

# NIMIR



HALF YEARLY  
REPORT  
DECEMBER  
**2023**

**Nimir Resins Limited**  
Better life Through Chemistry

# COMPANY INFORMATION

## Board of Directors

Sheikh Amar Hameed - Chairman  
Mr. Zafar Mahmood - Chief Executive Officer  
Mr. Khalid Mumtaz Qazi  
Mr. Muhammad Yahya Khan  
Mr. Osman Hameed  
Mr. Khalid Siddiq Tirmizey  
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. Umair Tahir

## 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  
Askari Bank Limited  
Allied Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
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

## 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

## Web Site

www.nimir.com.pk

## DIRECTORS' REPORT

The Directors are pleased to present their performance review report together with un-audited financial statements of Nimir Resins Limited (the "Company") for the quarter and six months ended December 31, 2023.

During the period under review, the company is able to maintain its gross turnover at PKR. 5.4 billion despite 15% dip in volumes. Gross profit witnessed an increase which rose from 7.9% to 12.1%. The gross profit and operating profits grew by 53% and 57% respectively; gross profit from PKR 364 million to PKR 558 million and operating profit from PKR 267 million to PKR 419 million. Profit after tax stood at PKR. 126.3 million against PKR. 44.8 million last year despite an additional tax burden cost of Rs. 52 million. The basic earnings per share is reported at Re. 0.89 as compared to Re. 0.32 for the corresponding period of last year.

Despite the backdrop of the political and gloomy economic scenario in the country in particular and in the region in general has badly impacted the business although the USD-PKR parity and KIBOR were stable during the recent past. After the recent election the political instability is expected to be reduced so will be the economic stability lest anything else happens. However your Company was relatively successful in navigating these difficult times. Management is modifying its strategies to suit the conditions to ensure continuous operations in the best possible way.

After the balance sheet date, the Honourable Lahore High Court has approved the scheme of arrangement between Nimir Management Private Limited (NMPL), Nimir Resins Limited (NRSL) and Nimir Industrial Chemicals Limited (NICL) in pursuance of which Nimir Management Private Limited has been liquidated and the shares of NRSL held by NICL have been distributed among the shareholders of NICL in proportion to their holding in NICL.

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

**For and on the behalf of the Board**



**Khalid Mumtaz Qazi**  
Director



**Zafar Mahmood**  
Chief Executive Officer

**Lahore**  
**February 21, 2024**

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی سہ ماہی اور ششماہی کے لیے نمر ریزولمینٹ کے غیر نظر ثانی شدہ مالی گوشوارے معاً اپنی کارکردگی کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران، کمپنی حجم میں 15 فیصد کمی کے باوجود 5.4 بلین روپے کے خالص ٹرن اوور کو برقرار رکھنے کے قابل رہی ہے۔ مجموعی منافع میں اضافہ دیکھا گیا جو 7.9 فیصد سے بڑھ کر 12.1 فیصد ہو گیا۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 53 فیصد اور 57 فیصد اضافہ ہوا؛ مجموعی منافع 364 بلین روپے سے بڑھ کر 558 بلین روپے اور آپریٹنگ منافع 267 بلین روپے سے بڑھ کر 419 بلین روپے ہو گیا۔ بعد از ٹیکس منافع 53 بلین روپے کے اضافی ٹیکس بوجھ کے باوجود گزشتہ سال 44.8 بلین روپے کے مقابلے میں 126.3 بلین روپے رہا۔ فی حصص بنیادی آمدنی 0.89 روپے درج کی گئی ہے جبکہ گزشتہ سال کی اسی مدت میں یہ 0.32 روپے تھی۔

ملک کی غیر یقینی سیاسی معاشرتی صورتحال اور خطے میں بالعموم مایوس کن معاشی منظر نامہ نے کاروبار کو بُری طرح متاثر کیا ہے اگرچہ اس عرصے میں امریکی ڈالر اور پاکستانی روپیہ کا فرق برابری کی سطح پر رہا اور KIBOR بھی مستحکم رہا۔ حالیہ انتخابات کے بعد عدم سیاسی استحکام میں کمی کی توقع ہے اور امید ہے کہ معاشی استحکام بھی آئے گا۔ تاہم آپ کی کمپنی اس مشکل وقت سے نمٹنے میں نسبتاً کامیاب رہی ہے۔ انتظامیہ بہترین ممکنہ طریقے سے آپریٹنگ کو یقینی بنانے کے لئے شرائط کے مطابق اپنی حکمت عملی میں ترمیم کر رہی ہے۔

لاہور ہائی کورٹ نے نمر مینجمنٹ پرائیویٹ لمیٹڈ (NMPL)، نمر ریزولمینٹ (NRSL) اور نمر انڈسٹریل کیمیکلز لمیٹڈ (NICL) کے درمیان معاہدے کی ایکسٹنشن کی منظوری دے دی ہے جس کے تحت نمر مینجمنٹ پرائیویٹ لمیٹڈ کو ختم کر دیا گیا ہے اور NICL کے پاس موجود NRSL کے حصص کو NICL میں ان کی ہولڈنگ کے تناسب سے NICL کے شیئر ہولڈرز میں تقسیم کر دیا گیا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز



خالد ممتاز قاضی

ڈائریکٹر



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

21 فروری 2024ء

# 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, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these 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

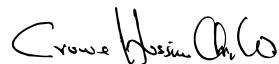
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## Other Matter

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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

Lahore  
February 21, 2024  
UDIN: RR202310169zAm4Lihwe



CROWE HUSSAIN CHAUDHURY & CO.  
Chartered Accountants

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT December 31, 2023 (UN-AUDITED)

		December 31 2023	June 30 2023
	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, 2023: 150,000,000) Ordinary shares of Rs. 10 each (June 30, 2023: Rs. 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	9,391
Sponsors' interest free loans		107,000	107,000
Reserves		939,384	808,351
Surplus on revaluation of property, plant and equipment		792,920	797,575
		3,261,906	3,135,528
<b>Non Current Liabilities</b>			
Long term financing	5	10,000	90,000
Lease liabilities	6	27,766	31,990
Post employment benefits obligations		51,881	42,091
Deferred tax liability		64,959	83,716
		154,606	247,797
<b>Current Liabilities</b>			
Trade and other payables		778,935	1,096,284
Unclaimed dividends		293	293
Accrued mark up		109,739	44,693
Short term borrowings	7	1,803,231	851,376
Current portion of long term liabilities	8	25,962	77,083
Provision for taxation		180,603	271,965
		2,898,763	2,341,694
<b>Contingencies and Commitments</b>			
	9	-	-
<b>Total Equity and Liabilities</b>		<b>6,315,275</b>	<b>5,725,019</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	10	1,468,758	1,503,351
Right-of-use assets		34,968	40,578
Long term deposits		27,743	27,015
		1,531,469	1,570,944
<b>Current Assets</b>			
Stores and spares		37,374	28,318
Stock in trade		2,402,178	1,616,419
Trade debts		1,777,046	1,942,682
Loans and advances		40,710	49,865
Short term prepayments		14,419	-
Other receivables		28,003	29,303
Tax refunds due from Government		304,736	353,465
Cash and bank balances		179,340	134,023
		4,783,806	4,154,075
<b>Total Assets</b>		<b>6,315,275</b>	<b>5,725,019</b>

The annexed notes from 1 to 16 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**  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half Year Ended December 31,		Quarter Ended December 31,	
	2023	2022	2023	2022
Note	(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')
Revenue from sales	5,444,894	5,412,729	2,303,265	2,695,276
Less:				
- Sales tax	(845,377)	(817,745)	(370,906)	(406,441)
Net sales	4,599,517	4,594,984	1,932,359	2,288,835
Cost of sales	11 (4,041,911)	(4,231,186)	(1,674,205)	(2,130,265)
<b>Gross Profit</b>	557,606	363,798	258,154	158,570
Operating expenses:				
- Distribution costs	(63,816)	(49,941)	(31,761)	(23,329)
- Administrative expenses	(75,114)	(47,069)	(39,056)	(24,597)
	(138,930)	(97,010)	(70,817)	(47,926)
<b>Operating Profit</b>	418,676	266,788	187,337	110,644
Other operating expenses	(25,534)	(5,539)	(14,777)	(2,318)
Finance cost	(223,946)	(212,577)	(133,669)	(100,506)
Other income	29,648	15,744	23,156	12,911
	(219,832)	(202,372)	(125,290)	(89,913)
<b>Profit before Taxation</b>	198,844	64,416	62,047	20,731
Taxation	12			
- Current	(67,525)	(56,061)	(22,768)	(27,210)
- Super tax	(23,698)	(808)	(8,265)	823
- Deferred	18,757	37,305	14,182	33,298
	(72,466)	(19,564)	(16,851)	6,911
<b>Net profit for the Period</b>	126,378	44,852	45,196	27,642
<b>Earnings per Share - Basic and Diluted</b>	0.89	0.32	0.32	0.20

The annexed notes from 1 to 16 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**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023 (UN-AUDITED)**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2023	2022	2023	2022
	(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')
<b>Net Profit for the Period</b>	126,378	44,852	45,196	27,642
<b>Other comprehensive income</b>				
Items that may 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>	126,378	44,852	45,196	27,642

The annexed notes from 1 to 16 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**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

Particulars	Share Capital	Share Deposit Money	Sponsors' Interest Free Loans	Capital Reserves		Revenue Reserves Unappropriated Profit	Surplus on Revaluation of Property, Plant and Equipment	Total
				Share Premium Reserve	Share Premium Reserve			
<b>Balance as at June 30, 2022</b>	1,413,211	11,391	107,000	1,281	1,281	415,475	484,248	2,432,606
Total comprehensive income for the half year ended December 31, 2022	-	-	-	-	-	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>1,281</b>	<b>462,983</b>	<b>481,592</b>	<b>2,475,458</b>
Balance as at June 30, 2023	1,413,211	9,391	107,000	1,281	1,281	807,070	797,575	3,135,528
Net profit for the period	-	-	-	-	-	126,378	-	126,378
Other comprehensive loss for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	126,378	-	126,378
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	4,655	(4,655)	-
<b>Balance as at December 31, 2023</b>	<b>1,413,211</b>	<b>9,391</b>	<b>107,000</b>	<b>1,281</b>	<b>1,281</b>	<b>938,103</b>	<b>792,920</b>	<b>3,261,906</b>

The annexed notes from 1 to 16 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**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half Yearly Ended December 31,	
	2023 (Rs. '000')	2022 (Rs. '000')
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	198,844	64,416
Adjustments:		
- Depreciation on property, plant and equipment	44,848	38,060
- Depreciation on right of use asset	5,610	4,833
- Bad debts written off	0.18	2
- Provision for gratuity	9,790	6,119
- Provision for obsolescence of stock	4,250	-
- Expected credit loss on trade debts	5,830	-
- Workers' (profit) participation fund	10,715	3,467
- Workers' welfare fund	4,740	1,622
- Exchange gain/(loss) - net	(15,188)	448
- Finance cost	223,946	211,772
- Gain on disposal of property, plant and equipment	(593)	(5)
	<b>293,948</b>	<b>266,318</b>
<b>Operating profit before working capital changes</b>	<b>492,792</b>	<b>330,734</b>
(Increase) / decrease in current assets:		
- Stores and spares	(9,056)	(2,941)
- Stock in trade	(790,009)	540,441
- Trade debts	159,806	(52,364)
- Loans and advances	9,155	(39,708)
- Trade deposits and short term prepayments	(14,419)	(5,774)
- Other receivables	1,300	11,365
- Sales tax refundable - net	48,729	33,403
(Decrease) / Increase in current liabilities:		
- Trade and other payables	(273,881)	104,086
	<b>(868,375)</b>	<b>588,508</b>
<b>Cash (Used in) / Generated from Operations</b>	<b>(375,583)</b>	<b>919,242</b>
Finance cost paid	(158,900)	(199,783)
Income tax paid	(182,585)	(81,387)
Gratuity paid	-	(1,660)
Workers' welfare fund paid	(12,849)	(12,681)
Workers' (profit) participation fund paid	(30,886)	(32,608)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(760,803)</b>	<b>591,123</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(763)	(11,343)
Proceeds from disposal of property, plant and equipment	593	65
Capital work in progress - property, plant and equipment	(9,492)	(17,512)
Share deposit money repaid	-	(2,000)
Long term deposits	(728)	(3,080)
<b>Net Cash Used in Investing Activities</b>	<b>(10,390)</b>	<b>(33,870)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing repaid	(131,785)	(37,722)
Diminishing musharaka finance - net	-	(525)
Lease liabilities	(3,560)	(5,303)
Short term borrowings - net	951,855	(520,937)
<b>Net Cash Generated from / (Used in) Financing Activities</b>	<b>816,510</b>	<b>(564,487)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>45,317</b>	<b>(7,234)</b>
Cash and cash equivalents at the beginning of the period	134,023	24,649
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>179,340</b>	<b>17,415</b>

The annexed notes from 1 to 16 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 FOR THE HALF YEAR ENDED December 31, 2023 (UN-AUDITED)

## 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, 2022 and 2023 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, 2023.

## 3 Significant Accounting Policies

- 3.1 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, 2023.

## 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, 2023.

## 5 Long Term Financing

	Note	December 31, 2023 (Un-audited) (Rs. '000')	June 30, 2023 (Audited) (Rs. '000')
The Bank of Punjab	5.1	7,143	21,428
Bank Alfalah Limited	5.2	20,000	25,000
MCB Bank Limited	5.3	-	112,500
Less: current portion of loans		(17,143)	(68,928)
		<u>10,000</u>	<u>90,000</u>

- 5.1 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.

- 5.2** This represents facility of Rs. 50 million obtained for solar energy unit of 578.76KW. 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.
- 5.3** This represented loan of Rs. 150 million obtained to facilitate capital expenditure requirements pertaining to enhance the capacity of resins, emulsions and additives 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.

<b>6 Lease Liabilities</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>(Un-audited) (Rs. '000')</b>	<b>(Audited) (Rs. '000')</b>
Opening balance	40,145	42,371
Add: Additions during the year	-	3,394
Add: Interest expense	2,781	5,687
Less: Payments made	(6,341)	(11,307)
Gross liability	36,585	40,145
Less: Current portion	(8,819)	(8,155)
Closing balance	27,766	31,990

- 6.1** 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.
- 6.2** 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.
- 6.3** Remaining lease term of lease contracts is of 5 years (June 30, 2023: 5 years) for which lease liability is recorded.

<b>7 Short Term Borrowings</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>(Un-audited) (Rs. '000')</b>	<b>(Audited) (Rs. '000')</b>
<b>Banking companies - Secured</b>		
Running finance	171,886	389,012
Borrowings / finance against trust receipts	1,631,345	462,364
	1,803,231	851,376

### **7.1 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. 5,505 million (June 30, 2023: Rs. 5,255 million) including running finance facilities amounting to Rs. 1,025 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, 2023: 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, 2023: 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.

<b>8 Current Portion of Long Term Liabilities</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>(Un-audited) (Rs. '000')</b>	<b>(Audited) (Rs. '000')</b>
Liabilities against assets subject to finance lease	8,819	8,155
Long term financing	17,143	68,928
	25,962	77,083

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

**9 Contingencies and Commitments**

**9.1 Contingencies**

There are no material contingencies outstanding as at reporting date (June 30, 2023: Nil).

**9.2 Guarantees**

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>(Rs. '000')</b>	<b>(Rs. '000')</b>
Sui Northern Gas Pipelines Limited	4,775	3,090
Pakistan State Oil Company Limited	6,000	6,000
Total Parco Pakistan Limited	8,000	8,000
	<b>18,775</b>	<b>17,090</b>

**9.3 Commitments**

Letters of credit	398,294	957,562
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**10 Property, Plant and Equipment**

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>(Rs. '000')</b>	<b>(Rs. '000')</b>
Operating fixed assets	10.1	1,467,067	1,487,660
Capital work in progress	10.2	1,691	15,691
		<b>1,468,758</b>	<b>1,503,351</b>

**10.1 Operating fixed assets**

Opening written down value	1,487,660	1,131,598
Additions during the period / year	24,255	65,122
Disposals during the period / year	(5,641)	(8,952)
Revaluation Surplus	-	372,288
	<b>1,506,274</b>	<b>1,560,056</b>
Depreciation charge for the period / year	(44,848)	(81,232)
Disposals during the period / year	5,641	8,836
	<b>(39,207)</b>	<b>(72,396)</b>
	<b>1,467,067</b>	<b>1,487,660</b>

**10.2 Capital Work in Progress**

Opening balance	15,691	23,187
Additions during the period / year	9,492	45,938
	25,183	69,125
Transferred to property, plant and equipment	(23,492)	(40,358)
Transferred to right of use asset	-	(13,076)
	<b>1,691</b>	<b>15,691</b>

**11 Cost of Sales**

	<b>Half Year Ended December 31,</b>		<b>Quarter Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Rs. '000')</b>	<b>(Rs. '000')</b>	<b>(Rs. '000')</b>	<b>(Rs. '000')</b>
	<b>(Un-audited)</b>			
Opening stock of finished goods	495,944	397,884	414,511	569,530
Cost of goods manufactured	4,131,170	4,328,636	1,844,897	2,056,069
	<b>4,627,114</b>	<b>4,726,520</b>	<b>2,259,408</b>	<b>2,625,599</b>
Closing stock of finished goods	(585,203)	(495,334)	(585,203)	(495,334)
Cost of goods sold	<b>4,041,911</b>	<b>4,231,186</b>	<b>1,674,205</b>	<b>2,130,265</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

12 Taxation	Half Year Ended December 31,		Quarter Ended December 31,	
	2023	2022	2023	2022
	(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')
	(Un-audited)			
Current tax:				
- Current period	68,724	57,615	23,967	28,764
- Super tax	23,698	808	8,265	(823)
- Adjustment for prior years	(1,199)	(1,554)	(1,199)	(1,554)
	91,223	56,869	31,033	26,387
Deferred tax	(18,757)	(37,305)	(14,182)	(33,298)
	72,466	19,564	16,851	(6,911)

**13 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. 2023	Dec. 2022
			(Un-audited) (Rs. '000')	(Un-audited) (Rs. '000')
<b>Nimir Industrial Chemicals Limited</b>	Ultimate parent Company	Purchase of goods	134,142	138,885
		Sales of goods	3,350	2,869
		Services provided	2,815	2,559
		Services received/acquired	3,633	3,302
		Other expenses reimbursed	307	5,358
<b>Nimir Chemcoats Limited</b>	Associated Company	Purchase of goods	43,153	44,308
		Sale of goods	132,906	15,937
		Services provided	2,468	1,577
<b>Nimir Energy Limited</b>	Associated Company	Purchase of goods	-	6,160
		Sale of goods	145,738	105,769
		Services provided		
		Other expenses reimbursed	7	4
<b>Contribution to staff retirement benefits</b>				
	Contribution to gratuity fund		9,790	6,120
<b>Key Management Personal</b>				
	Remuneration		53,028	37,892
	Other benefits		11,346	10,583

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

**14 Segment Reporting**

**14.1** 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

The management monitors the operating results of its business units separately for the purpose of

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

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.

**14.2 Segment analysis**

The segment information for the reportable segments is as follows:

	Coating, Emulsion and Blending	Textile, Paper and others	Total
	(Rs. '000')		
<b>Segment Results for the half year ended December 31, 2023</b>			
Revenue	2,592,203	2,007,314	4,599,517
Segment results	154,578	264,098	418,676
Other operating expenses			(25,534)
Finance cost			(223,946)
Other income			29,648
Profit before taxation			198,844
<b>Segment Results for the half year 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

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

- **Information about major customers**

One customer of the Company accounts for 11.92% (2022: 9.95%) of total sales for the period. Revenue from such customer was Rs. 549.800 million (2022: Rs. 457.112 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 (2022: Nil).

**15 Authorization of Financial Statements**

These condensed interim financial statements (un-audited) are approved and authorized for issuance on Wednesday, February 21, 2024 by the Board of Directors of the Company.

**16 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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