These unconsolidated condensed interim financial statements do not include all the information and the disclosures required in the annual financial statements and should be read in conjunction with annual audited financial statements of the Company for the year ended June 30, 2023.

Comparative unconsolidated condensed interim statement of financial position is stated from annual audited financial statements as of June 30, 2023, whereas comparatives for unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unconsolidated condensed interim financial statements of the Company for the six months ended December 31, 2022.

**Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)**

- 4.3** These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. The condensed interim consolidated financial statements of the Company are prepared separately.
- 4.4** The condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupee, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand Pak Rupee unless otherwise stated.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unconsolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2023.

Provision in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation in these unconsolidated condensed interim financial statements are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

6 SIGNIFICANT ACCOUNTING POLICIES

- 6.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2023.
- 6.2** Change in accounting standards, interpretations and amendments to published accounting and reporting standards
- 6.2.1** Amendments to published accounting and reporting standards which became effective during the period:

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

These amendments had no effect on the unconsolidated condensed interim financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

- 6.2.2** Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

7 PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) 31 Dec. 2023	(Audited) 30 June 2023
	Rs."000"	Rs."000"
Operating fixed assets - owned assets	13,504,280	13,583,265
Right-of-use assets	50,864	64,116
Capital work in progress	124,372	201,970
	13,679,516	13,849,351

Following are the additions / transfers and disposals (at net book value) in the operating fixed assets and right- of-use assets:

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	(Un-Audited)		(Audited)	
	31 Dec. 2023		30 June 2023	
	Additions/ Transfers*	Disposals	Additions / Transfers*	Disposals
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
7.1 Operating fixed assets - owned assets				
Building on free hold land	21,119	-	986,370	-
Plant and machinery	266,424	(17,456)	7,692,575	(864)
Furniture and fittings	1,250	-	18,675	-
Office and factory equipment	56,388	(32)	159,158	(97)
IT & Computer Equipment	18,550	-	-	-
Vehicles - owned	1,669	-	9,854	(227)
	365,400	(17,488)	8,866,632	(1,188)
7.2 Right-of-use assets				
Vehicles - Leased	4,674	-	20,426	-
	370,074	(17,488)	8,887,058	(1,188)

7.3 Capital work in progress

Following are the additions / transfers in the capital work-in-progress:

	(Un-Audited)		(Audited)	
	Additions during the period 31 Dec-2023	Transfers to fixed assets 31 Dec-2023	Additions during the year 30 June-2023	Transfers to fixed assets 30 June-2023
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Building on free-hold land	21,119	21,119	986,370	986,370
Plant and machinery	188,826	266,424	1,017,848	7,672,902
Others	-	-	4,574	19,674
	209,945	287,543	2,008,792	8,678,946

	(Un-audited)	(Audited)
	31 Dec. 2023	30 June 2023
	Rs."000"	Rs."000"
8 STOCK-IN-TRADE		
Raw and packing material (In hand & in transit)	6,554,022	5,221,559
Finished goods	2,387,604	2,996,374
	8,941,626	8,217,933
9 TRADE RECEIVABLES		
Considered good-unsecured		
Due from customers	5,551,605	4,706,807
Due from associates	149,663	480,638
	5,701,268	5,187,445
Allowance for expected credit losses	(21,885)	(21,885)
	5,679,383	5,165,560

9.1 During the period, impact of expected credit loss is insignificant (June 30, 2023: Rs. 21.885 million).

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

10 LONG-TERM LOANS	Note	(Un-audited)	(Audited)
		31 Dec. 2023	30 June 2023
		Rs."000"	Rs."000"
Term Finance	10.1	2,219,358	2,506,418
Term Finance - under temporary economic refinance facility	10.2	3,620,138	3,743,775
		5,839,496	6,250,193
Mark up accrued		95,316	140,550
		5,934,812	6,390,743
Current maturity of term finance		(708,691)	(627,533)
Current maturity under temporary economic refinance facility		(327,114)	(491,983)
		(1,035,805)	(1,119,516)
		4,899,007	5,271,227
Less: Mark up accrued shown under current liabilities		(95,316)	(140,550)
		4,803,691	5,130,677

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 Company.

10.2 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 instalments 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).

11 SHORT-TERM BORROWINGS	Note	(Un-audited)	(Audited)
		31 Dec. 2023	30 June 2023
		Rs."000"	Rs."000"
Running finance	11.1	2,169,277	1,826,048
Local bills discounting	11.1	782,194	743,171
Finance against trust receipts	11.1	11,391,527	9,575,392
Short term loan		-	151,761
		14,342,998	12,296,372

11.1 The aggregate limit of short term finance facilities available from various financial institutions (including commercial banks) at year end is Rs. 23,450 million (June 30, 2023: Rs. 18,600 million).

The limit of running finance facilities amounts to Rs. 3,350 million (June 30, 2023: Rs. 2,800 million). The rate of markup ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (June 30, 2023: 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap). The limit of local bills discounting and finance against trust receipts amounts to Rs. 20,100 million (June 30, 2023: Rs. 15,800 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 25 bps to 50 bps (June 30, 2023: 1 month KIBOR to 3 months KIBOR + 50 bps) and 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap (June 30, 2023: 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap) respectively. 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 December 31, 2023 amounts to Rs. 6,651 million (June 30, 2023: Rs. 5,467 million).

12 CONTINGENCIES AND COMMITMENT

12.1 Contingent liabilities

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2023.

12.2 Commitments

There is no material change in the commitments since the last audited financial statements for the year ended June 30, 2023.

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	(Un-Audited)			
	Half year ended		Quarter ended	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
13 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Gross revenue	24,403,593	26,661,382	12,140,100	11,758,150
Less:				
Commission / discount	(192,313)	(82,226)	(79,718)	(79,325)
Sales tax	(3,586,353)	(3,655,219)	(1,786,354)	(1,592,287)
	(3,778,666)	(3,737,445)	(1,866,072)	(1,671,612)
	20,624,927	22,923,937	10,274,028	10,086,538
14 COST OF SALES				
Opening stock of finished goods	2,996,374	1,456,673	2,221,306	1,760,574
Cost of goods manufactured	17,065,956	21,513,364	9,063,794	9,524,718
	20,062,330	22,970,037	11,285,100	11,285,292
Closing stock of finished goods	(2,387,604)	(2,125,003)	(2,387,604)	(2,125,003)
	17,674,726	20,845,034	8,897,496	9,160,289
15 DISTRIBUTION COSTS				
Salaries, wages and benefits	54,303	36,573	26,717	18,783
Depreciation	2,534	2,272	1,256	1,227
Repairs and maintenance	35	278	32	21
Traveling, conveyance and entertainment	9,099	6,601	4,795	5,049
Communications	1,194	619	1,006	209
Insurance	2,365	2,507	955	1,620
Printing and stationery	284	102	74	27
Freight outward	182,388	129,100	85,967	62,938
Dues, fees and subscription	257	2,283	109	2,209
Other expenses	1,373	3,300	1,108	2,969
	253,832	183,635	122,019	95,052
16 FINANCE COSTS				
Mark-up on				
Long-term loans	452,648	132,339	221,468	49,816
Short-term borrowings	1,436,777	1,169,139	754,768	653,568
Financial charges on lease	5,657	6,203	2,339	3,366
Bank charges, fee and commission	23,105	16,634	9,446	6,961
	1,918,187	1,324,315	988,021	713,711
17 TAXATION				
Current	286,113	70,424	98,445	(27,285)
Deferred tax	(69,235)	27,247	(62,990)	(4,457)
	216,878	97,671	35,455	(31,742)
18 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders (Rs. "000")	415,418	332,815	104,492	117,228
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share (Rs.)	3.76	3.01	0.94	1.06

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated Companies, directors and key management personnel. Transactions with related parties during the period are as follows:

Name of Company and relationship	Nature of Transaction	(Un-audited)	
		Six-month period ended	
		31 Dec. 2023	31 Dec. 2022
		Rs. "000"	Rs. "000"
Nimir Resins Limited - Subsidiary	Sale of goods	134,142	138,885
	Purchase of goods	3,350	2,869
	Services acquired	2,815	2,559
	Services provided	3,633	3,302
	Other expenses reimbursement-net	307	5,358
Nimir Overseas LLC - Subsidiary	Sale of goods	366,069	-
Nimir Chemcoats Limited - Associated Company	Purchase of goods	837	21,043
Nimir Energy Limited - Associated Company	Purchase of goods	-	13,964
Nimir Chemicals Pakistan Limited - Associated Company	Sale of goods	5,540	13,843
Key Management Personnel	Managerial Remuneration	177,012	146,136
	Other Benefits	68,285	61,610
Staff retirement benefits	Contribution to gratuity fund	14,000	3,200

20 GENERAL

20.1 Figures have been rounded off to the nearest thousand rupee, unless otherwise stated.

20.2 Corresponding figures have been rearranged/reclassified, wherever necessary, for the purpose of better presentation. However no significant rearrangement or reclassification has been made during the period ended December 31, 2023.

21 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

21.1 After the period-end, on January 17, 2024, the Honourable Lahore High Court approved the scheme of arrangement by a subsidiary of the Company, Nimir Management (Private) Limited (NMPL), where in the NMPL has been dissolved without winding up and it has transferred and distributed all its assets, after discharging its liabilities, to its shareholder. Furthermore, NICL has also distributed the shares held by it (including the shares transferred by NMPL) to its shareholders in proportion to their shareholding in NICL. As a result of this, Nimir Resins Limited ceased to be a subsidiary of NICL w.e.f. February 13, 2024.

21.2 The Board of Directors of the Company in its meeting held on February 23, 2024 has recommended interim cash dividend at 10% i.e Rs. 1 per share. These financial statements do not reflect this appropriation.

22 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized by the Board of Directors of the Company for issue on Friday, February 23, 2024.


Chief Executive Officer


Director


Chief Financial Officer



16

Financial Statements Consolidated

FOR THE HALF YEAR ENDED
DECEMBER 31, 2023

Consolidated Condensed Interim Statement Of Financial Position

AS AT 31 DECEMBER 2023

Note	Unaudited	Audited
	31 December 2023	30 June 2023
	Rs."000"	Rs."000"
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	5 14,352,624	14,555,033
Intangible assets	21,690	29,824
Long term deposits	63,846	63,120
	14,438,160	14,647,977
CURRENT ASSETS		
Store and spares	838,097	838,453
Stock-in-trade	6 11,448,212	10,119,407
Trade receivables	7 7,306,716	6,625,642
Loans and advances	127,466	163,147
Trade deposits and short-term prepayments	88,587	2,476
Other receivables	81,498	231,057
Tax refunds due from the Government	2,411,444	2,644,113
Cash and bank balances	479,742	351,577
	22,781,762	20,975,872
TOTAL ASSETS	37,219,922	35,623,849
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital (145 million ordinary shares of Rs. 10 each)	1,450,000	1,450,000
Issued, subscribed and paid up capital	1,105,905	1,105,905
Revenue reserves - unappropriated profits	7,579,738	7,275,995
Exchange translation reserve - foreign investment	(153)	163
Non-controlling interest	1,612,997	1,523,216
	10,298,487	9,905,279
NON CURRENT LIABILITIES		
Long term loans	8 4,827,635	5,234,620
Lease liabilities	71,679	82,392
Net defined benefit liability - funded gratuity	260,186	242,497
Deferred tax liability	921,514	1,003,925
Deferred grant	642,969	730,544
	6,723,983	7,293,978
CURRENT LIABILITIES		
Trade and other payables	1,859,475	2,977,376
Contract liabilities	81,143	195,848
Mark up accrued	835,985	678,169
Unclaimed dividend	14,871	13,165
Short-term borrowings	9 16,146,229	13,147,749
Current maturity of long-term loans	8 1,052,948	1,188,445
Current maturity of lease liabilities	29,738	42,388
Current maturity of deferred grant	177,063	181,452
	20,197,452	18,424,592
CONTINGENCIES AND COMMITMENTS	10 -	-
TOTAL EQUITY AND LIABILITIES	37,219,922	35,623,849

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim Statement Of Profit Or Loss

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

Note	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Revenue from contracts with customers - gross	30,338,656	31,932,357	14,480,846	14,401,925
Less: Sales tax, trade discounts	(4,624,043)	(4,555,190)	(2,236,978)	(2,078,053)
Revenue from contracts with customers - net	11 25,714,613	27,377,167	12,243,868	12,323,872
Cost of sales	12 (22,136,361)	(24,939,262)	(10,602,563)	(11,246,270)
Gross profit	3,578,252	2,437,905	1,641,305	1,077,602
Distribution costs	13 (317,495)	(233,576)	(153,704)	(118,409)
Administrative and selling expenses	(366,667)	(257,004)	(193,105)	(126,760)
	(684,162)	(490,580)	(346,809)	(245,169)
Operating profit	2,894,090	1,947,325	1,294,496	832,433
Other expenses	(83,896)	(30,840)	(51,258)	(2,049)
Other income	217,818	109,879	83,862	82,408
Finance cost	14 (2,142,132)	(1,536,892)	(1,121,690)	(814,217)
Profit before taxation	885,880	489,472	205,410	98,575
Taxation	15 (271,174)	(118,543)	(43,221)	37,345
Profit for the period	614,706	370,929	162,189	135,920
Attributable to:				
Equity holders of the parent	524,925	343,012	128,519	118,735
Non-controlling interests	89,781	27,917	33,670	17,185
	614,706	370,929	162,189	135,920
Earnings per share - basic and diluted	4.75	3.10	1.47	1.07

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

	Half year ended		Quarter ended	
	31 DEC. 2023	31 DEC. 2022	31 DEC. 2023	31 DEC. 2022
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Profit for the period	614,706	370,929	162,189	135,920
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operation	(316)	-	(158)	-
Total comprehensive income for the period	614,390	370,929	162,031	135,920
Attributable to:				
Equity holders of the parent	524,609	343,012	128,361	118,735
Non-controlling interests	89,781	27,917	33,670	17,185
	614,390	370,929	162,031	135,920

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

Consolidated Condensed Interim Statement of Changes in Equity

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

	Capital	Revenue	Exchange translation reserve-foreign investment	Non-controlling interest	Total
	Issued, subscribed and paid up share capital	Unappropriated profit			
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Balance as at July 01, 2022 (audited)	1,105,905	5,498,106	-	1,253,269	7,857,280
Profit for the period	-	343,012	-	27,917	370,929
Other comprehensive income	-	-	-	-	-
	-	343,012	-	27,917	370,929
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1.5 per share	-	(165,886)	-	-	(165,886)
Balance as at December 31, 2022 (un-audited)	1,105,905	5,675,232	-	1,281,186	8,062,323
Balance as at July 01, 2023 (audited)	1,105,905	7,275,995	163	1,523,216	9,905,279
Profit for the period	-	524,925	-	89,781	614,706
Other comprehensive income	-	-	(316)	-	(316)
	-	524,925	(316)	89,781	614,390
Final dividend for the year ended 30 June 2023 at the rate of Rs. 2 per share	-	(221,182)	-	-	(221,182)
Balance as at December 31, 2023 (un-audited)	1,105,905	7,579,738	(153)	1,612,997	10,298,487

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

	Half year ended	
	31 DEC. 2023	31 DEC. 2022
	Rs. "000"	Rs. "000"
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	885,880	489,472
Adjustments for		
Depreciation	487,650	308,389
Amortization of Intangible Asset	8,134	5,380
Gain on disposal of property, plant and equipment	(73,616)	(1,596)
Finance cost	2,119,028	1,519,454
Amortization of deferred grant	(91,964)	(67,230)
Exchange loss - unrealized	(15,169)	448
Provision for obsolescence of stock	4,250	-
Expected credit loss on trade debts	5,830	-
Provision for gratuity	39,690	26,119
Workers' profit participation fund	45,047	26,587
Workers' welfare fund	17,643	10,407
	2,546,523	1,827,958
Profit before working capital changes	3,432,403	2,317,430
Effect on cash flow due to working capital changes:		
Increase / (decrease) in current assets		
Store and spares	356	(176,601)
Stock in trade	(1,297,827)	726,103
Trade receivables	(189,645)	409,616
Loans and advances	35,999	(28,547)
Trade deposits and short term prepayments	(85,499)	(21,264)
Other receivables	163,121	77,028
Tax refunds due from the Government	508,828	(477,969)
	(864,667)	508,366
(decrease) / Increase in current liabilities		
Creditors, accrued and other liabilities	(1,456,977)	276,570
Contract liabilities	(122,652)	68,077
	(1,579,629)	344,647
Cash (used in) / generated from operations	988,107	3,170,443
Contribution (to) / from gratuity fund	(22,000)	15,140
Finance costs paid	(1,869,249)	(1,232,768)
Income taxes paid	(638,840)	(645,947)
Long-term deposits	-	(4,030)
Workers' welfare fund paid	(57,810)	(12,681)
Workers' profit participation fund paid	(180,885)	(165,124)
Net cash (used in) / generated from operating activities	(1,780,677)	1,125,033
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(102,112)	(67,800)
Addition in capital work-in-progress	(209,945)	(1,597,956)
Decrease in long-term deposits - net	(726)	-
share deposit money repaid	-	(2,000)
Loan received from NRL	-	2,000
Proceeds from sale of property and equipment	105,104	2,786
Net cash used in investing activities	(207,679)	(1,662,970)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term loan	(634,447)	(317,415)
Increase in deferred liabilities	-	425,000
Long-term loans obtained	-	900,000
Dividend paid	(219,475)	(165,029)
Repayment of lease liabilities	(28,038)	(18,495)
Short-term borrowings - net	2,998,481	(287,980)
Net cash generated from financing activities	2,116,521	536,081
Net increase in cash and cash equivalents	128,165	(1,856)
Cash and cash equivalents at the beginning of the period	351,577	284,936
Cash and cash equivalents at the end of the period	479,742	283,080

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

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

Parent (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:	11.64%
• 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. 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, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan.
Head Office	Nimir House, 122-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 December 17, 1964 as a private limited Company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited Company on August 19, 1991 with the name of Nimir Resins Limited. The name of the Company was changed to Descon Chemicals Limited on April 1, 2010 when the Company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group 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 April 18, 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-Sheikhpura Road, Lahore, Pakistan
Plant 2	14.8 Km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, 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 Group of NRL.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2 These consolidated condensed interim financial statements do not include all the information and the disclosures required in the annual financial statements and should be read in conjunction with consolidated annual audited financial statements of the Group for the year ended June 30, 2023.

Comparative consolidated condensed interim statement of financial position is stated from consolidated annual audited financial statements as of June 30, 2023, whereas comparatives for consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are extracted from consolidated condensed interim financial statements of the Group for the six months ended December 31, 2022.

- 2.3 These consolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. The condensed interim consolidated financial statements of the Group are prepared separately.

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

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2023.

Provision in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation in these consolidated condensed interim financial statements are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

- 4.1 The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the Groups consolidated financial statements for the year ended June 30, 2023.

4.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

4.2.1 Amendments to published accounting and reporting standards which became effective during the period:

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

These amendments had no effect on the unconsolidated condensed interim financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

4.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

5 PROPERTY, PLANT AND EQUIPMENT	(Unaudited)	(Audited)
	31 December 2023	30 June 2023
	Rs. "000"	Rs. "000"
Operating fixed assets - owned assets	14,140,729	14,232,677
Right-of-use assets	85,832	104,695
Capital work in progress	126,063	217,661
	<u>14,352,624</u>	<u>14,555,033</u>

Following are the additions / transfers and disposals (at net book value) in the operating fixed assets and right- of-use assets:

	(Un-Audited)		(Audited)	
	Additions/ Transfers 31 Dec. 2023	Disposals 31 Dec. 2023	Additions/ Transfers 30 June. 2023	Disposals 30 June 2023
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
5.1 Operating fixed assets - owned assets				
Building on free hold land	28,488	-	1,008,950	-
Plant and machinery	282,539	(17,456)	7,730,032	(864)
Furniture and fittings	1,493	-	18,675	-
Office and factory equipment	56,388	(32)	164,244	(213)
IT & Computer Equipment	19,077	-	-	-
Vehicles - owned	1,669	-	9,854	(227)
	<u>389,654</u>	<u>(17,488)</u>	<u>8,931,755</u>	<u>(1,304)</u>
5.2 Right-of-use assets				
Vehicles - Leased	4,674	-	33,752	-
	<u>394,328</u>	<u>(17,488)</u>	<u>8,965,507</u>	<u>(1,304)</u>
5.3 Capital work in progress				

Following are the additions / transfers in the capital work-in-progress:

	(Un-Audited)		(Audited)	
	Additions during the period 31 Dec. 2023	Transfers to fixed assets 31 Dec. 2023	Additions during the year 30 June. 2023	Transfers to fixed assets 30 June 2023
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Building on free-hold land	30,604	36,196	986,370	986,370
Plant and machinery	188,833	274,839	1,059,237	7,713,260
Others	-	-	9,123	32,750
	<u>219,437</u>	<u>311,035</u>	<u>2,054,730</u>	<u>8,732,380</u>

6 STOCK-IN-TRADE	(Unaudited)	(Audited)
	31 December 2023	30 June 2023
	Rs. "000"	Rs. "000"
Raw and packing material (In hand & in transit)	8,414,181	6,366,110
Finished goods	3,077,214	3,777,373
Solar panel purchased for resale to Nimir Energy Limited	-	14,857
	<u>11,491,395</u>	<u>10,158,340</u>
Less: Provision for obsolescence	(43,183)	(38,933)
	<u>11,448,212</u>	<u>10,119,407</u>

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF-YEAR ENDED DECEMBER 31, 2023 (Un-audited)

7	TRADE RECEIVABLES	Note	(Unaudited)	(Audited)
			31 December 2023	30 June 2023
			Rs. "000"	Rs. "000"
	Considered good-unsecured			
	Due from customers		7,305,706	6,709,866
	Due from associates		123,316	32,252
			7,429,022	6,742,118
	Allowance for expected credit losses		(122,306)	(116,476)
			7,306,716	6,625,642

8	LONG-TERM LOANS	Note	(Unaudited)	(Audited)
			31 December 2023	30 June 2023
			Rs. "000"	Rs. "000"
	Term Finance	8.1	2,226,501	2,665,347
	Term Finance - under temporary economic refinance facility	8.2	3,620,138	3,718,775
	Term Finance - under financing scheme for renewable energy	8.3	20,000	25,000
	Loan from directors / sponsors - unsecured	8.4	13,944	13,943
			5,880,583	6,423,065
	Mark up accrued		94,396	140,550
			5,974,979	6,563,615
	Current maturity of term finance		(725,834)	(696,462)
	Current maturity under temporary economic refinance facility		(327,114)	(491,983)
			(1,052,948)	(1,188,445)
			4,922,031	5,375,170
	Less: Mark up accrued shown under current liabilities		(94,396)	(140,550)
			4,827,635	5,234,620

- 8.1** 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.
- 8.2** 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 instalments 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).
- 8.3** 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 instalments 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.
- 8.4** 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.

9	SHORT-TERM BORROWINGS	Note	(Unaudited)	(Audited)
			31 December 2023	30 June 2023
			Rs. "000"	Rs. "000"
	Running finance			
	Local bills discounting	9.1	2,341,163	2,215,060
	Finance against trust receipts	9.1	782,194	743,171
	Short term loan	9.1	13,022,872	10,037,756
	Allowance for expected credit losses		-	151,761
			16,146,229	13,147,748

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

- 9.1** The aggregate limit of short term finance facilities available from various financial institutions (including commercial banks) at period end is Rs.28,955 million (June 30, 2023: Rs.23,855 million).

The limit of running finance facilities amounts to Rs. 4,375 million (June 30, 2023: Rs. 3,825 million). The rate of markup ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (June 30, 2023: 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap). The limit of local bills discounting and finance against trust receipts amounts to Rs. 24,580 million (June 30, 2023: Rs. 20,030 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 25 bps to 50 bps (June 30, 2023: 1 month KIBOR to 3 months KIBOR + 50 bps) and 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap (June 30, 2023: 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap) respectively. These facilities are secured against joint pari passu charge and ranking hypothecation over present and future current assets of the Group and lien over title of imported goods.

The unutilized facility for letters of credit, bank guarantees, running finance, local bills discounting as on 31 December, 2023 amounts to Rs. 10,353 million (June 30, 2023: Rs. 9,871 million).

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingent liabilities

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2023.

10.2 Commitments

There is no material change in the commitments since the last audited financial statements for the year ended June 30, 2023.

11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	(Unaudited)		(Unaudited)	
	Half year ended		Quarter ended	
	31 DEC. 2023	31 DEC. 2022	31 DEC. 2023	31 DEC. 2022
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Gross revenue	30,338,656	31,932,357	14,480,846	14,401,925
Less:				
Discount	(192,313)	(82,226)	(79,718)	(79,325)
Sales tax	(4,431,730)	(4,472,964)	(2,157,260)	(1,998,728)
	(4,624,043)	(4,555,190)	(2,236,978)	(2,078,053)
	<u>25,714,613</u>	<u>27,377,167</u>	<u>12,243,868</u>	<u>12,323,872</u>
12 COST OF SALES				
Opening stock of finished goods	3,777,373	10,110,345	2,635,817	2,330,104
Cost of goods manufactured	21,436,202	24,213,158	11,035,296	18,300,407
	25,213,575	34,323,503	13,671,113	20,630,511
Closing stock of finished goods	(3,077,214)	(9,384,241)	(3,068,550)	(9,384,241)
	<u>22,136,361</u>	<u>24,939,262</u>	<u>10,602,563</u>	<u>11,246,270</u>
13 DISTRIBUTION COSTS				
Salaries, wages and benefits	81,011	55,224	39,140	26,247
Depreciation	4,722	3,990	2,352	2,208
Repairs and maintenance	1,308	1,097	944	466
Traveling, conveyance and entertainment	15,702	10,889	8,237	7,408
Communications	1,344	767	1,078	299
Insurance	3,431	3,316	1,683	2,071
Printing and stationery	311	142	87	46
Freight outward	182,388	129,100	85,967	62,929
Packing, carriage and forwarding	22,277	21,672	10,031	11,374
Dues, fees and subscription	2,997	3,318	2,880	2,227
Other expenses	1,373	3,300	1,010	2,741
Rent, rates and taxes	18	309	-	163
Utilities	613	452	295	230
	<u>317,495</u>	<u>233,576</u>	<u>153,704</u>	<u>118,409</u>

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF-YEAR ENDED DECEMBER 31, 2023 (Un-audited)

17 OPERATING SEGMENT INFORMATION

	Rs. '000"											
	Oleo Chemicals and Chlor Alkali		Coating, Emulsion and Resins		Other Segments		Inter segment eliminations		Total			
	Six-month period ended 2023	2022	Six-month period ended 2023	2022	Six-month period ended 2023	2022	Six-month period ended 2023	2022	Six-month period ended 2023	2022	Six-month period ended 2023	2022
Revenue from contracts with customers-net	21,618,657	22,923,937	4,599,517	4,594,984	-	-	(503,561)	(141,754)	25,714,613	27,377,167	(22,136,301)	(24,939,262)
Cost of sales	(18,656,730)	(20,845,034)	(4,041,911)	(4,231,186)	-	-	562,280	136,958	(22,136,301)	(24,939,262)	3,578,252	2,437,905
Gross profit	2,961,927	2,078,903	557,606	363,798	-	-	58,719	(4,796)	3,578,252	2,437,905	(83,896)	(30,840)
Distribution cost	(253,832)	(183,635)	(63,816)	(49,941)	-	-	153	-	(317,495)	(233,576)	(366,667)	(257,004)
Administrative expenses	(291,219)	(210,126)	(75,114)	(47,069)	(245)	(108)	(89)	299	(366,667)	(257,004)	2,894,090	1,947,325
Operating profit / (loss)	2,416,876	1,685,142	418,676	266,788	(245)	(108)	58,783	(4,497)	2,894,090	1,947,325	(83,896)	(30,840)
Other expenses	(58,362)	(25,301)	(25,534)	(5,539)	-	-	-	-	(83,896)	(30,840)	217,818	109,879
Other income	189,869	94,960	29,648	15,744	-	-	(1,699)	(825)	217,818	109,879	(2,142,132)	(1,536,892)
Financial cost	(1,918,187)	(1,324,315)	(223,945)	(212,577)	-	-	-	-	(2,142,132)	(1,536,892)	885,880	489,472
Profit before taxation	630,196	430,486	198,845	64,416	(245)	(108)	57,084	(5,322)	885,880	489,472	(271,175)	(118,543)
Taxation	(216,878)	(97,671)	(72,466)	(19,564)	22,636	-	(4,466)	(1,308)	(271,175)	(118,543)	614,705	370,929
Profit after taxation	413,318	332,815	126,379	44,852	22,391	(108)	52,618	(6,630)	614,705	370,929	(Un-audited)	35,623,847
Segment assets	32,338,100	31,865,930	6,134,672	5,453,055	291,855	269,763	(1,544,705)	(1,964,899)	37,219,922	(Audited)	26,921,435	25,718,567
Segment liabilities	24,285,645	24,005,927	2,983,445	2,424,528	90	388	(347,745)	(712,275)	26,921,435	(Un-audited)	(Un-audited)	(Un-audited)

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

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF-YEAR ENDED DECEMBER 31, 2023 (Un-audited)

14 FINANCE COST	(Unaudited)		(Unaudited)	
	Half year ended		Quarter ended	
	31 DEC. 2023	31 DEC. 2022	31 DEC. 2023	31 DEC. 2022
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Mark-up on				
Long-term loans	458,930	147,152	222,138	56,976
Short-term borrowings	1,646,599	1,361,831	883,543	744,334
Diminishing musharaka finance	-	3	-	-
Financial charges on lease	8,438	8,570	3,714	4,679
LC discounting charges	360	1,897	73	610
Bank charges, fee and commission	27,805	17,439	12,222	7,618
	<u>2,142,132</u>	<u>1,536,892</u>	<u>1,121,690</u>	<u>814,217</u>
15 TAXATION				
Current	354,701	127,293	118,160	(898)
Deferred tax	(83,527)	(8,750)	(74,939)	(36,447)
	<u>271,174</u>	<u>118,543</u>	<u>43,221</u>	<u>(37,345)</u>
16 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders (Rs. "000")	524,925	343,012	162,189	118,735
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share (Rs.)	4.75	3.10	1.47	1.07

18 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated Companies, directors and key management personnel. Transactions with related parties during the period are as follows:

Name of Group and relationship	Nature of Transaction	(Unaudited)	(Unaudited)
		31 December 2023	31 December 2022
		Rs. "000"	Rs. "000"
Nimir Chemcoats Limited - Associated Group	Sale of goods	132,906	15,937
	Purchase of goods	43,153	65,351
	Services acquired	1,625	1,339
	Other expenses reimbursement-net	842	238
Nimir Energy Limited - Associated Group	Sale of goods	145,738	105,769
	Other expenses reimbursement-net	-	4
Nimir Chemicals Pakistan Limited - Associated Group	Sales of goods	5,540	13,843
Key Management Personnel	Managerial Remuneration	230,040	184,028
	Other Benefits	79,631	72,193
Staff retirement benefits	Contribution to gratuity fund	23,790	9,320

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand rupee, unless otherwise stated.

19.2 Corresponding figures have been rearranged/reclassified, wherever necessary, for the purpose of better presentation. However no significant rearrangement or reclassification has been made during the period ended December 31, 2023.

20 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

20.1 After the period-end, on January 17, 2024, the Honourable Lahore High Court approved the scheme of arrangement by a subsidiary of the Company, Nimir Management (Private) Limited (NMPL), where in the NMPL has been dissolved without winding up and it has transferred and distributed all its assets, after discharging its liabilities, to its shareholder. Furthermore, NICL has also distributed the shares held by it (including the shares transferred by NMPL) to its shareholders in proportion to their shareholding in NICL. As a result of this, Nimir Resins Limited ceased to be a subsidiary of NICL w.e.f. February 13, 2024.

20.2 The Board of Directors of the Company in its meeting held on February 23, 2024 has recommended interim cash dividend at 10% i.e Rs. 1 per share. These financial statements do not reflect this appropriation.

21 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized by the Board of Directors of the Group for issue on Friday, February 23, 2024.



Chief Executive Officer



Director



Chief Financial Officer



NIMIR

Nimir Industrial Chemicals Limited
14.8 Km., Sheikhpura Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.

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E-Brochure



Corporate Video