NIMIR

TRANSFORMING FOR A SUSTAINABLE FUTURE

ANNUAL REPORT 2024

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

BDO EBRAHIM & 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 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 / Plant 1

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

Plant 2

B -233 & 234 LIEDA, Hub Industrial Trading Estate,
Hub, District Lasbela, Balochistan

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 ("NICL"), it is my privilege to present NICL's Annual Report, highlighting the company's performance and achievements for the fiscal year ended 30 June, 2024.

This year has been marked by significant challenges, including market volatility, weakened consumer demand due to inflation, and ongoing global economic uncertainties. Despite these hurdles, Pakistan's economy is beginning to show signs of macroeconomic stability, providing a more optimistic outlook for the future. NICL remains resilient and committed to delivering value while contributing to the socio-economic development of the country.

We are proud of the strategic investments made this year, particularly in expanding our footprint in the southern region of Pakistan. This expansion positions NICL for further growth and opens new avenues for market penetration. Additionally, our ongoing focus on environmental, social, and corporate governance (ESG) practices ensures that we maintain high operational standards while striving for long-term sustainability.

Looking ahead, NICL is well-positioned to navigate the challenges that lie ahead and capitalize on emerging opportunities. We aim to strengthen our competitive position by expanding manufacturing capabilities, fostering innovation, and growing market share. While we expect some economic relief from a more stable policy environment and easing inflation, we remain mindful of continued headwinds such as import constraints, energy tariffs, and heightened taxation. Nonetheless, NICL's Board and management are committed to driving operational efficiencies, controlling costs, and pursuing new growth avenues, including exports and strategic partnerships.

On behalf of the Board, I would like to express my sincere gratitude to our management, employees, suppliers, customers, and all other stakeholders for their unwavering support. We look forward to continuing our journey of progress and prosperity in the years to come. Ameen.

Muhammad Saeed uz Zaman
Chairman
Lahore, September 19, 2024

CEO’s Message

Valued Stakeholders

This year presented considerable challenges, with inflation consistently above 30%, particularly affecting food prices. Consumers were compelled to prioritize basic food products, often shifting towards lower-tier, more affordable options to stay within their means. The discount rate also remained elevated at 22%, adding significant financial pressure on businesses. Despite these difficulties, the economy showed modest signs of recovery, achieving GDP growth of 2.5%, a notable improvement from the contraction of the previous year.

I am pleased to report that, despite a turbulent year marked by reduced consumer spending power and a strained economy, Nimir Industrial Chemicals Limited has maintained strong performance, with only a 4% decline in the top line compared to the previous year. My team and I have worked diligently to mitigate the impact of these challenges and sustain the company’s resilience.

Looking ahead to FY 2025, we foresee both opportunities and challenges. Macroeconomic conditions are expected to gradually stabilize, with easing inflationary pressures and the possibility of more accommodative monetary policies. However, uncertainties persist, particularly related to the growing impacts of climate change and ongoing geopolitical tensions.

One significant achievement for Nimir is the acquisition of the soap manufacturing facility in Hub from Procter & Gamble. This acquisition has not only secured additional business from P&G Pakistan but also enhanced our capacity to meet southern regional demand more efficiently, cutting logistics costs. Furthermore, the facility opens up new export opportunities through the seaport, positioning Nimir for expansion in both domestic and international markets.

My team and I remain committed to delivering the best possible results in FY 2025, with a continued focus on enhancing stakeholder value. We look forward to your unwavering support as we pursue our goals and navigate the complexities of the market in the coming year.

In terms of corporate social responsibility (CSR), our efforts are concentrated on critical areas such as education, health, the environment, and community development. We firmly believe that long-term stakeholder value is achievable through the thoughtful implementation of top-tier ESG initiatives.

I extend my sincere gratitude to our shareholders and stakeholders for their continued support throughout this challenging yet successful year. With your trust, we are confident in our path toward growth, profitability, and the long-term sustainability of our business, Insha’Allah.

Zafar Mahmood
Chief Executive Officer
Lahore, September 19, 2024

Accreditations

Empowering responsible supply chains

Sedex

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

RSPO

Roundtable on Sustainable Palm Oil

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.

BUREAU VERITAS Certification

UKAS QUALITY MANAGEMENT 008

Good Manufacturing Practices (GMP) in accordance with ISO 14001 : 2015 - Environment

BUREAU VERITAS Certification

UKAS QUALITY MANAGEMENT 008

Good Manufacturing Practices (GMP) in accordance with ISO 45001 : 2018 - Health & Safety

CONTROLUNION

Good Manufacturing Practices (GMP) in accordance with

ISO 22716 : 2007 - Guidelines for Cosmetics

CONTROLUNION

ISO 9001:2015 Certificatetion

(Quality Management System)

RENAISSANCE INSPECTION & CERTIFICATION AGENCY

حلال

HALAAL

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

OLOE-CHEMICALS

SOAP NOODLES

- Palm Bright 80:20
- Palm Bright 90:10
- Capella
- Soap Base

STEARIC ACID

- Triple Press
- Double Press

GLYCERINE

- BP Grade, Halal Certified

HYDROGENTATED OILS

DISTILLED FATTY ACID

THIRD PARTY MANUFACTURING SERVICES

TOILET SOAP BAR:

- Paper Wrapping
- BOPP Wrapping
- Flow Wrap
- Skillets
- Over-wrapping
- Bundling

AEROSOLS:

- Body Sprays
- Air Fresheners
- Insecticides
- Shaving Foam
- Spray Paints
- Industrial Cleaners
- Hair Sprays
- Home Hygiene

PERSONAL CARE LIQUIDS:

- Shampoos
- Hand Wash
- Face Wash
- Body Wash
- Lotion
- Hand Sanitzers
- Soft Creams

HOME CARE PRODUCTS:

- Toilet Cleaners
- Bath Cleaners
- Surface Cleaners
- Fabric Bleach
- Dish Bar & Scourer
- Liquid Detergent

CHLOR ALKALI

- CAUSTIC SODA
- LIQUID CHLORINE
- SODIUM HYPOCHLORITE
- HYDROCHLORIC ACID

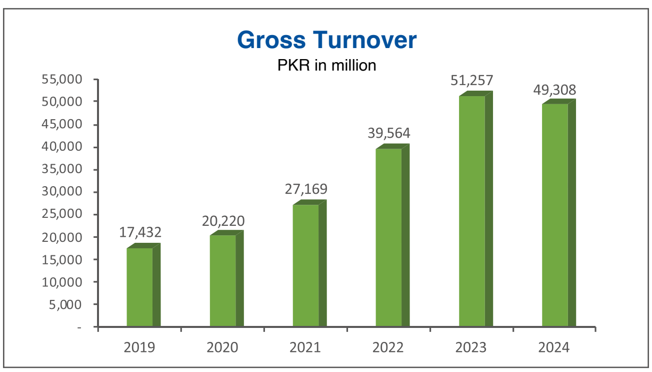
- CHLORINATED PARAFFIN WAX

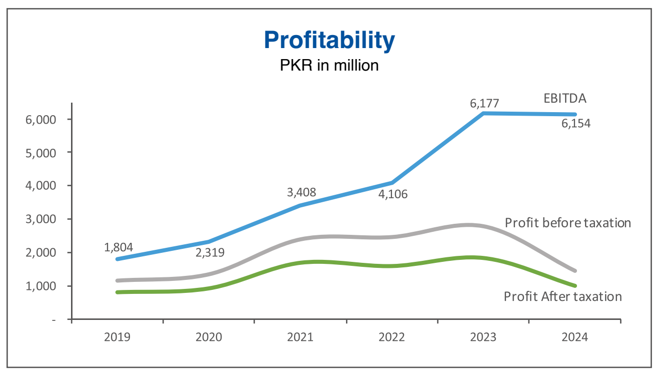
(Multiple grades ranging from
40% to 65% chlorine content)

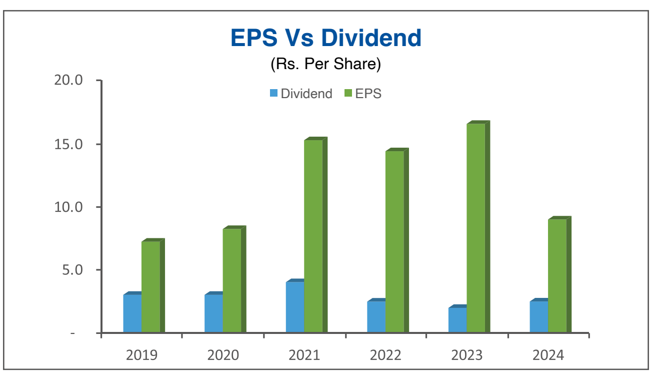
Our Performance

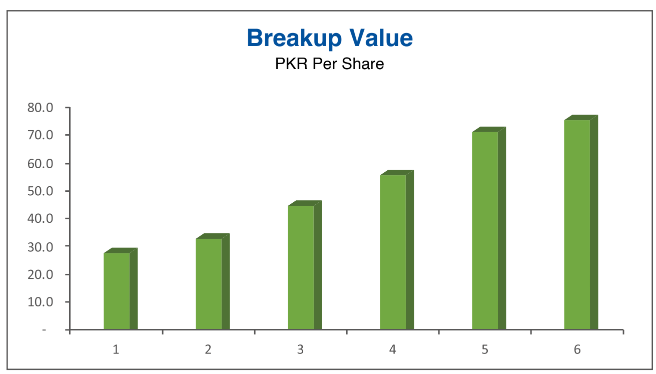
PKR"Million"

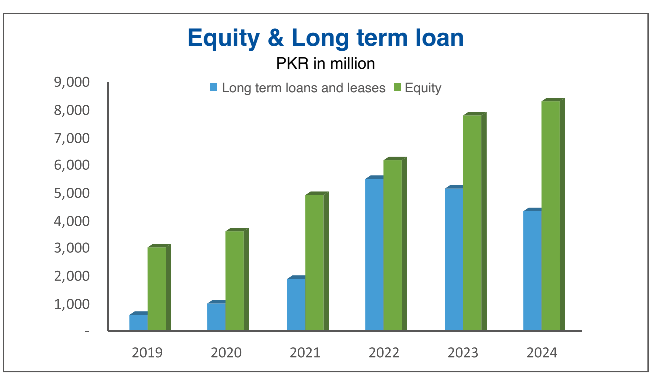
	2019	2020	2021	2022	2023	2024
Gross Turnover	17,432	20,220	27,169	39,564	51,257	49,308
Net Sales	14,850	17,173	23,094	33,786	43,826	41,925
Profit before taxation	1,159	1,349	2,397	2,466	2,790	1,453
Profit after Taxation	810	926	1,694	1,596	1,838	1,003
EBITDA	1,804	2,319	3,408	4,106	6,177	6,154
Long term loans and Leases	592	1,004	1,897	5,500	5,181	4,346
Equity	3,035	3,623	4,924	6,179	7,848	8,357
Current Assets	5,076	6,769	10,468	16,665	17,283	17,583
Current Liabilities	4,566	5,845	9,004	16,074	16,447	16,850
Current Ratio	1.11	1.16	1.16	1.04	1.05	1.04
Number of Shares (in Millions)	111	111	111	111	111	111
Breakup value per share - Rupees	27.4	32.8	44.5	55.9	71.0	75.6
Earning per share - Rupees	7.33	8.38	15.32	14.43	16.62	9.07
Dividend Per Share - Rupees	3.0	3.0	4.0	2.5	2.0	2.5

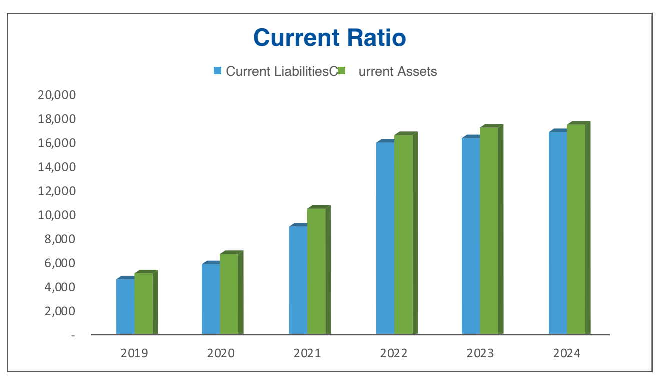








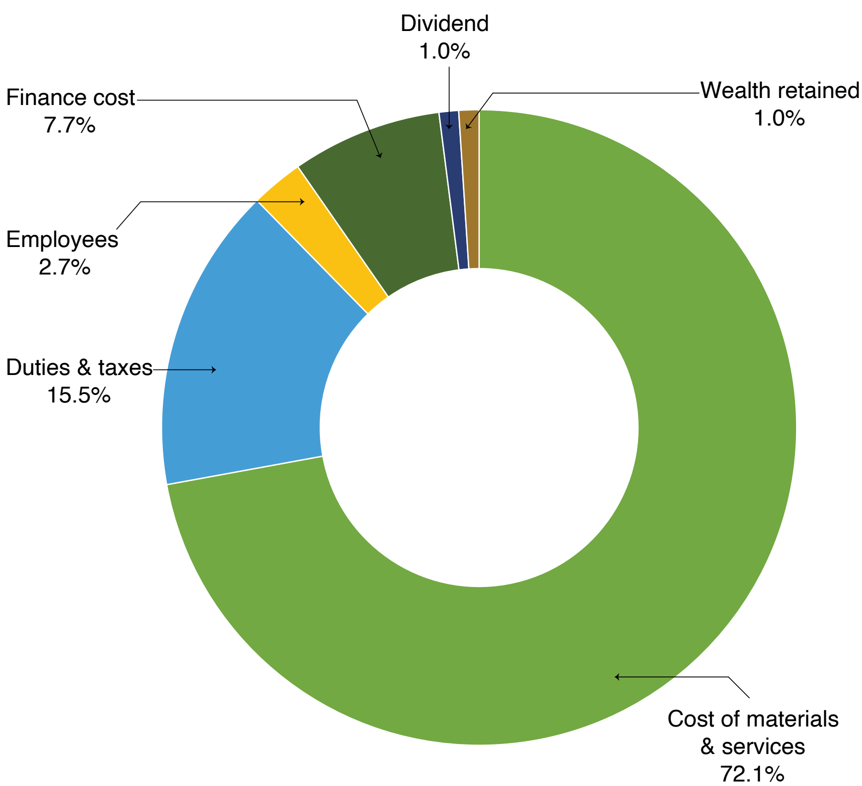




Wealth Generated and Distributed

FOR THE YEAR ENDED JUNE 2024

	2024	
	Rs in million	% age
Generation of Wealth		
Sales with sales Tax	49,308	99.4%
Other operating profit	305	0.6%
	49,613	100%
Distribution of Wealth		
Cost of materials & services	35,782	72.1%
Duties & taxes	7,713	15.5%
Employees	1,319	2.7%
Finance cost	3,796	7.7%
Dividend	494	1.0%
Wealth retained	509	1.0%
	49,613	100.0%



Year at A Glance 2024

	2023	2024
	Rupees in Million	
Gross Turnover	51,257	49,308
Gross Profit	6,413	6,178
Operating Profit	5,521	5,098
Finance Cost	2,699	3,796
Profit before taxation	2,790	1,453
Profit after taxation	1,838	1,003
EBITDA	6,177	6,154
Net Worth	6,179	7,848
Long Term Loans and Leases	5,500	5,181
Total Assets	29,258	31,425
Breakup value per share - Rupees	55.9	71.0
Earning per share - Rupees	14.4	16.6

04%
Decrease in Gross Turnover

04%
Decrease in Gross Profit

08%
Decrease in operating Profit

45%
Decrease in Profit after Tax

0.37%
Decrease in EBITDA

27%
Increase in Break Up Value

Key Operating & Financial Data for Last Six Years

	2019	2020	2021	2022	2023	2024
	Rupees in million					
Net Sales	14,850	17,173	23,094	33,786	43,826	41,925
Gross Profit	2,030	2,546	3,544	4,290	6,413	6,178
Operating Profit	1,733	2,177	3,046	3,685	5,521	5,098
Finance Cost	359	602	464	1,127	2,699	3,796
Profit before taxation	1,159	1,349	2,397	2,466	2,790	1,453
Profit after taxation	810	926	1,694	1,596	1,838	1,003
EBITDA	1,804	2,319	3,408	4,106	6,177	6,154
Paid-up Capital	1,106	1,106	1,106	1,106	1,106	1,106
Net Worth	3,035	3,623	4,924	6,179	7,848	8,357
Long Term Loans and Leases	592	1,004	1,897	5,500	5,181	4,346
Deffered Liabilities	322	376	444	1,506	1,948	1,734
Current Liabilities	4,566	5,845	9,004	16,074	16,447	16,850
Total Equity and Liabilities	8,514	10,849	16,269	29,258	31,425	31,287
Current Assets	5,076	6,769	10,468	16,665	17,283	17,583
Non Current Assets	3,438	4,079	5,801	12,593	14,142	13,703
Total Assets	8,514	10,849	16,269	29,258	31,425	31,287
Breakup value per share - Rupees	27.4	32.8	44.5	55.9	71.0	75.6
Earnings per share - Rupees	7.3	8.4	15.3	14.4	16.6	9.1
Current Ratio	1.11 : 1	1.16 : 1	1.16 : 1	1.04 : 1	1.05 : 1	1.04 : 1
Lont Terms Debt to Equity Ratio	16 : 84	22 : 78	28 : 72	47 : 53	40 : 60	34 : 66
Interest Coverage Ratio	4.22	3.24	6.17	3.19	2.03	1.38

Horizontal & Vertical Analysis

	2019	2020	2021	2022	2023	2024
			Rupees in million			
BALANCE SHEET						
Non Current Assets	3,438	4,079	5,801	12,593	14,142	13,703
Current Assets	5,076	6,769	10,468	16,665	17,283	17,583
TOTAL ASSETS	**8,514**	**10,849**	**16,269**	**29,258**	**31,425**	**31,287**
Share Capital and Reserves	3,035	3,623	4,924	6,179	7,848	8,357
Non Current Liabilities	913	1,381	2,341	7,006	7,129	6,080
Current Liabilities	4,566	5,845	9,004	16,074	16,447	16,850
TOTAL EQUITY AND LIABILITIES	**8,514**	**10,849**	**16,269**	**29,258**	**31,425**	**31,287**
PROFIT & LOSS ACCOUNT						
Sales- Net	14,850	17,173	23,094	33,786	43,826	41,925
Cost of Sales	12,821	14,626	19,550	29,495	37,412	35,747
Gross Profit	2,030	2,546	3,544	4,290	6,413	6,178
Distribution & Administration Cost	296	369	498	605	892	1,080
Operating Profit	1,733	2,177	3,046	3,685	5,521	5,098
Other Expenses/ (Income)	215	227	185	93	32	(151)
Finance Cost	359	602	464	1,127	2,699	3,796
Profit before Taxation	1,159	1,349	2,397	2,466	2,790	1,453
Taxation	349	423	702	870	952	450
Other Comprehensive Loss	3	6	7	9	2	0
Net Comprehensive income for the Year	**807**	**920**	**1,688**	**1,586**	**1,836**	**1,003**

Horizontal Analysis						Vertical Analysis					
2019	2020	2021	2022	2022	2024	2019	2020	2021	2022	2023	2024
percentages changes from last year						Percentage					
20.12	18.64	42.20	117.10	12.29	(3.10)	40.38	37.60	35.65	43.04	45.00	43.80
7.40	33.37	54.64	59.19	3.71	1.74	59.62	62.40	64.35	56.96	55.00	56.20
12.20	**27.42**	**49.96**	**79.84**	**7.40**	**(0.44)**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
16.06	19.39	35.90	25.48	27.02	6.48	35.65	33.40	30.27	21.12	24.98	26.71
30.64	51.16	69.58	199.25	1.77	(14.73)	10.73	12.73	14.39	23.94	22.69	19.43
6.82	28.01	54.05	78.52	2.32	2.45	53.63	53.88	55.34	54.94	52.34	53.86
12.20	**27.42**	**49.96**	**79.84**	**7.40**	**(0.44)**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
22.82	15.64	34.48	46.30	29.72	(4.34)	100.00	100.00	100.00	100.00	100.00	100.00
21.62	14.09	33.66	50.87	26.84	(4.45)	86.33	85.17	84.66	87.30	85.37	85.26
30.99	25.46	39.17	21.07	49.48	(3.67)	13.67	14.83	15.34	12.70	14.63	14.74
16.49	24.56	35.02	21.51	47.44	21.07	1.99	2.15	2.16	1.79	2.04	2.58
33.84	25.61	39.88	21.00	49.81	(7.66)	11.67	12.68	13.19	10.91	12.60	12.16
5.6	5.3	(18.4)	(50.0)	(65.8)	(575.9)	1.45	1.32	0.80	0.27	0.07	(0.36)
76.00	67.33	(22.86)	142.86	139.54	40.62	2.42	3.50	2.01	3.34	6.16	9.05
30.61	16.44	77.65	2.88	13.15	(47.92)	7.80	7.86	10.38	7.30	6.37	3.47
81.94	21.25	66.16	23.91	9.45	(52.74)	2.35	2.46	3.04	2.58	2.17	1.07
(23.94)	115.60	6.29	37.28	(76.68)	(92.97)	0.02	0.04	0.03	0.03	0.00	0.00
16.69	**14.00**	**83.41**	**(6.00)**	**15.70**	**(45.37)**	**5.44**	**5.36**	**7.31**	**4.70**	**4.19**	**2.39**

Directors' Report

The Board of Directors of Nimir Industrial Chemicals Limited (the "Company") is pleased to present the 31st Annual Report, along with the audited financial statements, for the year ended June 30, 2024.

Economic Overview

The fiscal year ended June 30, 2024, saw several economic and political challenges. Headline inflation consistently remained above 30%, with food inflation reaching even higher levels. This led consumers to prioritize essential food purchases, leaving minimal discretionary spending for household and non-essential goods. Additionally, the discount rate was held at a high 22% for most of the year, putting significant financial pressure on businesses. Despite these hurdles, GDP growth improved from below 1% in the previous year to 2.5%, largely driven by a healthy 5% growth in agricultural output. On the political front, general elections in February 2024 added a layer of uncertainty to the business environment.

Company Performance

Given the market conditions, the Company's financial results for the year are satisfactory. Key highlights for the year ended June 30, 2024, are as follows:

	2024	2023
	PKR Million	
Gross Sales	49,207	51,257
Gross Profit	6,178	6,413
Operating Profit	5,097	5,521
Profit After Taxation	1,837	1,837
Earning Per Share (PKR)	9.07	16.62

While sales turnover saw a modest decline of 4%, gross profit fell by the same margin. However, inflationary pressures significantly increased operating expenses, causing operating profit to drop by 8%. Despite these challenges, the Company managed to achieve an operating profit of PKR 5 billion. Unfortunately, a substantial rise in interest costs, exceeding PKR 1 billion, further impacted profitability, leading to a sharp 45% reduction in net income.

Future Outlook

The country's economic outlook is showing encouraging signs. Inflation, after reaching record highs, has now decreased to single digits, prompting the central bank to lower the discount rate from 22% to 17.5% in September 2024, with further reductions expected. On the political front, the new government is prioritizing economic recovery and has secured a long-term financing agreement with the IMF, which is expected to be finalized within the next 1-2 months. This deal is anticipated to bring much-needed stability and foster future growth, with the IMF projecting steady GDP growth over the next five years.

As inflation eases and the economy stabilizes, we expect the Company to return to its growth trajectory in the coming year, with lower discount rates further supporting profitability. Management remains committed to delivering strong performance and enhancing shareholder value, Insha'Allah.

Credit Rating

The Pakistan Credit Rating Agency (PACRA) has reaffirmed the Company's credit rating at A+ for the long term and A1 for the 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 22 to the accounts.

Board of Directors

The Board of Directors consists of nine members including CEO – Seven male and Two female. Out of these directors, three are executives 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 23-24, six (6) 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	6/6	–	1/1
Zafar Mahmood	6/6	–	1/1
Imran Afzal	6/6	–	–
Aamir Jamil	6/6	–	–
Javed Saleem Arif	6/6	4/4	–
Parveen Akhter Malik	6/6	–	1/1
Saqib Anjum	4/6	–	–
Abdul Jaleel Shaikhl	6/6	4/4	–
Humaira Shazia	6/6	4/4	–

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. The Audit and HR&R Committees play a pivotal role in identifying areas for improvement and recommending practical solutions.

Directors' Remuneration Policy

The remuneration of Executive Directors is governed by a formal policy approved by the Board in accordance with the Companies Act, 2017, and the Code of Corporate Governance. The fees for Non-Executive and Independent Directors for attending Board and Committee meetings are set by the Board periodically.

Corporate Governance

As per the Code of Corporate Governance included in the Listing Rules of the Pakistan Stock Exchange, the Board affirms the following:

- 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 is committed to continuously improving corporate governance and ensuring compliance with best practices, reviewing internal controls regularly in line with the 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 is committed to its social responsibility and the well-being of its community. In FY 2024, it spent PKR 35 million on improving local infrastructure, including classroom upgrades, installation of two R.O. plants for schools and residents of the locality, and solar energy system at local government schools in Bhikhi. Additionally, the Company, with the support of the local government, re-carpeted the railway level crossing in Sheikhupura.

The Company ensures environmentally 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 supports needy children of the employees for studies to promote education in the country.

Sustainability ESG

The Company recognizes the importance of and is committed to adhering to SECP's regulatory guidelines on ESG disclosure. Given the significant impact of ESG factors on investor confidence, financial stability, and overall business viability, integrating sustainability considerations into our operations will help mitigate risks, enhance our reputation, and offer sustainable products and services. This approach ultimately creates long-term value for all stakeholders.

Scheme of Arrangement

On February 12, 2024, the Honorable Lahore High Court sanctioned the "Scheme of Arrangement" involving Nimir Industrial Chemicals

Limited (NICL), Nimir Management Private Limited (NMPL), and Nimir Resins Limited (NRSL). NMPL was liquidated, and its assets distributed to shareholders after liabilities were settled. NICL also distributed NRSL shares to its shareholders, resulting in NRSL ceasing to be a subsidiary of NICL effective from February 12, 2024.

Subsidiary Companies

NICL previously held 51% of NMPL and 11.63% of NRSL. Following the Scheme of Arrangement, NICL no longer holds shares in any other companies.

Nimir Overseas LLC (100% owned) was incorporated in Uzbekistan in January 2023. However, due to disallowance of capital remittance by the State Bank of Pakistan, Nimir Overseas has begun liquidation.

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, M/s BDO Ebrahim & Co. - Chartered Accountant, who are retiring this year, have offered themselves for reappointment to the Management and Audit Committee. The Audit Committee has recommended the reappointment M/s M/s BDO Ebrahim & Co. - Chartered Accountant as external auditor of the Company for the year ending June 30, 2025.

Dividend / Bonus Shares

The Board has recommended a PKR 1.5 per share (i.e. 15%) final cash dividend for the year ended June 30, 2024. The Board had earlier declared and paid interim cash dividends totaling PKR 1 per share (i.e. 10%). The total cash dividend for the year remained PKR 2.5 per share (i.e. 25%).

Subsequent Event

Nimir Industrial Chemicals Limited has acquired control of the soap manufacturing facility in Hub – Baluchistan. This strategic move is set to elevate NICL's capacity to cater to the demand of its customers efficiently. Acquiring this facility marks a significant step in fortifying NICL's footprint in the South, while also enabling expanded exports through the seaport.

No material changes affecting the Company's financial position occurred between June 30, 2024, and the date of this report, other than those disclosed.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed. There was no trading in the shares of the Company by the Directors, Chief Executive, Chief Financial Officer, Company Secretary, Company 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

The Board thanks its stakeholders, including customers, banks, suppliers, contractors, shareholders, and regulators, for their continued support. We also extend our gratitude to the employees for their dedication and hard work throughout the year.

For and on behalf of the Board

Zafar Mahmood

Aamir Jamil

Lahore
September 19, 2024

ڈائریکٹرز رپورٹ

نمر انڈسٹریل کیمیکلز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز 30 جون 2024ء کو ختم ہونے والے مالی سال کے لئے 31 ویں سالانہ رپورٹ معہ نظرِ ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

اقتصادی جائزہ

30 جون 2024 کو ختم ہونے والے مالی سال میں کئی معاشی اور سیاسی مشکلات کا سامنا کرنا پڑا۔ ہیڈ لائن افراطِ زر مسلسل 30 فیصد سے زیادہ رہی اور غذائی افراط زر اس سے بھی زیادہ سطح پر پہنچ گئی۔ اس کی وجہ سے صارفین نے صرف ضروری خوراک کی خریداری کو ترجیح دی، گھریلو اور غیر ضروری اشیاء کے لئے کم سے کم صوابدیدی اخراجات رکھے گئے۔ مزید برآں، ڈسکاؤنٹ کی شرح سال کے زیادہ تر عرصہ میں 22 فی صد کی بلند ترین سطح پر رکھی گئی تھی، جس سے کاروباری اداروں پر نمایاں مالی دباؤ پڑا۔ ان رکاوٹوں کے باوجود جی ڈی پی کی شرح نمو گزشتہ سال سے ایک فیصد بڑھ کر 2.5 فیصد ہوگئی جس کی بڑی وجہ زرعی پیداوار میں 5 فیصد اضافہ ہے۔ سیاسی محاذ پر، فروری 2024 میں ہونے والے عام انتخابات نے کاروباری ماحول میں غیر یقینی کی ایک لہر کا اضافہ کیا۔

کمپنی کے کاروباری کارکردگی۔

مارکیٹ کے حالات کے مطابق، سال کے لئے کمپنی کے مالیاتی نتائج حوصلہ افزاء درج کئے گئے ہیں۔ 30 جون 2024 کو ختم ہونے والے سال کی اہم جھلکیاں مندرجہ ذیل ہے:

	2024	2023
	روپے ملین	
مجموعی فروخت آمدنی	51,257	39,564
مجموعی منافع	6,413	4,290
آپریٹنگ منافع	5,521	3,685
ٹیکس کے بعد منافع	1,838	1,596
فی حصص آمدنی	16.62	14.43

جبکہ سیلز ٹرن اوور میں 4 فیصد کی معمولی کمی دیکھی گئی، مجموعی منافع میں اسی مارجن سے کمی واقع ہوئی۔ تاہم، افراطِ زر کے دباؤ نے آپریٹنگ اخراجات میں نمایاں اضافہ کیا، جس کی وجہ سے آپریٹنگ منافع میں 8 فیصد کی واقع ہوئی۔ ان مشکلات کے باوجود، کمپنی 5 بلین روپے کا آپریٹنگ منافع حاصل کرنے میں کامیاب رہی۔ بدقسمتی سے سود کی لاگت میں 1 بلین روپے سے زائد اضافے سے منافع پر مزید اثر پڑا جس کی وجہ سے خالص آمدنی میں 45 فیصد کمی واقع ہوئی۔

مستقبل کا نقطہ نظر

ملک کا معاشی منظر نامہ حوصلہ افزاء دکھائی دے رہا ہے۔ افراطِ زر ریکارڈ بلند سطح پر پہنچنے کے بعد اب واحد عدد تک کم ہو گیا ہے، جس کی وجہ سے مرکزی بینک نے ستمبر 2024 میں ڈسکاؤنٹ شرح کو 22 فیصد سے کم کر کے 17.5 فیصد کرنے کا فیصلہ کیا ہے، جس میں مزید کمی متوقع ہے۔ سیاسی محاذ پر، نئی حکومت معاشی بحالی کو ترجیح دے رہی ہے اور آئی ایم ایف کے ساتھ ایک طویل مدتی فنانسنگ معاہدہ کیا ہے، جسے اگلے 2-1 ماہ میں حتمی شکل دیئے جانے کی توقع ہے۔ یہ توقع کی جاتی ہے کہ یہ معاہدہ انتہائی ضروری استحکام لائے گا اور مستقبل کی نمو کو فروغ دے گا، آئی ایم ایف نے اگلے پانچ سالوں میں مستحکم جی ڈی پی نمو کی پیش گوئی کی ہے۔

جیسا کہ افراطِ زر میں کمی اور معیشت مستحکم ہو رہی ہے، ہم توقع کرتے ہیں کہ کمپنی آئندہ سال میں اپنی ترقی کی راہ پر لوٹ آئے گی، کم ڈسکاؤنٹ شرح منافع کو مزید بہتر بنا دے گی۔ انتظامیہ مضبوط کارکردگی کی فراہمی اور شیئر ہولڈرز کی قدر میں اضافے کے لیے پُرعزم ہے۔ انشاءاللہ

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 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 22 پر درج، فنڈڈ گریجویٹی سکیم چلاتی ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز نو (9) ارکان پر مشتمل ہے بشمول سی ای او جس میں- 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)	چیئر مین
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)	چیئر پرسن
2۔ جناب محمد سعید الزمان	(نان ایگزیکٹو ڈائریکٹر)	رکن
3۔ جناب ظفر محمود	(ایگزیکٹو ڈائریکٹر)	رکن

مالی سال 24-23 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	6/6	-	1/1
ظفر محمود	6/6	-	1/1
عمران افضل	6/6	-	-
عامر جمیل	6/6	-	-
جاوید سلیم عارف	6/6	4/4	-
محترمہ پروین اختر	6/6	-	1/1
ثاقب انجم	4/6	-	-
عبدالجلیل شیخ	6/6	4/4	-
محترمہ حمیرا شازیہ	6/6	4/4	-

بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورنس (سی سی جی) اورکمپنیز ایکٹ 2017 کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی تشخیص کی گئی۔ بورڈ کی مدد ذیلی کمیٹیوں، یعنی آڈٹ کمیٹی اور ایچ آر اینڈ آر کمیٹی کے ذریعے کی جاتی ہے، اوران 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

ایگزیکٹوڈائریکٹرز 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

پاکستان 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 اپنی سماجی ذمہ داری اور اپنی کمیونٹی کی فلاح و بہبود کے لئے پُرعزم ہے۔ مالی سال 2024 میں اس نے مقامی بنیادی ڈھانچے کو بہتر بنانے پر 35 ملین روپے خرچ کیے، جس میں کلاس روم اپ گریڈ، علاقے کے رہائشیوں کے لئے دو آر او پلانٹس کی تنصیب اور بھکھی کے مقامی سرکاری اسکولوں میں شمسی توانائی کا نظام شامل ہیں۔ مزید برآں، کمپنی نے مقامی حکومت کے تعاون سے شیخوپورہ میں ریلوے لیول کراسنگ کو دوبارہ کارپٹ کیا ہے۔

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۔

پائیداری ESG

کمپنی ESG کے انکشاف پر SECP کی ریگولیٹری ہدایات پر عمل کرنے کی اہمیت کو تسلیم کرتی ہے اور اس پر عمل کرنے کے لئے پُرعزم ہے۔ سرمایہ کاروں کے اعتماد، مالی استحکام اور مجموعی کاروباری قابلیت پر ای ایس جی عوامل کے نمایاں اثرات کو دیکھتے ہوئے، ہمارے آپریشنز میں پائیداری کے خیالات کو مربوط کرنے سے خطرات کو کم کرنے، ہماری ساکھ کو بڑھانے اور پائیدار مصنوعات اور خدمات پیش کرنے میں مدد ملے گی۔ یہ نقطہ نظر بالآخر تمام اسٹیک ہولڈرز کے لئے طویل مدتی قدر پیدا کرتا ہے۔

انتظامات کی اسکیم

12 فروری 2024ء کو لاہور ہائی کورٹ نے نمر انڈسٹریل کیمیکلز لمیٹڈ (این آئی سی ایل)، نمر مینجمنٹ پرائیویٹ لمیٹڈ (این ایم پی ایل) اور نمر ریزنز لمیٹڈ (این آر ایس ایل) پر مشتمل "اسکیم آف انتظامات" کی منظوری دی۔ این ایم پی ایل کو ختم کر دیا گیا اور واجبات کے تصفیے کے بعد اس کے اثاثے شیئر ہولڈرز میں تقسیم کر دیے گئے۔ این آئی سی ایل نے اپنے شیئر ہولڈرز کو این آر ایس ایل کے حصص بھی تقسیم کیے جس کے نتیجے میں این آر ایس ایل 12 فروری 2024 سے این آئی سی ایل کا ماتحت ادارہ نہیں رہا۔

ذیلی کمپنیاں

نمر انڈسٹریل کیمیکلز لمیٹڈ جو کہ 51% شیئرز نمر مینجمنٹ پرائیویٹ لمیٹڈ میں رکھتی تھی اور 11.63% نمر ریزنز لمیٹڈ رکھتی تھی۔ انتظامات کی اسکیم کے بعد نمر انڈسٹریل کیمیکلز لمیٹڈ ان کمپنیوں میں شیئرز ہولڈر نہیں ہیں۔

نمر اوورسیز ایل ایل سی (100% ملکیتی) جنوری 2023 کو ازبکستان میں قائم کی گئی۔ تاہم، بینک دولت پاکستان کی طرف سے سرمایہ کی ترسیلات زر کی عدم اجازت کے باعث، نمر اوورسیز نے تحلیل کر دی۔

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 و خوض اور ان کی منظوری کے لئے بورڈ آف ڈائریکٹرز کے رُوبرو رکھے گئے۔

بیرونی محاسب

اس سال سبکدوش ہونے والے موجودہ محاسب میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ نے اہل ہونے کی بناء پر، مینجمنٹ اینڈ آڈٹ کمیٹی کو دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ کو کمپنی کے بیرونی آڈیٹر کے طور پر تقرری کی سفارش کی ہے۔

ڈیویڈینڈ/ بونس شیئرز

بورڈ نے 30 جون 2024ء کو ختم ہونے والے سال کے لئے -/1.5 روپے فی شیئر (یعنی 15%) حتمی نقد منافع کی سفارش کی ہے۔ بورڈ پہلے ہی عبوری نقد ڈیویڈینڈ کل -/1 روپے فی شیئر
(یعنی 10%) کا اعلان اور ادا کر چکا ہے۔ سال کے لئے کل نقد ڈیویڈینڈ -/2.5 روپے فی شیئر (یعنی 25%) رہا۔

بیلنس شیٹ کے بعد کے واقعات

نمر انڈسٹریل کیمیکلز لمیٹڈ نے حب بلوچستان میں صابن مینوفیکچرنگ سہولت کا کنٹرول حاصل کر لیا ہے۔ اس مؤثر اقدام سے این آئی سی ایل کی صلاحیت میں اضافہ ہوگا تا کہ وہ اپنے صارفین کی طلب کو مؤثر انداز میں پورا کر سکے۔ اس سہولت کا حصول جنوب میں این آئی سی ایل کے قدموں کو مضبوط بنانے کی سمت میں ایک اہم قدم ہے، جبکہ بندرگاہ کے ذریعے برآمدات میں توسیع کو بھی ممکن بناتا ہے۔

30 جون، 2024 اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلی نہیں ہوئی، ماسوائے جن کا انکشاف کیا گیا۔

نمونہءحصص داری

کمپنی کا نمونہءحصص 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 گذار 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

19 ستمبر 2024ء
لاہور

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

FOR THE YEAR ENDED JUNE 30, 2024

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. 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 - Nominee
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. All the directors had successfully completed their respective training under Directors' Training Program in prior years.

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. Mrs. 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, 2024.

   II. HR & Remuneration Committee

   One meeting(s) was held during the financial year ended June 30, 2024.

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, are below: Not Applicable

For Nimir Industrial Chemicals Limited

Muhammad Saeed uz Zaman
Chairman

Zafar Mahmood
Chief Executive Officer

Lahore
September 19, 2024

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CCG) REGULATIONS, 2019

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 June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

BDO Ebrahim & Co

BDO EBRAHIM & CO.
Chartered Accountants
Sajjad Hussain Gill
Lahore September 24, 2024

UDIN: CR2024100879VFlymJb6

Report on the Audit of the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2024

Introduction

We have audited the annexed financial statements of Nimir Industrial Chemicals Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, statement of other 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 material 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 other 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 June 30, 2024 and of the profit and other comprehensive loss, 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 Auditor's 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.

Key audit matters	How our audit addressed the key audit matter
1. Revenue Recognition	
As described in Note 7.13 and Note 31 to the 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 June 30, 2024, the Company generated net revenue of Rs. 41,925 million as compared to Rs. 43,825 million, which represents a decrease of 4.34% 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 design and implementation of internal controls relating to revenue recognition, credit control processes (credit limits), discount policies and on a sample basis, testing the effectiveness of those controls, particularly in relation to revenue recognition and timing; • Evaluating the appropriateness of the Company's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan; • Assessed IT general controls and application controls for effectiveness in processing revenue transactions; • Performed test of controls on identified controls to ensure that they are operating effectively; • Performed sequential testing of sales invoices to assess the completeness and accuracy of recorded revenue. This involved examining the numerical sequence of invoices to detect any gaps or duplicates, investigating any irregularities, and verifying that all invoices were accurately recorded within the financial year; • Examined supporting documentation for a sample of sales transactions, which involved verifying sales orders, invoices, goods dispatch notes, gate passes and conducting additional detailed procedures; • performed substantive analytical procedures to reconcile sales reported in the sales tax returns with those in the internal sales reports. This included comparing the figures, investigating any discrepancies, and ensuring that all sales were accurately recorded and properly reported for tax purposes; • Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and • Assessing the appropriateness and adequacy of the disclosures provided in Note 31 to the financial statements in accordance with relevant accounting standards;

2. Stock in trade	
As described in Note 13 to the financial statements, the Company's stock in trade includes items of raw-materials in hand and raw-materials in transit against which the rights and obligations have been transferred to the Company and the finished good items as at reporting date amounting to Rs. 8,986 million as compared to Rs. 8,218 million which represents 9.35% increase as compared to last year. We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Company. Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.	Our audit procedures amongst others included the following: • Obtained an understanding of the Company's processes and design and implementation of internal controls relating the purchase and recording on inventory and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on inventory; • Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets; • We evaluated the effectiveness of the Company's internal controls over inventory management across various stages of production. This included performing IT audit controls (ITAC) to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. We also verified that stock issuance rates were correctly calculated and that inventory was appropriately valued; • Performed substantive analytical procedures to reconcile stock issuance as per stock movement records with the amounts recorded in the trial balances. This involved investigating any discrepancies, including those related to interdepartmental issuances, and ensuring that consumption is accurately reflected in the financial statements; • Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; • Performing procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period. This help verifying that the costs associated with inventory were properly allocated to the correct accounting period. • Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the relevant accounting and reporting standards; and • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

Information Other than the Financial Statements and Auditor's 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 financial statements and our auditor's 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.

Auditor's 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 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 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.

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 and other 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.

Other Matter

The financial statements of the Company for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who vide their report dated October 02, 2023, expressed an unmodified opinion thereon.

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

BDO EBRAHIM & CO.
Chartered Accountants

Lahore
September 24, 2024
UDIN: AR202410087KXhNrOdkP

TRANSFORMING FOR A SUSTAINABLE FUTURE

Statement Of Financial Position

AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	13,657,328,169	13,849,351,955
Intangible assets	9	13,556,190	29,823,616
Investment in subsidiary	10	-	211,772,751
Long term deposits	11	32,558,910	36,104,972
		13,703,443,269	14,127,053,294
CURRENT ASSETS			
Stores, spare parts and loose tools	12	909,581,602	810,135,044
Stock-in-trade	13	8,985,998,685	8,217,932,687
Trade receivables	14	5,150,632,392	5,165,559,604
Loans and advances	15	57,602,446	126,281,422
Trade deposits and short-term prepayments		8,781,090	2,476,296
Other receivables	16	43,960,353	214,717,201
Tax refunds due from the Government	17	2,123,334,170	2,544,935,165
Cash and bank balances	18	303,170,209	215,624,955
		17,583,060,947	17,297,662,374
TOTAL ASSETS		31,286,504,216	31,424,715,668
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 145,000,000 (2023:145,000,000) shares of Rs. 10 each		1,450,000,000	1,450,000,000
Issued, subscribed and paid up capital	19	1,105,905,460	1,105,905,460
Revenue reserves - Accumulated profits		7,251,094,215	6,742,468,524
		8,356,999,675	7,848,373,984
NON CURRENT LIABILITIES			
Long term loans	20	4,232,130,664	5,130,676,832
Lease liabilities	21	113,724,575	50,402,024
Net defined benefit liability - Funded gratuity	22	231,948,925	200,405,387
Deferred tax liability	23	940,595,669	1,017,418,927
Deferred grant	24	561,117,033	730,544,244
		6,079,516,866	7,129,447,414
CURRENT LIABILITIES			
Trade and other payables	25	2,077,116,548	2,018,111,404
Contract liabilities	26	204,219,769	150,861,886
Unclaimed dividend		14,937,067	12,870,678
Short term borrowings	27	12,700,493,853	12,296,372,135
Current portion of non current liabilities	28	1,276,344,742	1,335,201,699
Mark up accrued	29	576,875,696	633,476,468
		16,849,987,675	16,446,894,270
TOTAL EQUITY AND LIABILITIES		31,286,504,216	31,424,715,668
CONTINGENCIES AND COMMITMENTS	30	-	-
		31,286,504,216	31,424,715,668

The annexed notes from 1 to 49 form and integral part of these financial statements.

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

Statement Of Profit Or Loss

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Revenue from contracts with customers - Gross		49,308,211,799	51,257,414,394
Less: Sales tax and trade discounts		(7,382,854,925)	(7,431,873,602)
Revenue from contracts with customers - Net	31	41,925,356,874	43,825,540,792
Cost of revenue	32	(35,747,348,048)	(37,412,329,076)
Gross profit		6,178,008,826	6,413,211,716
Distribution cost	33	(500,584,120)	(408,378,559)
Administrative expense	34	(579,540,257)	(483,794,292)
		(1,080,124,377)	(892,172,851)
Operating profit		5,097,884,449	5,521,038,865
Other expense	35	(153,712,949)	(209,998,863)
Other income	36	304,582,631	178,296,163
Finance cost	37	(3,795,851,002)	(2,699,351,262)
Profit before income tax and levy		1,452,903,129	2,789,984,903
Levy	38	(268,284,529)	(520,262,024)
Profit before income tax		1,184,618,600	2,269,722,879
Taxation	39	(181,744,041)	(432,072,561)
Profit after income tax		1,002,874,559	1,837,650,318
Earnings per share - Basic and diluted	40	9.07	16.62

The annexed notes from 1 to 49 form and integral part of these financial statements.

Statement Of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Profit after income tax		1,002,874,559	1,837,650,318
Other comprehensive loss			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plan			
Deferred tax	22.7	(246,007)	(8,173,282)
Remeasurement losses on defined benefit plan - Net		95,943	3,187,580
		(150,064)	(4,985,702)
Effect of change in tax rate on:			
Remeasurement on defined benefit obligation		-	2,853,165
		(150,064)	(2,132,537)
Total comprehensive income for the year		1,002,724,495	1,835,517,781

The annexed notes from 1 to 49 form and integral part of these financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Statement Of Changes In Equity

FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up share capital	Revenue Reserve Accumulated profits	Total
	Rupees	Rupees	Rupees
Balance as on July 01, 2022	1,105,905,460	5,072,836,550	6,178,742,010
Profit for the year	-	1,837,650,318	1,837,650,318
Other comprehensive loss	-	(2,132,537)	(2,132,537)
Total Comprehensive income for the year	-	1,835,517,781	1,835,517,781
Final dividend for the year ended June 30, 2022 at the rate of Rs. 1.5 per share	-	(165,885,808)	(165,885,808)
Balance as at June 30, 2023	1,105,905,460	6,742,468,523	7,848,373,983
Profit for the year	-	1,002,874,559	1,002,874,559
Other comprehensive loss	-	(150,064)	(150,064)
Total Comprehensive income for the year	-	1,002,724,495	1,002,724,495
Final dividend for the year ended June 30, 2023 at the rate of Rs. 2 per share	-	(221,181,092)	(221,181,092)
"Interim dividend for the period ended December 31, 2023 at the rate of Re 1 per share	-	(110,590,546)	(110,590,546)
Effect of transfer of shares of Nimir Resins Limited	-	(162,327,165)	(162,327,165)
Balance as at June 30, 2024	1,105,905,460	7,251,094,215	8,356,999,675

The annexed notes from 1 to 49 form and integral part of these financial statements.

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

Statement Of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax		1,184,618,600	2,269,722,879
Adjustments for:			
Depreciation	8.1	889,342,920	675,316,999
Amortization	9.1	16,267,428	12,261,606
Finance cost	37	3,719,660,854	2,663,447,844
Provision for gratuity	22.6	53,297,531	42,749,243
Grant income	36	(182,106,041)	(102,684,522)
Loan from directors / sponsors - write-back		-	(14,512,000)
Gain on disposal of property, plant and equipment		(73,916,499)	(1,436,406)
Finance cost on leased asset	37	15,988,940	-
Exchange loss / (gain) unrealized - net		-	(4,241,289)
Workers' Profit Participation Fund	25.3	78,113,071	149,999,188
Workers' Welfare Fund	25.4	31,245,229	59,999,675
		4,547,893,433	3,480,900,338
Profit before working capital changes		5,732,512,033	5,750,623,217
Effect on cash flow due to working capital changes:			
Decrease / (increase) in current assets			
Stores, spare and loose tools		(99,446,558)	(282,333,448)
Stock-in-trade		(768,065,998)	(394,925,585)
Trade debts		14,927,212	1,037,905,205
Loans and advances		68,678,976	(6,325,756)
Trade deposits and short-term prepayments		(6,304,794)	17,435,955
Other receivables		170,756,848	(61,488,216)
Sales tax refundable		694,944,597	(384,257,430)
		75,490,283	(73,989,275)
Increase in current liabilities			
Creditors, accrued and other liabilities		154,198,775	16,246,295
Contract liabilities		53,357,883	57,388,950
		207,556,658	73,635,245
Cash generated from operations		6,015,558,974	5,750,269,187
Gratuity paid	22.8	(22,000,000)	(2,500,000)
Finance cost paid		(3,776,261,626)	(2,748,293,797)
Income taxes paid		(531,814,958)	(454,513,230)
Long term deposits Net		(943,308)	706,960
Workers' Profit Participation Fund paid	25.3	(149,999,188)	(41,632,348)
Workers' Welfare Fund paid	25.4	(44,962,278)	(132,515,713)
Net cash generated from operating activities		1,489,577,616	2,371,521,059
Balance carried forward		1,489,577,616	2,371,521,059

	Note	2024 Rupees	2023 Rupees
Balance brought forward		1,489,577,616	2,371,521,059
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8.1	(112,467,357)	(184,829,303)
Additions in capital work-in-progress	8.6	(491,759,215)	(1,539,196,139)
Sale proceeds from disposal of property, plant and equipment		94,542,166	2,865,520
Payment received from Nimir Management (Private) Limited		40,057,304	-
Purchase of intangible assets		-	(11,597,874)
Net cash used in investing activities		(469,627,102)	(1,732,757,796)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loans obtained		-	900,000,000
Repayment of long term loans		(954,397,668)	(617,545,490)
Dividend paid		(329,705,249)	(165,340,565)
Payment of lease liabilities		(52,424,063)	(50,444,821)
Short term borrowings - Net		404,121,718	(744,155,764)
Net cash used in financing activities		(932,405,262)	(677,486,640)
Net increase / (decrease) in cash and cash equivalents		87,545,252	(38,723,377)
Net foreign exchange differences		-	(5,928,015)
Cash and cash equivalents at the beginning of the year	18	215,624,955	260,276,347
Cash and cash equivalents at the end of the year		303,170,209	215,624,955

The annexed notes from 1 to 49 form and integral part of these financial statements.

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

1 THE COMPANY AND ITS OPERATIONS

1.1 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.

1.2 During the year, the Company was entered into a scheme of arrangement, approved by shareholders and the Honourable High Court dated November 07, 2023 and January 17, 2024 respectively. Under this scheme following arrangements took place:

Nimir Management (Private) Limited (NMPL) was dissolved without winding up, and all its assets, including its shareholding in the Nimir Resins Limited (NRSL) were distributed to its shareholders. NMPL held 51% shareholding amounting to Rs. 72.073 million shares in the NRSL. As a result , the Company received 36.757 million shares of NRSL and Rs. 40.057 million in cash.

After receiving the 36.757 million shares, the Company's total shareholding in NRSL increased to 37.6%, amounting to 53.195 million shares. Subsequently, the Company distributed its entire shareholding in NRSL to its shareholders in proportion to their shareholding in the Company on February 13, 2024.

Resultantly, NMPL and NRSL ceases to be the subsidiary of the Company.

1.3 Nimir Overseas LLC (NOL) (a 100% owned subsidiary) was incorporated in Uzbekistan in January 28, 2023. The law prevailing in Pakistan allows first injection of the Capital within a year of the incorporation of a Company. An application was filed with the State Bank of Pakistan for granting approval for remittance of Rs. 9.6 million to the NOL for subscription of capital, which has not been allowed. Since, no shares were issued by the NOL, NOL has entered the process of liquidation according to the law of Uzbekistan. The Board of Directors had approved the forced winding up in its meeting held on April 24, 2024 and its approval from the shareholders will be obtained at the forthcoming annual general meeting of the Company.

1.4 As referred above, all subsidiaries of the Company were dissolved during the year. Therefore, the Company is not required to prepare the consolidated financial statements.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical locations and addresses of the Company's business units including production facilities are as under:

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, Muslim Town, Lahore, Pakistan.
Town office 2	Plot No.122-A, New Muslim Town, Lahore, Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;

- Provision of and directives issued under the Companies Act, 2017.

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

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement benefits which are measured at present value.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

4 CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

5 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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 January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 7 summary of material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board as adopted by Securities and Exchange Commission of Pakistan (SECP), requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

	Notes
Useful life and residual value of property, plant and equipment and right-of-use assets	7.1.5
Useful life and residual value of intangible asset	7.2.1
Impairment of non-financial assets	7.1.6
Provision for stock-in-trade, stores, spare parts and loose tools obsolescence	7.3.1
Allowance for expected credit loss	7.4.1
Estimation of provisions	7.9
Estimation of contingent liabilities	7.10
Defined benefit liability	7.15

7 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

7.1 Property, plant and equipment

7.1.1 Owned assets

Property, plant and equipment except freehold land, are stated at cost less accumulated depreciation and impairment, if any. 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 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 8.1 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.

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.

7.1.2 Disposal

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.

7.1.3 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.

7.1.4 Right-of-use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

7.1.5 Useful lives, residual values and depreciation method of property, plant and equipment and right-of-use of assets

The Company reviews the useful lives and residual value of property, plant and equipment and right-of-use assets 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 and right-of-use assets with a corresponding effect on the depreciation charge.

7.1.6 Impairment

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.

7.1.7 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.

7.1.8 Lease liabilities - Rented premises

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

7.1.9 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 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets 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 9 and assessed for impairment whenever there is an indication that the asset may be impaired.

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 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.

7.2.1 Useful lives, residual values and amortisation method of intangible assets

The Company reviews the useful lives and residual value of intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of intangible assets with a corresponding effect on the amortisation charge.

7.3 Stock-in-trade, stores, spare parts and loose tools

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	- Moving average cost
Material in transit	- Cost
Work in process	- Cost
Finished goods	- Weighted average cost
Stores, spare parts and loose tools	- Moving 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.

7.3.1 Provision for stock-in-trade, stores, spare parts and loose tools obsolescence

The Company reviews the carrying amount of stock in trade, stores, spare parts and loose tools 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.

7.4 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 7.6.1.

7.4.1 Allowance for expected credit losses of trade receivable

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 analyzed.

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.

7.5 Cash and cash equivalents

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

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

7.6 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.

7.6.1 Financial assets

a) 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 receivable 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 loan to associate, long term deposits, trade receivables, advance to employees, other receivables and bank balances.

b) Financial assets - Subsequent measurement

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

- Financial assets at fair value through profit or loss

-Financial assets at amortized cost (debt instruments)

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

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

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

c) 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.

d) 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 loans, long term deposits, trade debts, other receivables and bank balances.

7.6.2 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).

7.6.3 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.

7.6.4 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.

7.6.5 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 Financial liabilities

7.7.1 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.

7.7.2 Financial liabilities - Subsequent measurement

a) 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 or loss.

This category applies to long-term loans, short-term borrowings utilized under mark-up arrangements, trade and other payables, lease liabilities, accrued and other liabilities.

b) 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 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.

c) 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 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 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. 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.

7.10 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.

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.

7.11 Taxation

a) Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b) 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 reporting date.

7.12 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss account. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

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:

7.13.1 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. The revenue is recognised at a point in time.

7.13.2 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. The revenue is recognised at a point in time.

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.

7.13.3 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 30) because the amortization period of the asset that the Company otherwise would have used is one year or less.

7.13.4 Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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.

7.14 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.

7.15 Staff retirement benefits

Defined benefit liability

The Company formed an approved funded defined benefit gratuity liability 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.

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.

7.16 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 expense.

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 statement of 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.

7.17 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.

7.18 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.

7.19 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 year.

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 effect 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.

7.20 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.

7.21 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.

8 PROPERTY, PLANT AND EQUIPMENT

	Note	2024 Rupees	2023 Rupees
Operating fixed assets	8.1	13,427,300,765	13,647,381,977
Capital work-in-progress	8.6	230,027,404	201,969,978
		13,657,328,169	13,849,351,955

8.1 Operating fixed assets

PARTICULARS	As At 01 July 2023	Additions / Transfers*	Disposals	Transfer/ Adjustment	As At 30 June 2024	Rate %	Accumulated as at 01 July 2023	Charge for the year	Disposals	Transfer/ Adjustment	as at 30 June 2024	As at 30 June 2024
2024												
	C O S T						D E P R E C I A T I O N					Net book value
	Rupees						Rupees					Rupees
OWNED												
Free-hold land	575,189,801	-	-	-	575,189,801		-	-	-	-	-	575,189,801
Building on free-hold land	2,070,857,525	29,107,928	-	-	2,099,965,453	4-5	339,291,911	103,737,748	-	-	443,029,659	1,656,935,794
Plant and machinery	13,870,958,935	429,392,865	(297,633,514)	-	14,002,718,286	4-50	2,862,109,084	655,671,516	(277,097,670)	(49,258)	3,240,633,672	10,762,084,614
Furniture and fittings	26,308,581	1,487,500	-	-	27,796,081	10-33	6,944,886	2,575,095	-	-	9,519,981	18,276,099
Office and factory equipment	475,839,344	109,281,028	(2,100,844)	(2,984,744)	580,034,784	10-50	256,146,653	83,309,601	(2,019,831)	(2,935,485)	334,500,938	245,533,846
Vehicles	140,478,368	1,698,831	(3,600,693)	23,847,290	162,423,796	20	111,874,567	7,692,717	(3,591,883)	23,800,373	139,775,774	22,648,023
	17,159,632,554	570,968,152	(303,335,051)	20,862,546	17,448,128,201		3,576,367,101	852,986,677	(282,709,384)	20,815,630	4,167,460,024	13,280,668,177
RIGHT-OF-USE												
Vehicles	98,135,286	15,698,000	-	(20,862,546)	92,970,740	20	45,941,293	19,272,654	-	(20,815,630)	44,398,317	48,572,423
Building - lease-hold	74,274,371	103,221,225	-	-	177,495,596	20-25	62,351,842	17,083,589		-	79,435,431	98,060,165
	172,409,657	118,919,225	-	(20,862,546)	270,466,336		108,293,135	36,356,243	-	(20,815,630)	123,833,748	146,632,588
2024	17,332,042,211	689,887,377	(303,335,051)	-	17,718,594,537		3,684,660,236	889,342,920	(282,709,384)	-	4,291,293,771	13,427,300,765

PARTICULARS	As At 01 July 2022	Additions / Transfers*	Disposals	Transfer/ Adjustment	As At 30 June 2023	Rate %	Accumulated as at 01 July 2022	Charge for the year	Disposals	Transfer/ Adjustment	Accumulated as at 30 June 2023	As at 30 June 2023
2023												
	C O S T						D E P R E C I A T I O N					Net book value
	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	13,583,265,454
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)	45,941,293	52,193,993
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)	108,293,135	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)	-	3,684,660,236	13,647,381,977

8.2 There is no lien on property, plant, and equipment except those disclosed in Note 20.

8.3 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	2.036 kanal
Open plot of land	Plot # 515-D, Block K, Johar Town, Lahore	5 marla

8.4 Depreciation for the year has been allocated as under:

	Note	2024 Rupees	2023 Rupees
Cost of revenue	32	852,933,046	639,210,096
Distribution cost	33	4,582,526	4,947,149
Administrative expense	34	31,827,354	31,159,755
		889,342,926	675,317,000

8.5 Disposal of operating fixed assets

2024

Particulars of assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to: Name	Sold to: Relationship with the Company
	Rupees	Rupees	Rupees	Rupees	Rupees			
Plant and machinery								
Anode header 250 nb	5,546,793	4,714,776	832,017	1,635,910	803,893	Bid	Arnage Tech Limited	Third Party
Control valves	3,076,817	2,081,990	994,827	907,443	(87,384)	Bid	Arnage Tech Limited	Third Party
DC's instrument	9,694,507	6,980,083	2,714,424	2,859,191	144,767	Bid	Arnage Tech Limited	Third Party
Elements membranesfor electrolyzer	9,865,254	4,439,364	5,425,890	2,909,550	(2,516,340)	Bid	Arnage Tech Limited	Third Party
Heat exchanger	7,046,718	4,670,900	2,375,818	2,078,282	(297,536)	Bid	Arnage Tech Limited	Third Party
Piping	4,262,107	2,770,314	1,491,793	1,257,019	(234,774)	Bid	Arnage Tech Limited	Third Party
Quincy air compressor	4,094,807	1,014,587	3,080,220	3,837,867	757,647	Bid	Arnage Tech Limited	Third Party
Caustic soda plant	254,046,511	250,425,657	3,620,854	74,925,690	71,304,836	Bid	Arnage Tech Limited	Third Party
	297,633,514	277,097,671	20,535,843	90,410,952	69,875,109			

2023

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

8.6 Capital work-in-progress

	Note	2024: Building on freehold land	2024: Plant and machinery	2024: Others	2024: Total	2023
		Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01,		-	260,760,998	4,574,000	265,334,998	6,935,488,573
Additions during the year	8.6.1	29,107,928	412,024,291	61,124,000	502,256,219	2,008,791,982
		29,107,928	672,785,289	65,698,000	767,591,217	8,944,280,555
Transferred to fixed assets		(29,107,928)	(429,392,865)	(15,698,000)	(474,198,793)	(8,678,945,557)
		-	243,392,424	50,000,000	293,392,424	265,334,998
Less: Accumulated impairment	8.6.2	-	(63,365,020)	-	(63,365,020)	(63,365,020)
Balance as at June 30,	8.6.3	-	180,027,404	50,000,000	230,027,404	201,969,978

8.6.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. Nil (2023: Rs. 462,224,843). The expansion has been financed by term finance facilities from financial institutions described in Note 20. 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 capitalization is three (3) month KIBOR plus 1% to 2% spread, reduced by the amortization of relevant deferred grant.

8.6.2 This represents impairment charged against two steam turbines in prior period.

8.6.3 This includes:

-Advance provided for the acquisition of the plant.

-Expansion resource allocated for aerosol plant and energy conservation.

9 INTANGIBLE ASSETS

	Note	2024 Rupees	2023 Rupees
Software and licenses	9.1	13,556,190	29,823,616

9.1 Software and licenses

	2024 Rupees	2023 Rupees
Cost		
As at July 01	48,082,846	36,484,972
Additions during the year	-	11,597,874
As at June 30	48,082,846	48,082,846
Accumulated amortization		
As at July 01	(18,259,230)	(5,997,624)
Amortization during the year	(16,267,426)	(12,261,606)
As at June 30	(34,526,656)	(18,259,230)
Balance as at June 30	13,556,190	29,823,616
Rate of amortization	20% - 33.33%	

9.1.1 The amortization charge for the year has been allocated as follows:

	2024	2023
Administrative expense	100%	100%

10 LONG TERM INVESTMENTS

	Note	2024 Rupees	2023 Rupees
Investment in shares of Nimir Management (Private) Limited - Cost	10.1	-	128,161,710
Investment in shares of Nimir Resins Limited - Cost	10.2	-	74,222,759
Investment in shares of Nimir Overseas LLC - Cost	10.3	-	9,388,282
		-	211,772,751

10.1 This represents Nil (2023: 1,281,612 ordinary shares aggregating to 51% of total paid up capital of Nimir Management (Private) Limited, during the year the Company has disposed off all of it's shares in NMPL.

10.2 This represents Nil (2023: 16,438.306) ordinary shares of Rs. Nil (2023: Rs. 10) each, aggregating to Nil (2023: 11.63%) of total paid up capital of Nimir Resins Limited. NRL was a sub-subsidiary of the Company as 51% shares of NRL were held by the NMPL, accordingly the Company exercised control over NRL.

10.3 This represents 100% unpaid share capital of Nimir Overseas LLC. During the year, investment has been disposed off.

11 LONG TERM DEPOSITS

	Note	2024 Rupees	2023 Rupees
Security deposits			
Financial institutions (including banks)	11.1	14,677,400	17,067,370
Others	11.2	17,881,510	19,037,602
		32,558,910	36,104,972

11.1 This represents deposits to financial institutions against right of use assets.

11.2 This includes deposit amounting to Rs. 12.24 million (2023: Rs. 12.24 million) given to electricity supply company for dedicated line.

11.3 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 by the management.

12 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2024 Rupees	2023 Rupees
Stores, spare parts and loose tools			
In hand		832,580,675	775,059,837
In transit		88,126,471	46,200,751
		920,707,146	821,260,588
Less: Impairment allowance for slow moving items	12.1	(11,125,544)	(11,125,544)
		909,581,602	810,135,044

12.1 There is no movement in impairment allowance for slowing moving items.

13 STOCK-IN-TRADE

Raw and packing material		
In hand	5,881,081,247	4,676,956,670
In transit	1,549,978,866	544,601,791
	7,431,060,113	5,221,558,461
Semi finished goods	271,276,496	294,592,850
Finished goods	1,283,662,076	2,701,781,376
	8,985,998,685	8,217,932,687

13.1 There is no lien on stock-in-trade except those disclosed in Note 20.

14 TRADE RECIEVABLES

Trade receivables from contracts with customers			
Considered good - Unsecured			
Due from customers		5,151,927,658	4,706,806,823
Due from associated companies	14.2	20,589,407	480,637,454
		5,172,517,065	5,187,444,277
Allowance for expected credit loss		(21,884,673)	(21,884,673)
		5,150,632,392	5,165,559,604

14.1 The customers have no recent history of default. For age analysis of these trade receivables, refer to Note 41.1.2.

14.2 Due from associated companies

	Note	2024 Rupees	2023 Rupees
Nimir Overseas LLC		-	421,211,179
Nimir Resins Limited		11,160,912	56,197,830
Nimir Chemicals Pakistan Limited		5,253,950	3,228,445
Nimir Chemcoats Limited		4,174,545	-
	14.3	20,589,407	480,637,454

14.3 Maximum aggregate amount due from Nimir Overseas LLC, Nimir Resins Limited, Nimir Chemicals Pakistan Limited and Nimir Chemcoats Limited at the end of any month in the year was Rs. 289.32 million (2023: 558.12 million), Rs. 83.93 million (2023: Rs. 114.53 million), Rs. 5.25 million (2023: 3.22 million) and Rs. 4.17 million (2023: Nil), respectively. No interest has been charged on the amounts due from associated undertakings.

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

	Note	2024 Rupees	2023 Rupees
Balance as at July 01,		21,884,673	21,884,673
Charge for the year		-	-
Balance as at June 30,		21,884,673	21,884,673

14.4.1 The impact of allowance for expected credit loss during the year is immaterial.

15 LOANS AND ADVANCES

	Note	2024	2023
Considered good - unsecured			
Advances to suppliers		13,986,996	95,915,355
Advances to employees:			
- against business expense	15.1	10,181,603	5,821,585
- against salary	15.2	18,921,847	10,032,482
Loan to Nimir Resins Limited	15.3	14,512,000	14,512,000
		57,602,446	126,281,422

15.1 These include advances given to executives amounting to Rs. 8.34 million (2023: Rs. 4.08 million).

15.2 These include advances given to executives amounting to Rs. 7.83 million (2023: Rs. 2.03 million). These advances are deducted from employees' salary and are interest free.

15.3 This represents loan to associate novated from ex-director of Nimir Resins Limited. This loan is interest free and repayable on demand. 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.

15.3.1 Maximum aggregate amount due from the associate at the end of any month in the year was Rs. 14,512,000 (2023: Rs. 14,512,000).

16 OTHER RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Margin against bank guarantee		28,306,400	28,306,400
Margin against letter of credit		14,536,413	156,977,293
Recoverable from Bank	16.1	-	13,927,947
Receivable from associated companies	16.2	1,117,540	15,505,561
		43,960,353	214,717,201

16.1 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 . During the reporting period, this amount has been credited by the bank.

16.2 This includes amounts due from related parties, specifically Nimir Resins Limited amounting to Rs. 1.12 million (2023: Rs. 12.34 million) and Nimir Chemcoats Limited amounting to Rs. Nil (2023: Rs. 2.54 million). These receivables represent expenses incurred on their behalf by the company.

16.3 Maximum aggregate amount due from Nimir Resins Limited, and Nimir Chemcoats Limited at the end of any month during the year amount to Rs. 1.12 million (2023: 12.96 million) and Rs. Nil (2023: Rs. 2.54 million) respectively. No interest has been charged on the amounts due from associated undertakings.

17 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	2024 Rupees	2023 Rupees
Income tax - Net of taxation	17.1	1,233,477,384	963,592,222
Prepaid asset		3,458,440	-
Sales tax		886,398,346	1,581,342,943
		2,123,334,170	2,544,935,165

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

18 CASH AND BANK BALANCES

	Note	2024 Rupees	2023 Rupees
Cash in hand		2,628,436	588,947
Cash at bank			
Local currency current accounts		105,453,490	113,527,458
Local currency savings accounts	18.1	4,067,132	14,148,772
Foreign currency current accounts		191,021,151	87,359,778
		300,541,773	215,036,008
		303,170,209	215,624,955

18.1 These carry mark-up at the rate 14.5 % - 22.4% (2023: 14.5 % - 19.5%) per annum.

19 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Authorised share capital

2024 No. of shares	2023 No. of shares	Ordinary shares	2024 Rupees	2023 Rupees
145,000,000	145,000,000	Ordinary shares of Rs. 10 each	145,000,000	145,000,000

Issued, subscribed and paid-up share capital

The breakup of ordinary paid up share capital is as follows:

2024 No. of shares	2023 No. of shares	Ordinary shares	2024 Rupees	2023 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

19.1 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 members of the Company.

20 LONG TERM FINANCING - SECURED

	Note	2024 Rupees	2023 Rupees
Secured			
Term finance	20.1	1,879,846,277	2,506,418,064
Term finance - Under temporary economic refinance facility refinance facility	20.2	3,416,151,765	3,743,775,453
		5,295,998,042	6,250,193,517
Markup accrued		114,190,127	140,550,146
		5,410,188,169	6,390,743,663
Current maturity of term finance		(636,030,841)	(627,533,196)
Current maturity under temporary economic refinance facility		(427,836,537)	(491,983,489)
Current maturity shown under current liabilities		(1,063,867,378)	(1,119,516,685)
Less: Mark up accrued shown under current liabilities		(114,190,127)	(140,550,146)
		4,232,130,664	5,130,676,832

20.1 These represent long-term finance facilities obtained from financial institutions carrying mark-up at the rate of 1 month KIBOR to 3 months KIBOR plus 125 bps to 250 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.

20.2 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 loan carries mark-up at the rate of SBP TERF Refinance rate plus 100 bps to 250 bps 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) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

21 LEASE LIABILITIES

	Note	2024 Rupees	2023 Rupees
Present value of lease rentals		157,428,730	84,634,999
Less: Current portion shown under current liabilities		(43,704,155)	(34,232,975)
		113,724,575	50,402,024

21.1 Movement of lease liabilities:

		2024	2023
Balance as at July 01,		84,635,000	110,410,093
Additions		113,718,225	12,797,000
Interest expense		15,988,940	11,872,727
Payments / adjustments		(56,913,433)	(50,444,820)
Balance as at June 30,		157,428,732	84,635,000

21.2 Salient features of the leases are as follows:

		2024	2023
Discounting rate		8.68% to 23.42 %	8.68% to 23.42 %
Period of lease		60 months	60 months

21.3 Amount recognized in statement of profit or loss:

The following are the amounts recognized in profit or loss:

	Note	2024	2023
Short term lease		13,350,195	11,085,191
Interest expense on lease liabilities	37	15,988,940	11,872,727
Depreciation of right-of-use assets	8.1	36,356,243	36,213,059
		65,695,378	59,170,977

21.4 Cash outflow for leases

The Company had total cash outflows for leases of Rs. 52.424 million (2023: Rs. 50.44 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 113.718 million (2023: Rs. 12.80 million).

21.5 The maturity analysis of lease liability

	Note	2024 Rupees	2023 Rupees
Payable not later than one year		63,152,974	44,089,010
Payable later than one year but not later than five years		122,928,996	60,485,875
		186,081,970	104,574,885
Future finance cost		(28,653,239)	(19,939,885)
		157,428,731	84,635,000

21.6 The Company is exposed to potential future increases in variable lease payments of vehicles based on KIBOR which are not included in the lease liability until they take effect. When adjustments to lease payments based on KIBOR take effect, the lease liability shall be reassessed using the revised discount rate that reflects the changes in KIBOR.

21.7 The Company has several finance lease contracts for vehicles and one lease contract for a warehouse, with lease terms of 5 years and 10 years, respectively. The Company's obligations under the lease are secured by the lessor's title to the leased asset. Generally, the

Company is restricted from assigning and subleasing the leased asset, and the contract may require the Company to maintain certain financial ratios.

22 NET DEFINED BENEFIT LIABILITY - FUNDED GRATUITY

22.1 Employee benefit obligations

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.

22.2 Risks on account of defined benefit plans

The Company's Gratuity Scheme is a funded, defined benefit scheme established to meet statutory requirements. Contributions are made on an ad-hoc basis, and there is no minimum funding requirement. The Company faces the following risks on account of defined benefit plans:

Accrued benefits risk:

There is a risk that accrued gratuity benefits may not be paid when due. However, the Gratuity Benefit liability recorded in the Company's accounts offers a reasonable security of accrued rights and is likely to be treated as a high-priority debt in case of insolvency.

Discount rate fluctuation risk:

The present value of the defined benefit liability is affected by changes in discount rates based on high-quality corporate or government bonds. Decreases in bond interest rates will increase the liability, and increases will decrease it.

Salary risk:

The liability is calculated based on future salary estimates. Increases in participant salaries will lead to a higher liability, and decreases will lead to a lower liability.

Withdrawal rate risk:

The liability is also influenced by the withdrawal rate or attrition rate of plan participants. Variations in this rate can affect the liability depending on the age-service distribution of exiting employees.

Mortality rate risk:

The liability is based on mortality estimates during employment. Improvements in mortality rates may increase or decrease the liability based on the age-service distribution of participants.

22.3 Funding

The gratuity is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the gratuity.

	Note	2024 Rupees	2023 Rupees
Staff retirement liability - Gratuity	22.4	231,948,925	200,405,387

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

	Note	2024	2023
Present value of defined benefit obligation	22.8	257,258,916	224,178,990
Less: Fair value of plan assets	22.9	(25,309,991)	(23,773,603)
		231,948,925	200,405,387

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

	Note	2024	2023
Current service cost	22.7	22,519,155	22,611,514
Interest cost on defined benefit obligation - Net	22.7	30,778,376	20,137,729
Expense recognized in the statement of profit or loss		53,297,531	42,749,243

		Note	2024 Rupees	2023 Rupees
22.6	**The charge for the year has been allocated is as follows:**			
	Cost of revenue	32	29,313,642	28,778,703
	Distribution cost	33	5,862,728	2,970,255
	Administrative expense	34	18,121,161	11,000,285
			53,297,531	42,749,243
22.7	**Movements in the net liability recognized as follows:**			
	Net liabilities as at July 01,		200,405,387	151,982,862
	Current service cost		22,519,155	22,611,514
	Net interest cost		30,778,376	20,137,729
	Contribution by employer		(22,000,000)	(2,500,000)
	Remeasurement adjustments charged to statement of other comprehensive income		246,007	8,173,282
	Net liabilities at June 30,		231,948,925	200,405,387
22.8	**Movements in the present value of defined benefit obligation:**			
	Present value as at July 01,		224,178,990	195,554,240
	Current service cost		22,519,155	22,611,514
	Interest cost on defined benefit obligation		34,576,237	24,179,645
	Benefits paid		(22,804,300)	(26,132,700)
	Remeasurement:			
	Experience adjustments		(940,234)	7,511,840
	Changes in financial assumptions		(270,932)	454,451
	Present value as at June 30,		257,258,916	224,178,990
22.9	**Movements in the fair value of plan assets:**			
	Present value as at July 01,		23,773,603	43,571,378
	Contributions by employer		22,000,000	2,500,000
	Interest income		3,797,861	4,041,916
	Benefits paid		(22,804,300)	(26,132,700)
	Return on plan assets excluding interest income		(1,457,173)	(206,991)
	Fair value of plan assets at June 30,		25,309,991	23,773,603
22.10	**Components of plan assets**			
	Mutual funds units		22,357,898	18,256,018
	Cash and cash equivalents		2,952,093	5,517,585
			25,309,991	23,773,603

		2025 Rupees
22.11	**Estimated expense to be charged to statement of profit or loss in next year**	
	Current service cost	26,681,572
	Interest cost on defined benefit obligation - Net	34,212,466
	Amount chargeable to statement of profit or loss	60,894,038

22.12 Significant assumptions

Qualified actuaries had carried out the valuation as on June 30, 2024. The projected unit credit method, based on the following significant assumptions, is used for valuation of the plan:

Discount rate for obligation	14.75%	16.25%
Expected rates of salary increase in future years	13.75%	15.25%
Retirement assumption	Age 60	Age 60

Projected payments (undiscounted)

Year 1	17,820,513	13,346,094
Year 2	22,693,441	18,278,051
Year 3	28,195,068	23,242,142
Year 4	35,719,325	28,804,959
Year 5	43,471,862	36,104,784
Year 6 to Year 10	261,363,935	244,734,416

22.13 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	237,577,211
-100 bps	Discount rate	278,577,280
+100 bps	Expected increase in salary	278,571,120
-100 bps	Expected increase in salary	237,574,293

23 DEFFERED TAX LIABILITY

	Note	2024 Rupees	2023 Rupees
The net (assets) / liability for deferred taxation comprises temporary differences relating to:			
Accelerated tax depreciation		1,800,591,144	1,582,144,622
Capital work-in-progress - Impairment		(23,378,876)	(23,186,187)
Allowance for expected credit losses		(8,074,472)	(8,007,922)
Provision for obsolescence of stores, spare parts and loose tools		(4,104,831)	(4,070,999)
Deferred and unpaid liabilities		(85,579,236)	(36,264,078)
Minimum tax	23.2	(738,858,060)	(493,196,509)
		940,595,669	1,017,418,927

23.1 Reconciliation of deferred tax liabilities - Net

Opening balance as at July 01,	1,017,418,927	440,319,945
Tax expense recognized in statement of profit or loss	(76,727,315)	583,139,727
Deferred tax income recognized in statement of other comprehensive income	(95,943)	(6,040,745)
Closing balance as at June 30,	940,595,669	1,017,418,927

23.2 Below is the expiry tax year of minimum tax on which deferred tax asset has been recognized.

Expiry tax year	Nature	Tax year		
2026	Minimum Tax	2023	493,196,509	493,196,509
2027	Minimum Tax	2024	245,661,551	-
			738,858,060	493,196,509

24 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.

Movement during the year is as follows:	Note	2024 Rupees	2023 Rupees
Balance as at July 01,		911,996,283	1,081,910,735
Amortization during the year			
Charged to other income		(182,106,041)	(102,684,522)
Charged to CWIP		-	(67,229,930)
		729,890,242	911,996,283
Less: Current maturity of deferred grant	28	(168,773,209)	(181,452,039)
Balance as at June 30,		561,117,033	730,544,244

25 TRADE AND OTHER PAYABLES

	Note	2024 Rupees	2023 Rupees
Creditors - Unsecured	25.1	1,578,158,231	1,362,628,159
Accrued liabilities		364,744,358	429,120,679
Security deposits	25.2	5,500,000	400,000
Workers' Profit Participation Fund	25.3	78,113,071	149,999,188
Workers' Welfare Fund	25.4	48,972,164	62,689,213
Provision for levy		-	3,058,854
Shares money payable	25.5	-	9,590,465
Withholding tax payable		1,628,724	624,846
		2,077,116,548	2,018,111,404

25.1 Creditors include amount payable to Nimir Resins Limited (associated company) amounting to Rs. 0.054 million (2023: Rs. 21.806 million) and Nimir Chemcoats Limited (associated company) amounting to Rs. Nil (2023: Rs. 0.038 million) on account of purchase of raw materials.

25.2 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.

25.3 Workers' Profit Participation Fund

	Note	2024 Rupees	2023 Rupees
Balance as at July 01,		149,999,188	132,515,713
Add: Provision for the year	35	78,113,071	149,999,188
Less: Payments made during the year		(149,999,188)	(132,515,713)
Balance as at June 30,		78,113,071	149,999,188

25.4 Workers' Welfare Fund

	Note	2024 Rupees	2023 Rupees
Balance as at July 01,		62,689,213	44,321,886
Add: Provision for the year	35	31,245,229	59,999,675
Less: Payments made during the year		(44,962,278)	(41,632,348)
Balance as at June 30,		48,972,164	62,689,213

25.5 This represented payable to Nimir Overseas LLC, a subsidiary, on account of unpaid share capital amounting to Rs. Nil (2023: Rs. 9.590 million).

26 CONTRACT LIABILITIES

	Note	2024 Rupees	2023 Rupees
	26.2	204,219,769	150,861,886

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

26.2 Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period amounts to Rs. 150.862 million (2023: Rs. 93.473 million).

27 SHORT-TERM BORROWINGS - SECURED

	Note	2024 Rupees	2023 Rupees
Running finance	27.1	1,518,556,221	1,826,047,974
Local bills discounting	27.1	724,749,491	743,171,297
Finance against trust receipts	27.1	7,032,997,699	9,575,391,650
Short term loan	27.3	3,424,190,442	151,761,214
		12,700,493,853	12,296,372,135

27.1 The aggregate limit of short term finance facilities available from various financial institutions (including commercial banks) at year end is Rs. 24,538 million (2023: Rs. 18,600 million). The limit of running finance facilities amounts to Rs. 3,600 million (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 (2023: 1 month KIBOR to 6 months KIBOR + 0 to 75 bps with no floor and no cap). The limit of local bills / invoice discounting amounts to Rs. 1,900 million (2023: Rs. 1,500 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 50 bps (2023: 1 month KIBOR to 3 months KIBOR + 50 bps). The limit of finance against trust receipts amount to Rs. 19,038 million (2023: Rs. 14,300 million). The rate of markup ranges from 1 month KIBOR to 6 months KIBOR + 35 bps to 75 bps with no floor and cap (2023: 1 month KIBOR to 6 months KIBOR + 35 bps to 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.

27.2 The unutilized facility for letters of credit, bank guarantees, running finance, local bills / invoice discounting as on June 30, 2023 amounts to Rs. 4,826 million (2023: Rs. 3,993 million), Rs. 90 million (2023: Rs. 90 million), Rs. 1,590 million (2023: Rs. 627 million), and Rs. 956 (2023: Rs. 757 million) respectively.

27.3 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.

28 CURRENT PORTION OF NON CURRENT LIABILITIES

	Note	2024 Rupees	2023 Rupees
Current maturity of long term loans	20	1,063,867,378	1,119,516,685
Current maturity of lease liabilities	21	43,704,155	34,232,975
Current maturity of deferred grant	24	168,773,209	181,452,039
		1,276,344,742	1,335,201,699

29 MARK UP ACCRUED

	Note	2024 Rupees	2023 Rupees
Long term financing - Secured	20	114,190,127	140,550,146
Short term borrowings - Secured		462,505,927	492,926,321
Lease liabilities		179,642	-
		576,875,696	633,476,467

30 CONTINGENCIES AND COMMITMENTS

30.1 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. Nil (2023: Rs. 925.13 million):

30.1.1 The deemed assessment for the tax year 2017 was amended by an order dated June 28, 2023, under section 122(5A) of the Ordinance, assessing a tax demand, including the workers' welfare fund, at Rs. 647.16 million. In an order dated October 18, 2023, the CIR(A) granted partial relief on another appeal related to the same amendment order. Subsequently, an appeal effect order dated November 24, 2023, was challenged on the grounds of an incorrect 'super tax liability' under section 4B of the Ordinance. Consequently, the CIR(A), in an order dated January 19, 2024, directed the assessing officer to re-compute the liability under section 4B.

30.2 COMMITMENTS

	Note	2024 Rupees	2023 Rupees
Commitments in respect of letters of credit and letters of guarantee are as follows:			
Letters of credit established for the import of raw materials, spare parts and machinery		3,514,000,000	3,132,000,000
Letter of guarantee issued by financial institution in favor of Sui Northern Gas Pipeline Limited (SNGPL)		156,000,000	156,000,000
Letter of guarantee issued by financial institution in favor of Pakistan State Oil (PSO)		59,000,000	59,000,000
Letter of guarantee issued by financial institution in favor of Total PARCO		7,000,000	7,000,000
Contractual obligations in respect of the acquisition of plant		950,000,000	-

31 REVENUE FROM CONTRACT WITH CUSTOMERS

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

	2024	2023
Manufacturing	47,986,445,503	50,122,722,425
Toll manufacturing	1,321,766,296	1,134,691,969
	49,308,211,799	51,257,414,394
Less:		
Sales tax	(7,153,771,069)	(7,207,373,779)
Trade discounts	(229,083,856)	(224,499,823)
	(7,382,854,925)	(7,431,873,602)
	41,925,356,874	43,825,540,792
Local sales	39,663,059,069	41,118,989,239
Export sales	2,262,297,805	2,706,551,553
	41,925,356,874	43,825,540,792

31.2 Geographical region:

	Note	2024 Rupees	2023 Rupees
Pakistan - South Asia		39,663,059,069	41,118,989,239
Export sales - Middle East		58,545,506	66,165,106
Export sales - Central Asia		2,199,454,102	2,635,528,847
Export sales - East Africa		4,298,197	4,857,600
		41,925,356,874	43,825,540,792

31.3 Timing of transfer of goods and services:

At a point in time		41,925,356,874	43,825,540,792

31.4 Contract balances

Trade receivables	14	5,150,632,392	5,165,559,604
Contract liabilities	26	204,219,769	150,861,886
		5,354,852,161	5,316,421,490

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

31.4.2 Contract liabilities represents short term advances received from customers against delivery of goods in future.

32 COST OF REVENUE

	Note	2024 Rupees	2023 Rupees
Raw and packing material consumed	32.1	30,189,678,135	35,239,192,066
Salaries, wages and benefits	32.2	941,955,885	782,225,298
Depreciation	8.4	852,933,046	639,210,095
Fuel and power		1,748,614,268	1,874,446,136
Stores, spare parts and loose tools consumed		299,510,642	200,367,801
Repairs and maintenance		31,079,350	21,255,234
Traveling, conveyance and entertainment		132,579,354	114,807,030
Communications		2,865,721	2,692,588
Insurance		88,643,015	59,807,296
Rent, rates and taxes		7,379,035	6,963,059
Printing and stationery		538,114	838,668
Dues, fees and subscription		6,236,319	5,940,024
Miscellaneous expense	14	3,899,510	4,285,215
	26	34,305,912,394	38,952,030,510
Add: Opening stock- Finished goods		2,996,374,226	1,456,672,792
Less: Closing stock- Finished goods		(1,554,938,572)	(2,996,374,226)
		35,747,348,048	37,412,329,076

32.1 Raw and packing material consumed

Balance as at July 01,		5,221,558,461	4,412,958,000
Purchases		32,399,179,787	36,047,792,527
		37,620,738,248	40,460,750,527
Less: Balance as at June 30,		(7,431,060,113)	(5,221,558,461)
Raw and packing material consumed		30,189,678,135	35,239,192,066

32.2 This includes Rs. 35.836 million (2023: Rs. 28.779 million) in respect of staff retirement liability.

33 DISTRIBUTION COST

	Note	2024 Rupees	2023 Rupees
Salaries, wages and benefits	33.1	108,443,824	93,649,843
Depreciation	8.4	4,582,526	4,947,149
Repairs and maintenance		83,800	326,461
Traveling, conveyance and entertainment		17,521,020	15,317,625
Communications		860,502	1,390,479
Insurance		4,584,849	4,390,610
Printing and stationery		376,859	507,246
Freight outward		360,276,417	278,304,544
Dues, fees and subscription		725,508	5,043,522
Miscellaneous expense		3,128,815	4,501,080
		500,584,120	408,378,559

33.1 This includes Rs. 3.69 million (2023: Rs. 2.97 million) in respect of staff retirement liability.

34 ADMINISTRATIVE EXPENSE

	Note	2024 Rupees	2023 Rupees
Salaries, wages and benefits	34.1	268,930,238	261,769,125
Depreciation	8.4	31,827,353	31,159,755
Amortization	9	16,267,428	12,261,606
Fuel and power		6,155,164	7,313,501
Repairs and maintenance		8,458,294	4,792,758
Traveling, conveyance and entertainment		46,574,304	41,649,264
Communications		25,047,231	14,233,614
Insurance		4,318,031	3,634,120
Rent, rates and taxes		6,097,160	4,477,632
Printing and stationery		5,540,929	4,674,770
Advertising and sale promotion		3,540,865	4,594,879
Legal, professional and consultancy charge		32,077,730	10,737,880
Auditor's remuneration	34.2	2,715,000	5,587,934
Corporate social responsibility		34,822,956	-
Dues, fees and subscription		61,938,212	36,989,011
Miscellaneous expense		25,229,362	39,918,443
		579,540,257	483,794,292

34.1 This includes Rs. 13.369 million (2023: Rs. 11.00 million) in respect of staff retirement liability.

34.2 Auditor's remuneration

		2024 Rupees	2023 Rupees
Audit fee		1,950,000	1,950,000
Fee for special purpose audit		-	2,196,000
Consolidation, reviews and certifications		650,000	954,000
Out of pocket expense		115,000	487,934
		2,715,000	5,587,934

35 OTHER EXPENSE

	Note	2024 Rupees	2023 Rupees
Workers' Profit Participation Fund	25.3	78,113,071	149,999,188
Workers' Welfare Fund	25.4	31,245,229	59,999,675
Foreign exchange loss		44,354,649	-
		153,712,949	209,998,863

36 OTHER INCOME

	Note	2024 Rupees	2023 Rupees
Gain on disposal of property, plant and equipment		73,916,500	1,436,406
Grant income		182,106,041	102,684,522
Scrap sales		43,131,085	38,793,726
Other income		1,634,953	902,483
Profit on savings accounts		3,794,052	465,160
Foreign exchange gain		-	19,501,866
Loan from directors / sponsors - Writeback		-	14,512,000
		304,582,631	178,296,163

37 FINANCE COSTS

	Note	2024 Rupees	2023 Rupees
Mark-up on			
Long-term loans	37.1	835,362,981	474,608,044
Short-term borrowings		2,884,297,873	2,176,967,073
Financial charges on lease		15,988,940	11,872,727
Bank charges, fee and commission		60,201,208	35,903,418
		3,795,851,002	2,699,351,262

37.1 This includes financial charges on unwinding of term finance loan under "Temporary Economic Refinance Facility" of State Bank of Pakistan (as explained in Note 20.2) amounting to Rs. 360.37 million (2023: Rs. 200.69 million) through effective interest rate (EIR).

38 LEVY

	Note	2024 Rupees	2023 Rupees
Levy	38.1	22,622,978	27,065,516
Minimum tax differential	38.2	245,661,551	493,196,508
		268,284,529	520,262,024

38.1 This represents final tax paid under section 154 (1) of Income tax ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.

38.2 This represents portion of minimum tax paid under section 154 (1) of Income tax ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.

39 TAXATION

	Note	2024 Rupees	2023 Rupees
Current tax			
Current period		348,172,317	24,492,003
Prior period	39.3	(89,700,961)	(175,559,169)
		258,471,356	(151,067,166)
Deferred tax			
Relating to the reversal and origination of temporary differences		(76,727,315)	503,081,555
Relating to rate change		-	80,058,172
		(76,727,315)	583,139,727
		181,744,041	432,072,561

		Note	2024 Rupees	2023 Rupees
39.1	Current tax liability for the year as per the Ordinance		526,755,885	369,194,858
	Portion of current tax liability as per tax laws, representing income tax under IAS 12		(258,471,356)	151,067,166
	Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(268,284,529)	(520,262,024)
	Difference		-	-

39.2 The aggregate of final tax, minimum tax differential and current income tax amounting to Rs. 526.755 million (2023: Rs. 369.194 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

39.3 The Lahore High Court, in its judgement dated May 16, 2024, 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, thereby reducing the super tax rate from 10% to 0% for the Tax Year 2022. Accordingly, the Company has reversed the super tax at the rate 4% amounting to Rs. 84.402 million (2023: the super tax at the rate of 6% amounting to Rs. 126.68 million).

39.4 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.

40 EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED

40.1 Basic

	Note	2024 Rupees	2023 Rupees
Profit attributable to ordinary shareholders (Rupees)		1,002,874,559	1,837,650,318
Weighted average number of ordinary shares (Number)	19	110,590,546	110,590,546
Earnings per ordinary share		9.07	16.62

40.2 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.

41 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.

41.1 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 associate, long term deposits, trade receivables, 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	2024 Rupees	2023 Rupees
Loan to associate	15	14,512,000	14,512,000
Long term deposits	11	17,881,510	19,037,602
Trade receivables – Unsecured	14	5,150,632,392	5,165,559,604
Other receivables	16	43,960,353	214,717,201
Bank balances	18	303,170,209	215,036,008
		5,530,156,464	5,628,862,415

41.1.1 Trade receivables

a Non-related parties

	2024	2023
Not yet due	3,253,573,680	3,787,408,287
Past due		
1-30 days	1,138,387,931	701,072,996
31-60 days	365,502,589	96,332,906
61-90 days	127,647,014	28,901,033
Over 90 days	266,816,443	76,337,140
	1,898,353,977	902,644,075
	5,151,927,657	4,690,052,362

b Related parties

	2024	2023
Not yet due	14,954,376	476,656,188
Past due		
1-30 days	443,031	20,735,727
31-60 days	5,192,000	-
	20,589,407	497,391,915

c) 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.

41.1.2 Trade receivables

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

	Not yet due	1-30 days	31-60 days	61-90 days	Over 90 days	Total
As at 30 June 2024						
Expected credit loss rate	0.09%	0.18%	0.79%	1.44%	4.57%	
Estimated total gross carrying amount	3,268,528,056	1,138,830,962	370,694,589	127,647,014	266,816,443	5,172,517,064
Expected credit loss	2,941,393	1,997,049	2,918,655	1,834,909	12,192,667	21,884,673
As at June 30, 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

Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company'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.

41.1.3 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			2024	2023
	Agency	Short-Term	Long-Term	Rupees	Rupees
Albarrak Bank (Pakistan) Limited	JCR-VIS	A-1	A+	11,093,666	35,584,096
Bank Alfalah Limited	PACRA	A1+	AA+	18,590	5,149,133
Bank Islamic Pakistan Limited	PACRA	A1	A+	6,941,970	23,337,220
Habib Bank Limited	JCR-VIS	A1+	AAA	57,242,465	56,910,773
United Bank limited	JCR-VIS	A1+	AAA	4,744,694	666,775
Meezan Bank Limited	JCR-VIS	A1+	AAA	32,459,916	1,574,126
MCB Bank Limited	PACRA	A1+	AAA	2,261,987	13,346,018
National Bank of Pakistan	JCR-VIS	A-1+	AAA	2,173,911	3,716,008
Industrial and Commercial Bank of China	Moody's	P-1	A-2	4,143,057	3,770,756
Silk Bank Limited	JCR-VIS	A-2	A-	50,479	50,479
Soneri Bank Limited	PACRA	A1+	AA-	111,311,591	35,620,458
The Bank of Punjab	PACRA	A1+	AA+	17,830,036	35,310,166
				250,272,362	215,036,008

41.1.4 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.

41.1.5 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.

41.1.6 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.

41.2 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 2024		**Rupees**		
Long term loans	5,508,475,406	1,232,640,587	4,793,247,697	6,025,888,284
Lease liabilities	157,428,730	63,152,974	122,928,996	186,081,970
Short term borrowings	12,700,493,853	12,700,493,853	-	12,700,493,853
Mark up accrued	576,875,696	576,875,696	-	576,875,696
Unclaimed dividend	14,937,067	14,937,067	-	14,937,067
Trade and other payables	1,948,402,589	1,948,402,589	-	1,948,402,589
Total financial liabilities	20,906,613,341	16,536,502,766	4,916,176,693	21,452,679,459

	Carrying values	Maturity Up to One Year	Maturity After One Year	Total
As at 30 June 2023		**Rupees**		
Long term loans	6,465,878,531	1,300,968,724	5,861,221,076	7,162,189,800
Lease liabilities	84,635,000	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	1,801,739,303	1,801,739,303	-	1,801,739,303
Total financial liabilities	21,294,972,115	16,089,516,318	5,921,706,951	22,011,223,269

41.2.1 Changes in liabilities arising from financing activities

	As at 1 July 2023	Cash flows	New leases	Others	As at 30 June 2024
			Rupees		
Long term financing	7,089,755,662	(954,397,668)	-	-	6,025,888,284
lease liability	129,310,350	(52,424,063)	113,718,225	(15,988,940)	174,615,572
Short term borrowings	12,296,372,135	404,121,718	-	-	12,700,493,853
Unclaimed dividend	12,870,678	(329,705,249)	-	331,771,638	14,937,067
	19,528,308,825	(932,405,262)	113,718,225	315,782,698	18,915,934,776

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 financing	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	(744,155,763)	-	-	12,296,372,135
Unclaimed dividend	12,325,435	(165,340,565)	-	165,885,808	12,870,678
	20,102,186,068	(677,486,640)	12,797,000	177,758,535	19,600,742,963

41.2.2 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.

41.3 Market Risk

41.3.1 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	Note	2024 USD	2023 USD
Assets			
Cash and Bank		700,577	140,562
Trade receivables		1,056,071	1,530,108
		1,756,648	1,670,670
Liabilities			
Trade and other payables		-	(1,432,884)
Short-term borrowings		(12,279,686)	(550,982)
Accrued mark up		(144,521)	(1,902)
		(12,424,207)	(1,985,768)
		(10,667,559)	(315,098)

41.3.2 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	
	2024	2023	2024	2023
USD to PKR	283.60	247.86	278.58	275.44

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 Rate	2024	2023
	Effects on profit before taxation	
+1%	(29,717,686)	(867,899)
-1%	29,717,686	867,899

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.

41.3.3 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	Note	2024 Rupees	2023 Rupees
Liabilities			
Long term loan	20	(1,879,846,277)	(2,506,418,064)
Lease liabilities		(122,928,996)	(65,746,506)
Short-term borrowings - Secured	27	(12,700,493,853)	(12,296,372,135)
		(14,703,269,126)	(14,868,536,705)
Assets			
Bank balances - Saving accounts	18	4,067,132	14,148,772
		(14,699,201,994)	(14,854,387,933)

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 (2023: 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:

Changes in Rate	2024	2023
	Effects on profit before taxation	
+1%	(146,992,020)	(148,543,879)
-1%	146,992,020	148,543,879

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

41.3.4 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.

41.3.5 Financial instruments by categories

	Note	2024 Rupees	2023 Rupees
Financial assets			
Loan and advances	15	14,512,000	14,512,000
Long-term deposits	11	17,881,510	19,037,602
Trade receivables – unsecured	14	5,150,632,392	5,165,559,604
Other receivables	16	43,960,353	214,717,201
Cash and bank balances	18	303,170,209	215,624,955
		5,530,156,464	5,629,451,362

Financial liabilities	Note	2024 Rupees	2023 Rupees
Long-term loans	22	6,025,888,284	6,250,193,517
Lease liabilities	23	157,428,732	84,634,999
Short-term borrowings - secured	30	12,700,493,853	12,296,372,135
Mark up accrued	29	576,875,696	633,476,468
Unclaimed dividend		14,937,067	12,870,678
Trade and other payables	27	1,942,902,589	1,801,739,302
		21,418,526,221	21,079,287,099

41.4 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:	Note	2024	2023
Long-term loans	20	6,025,888,284	6,250,193,517
Short-term borrowings - secured	27	12,700,493,853	12,296,372,135
Lease liabilities	21	157,428,732	84,634,999
Less: cash and cash equivalents	18	(303,170,209)	(215,624,955)
Net debt		18,580,640,660	18,415,575,696
Share capital	19	1,105,905,460	1,105,905,460
Reserves		7,251,094,215	6,742,468,524
Total		8,356,999,675	7,848,373,984
Gearing Ratio		69:31	70:30

41.5 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 recognized at fair value, analyzed 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 categorization in Level 1, Level 2 and Level 3.

42 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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:

Name of parties	Nature of relationship	Nature of transactions	Note	June 30, 2024 Transactions during the year	June 30, 2023 Transactions during the year
				Rupees	Rupees
Nimir Resins Limited	Associated Company	Sale of goods	14	247,486,357	319,117,680
		Purchase of goods		4,619,999	24,128,569
		Services provided		7,265,038	6,604,580
		Services acquired		5,629,143	5,117,402
		Reimbursement of expense		14,608,309	9,081,105
Nimir Overseas LLC	Associated Company	Sale of goods		366,069,107	550,537,405
Nimir Chemcoats Limited	Associated Company	Sale of goods	14	3,594,000	-
		Purchase of goods		8,388,964	26,609,566
Nimir Chemicals Pakistan Limited	Associated Company	Sale of goods	15	10,052,725	16,628,480
Nimir Energy Limited	Associated Company	Purchase of goods		-	14,811,769
Key Management Personnel	Remuneration and other benefits paid	Managerial Remuneration		357,051,133	313,537,550
		Other employment benefits		130,554,316	128,232,099
Staff retirement benefits	Contribution to gratuity fund	Contribution to gratuity fund		22,000,000	2,500,000

42.1 Outstanding balances of related parties are disclosed in the relevant notes to the financial statements.

42.2 Basis of relationship with the company

In respect of associated companies and holding company incorporated inside Pakistan with whom the company had entered into transaction during the financial year along with basis of relationship is as follows:

Name of related party	Country of Incorporation/origin	Relationship	Basis of Association	Shareholdings	Basis of Association	Shareholdings
				2024		2023
Nimir Management (Private) Limited	Pakistan	Associated	Common Directorship	Nil	Subsidiary company	51%
Nimir Resins Limited (NRL)	Pakistan	Associated	Common Directorship	Nil	Sub-Subsidiary company	37.64%
Nimir Overseas FE LLC	Pakistan	Associated	Common Directorship	Nil	Subsidiary company	100%
Nimir Resources (Private) Limited	Pakistan	Associated	Common Directorship	Nil	Common Directorship	Nil
Nimir Chemcoats Limited	Pakistan	Associated	Common Directorship	Nil	Common Directorship	Nil
Nimir Chemicals Pakistan Limited	Pakistan	Associated	Common Directorship	Nil	Common Directorship	Nil
Nimir Energy Limited	Pakistan	Associated	Common Directorship	Nil	Common Directorship	Nil
Terranova (Private) Limited	Pakistan	Associated	Common Directorship	Nil	Common Directorship	Nil
Extracts 4 Life (Private) Limited	Pakistan	Associated	Common Directorship	Nil	Common Directorship	Nil

42.3 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (Note 41)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

42.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	Rupees					
Managerial remuneration	22,065,805	18,580,645	34,066,506	28,645,162	174,236,604	155,056,483
Housing	9,928,280	8,361,290	15,327,872	12,890,322	78,396,023	69,775,416
Utilities	2,205,915	1,858,065	3,405,622	2,864,516	17,418,506	15,505,651
Bonus	11,250,196	11,889,100	17,344,054	18,110,278	88,707,834	86,071,166
Gratuity	-	-	-	-	13,252,232	12,161,555
	45,450,196	40,689,100	70,144,054	62,510,278	372,011,199	338,570,271
Number of persons	1	1	2	2	52	51

43.1 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 expense whereas some executives have been provided with company- maintained Cars.

43.2 An amount of Rs. 11.900 million (2023: Rs 10.405 million) was paid to non-executive directors for attending the board meetings.

44 TOTAL NUMBER OF EMPLOYEES

	Note	2024 Rupees	2023 Rupees
Number of employees		243	274
Average number of employees		256	260

45 GENERAL

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

46 PRODUCTION CAPACITY

	2024 Production Capacity	2024 Actual Production	2023 Production Capacity	2023 Actual Production
1. Oleo Chemicals (Metric ton)	140,000	79,351	140,000	100,810
2. Chlor Alkali Products				
- Caustic Soda (Metric ton)	56,000	39,457	35,000	28,755
- By Products (Metric ton)	129,500	97,002	123,000	79,280
3. Chlorinated Paraffin Wax (Metric ton)	13,000	4,766	13,000	1,640
4. Soap Finishing Line (Metric ton)	54,000	34,608	54,000	40,502
5. Aerosol (Cans)	80,000,000	5,791,434	80,000,000	6,234,948
6. Blending (Metric ton)	-	28,330	-	21,335
7. Home Care (Bottles)	46,500,000	9,734,928	46,500,000	8,926,860
8. Personal Care (Metric ton)	4,500	1,499	4,500	747
9. Dish Wash (Metric ton)	9,000	4,098	9,000	4,064

1. Actual production decreased due to decrease in demand.
2. The caustic soda plant capacity was enhanced with the latest technology in two phases. The first phase was completed in the previous financial year, while the second phase was finished by the end of last year, making the expanded capacity fully available during the current financial year. In view of the market demand, the old plant is not being utilized.
3. Actual production has increased as operations began last year, and this year the Company has experienced higher demand and production is dependent on actual demand.
4. The plant capacity was underutilized due to product mix and market demand.
5. The plant capacity was underutilized due to product mix and market demand.
6. The plant capacity is indeterminable because it is a multi-product plant involving varying processes.
7. The plant capacity was underutilized due to product mix and market demand.
8. Actual production increased as operations began last year, and this year the Company has experienced higher demand.
9. The actaul prodution was made according to market demand.

47 CORRESPONDING FIGURES

Corresponding figures where necessary, have been rearranged for the purpose of comparison. However no significant rearrangement or reclassification has been made during the year ended June 30, 2024 except the following:

Description	Note	From	To	Rupees
Reclassification of taxation expense to minimum tax differential	39	Taxation	Minimum tax differential	493,196,508
Reclassification of finished goods to semi finished goods	13	Finished goods	Semi finished goods	294,592,850
Reclassification of loan to associate to loans and advances	15	Loan to associate	Loans and advances	14,512,000
Reclassification of commission to trade discounts	31	Commision	Trade discounts	116,934,197

48 SUBSEQUENT EVENTS

The Board of Directors at its meeting held on September 19, 2024 has proposed a final dividend @ Rs. 1.5 per share for the year ended June 30, 2024 (2023: Rs. 2.0) amounting to Rs. 165.886 million (2023: Rs. 221.181 million) for approval of the members at the Annual General Meeting to be held on October 28, 2024. These financial statements do not reflect this dividend.

49 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on Thursday, September 19, 2024.

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

Gender Pay Gap statement under SECP Circular 10 of 2024

1. Mean Gender Gap :

Mean Gap

The mean pay for Women is 22% higher than that of women

2. Median Gender Gap :

Median Gap

The median pay for Women is 13% higher than that of women

For and on behalf of board

Zafar Mahmood

Chief Executive Officer
Nimir Industrial Chemicals Limited

Lahore
September 19, 2024

Pattern of Shareholding

AS AT JUNE 30, 2024

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
223	1	100	7,546
888	101	500	259,586
179	501	1,000	160,524
266	1,001	5,000	744,138
102	5,001	10,000	770,286
41	10,001	15,000	511,706
24	15,001	20,000	425,545
16	20,001	25,000	367,610
10	25,001	30,000	282,651
8	30,001	35,000	260,350
5	35,001	40,000	188,563
5	40,001	45,000	220,700
7	45,001	50,000	347,750
3	50,001	55,000	150,851
3	55,001	60,000	170,801
1	60,001	65,000	64,900
1	65,001	70,000	70,000
1	70,001	75,000	74,500
1	75,001	80,000	76,000
3	80,001	85,000	249,216
1	85,001	90,000	87,500
1	90,001	95,000	94,000
8	95,001	100,000	795,500
1	100,001	105,000	100,500
1	120,001	125,000	122,500
1	130,001	135,000	135,000
1	140,001	145,000	144,000
1	170,001	175,000	175,000
1	195,001	200,000	200,000
1	250,001	255,000	255,000
1	280,001	285,000	280,999
1	290,001	295,000	290,500
1	295,001	300,000	300,000
2	310,001	315,000	624,750
1	370,001	375,000	372,500
1	395,001	400,000	397,499
1	485,001	490,000	489,000
1	785,001	790,000	788,000
1	910,001	915,000	910,260
1	1,340,001	1,345,000	1,341,339
1	1,805,001	1,810,000	1,807,500

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
1	2,575,001	2,580,000	2,578,351
1	3,455,001	3,460,000	3,458,000
1	5,850,001	5,855,000	5,851,054
1	7,360,001	7,365,000	7,361,295
1	8,510,001	8,515,000	8,511,750
1	9,565,001	9,570,000	9,569,999
1	10,655,001	10,660,000	10,656,117
1	12,675,001	12,680,000	12,678,269
1	13,145,001	13,150,000	13,149,460
1	21,660,001	21,665,000	21,661,681
1,826			110,590,546

S. No.	Categories of shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor childern	39,513,472	35.7295%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	2,578,351	2.3314%
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	39,851	0.0360%
2.3.6	Modarabas and Mutual Funds	1,333,899	1.2062%
2.3.7	Share holders holding 10% or more	47,489,410	42.9417%
2.3.8	General Public		
	1 - Local	64,856,293	58.6454%
	2 - Foreign	1,000	0.0009%
2.3.9	Others (to be specified)		
	1- Joint Stock Companies	1,491,909	1.3490%
	2- Pension Funds	189,094	0.1710%
	3- Foreign Companies	30,600	0.0277%
	4- Leasing Companies	24,010	0.0217%
	5- Investment Companies	11,012	0.0100%
	6- Others	517,255	0.4677%

Categories of Shareholding required under Code of Corporate Governance (CCG) AS AT JUNE 30, 2024

S. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties :			
1	TERRANOVA PVT. LIMITED (CDC)	2,578,351	2.3314
Mutual Funds :			
1	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	9,500	0.0086
2	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND (CDC)	7,500	0.0068
3	CDC - TRUSTEE FAYSAL STOCK FUND (CDC)	8,400	0.0076
4	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	255,000	0.2306
5	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	30,000	0.0271
6	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	397,499	0.3594
7	CDC TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	20,000	0.0181
8	CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	15,500	0.0140
9	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY ACCOUNT (CDC)	100,500	0.0909
10	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	489,000	0.4422
Directors and their Spouse and Minor Children :			
1	MR. ZAFAR MAHMOOD (CDC) (Chief Executive)	21,661,681	19.5873
2	MR. AMIR JAMIL (CDC)	5,851,054	5.2907
3	MR. SAEED UZ ZAMAN	1,342,120	1.2136
4	MR. JAVED SALEEM ARIF (CDC)	500	0.0005
5	MRS. PARVEEN AKHTAR MALIK (CDC)	500	0.0005
6	MR. IMRAN AFZAL (CDC)	10,656,117	9.6356
7	MR. SAQIB ANJUM (CDC)	1,000	0.0009
8	MST. HUMAIRA SHAZIA (CDC)	500	0.0005
Executives:		33,232,024	30.0496
Public Sector Companies & Corporations :		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds :		256,255	0.2317

Shareholders holding five percent or more voting intrest in the listed company

S. No.	Name	Holding	%
1	MR. ZAFAR MAHMOOD (CDC) (Chief Executive)	21,661,681	19.5873
2	MR. KHALID MUMTAZ QAZI (CDC)	12,678,269	11.4642
3	MR. MUHAMMAD YAHYA KHAN (CDC)	13,149,460	11.8902
4	MR. IMRAN AFZAL (CDC)	10,656,117	9.6356
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)	7,361,295	6.6564
8	MR. AMIR JAMIL (CDC)	5,851,054	5.2907

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	Transactions made under Lahore High Court Order (Jan-2024) Subtraction	Addition
1	MR. ZAFAR MAHMOOD (CDC) (Chief Executive)	2,400,444	-
2	MR. AMIR JAMIL (CDC)	631,696	-
3	MR. MOHAMMAD SAEED UZ ZAMAN (CDC)	-	1,031,339
4	MR. IMRAN AFZAL (CDC)	1,073,883	-
5	MR. MUHAMMAD YAHYA KHAN (CDC)	-	2,449,434
6	MR. KHALID MUMTAZ QAZI (CDC)	1,389,731	-
7	MR. UMAR IQBAL (CDC)	821,205	-
		Sale	**Purchase**
8	MR. SALMAN AZMAT (CDC)	-	14,000

Notice of 31st Annual General Meeting

FOR THE YEAR ENDED JUNE 30, 2024

Notice is hereby given that the 31st Annual General Meeting ("AGM") of Nimir Industrial Chemicals Limited (the "Company") will be held on Monday, October 28, 2024 at 12:00 Noon, 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, 2024 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. 1.5 per share (i.e. 15%) in addition to the interim dividend of Re. 1 per share (i.e. 10%), in total Rs. 2.5 per share (i.e. 25%) cash dividend for the year ended June 30, 2024.
3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration. The members are hereby given the notice that 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.

SPECIAL BUSINESS:

4. To receive, consider and approve the Circulation of Annual Report through QR Code and Through Weblink, in accordance with the Section 223(6) of the Companies Act, 2017 read with SECP's S.R.O 389(1)/2023 dated March 31, 2023 and pass the following resolution with or without modification:

   Resolved that, "Nimir Industrial Chemicals Limited (the "Company") be and is hereby authorized to circulate its Annual Report including Annual Audited Financial Statements Auditor's Report, Directors Report, Chairman Review Report and other reports contained therein to Members of the Company through QR enabled Code and web link."

5. To receive, consider and approve the winding-up of subsidiary (100% owned) which was formed in Uzbekistan in the name of Nimir Overseas LLC.

   Resolved that, "Chief Executive Officer and/or Company Secretary be and are hereby authorized for undertaking winding-up process through liquidation of Nimir Overseas LLC – Uzbekistan 100% owned subsidiary of the Nimir Industrial Chemicals Limited pursuant to the applicable provisions of the Companies Act, 2017."

   Statement under section 134 of the Company Act, 2017 in the above matter pertaining to item no 4 & 5 are annexed

By Order of the Board

Muhammad Inam-ur-Rahim
(Company Secretary)

Sheikhupura
October 7, 2024

Notes:

I. The share transfer books of the Company shall remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Monday, October 21, 2024 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) to the Company are required to send the same at the earliest directly of the Company's Share Registrar, M/s Corplink (Pvt.) Limited. Members/Shareholders (CDC) get it updated directly to their CDC participant (broker)/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.

Video Conference Facility

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

Deposit of Physical Shares in to CDC Account:

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

Deduction of withholding Income Tax / Zakat on the amount of Dividend

Pursuant of the provisions of Finance Act, 2024 effective from July 1, 2024, the deduction of income tax from the dividend payments shall be made on the bases of filer and non-filers as follows:

S. No.	Nature of Shareholders	Rate of Deduction
1	Filers of Income Tax Return - ATL	15%
2	Non-Filers of Income Tax Return - ATL	30%

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. 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.

Zakat will be deducted from the dividend(s) at source at the rate of 2.5% of the paid-up value of the share (i.e. Rs. 10/- each) and will be deposited within the prescribed period with the relevant authority as per the prescribed regulations. Shareholders desiring non-deduction of Zakat are requested to submit a valid declaration form (CZ-50) under Zakat and Ushr Ordinance, 1980 to the Share Register / CDC – Participant / investor Account Services before Book Closer for non-deduction of Zakat.

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.

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, 2024 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.

E-Voting :

Members can also exercise their right to poll subject to meeting the requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations , 2018 "Regulation 2018. Details of e-voting facilities will be shared though email with those Members of the Company who have their valid CNIC number, cell numbers and email address available in the register of Members of the Company within due course. Postal ballot form is also available on the Company's website.

Proxy Form :

Proxy Form is enclosed and also available on the website of the company i.e. www.nimir.com.pk

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS SUBJECT :

The statement set out the material facts concerning the special Business given in agenda item No. 4 & 5 of the notice which will be considered to be passed by the members.

Agenda item no. 4 of the notice – Circulation of Annual Audited Financial Statements Through QR enabled code and weblink.

The securities and Exchange Commission of Pakistan (SECP) through its notification No. S.R.O 389(1)/2023 dated March 21, 2023 has allowed the Companies to circulated the Annual Audited Financial Statements Auditor's Report, Directors Report, Chairman Review Report and other reports contained therein to Members of the Company through QR enabled Code and web link. Consequently, notice of the meeting shall be dispatched to Members as per the requirements of the Companies Act, 2017 on their registered mailing address, containing the QR code and web link address to enabled them to view and download the Annual Audited Financial Statements together with the reports and documents required to be annexed thereto under the Companies Act, 2017.

Agenda item no. 5 of the notice

This Company was formed in Uzbekistan in the name of Nimir Overseas LLC with an equity of USD 37,000/-, which was planned to be injected within one year of its formation as per given local law relaxation. Unfortunately, State Bank of Pakistan did not give the required approval in the given time of one year and the management was forced to wind up this Company as per local law.

The Company Shell send hard copies of the Annual Audited Financial Statements to the shareholders, free of charge, upon receipt of a duly completed Request Form, as available on the Company's website.

None of the Directors of the Company have any direct or indirect interest in the Special Business, except in their capacity as Members and Directors of the Company.

Form of Proxy 31st 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 Monday, October 28, 2024 at 12:00 afternoon and / or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this .... day of .... 2024.

____
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, 2024 to October 28, 2024 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Monday, October 21, 2024 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:

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

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

BALLOT PAPER

Registered Office: Address 14.8 Km. Sheikhupura -Faisalabad Road, Bhikhi Dist. Sheikhupura – Pakistan

Contact: +92-42-35926090-93, Website:https://www.nimir.com.pk

Ballot paper for voting through post for the Special Business at the Annual General Meeting (AGM) of Nimir Industrial Chemicals Limited scheduled on Monday, October 28, 2024, at 12:00 Noon at the Sultan Grand Hotel, situated Near Housing Colony, Faisalabad Bypass, Sheikhupura.

Contact details of the Chairman at which the ballot paper may be sent:

Business Address: The Chairman, Mr. Muhammad Saeed Uz Zaman Office # 122 – B, New Muslim Town, Lahore, Pakistan. Email: corporate@nimir.com.pk

Name of Shareholder/Joint Shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID withSub-Account #	
Number of shares held (shall be taken as of book closure in notice)	
CNIC, NICOP/ Passport No. (for foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation, and Federal Government.)	

Instructions for Poll

1. Please indicate your vote by ticking (√) the relevant box.
2. In case if both the boxes are marked as (√), you poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the following Special Business resolution through postal ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below;

Agenda No.	Nature and Description of Resolutions	No of Ordinary Shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST
4.	**SPECIAL BUSINESS:** **Resolved that**, Nimir Industrial Chemicals Limited (the "Company") be and is hereby authorized to circulate its Annual Report including Annual Audited Financial Statements Auditor's Report, Directors Report, Chairman Review Report and other reports contained therein to Members of the Company through QR enabled Code and web link.			
5.	**Resolved that,** "Chief Executive Officer and/or Company Secretary be and are hereby authorized for undertaking winding-up process through liquidation of Nimir Overseas LLC – Uzbekistan 100% owned subsidiary of the Nimir Industrial Chemicals Limited pursuant to the applicable provisions of the Companies Act, 2017."			

Signature of Shareholder(s) (In case of corporate entity, please also affix company stamp)	Place	Date

Notes/Procedure for submission for Ballot Paper:

1. Dully filled postal ballot should be sent to the Chairman of the meeting, Nimir Industrial Chemicals Limited (the "Company") at Chairman's office Mr. Muhammad Saeed Uz Zaman Office # 122 – B, New Muslim Town, Lahore, Pakistan or through email @ corporate@nimir.com.pk

2. Copy of CNIC/Passport (in case of foreign nationals) should be enclosed with the postal ballot.

3. Postal ballot form should reach to the Chairman of the meeting on or before October 27, 2024 by 05:00 p.m. (i.e. 1700 hours PST). Any postal ballot received after this date, will not be considered for voting.

4. Chairman of AGM will be Mr. Muhammad Saeed Uz Zaman Office # 122 – B, New Muslim Town, Lahore, Pakistan.

5. Signature on the postal ballot should match with the signature on CNIC/Passport (in case of foreign nationals).

6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

7. In case of corporate body, corporation and Federal Government, postal ballot must be accompanied with the CNIC/Passport of authorized person, attested copy of Board Resolution, Power of Attorney, Authorization letter etc. in accordance with section 138 or 139 of the Companies Act, 2017 as applicable. In case of foreign corporate body etc. all documents must be attested from the counsel general of Pakistan having jurisdiction over the member.

8. Ballot paper has also been placed at the website of the Company www.nimir.com.pk, members may download the ballot paper from the Company's website.

Corporate Video

E-Brochure

Accounts

NIMIR

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

Phone : +92 (0)301 8483950
+92 42 35926090-93
Web : www.nimir.com.pk