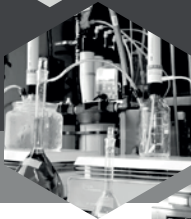
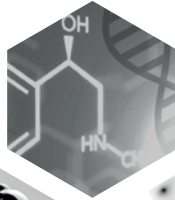


# NIMIR



**Nimir Resins Limited**  
Better life Through Chemistry

**Half Yearly**  
December (Unaudited)

**2022**

## COMPANY INFORMATION

### Board of Directors

Sheikh Amar Hameed - Chairman  
Mr. Zafar Mahmood - Chief Executive Officer  
Mr. Khalid Mumtaz Qazi  
Mr. Muhammad Yahya Khan  
Mr. Khalid Siddiq Tirmizey  
Mr. Osman Hameed  
Mr. Pervaiz Ahmad Khan  
Mrs. Nazia Qureshi

### Chief Financial Officer

Syed Sajid Nasim

### Company Secretary

Mr. Muhammad Inam-ur-Rahim

### Head of Internal Audit

Mr. Nabeel Ahmad Khan

### Auditors

Crowe Hussain Chaudhury & Co.  
Chartered Accountants

### Audit Committee

Mr. Pervaiz Ahmad Khan - Chairman  
Mrs. Nazia Qureshi - Member  
Mr. Osman Hameed - Member

### Human Resources &

#### Remuneration Committee

Mr. Khalid Siddiq Tirmizey - Chairman  
Sheikh Amar Hameed - Member  
Mr. Zafar Mahmood - Member

### Share Registrar

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

### Legal Advisors

M/s Hassan & Hassan  
Advocates

### Bankers

Al Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Pak Brunei Investment Company Limited  
Soneri Bank Limited  
The Bank of Punjab

### Registered Office / Plant - 1

14.5 Km, Lahore-Sheikhupura Road,  
Lahore, Pakistan.  
Tel : +92 42 37971512-14  
Fax: +92 42 37970229

### Plant – 2

14.8 Km, Sheikhupura-Faisalabad Road,  
Bhikhi, Dist. Sheikhupura. Pakistan.  
Tel : +92 56 3883001 – 7  
Fax: +92 56 3883010

### Lahore Office

122-B, New Muslim Town,  
Lahore, Pakistan.  
Tel : +92 42 35926090-93  
+92 42 35947700-04

### Karachi Office

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

### Web Site

www.nimir.com.pk

## DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present our performance review report together with un-audited financial statements of Nimir Resins Limited (the "Company") for the half year ended December 31, 2022.

During the six months under review, the company's top line grew by 21% at Rs. 5.4 billion driven mainly due to devaluation of Pak Rupee. Gross profit was at 7.9% dropped by 4.9% from last year as the international prices dropped suddenly and we were carrying expensive stocks. Profit after tax stood at Rs. 44.8 million against Rs. 176 million last year with an additional financial cost of Rs. 149 million, (increased by 233% from last year) on the back of high discount rates and additional working capital needs. High energy and other input costs the gross profit went down by 19%. The operating income and pre tax profit also went down by 27% and 74% respectively. The basic earnings per share is reported at Re. 0.32 as compared to Rs. 1.24 for the corresponding period of last year.

The continuous rise in input costs has been putting pressure on product margins, and with consequential adjustments in products' pricing, the market for quality products has already started contracting, thus making it challenging to operate the business at the optimal capacity. The recent State Bank measures to manage the Current Account Deficit has made the situation harder for the Company, like any other industrial units of the Country, for securing the supply of essential raw materials.

Management is closely monitoring these developments and modifying its strategy to ensure continuous operations for the longest possible time with available raw materials in hand and incoming shipments against letters of credit already established. The objective is to ensure an uninterrupted supply of materials to its valued customers. All necessary price adjustments are being made to recover the increases in the cost of production.

On behalf of the board, we extend our heartfelt appreciation to the shareholders, employees, suppliers, customers and bankers for their continued confidence and support.

For and on the behalf of the Board



**Khalid Mumtaz Qazi**  
Director



**Zafar Mahmood**  
Chief Executive Officer

Lahore  
February 23, 2023

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 دسمبر 2022 کو ختم ہونے والے ششماہی کے لیے نمبرز ریزولیمینڈ کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

زیر جائزہ ششماہی کے دوران، کمپنی کی ٹاپ لائن پاکستانی روپیہ کی قدر میں کمی کی وجہ سے 21% کے اضافے سے 5.4 بلین روپے ہو گئی۔ مجموعی منافع گزشتہ سال سے 4.9% کم ہو کر 7.9% پر برقرار رہا کیونکہ بین الاقوامی قیمتیں اچانک کم ہو گئیں اور ہمیں مینگے اسٹاکس کو کیئرنگ کرنا پڑا۔ زیادہ ڈسکاؤنٹ ریٹس اور اضافی ورکنگ کیپٹل ضروریات کی بناء پر اضافی مالی لاگت 149 بلین روپے (گزشتہ سال سے 233% اضافہ) کے ساتھ منافع بعد از ٹیکس گزشتہ سال 176 بلین روپے کے مقابلے 44.8 بلین روپے رہا۔ توانائی اور دیگر پیداواری زیادہ لاگت سے مجموعی منافع میں 19% کمی واقع ہوئی۔ آپریٹنگ آمدنی اور منافع قبل از ٹیکس میں بھی بالترتیب 27% اور 74% کمی واقع ہوئی۔ فی شخص بنیادی آمدنی گزشتہ سال کی اسی مدت میں 1.24 روپے کے مقابلے میں 0.32 روپے درج کی گئی۔

پیداواری لاگت میں مسلسل اضافہ مصنوعات کے مارجن پر دباؤ ڈال رہا ہے، اور مصنوعات کی قیمتوں میں نتیجہ خیز ایڈجسٹمنٹ کے ساتھ، معیاری مصنوعات کی مارکیٹ پہلے سے ہی کنٹریکٹنگ ہونا شروع ہو چکی ہے، اس طرح کاروبار کو زیادہ سے زیادہ صلاحیت کے ساتھ چلانا مشکل بنا ہوا ہے۔ کارنٹ اکاؤنٹ خسارہ کو سنبھالنے کے لیے اسٹیٹ بینک کے حالیہ اقدامات نے ملک کے دیگر صنعتی پیمانوں کی طرح کمپنی کے لیے ضروری خام مال کی فراہمی کو یقینی بنانے کے لیے صورتحال کو مزید مشکل بنا دیا ہے۔


انتظامیہ ان پیش رفتوں پر گہری نظر رکھے ہوئے ہے اور اپنی حکمت عملی میں ترمیم کر رہی ہے تاکہ دستیاب خام مال اور پہلے سے قائم کریڈٹ کے خطوط کے عوض آنے والی ترسیل کے ساتھ طویل ترین ممکنہ وقت تک مسلسل کارروائیوں کو یقینی بنایا جاسکے۔ اس کا مقصد اپنے قابل قدر صارفین کو مواد کی بلا تعطل فراہمی کو یقینی بنانا ہے۔ پیداواری لاگت میں اضافے کی وصولی کے لیے قیمتوں میں تمام ضروری ایڈجسٹمنٹ کی جا رہی ہے۔

بورڈ کی جانب سے، ہم اپنے تمام حصص داران، ملازمین، سپلائرز، صارفین اور بینکرز کے مسلسل اعتماد اور تعاون کے لیے ان کا شکریہ ادا کرتے ہیں۔

مخائب بورڈ



خالد ممتاز قاضی  
ڈائریکٹر



ظفر محمود  
چیف ایگزیکٹو آفیسر

لاہور  
23 فروری 2023ء

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of NIMIR RESINS LIMITED ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

## Scope of Review

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

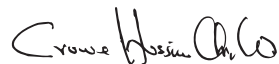
## Conclusion

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

## Other Matter

The figures of the condensed interim statement of profit or loss account and the condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

The engagement partner on the audit resulting in this independent auditor's review report is Muhammad Nasir Muneer.



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT December 31, 2022 (UNAUDITED)

	December 31 2022	June 30 2022
Note	(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorized share capital		
150,000,000 (June 30, 2022: 150,000,000) Ordinary Shares of Rs. 10 each (June 30, 2022: R 10 each)	1,500,000	1,500,000
Issued, subscribed and paid up share capital	1,413,211	1,413,211
Share deposit money	9,391	11,391
Sponsors' interest free loans	107,000	107,000
Reserves	464,264	416,756
Surplus on revaluation of property, plant and equipment	481,592	484,248
	2,475,458	2,432,606
<b>Non Current Liabilities</b>		
Diminishing musharaka finance	-	-
Long term financing	110,000	141,956
Deferred income – Government grant	-	-
Lease liabilities	32,650	35,768
Post employment benefits obligation	35,316	30,857
Deferred tax liability	13,620	50,925
	191,586	259,506
<b>Current Liabilities</b>		
Trade and other payables	455,833	391,499
Unclaimed dividends	293	293
Accrued mark up	65,770	56,148
Short term borrowings	1,962,581	2,483,518
Current portion of long term liabilities	90,511	96,620
Provision for taxation	120,439	243,228
	2,695,427	3,271,306
<b>Contingencies and Commitments</b>	-	-
<b>Total Equity and Liabilities</b>	5,362,421	5,963,418
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	1,135,843	1,154,785
Right-of-use assets	42,313	37,469
Long term deposits	29,416	26,336
	1,207,572	1,218,590
<b>Current Assets</b>		
Stores and spares	26,605	23,664
Stock in trade	1,750,937	2,291,378
Trade debts	2,056,327	2,003,965
Loans and advances	84,265	44,557
Short term prepayments	8,069	2,295
Other receivables	17,820	29,185
Tax refunds due from government	193,461	325,135
Cash and bank balances	17,415	24,649
	4,154,899	4,744,828
<b>Total Assets</b>	5,362,471	5,963,418

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**(UN-AUDITED)** FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022	2021	2022	2021
Note	(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')
Revenue from sales	5,412,729	4,485,194	2,695,276	2,661,996
Less:				
- Sales tax	(817,745)	(680,196)	(406,441)	(403,240)
- Commission	-	(300)	-	(300)
Net sales	4,594,984	3,804,698	2,288,835	2,258,456
Cost of sales	14 (4,231,186)	(3,355,994)	(2,130,265)	(1,953,391)
<b>Gross Profit</b>	363,798	448,704	158,570	305,065
Operating expenses:				
- Distribution costs	(49,941)	(42,968)	(23,329)	(24,382)
- Administrative expenses	(47,069)	(39,279)	(24,597)	(21,252)
	(97,010)	(82,247)	(47,926)	(45,634)
<b>Operating Profit</b>	266,788	366,457	110,644	259,431
Other operating expenses	(5,539)	(70,400)	(2,318)	(56,787)
Finance cost	(212,577)	(63,757)	(100,506)	(36,838)
Other income	15,744	12,614	12,911	10,270
	(202,372)	(121,543)	(89,913)	(83,355)
<b>Profit before Taxation</b>	64,416	244,914	20,731	176,076
Taxation	13			
- Current	(56,061)	(80,260)	(27,210)	(57,208)
- Super tax	(808)	-	823	-
- Deferred	37,305	10,957	33,298	7,954
	(19,564)	(69,303)	6,911	(49,254)
<b>Net profit for the Period</b>	44,852	175,611	27,642	126,822
<b>Earnings per Share - Basic and Diluted</b>	0.32	1.24	0.20	0.90

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022	2021	2022	2021
	(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')
<b>Net Profit for the Period</b>	44,852	175,611	27,642	126,822
<b>Other comprehensive income</b>				
Items that will not be re-classified to profit or loss	-	-	-	-
Items that may be re-classified to profit or loss	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	44,852	175,611	27,642	126,822

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Particulars	Share Capital	Share Deposit Money	Sponsors' Interest Free Loans	Capital Reserves		Revenue Reserves	Surplus on Revaluation of Property, Plant and Equipment	Total
				Share Premium Reserve	Unappropriated (Loss) / Profit			
----- Rs. '000' -----								
<b>Balance as at June 30, 2021</b>	1,413,211	11,391	107,000	1,281	42,052	494,832	2,069,767	
Total comprehensive income for the half year ended December 31, 2021	-	-	-	-	175,611	-	175,611	
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	3,037	(3,037)	-	
<b>Balance as at December 31, 2021</b>	<b>1,413,211</b>	<b>11,391</b>	<b>107,000</b>	<b>1,281</b>	<b>220,700</b>	<b>491,795</b>	<b>2,245,378</b>	
<b>Balance as at June 30, 2022</b>	<b>1,413,211</b>	<b>11,391</b>	<b>107,000</b>	<b>1,281</b>	<b>415,475</b>	<b>484,248</b>	<b>2,432,606</b>	
Net profit for the period	-	-	-	-	44,852	-	44,852	
Other comprehensive loss for the period	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	44,852	-	44,852	
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	2,656	(2,656)	-	
Share deposit money paid	-	(2,000)	-	-	-	-	(2,000)	
<b>Balance as at December 31, 2022</b>	<b>1,413,211</b>	<b>9,391</b>	<b>107,000</b>	<b>1,281</b>	<b>462,983</b>	<b>481,592</b>	<b>2,475,458</b>	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (un-audited).



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half Yearly Ended December 31,	
	2022 (Rs. '000')	2021 (Rs. '000')
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	64,416	244,914
Adjustments:		
– Depreciation on property, plant and equipment	38,060	32,660
– Depreciation on right of use asset	4,833	-
– Bad debts written off	2	-
– Provision for gratuity	6,119	4,920
– Provision for obsolescence of stock	-	4,352
– Expected credit loss on trade debts	-	9,996
– Workers' (profit) participation fund	3,467	13,171
– Workers' welfare fund	1,622	5,350
– Exchange loss - net	448	37,531
– Finance cost	211,772	62,510
– Gain on disposal of property, plant and equipment	(5)	-
	266,318	170,490
<b>Operating profit before working capital changes</b>	330,734	415,404
(Increase) / decrease in current assets:		
– Stores and spares	(2,941)	1,062
– Stock in trade	540,441	(314,354)
– Trade debts	(52,364)	(562,852)
– Loans and advances	(39,708)	(30,858)
– Trade deposits and short term prepayments	(5,774)	(7,469)
– Other receivables	11,365	(15,038)
– Sales tax refundable - Net	33,403	29,576
Increase / (decrease) in current liabilities:		
– Trade and other payables	104,086	(385,704)
	588,508	(1,285,637)
<b>Cash Generated from / (Used in) Operations</b>	919,242	(870,233)
Finance cost paid	(199,783)	(50,573)
Income tax paid	(81,387)	(79,523)
Gratuity paid	(1,660)	-
Workers' welfare fund paid	(12,681)	(10,044)
Workers' (profit) participation fund paid	(32,608)	(27,001)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	591,123	(1,037,374)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(11,343)	(2,135)
Proceeds from disposal of property, plant and equipment	65	-
Capital work in progress - property, plant and equipment	(17,512)	(47,861)
Share deposit money repaid	(2,000)	-
Long term deposits	(3,080)	(1,735)
<b>Net Cash Used In Investing Activities</b>	(33,870)	(51,731)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing obtained	-	150,000
Long term financing repaid	(37,722)	(32,722)
Diminishing musharaka finance	(525)	(899)
Lease liabilities	(5,303)	(3,603)
Short term borrowings - net	(520,937)	963,488
<b>Net Cash (Used in) / Generated from Financing Activities</b>	(564,487)	1,076,264
<b>Net Decrease in Cash and Cash Equivalents</b>	(7,234)	(12,841)
Cash and cash equivalents at the beginning of the period	24,649	27,758
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>17,415</b>	<b>14,917</b>

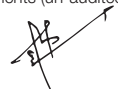
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED December 31, 2022

## 1 The Company and its Operations

- 1.1 Nimir Resins Limited (the Company) was incorporated in Pakistan on December 17, 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on August 19, 1991.
- 1.2 The Company is a subsidiary of Nimir Management (Private) Limited whereas Nimir Industrial Chemicals Limited is the ultimate parent company of Nimir Resins Limited.
- 1.3 The principal activity of the Company is to manufacture coating resins, composite resins (UPR), optical brightener, textile auxiliaries and paper surface sizing agents.
- 1.4 The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its registered office is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore. The principal activity of the Company is to manufacture surface coating resins, polyesters for paint industry, optical brightener and textile auxiliaries for textile industry.

Corporate office of the Company is located at 14.5 KM, Lahore-Sheikhupura Road, Lahore, while the production plant and warehouse of the Company are located at 14.5 KM, Lahore-Sheikhupura Road, Lahore and 14.8 KM, Sheikhupura Faisalabad Road, Sheikhupura respectively.

## 2 Basis of Preparation

- 2.1 These condensed interim financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:
  - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2 These condensed interim financial statements are unaudited and have been subjected to limited scope review by the external auditors as required by Section 237 of the Companies Act, 2017. The figures for the quarters ended on December 31, 2021 and 2022 presented in the condensed financial statements have not been reviewed by the external auditors.
- 2.3 These condensed interim financial statements are presented in Pak rupees, which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise. These condensed financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2022.

## 3 Significant Accounting Policies

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

## 4 Accounting Estimates and Judgment

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

## 5 Share Deposit Money

This represents the excess subscription money received from Nimir Management (Private) Limited for issuance of right shares. During the period an amount of Rs. 2 million has been repaid to Nimir Management (Private) Limited with the approval of the Board of Directors.

6 Diminishing Musharika Arrangements	Note	December 31, 2022	June 30, 2022
		(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
Diminishing musharika facility	5.1	-	525
Less: Current portion		-	(525)
		-	-

- 6.1 The Company acquired certain vehicles under the diminishing musharaka financing arrangements

from First Punjab Modaraba, for a period of 60 months from December 2016. The financing is secured against specific charge on this asset to the extent of outstanding balance of diminishing musharaka. The effective rate is three months KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (June 30, 2022: 8.55% - 8.66%).

7 Long Term Financing	Note	December 31, 2022	June 30, 2022
		(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
Soneri Bank Limited	7.1	512	852
Bank of Punjab	7.2	35,714	50,000
Bank Alfalah Limited	7.3	30,000	32,500
MCB Bank Limited	7.4	127,500	135,000
Refinance for salaries	7.5	-	13,096
Less: deferred income - Government grant		-	(1,513)
		193,726	229,935
Less: current portion of loans		(83,726)	(87,979)
		110,000	141,956

- 7.1** This represents the facility of Rs. 3.411 million obtained by the Company from Soneri Bank Limited for the purchase of a vehicle. This loan is repayable in 60 equal monthly installments starting from August 01, 2018. Markup is charged at 3 months KIBOR plus 1.5% p.a. payable monthly in arrears. The vehicle is comprehensively insured in bank's favour with bank mortgage clause.
- 7.2** This represents facility of Rs. 100 million to facilitate capital expenditure requirements pertaining to procurement, installation and augmentation of new and existing machinery, equipment related auxiliaries and civil works. This loan is repayable in 14 equal quarterly instalments payable in arrears starting from September 30, 2020. Mark-up is charged at 3 months KIBOR plus 1.5% p.a. payable on quarterly basis. This facility is secured against 1st pari passu charge over fixed assets of the Company amounting to Rs 134 million.
- 7.3** This represents facility of Rs. 50 million obtained for solar energy unit of 450KW. This loan is repayable in 20 equal installments payable quarterly in arrears starting from March 31, 2021. Markup is charged at SBP rate plus 2% p.a. payable quarterly in arrears. This loan is secured against joint pari passu charge of Rs. 67 million over fixed assets of the Company with 25% margin.
- 7.4** This represents loan of Rs. 150 million obtained to facilitate capital expenditure requirements pertaining to enhance the capacity of resins, emulsions and adhesives for the coating unit along with increase in capacity for speciality chemicals for pre-treatment and finishing of textile industry. This loan is repayable in 20 equal quarterly installments starting from March 28, 2022. Markup is charged at 3 Months KIBOR plus 0.75% p.a payable quarterly in arrears. This loan is secured against first pari passu charge of Rs. 200 million over entire fixed assets of the Company.
- 7.5** This represents the balance payable on account of loan of Rs. 52.382 million obtained for disbursement of salaries of employees under the State Bank of Pakistan Refinance Scheme for payment of wages and salaries. This loan is repayable in 8 equal quarterly installments payable in arrears starting from January 01, 2021. Markup is charged at SBP rate plus 1% - 1.5% p.a. payable quarterly in arrears. This facility is secured against exclusive charge over fixed assets of the Company amounting to Rs. 70.06 million registered with SECP.

8 Deferred income – Government grant	December 31, 2022	June 30, 2022
	(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
Deferred income - Government grant	-	1,513
Less: current portion	-	(1,513)
	-	-

- 8.1** The Company has recorded deferred income for government grants in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" for the treatment of loan received under Refinance Scheme for Payment of Wages and Salaries that offers a lessor market rate of interest. The standard treats any benefit of a government loan at a below-market rate of interest as a government grant. The loan is initially recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The Company is treating it as per income approach thus grant's benefit shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes the related expense.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

9 Lease Liabilities	December 31, 2022	June 30, 2022
	(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
Opening balance	42,371	34,213
Add: Additions during the year	-	12,946
Add: Interest expense	2,367	2,710
Less: Payments made	(5,303)	(7,497)
Gross liability	39,435	42,371
Less: Current portion	(6,785)	(6,603)
Closing balance	32,650	35,768

**9.1** The Company acquired vehicles from different banks under finance lease arrangements, for a period of 60 months. Present value of minimum lease payments has been discounted using interest rate ranging from 3 months to 1 year KIBOR with a spread of upto 2% (to be revised annually). Rentals are paid in equal monthly instalments. Taxes, repairs and insurance costs are borne by the Company. In case of earlier termination, the Company will be required to pay entire principal portion of the rentals for unexpired period of lease agreement. These vehicles are registered exclusively in the name of respective banks.

**9.2** There are no variable lease payments in the lease contracts. There are no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

**9.3** Remaining lease term of lease contracts is of 4 years (June 30, 2022: 5 years) for which lease liability is recorded.

10 Short Term Borrowings	December 31, 2022	June 30, 2022
	(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
<b>Banking companies - Secured</b>		
Running finance	650,073	655,638
Borrowings / FATRs	1,312,508	1,827,880
	1,962,581	2,483,518

**10.1 Terms and conditions of borrowings**

**Purpose**

The Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 5,005 million (June 30, 2022: Rs. 4,305 million) including running finance facilities amounting to Rs. 975 million and one off running finance facility amounting to Rs. 500 Million for 180 days. (June 30, 2022 Rs. 975 million), to meet working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables and loan against trust receipts etc.

**Mark-up**

Mark-up on short term borrowings is charged using 1 to 6 Months KIBOR+ spread of up to 1.25% (June 30, 2022: 1 to 6 Months KIBOR + spread of up to 1.25%) per annum. Mark up is payable on monthly / quarterly basis in arrears or at the time of adjustment of liability whichever is earlier. Furthermore, some limits carry commission against foreign and local LCs at 0.05% to 0.10% (June 30, 2022: 0.05% to 0.10%) per quarter.

**Securities**

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Company and lien over title of imported goods.

11 Current Portion of Long Term Liabilities	December 31, 2022	June 30, 2022
	(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
<b>Banking companies - Secured</b>		
Diminishing musharaka finance	-	525
Liabilities against assets subject to finance lease	6,785	6,603
Long term financing	83,726	87,979
Deferred Income	-	1,513
	90,511	96,620

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

**12 Contingencies and Commitments**

**12.1 Contingencies**

There are no material contingencies outstanding as at reporting date.

**12.2 Guarantees**

	December 31, 2022 (Un-audited) (Rs. '000')	June 30, 2022 (Audited) (Rs. '000')
Sui Northern Gas Pipelines Limited	3,090	3,090
Pakistan State Oil Company Limited	3,000	3,000
Total Parco Pakistan Limited	8,000	8,000
	14,090	14,090

**12.3 Commitments**

Letters of credit	325,391	790,014
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**13 Property, Plant and Equipment**

		December 31, 2022 (Un-audited) (Rs. '000')	June 30, 2022 (Audited) (Rs. '000')
Operating fixed assets	13.1	1,113,463	1,131,598
Capital work in progress	13.2	22,380	23,187
		1,135,843	1,154,785

**13.1 Operating fixed assets**

Opening written down value	1,131,598	967,940
Additions during the period / year	19,985	229,816
Disposals during the period	(134)	-
	1,151,449	1,197,756
Depreciation charge for the period / year	(38,060)	(66,158)
Depreciation on disposals during the period	74	-
	(37,986)	(66,158)
	1,113,463	1,131,598

**13.2 Capital Work in Progress**

Opening balance	23,187	132,335
Additions during the period / year	17,362	151,588
	40,549	283,923
Transferred to property, plant and equipment	(8,642)	(260,736)
Transferred to right of use asset	(9,527)	-
	22,380	23,187

**14 Cost of Sales**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022 (Rs. '000')	2021 (Rs. '000')	2022 (Rs. '000')	2021 (Rs. '000')
	(Un-audited)			
Opening stock of finished goods	397,884	170,800	569,530	227,254
Cost of goods manufactured	4,328,636	3,469,909	2,056,069	2,010,852
	4,726,520	3,640,709	2,625,599	2,238,106
Closing stock of finished goods	(495,334)	(284,715)	(495,334)	(284,715)
Cost of goods sold	4,231,186	3,355,994	2,130,265	1,953,391

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

**15 Taxation**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022 (Rs. '000')	2021 (Rs. '000')	2022 (Rs. '000')	2021 (Rs. '000')
	(Un-audited)			
Current tax:				
- Current period	57,615	77,570	28,764	54,518
- Super tax	808	-	(823)	-
- Adjustment for prior years	(1,554)	2,690	(1,554)	2,690
	56,869	80,260	26,387	57,208
Deferred tax	(37,305)	(10,957)	(33,298)	(7,954)
	19,564	69,303	(6,911)	49,254

**16 Transactions with Related Parties**

Related parties comprise related group companies, associated companies, staff retirement funds, directors and executives. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Related Party	Relationship	Nature of Transaction	Half Year Ended December 31,	
			Dec. 2022 (Un-audited) (Rs. '000')	Dec. 2021 (Audited) (Rs. '000')
<b>Nimir Industrial Chemicals Limited</b>	Ultimate parent Company	Purchase of goods	138,885	78,163
		Sales of goods	2,869	1,676
		Services provided	2,559	2,326
		Services received/acquired	3,302	3,002
		Other expenses reimbursed	5,358	676
<b>Nimir Chemcoats Limited</b>	Associated Company	Purchase of goods	44,308	497
		Sale of goods	15,937	36,859
		Services provided	1,577	936
		Other expenses reimbursed	-	32
<b>Nimir Energy Limited</b>	Associated Company	Purchase of goods	6,160	-
		Sale of goods	105,769	-
		Other expenses reimbursed	4	-
<b>Contribution to staff retirement benefits</b>				
		Contribution to gratuity fund	6,120	4,920
<b>Key Management Personal</b>				
		Remuneration	37,892	26,597
		Other benefits	10,583	6,864

Sale and purchase transactions have been carried out on commercial terms and conditions as per the Company's Policy.

**17 Segment Reporting**

**17.1** A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

- Coating, Emulsion and Blending
- Textile, Paper and Others

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

**17.2 Segment analysis**

Entity-wide disclosures regarding reportable segment are as follows:

	Coating, Emulsion and Blending	Textile, Paper and others	Total
	(Rs. '000')		
<b>Segment Results for the Period ended December 31, 2022 (Un-audited)</b>			
Revenue	2,433,283	2,161,701	4,594,984
Segment results	108,241	158,547	266,788
Other operating expenses			(5,539)
Finance cost			(212,577)
Other income			15,744
Profit before taxation			64,416

**Segment Results for the Period ended December 31, 2021 (Un-audited)**

Revenue	2,014,093	1,790,605	3,804,698
Segment results	186,970	179,487	366,457
Other operating expenses			(70,400)
Finance cost			(63,757)
Other income			12,614
Profit before taxation			244,914

**17.3** Entity-wide disclosures regarding reportable segment are as follows:

- **Information about major customers**

One customer of the Company accounts for 9.95% (2021: 8.46%) of total sales for the period. Revenue from such customer was Rs. 457.112 million (2021: Rs. 321.735 million).

- **Information about geographical areas**

- All non-current assets of the Company are located in Pakistan as at the reporting date.
- Revenue from export sale is Nil (2021: Rs. 5.995 million).

**18 Authorization of Financial Statements**

These condensed interim financial statements (un-audited) are approved and authorized for issuance on Thursday, February 23, 2023 by the Board of Directors of the Company.

**19 General**

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim financial statements (un-audited).



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



Better life Through Chemistry



E-Brochure



Corporate Video

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