

## Date

11-Jul-25

## Analyst

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## Applicable Criteria

- Methodology | Corporate Rating | Jul-24
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Apr-25
- Methodology | Rating Modifiers | Apr-25

## Related Research

- Sector Study | Chemicals | Jul-24

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## PACRA Maintains Entity Ratings of NIMIR Industrial Chemicals Limited

Rating Type	Entity	
	Current (11-Jul-25)	Previous (12-Jul-24)
Action	Maintain	Maintain
Long Term	A+	A+
Short Term	A1	A1
Outlook	Stable	Stable
Rating Watch	-	-

NIMIR Industrial Chemicals Limited (“NIMIR” or “the Company”) specializes in the manufacturing and sales of Oleochemicals and Chlor alkali products which includes Soap Noodle, Stearic acid, Glycerin, Caustic soda, and a variety of industrial chemicals. In addition to this the Company also provides toll manufacturing services for the production of Toilet Soaps, Aerosol, Personal Care Products and Home Care Products. The ratings reflect the firm’s strong presence in the chemical industry driven by a diversified product portfolio that benefits clients, mostly renowned multinational FMCGs. During FY25 country’s macroeconomic conditions started to improve, with stabilization of foreign exchange, gradual reduction in interest rates and inflation contributed in overall improvement in consumer confidence and buying patterns, however due to ongoing geopolitical tensions have temporarily altered the consumer buying preferences to local brands and restricted the overall growth in this segment. The chemical sector is divided into essential chemicals (e.g., Caustic Soda, Hydrochloric Acid) and non-essential chemicals (e.g., Personal and Home Care ingredients)—also experienced varying demand trends. While demand for essential chemicals remained relatively stable due to their industrial necessity, non-essential chemical segments faced muted growth as consumers prioritized basic needs over discretionary products. During the period under review, NIMIR experienced a ~10% increase in its Oleochemical sales volumes, while the volumes of Chlor Alkali products declined by ~26%. As a result, overall sales revenue registered a modest growth of ~3.6%, with the Company’s top line reaching ~PKR 32,583mln during 9MFY25 (FY24: ~PKR 41,925mln). Margins also showed slight improvement due to cost controls at different levels. Moreover, the Company’s effective pricing strategy indexed to dollar rates provided an added layer of protection in the time of volatility. Recently, the Company has acquired a production facility located in Hub, Balochistan, from Procter & Gamble Pakistan Private Limited (P&G). This strategic move is expected to enhance the Company’s production capacities, particularly in Soap Finishing and Oleochemical and will enable the Company to better meet the growing demand of its multinational clients and strengthen its presence in the southern region. Strategically, this acquisition is also poised to generate various operational synergies and unlock new export opportunities. The Company’s financial risk profile is characterized by moderate coverages, cashflows and working capital cycle. The capital structure is leveraged, where borrowings comprise a mix of short-term for working capital management and long-term for CAPEX.

The ratings are dependent on sustaining margins and profitability in line with business expansion. Prudent management of working capital and retaining strong coverages are critical. Successful expansion and translation of the same in revenues is important.

### About the Entity

Nimir Industrial Chemicals Limited was incorporated in 1994 as a Public Limited Company, under the Repealed Companies Ordinance, 1984. The Company is involved in the manufacturing and sale of oleochemicals and Chlor alkali products including distilled fatty acid (DFA), Soap noodles, Stearic acid, Glycerin, Caustic soda, and a variety of industrial chemicals. The plant currently operates with an annual capacity of ~140,000 metric tons for Oleochemical products and ~158,000 metric tons for Chlor alkali products. The Board includes nine members including the CEO - Mr. Zafar Mehmood who has vast experience in the relevant field.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA’s comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security’s market price or suitability for a particular investor.