

# NIMIR

TRANSFORMING FOR A **SUSTAINABLE FUTURE**



NIMIR INDUSTRIAL CHEMICALS LTD.

QUARTERLY  
**REPORT 2021**  
September (Unaudited)

## Company Information

### Board of Directors

Mr. M. Saeed-uz-Zaman	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. Khalid Mumtaz Qazi	
Mr. Umar Iqbal	
Mr. Javed Saleem Arif	
Mr. Tariq Ahmad Khan	
Ms. Parveen Akhter Malik	
Mr. Muhammad Iqbal	
Mr. Abdul Jaleel Shaikh	
(Nominee - Pak Brunei Investment Company Limited)	

### Executive Management

Mr. Zafar Mahmood
Mr. Khalid Mumtaz Qazi
Mr. Imran Afzal
Mr. Umar Iqbal
Mr. Aamir Jamil

### Chief Financial Officer

Syed Sajid Nasim

### Company Secretary

Mr. Muhammad Inam-ur-Rahim

### Head of Internal Audit

Mr. Nabeel Ahmad Khan

### Audit Committee

Mr. Javed Saleem Arif	- Chairman
Mr. Tariq Ahmad Khan	- 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

EY Ford Rhodes  
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

### Bankers

Al Baraka Bank Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Ltd  
Bank Islami Pakistan Ltd  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China (Icgc)  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Pak Brunei Investment Company Limited  
Pak Kuwait Investment Company (Pvt) Limited  
Pak China Investment Company Limited  
Pair Investment Company Limited  
Samba Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank Pakistan Ltd  
The Bank of Punjab

### Registered Office/Factory

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

### Lahore Office

12-B, New Muslim Town,  
Lahore, Pakistan.  
Tel: +92 42 35926090-93  
Fax: +92 42 35926099

### Website

www.nimir.com.pk

# ► Directors' Review Report

The Directors are pleased to present their review report with the unaudited financial statements of Nimir Industrial Chemicals Limited (the "Company") for the first quarter ended September 30, 2021.

An analysis of the financial results for first quarter is as under:

	2021	2020
	<b>Rupees in million</b>	
Sales - Revenue	7,409	5,051
Gross Profit	754	734
Operating Profit	631	626
Pre-Tax Profit	455	496
Profit after Tax	322	356
Earning per per Share (Rs.)	2.92	3.22

During the quarter under review, your Company posted net sales revenue of PKR 7.4 billion; an increase of 47% over the last year. The increase in sale is attributed to rising prices in the international market.

The increase in sales could not be reflected on Company's profitability, which is eroded by exorbitantly higher energy prices during the quarter and increase in financial cost due to the increased working capital as well as investment on new projects in progress.

The increased prices of commodities and energy are being felt all over the world and your company is not an exception. The domestic industry is heavily dependent on imported gas and coal. Due to persistent increase in prices of these key cost elements, we envisage that the pressure on margins and overall profitability will continue throughout the current financial year.

The rising inflation and depreciating currency have posed further challenges for the industry in the country as demand from the end consumers is shrinking. However, addition of new products in overall product basket of the company in near future, would help the company in generating additional revenues. The management stands committed and is optimistic to post the best possible results in the following quarters; Insha Allah.

On behalf of the board, the company would like to thank all its stakeholders for their continued trust and support.

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



**Khalid Mumtaz Qazi**  
Director



**Zafar Mahmood**  
Chief Executive Officer

**Lahore**  
**October 26, 2021**

## ◀ ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے نمبر انڈسٹریل کیمیکلز لمیٹڈ (کمپنی) کے غیر نظر ثانی شدہ مالی حسابات پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ مذکورہ سہ ماہی کے لئے مالی نتائج کا تجزیہ حسب ذیل ہے:

30 ستمبر 2020	30 ستمبر 2021	
	پاکستانی روپے میں	
5,051	7,409	فروخت کی آمدنی
734	754	مجموعی منافع
626	631	آپریٹنگ منافع
496	455	قبل از ٹیکس منافع
356	322	منافع بعد از ٹیکس
3.22	2.92	فی شیئر آمدنی (روپے)

زیر جائزہ سہ ماہی کے دوران، آپ کی کمپنی نے خالص فروخت آمدنی 7.4 بلین روپے درج کی ہے، جو کہ گزشتہ سال سے 47 فیصد زیادہ ہے۔ فروخت میں اضافہ بین الاقوامی مارکیٹ میں بڑھتی ہوئی قیمتوں کی وجہ سے ہوا ہے۔

فروخت میں اضافہ کمپنی کے منافع پر ظاہر نہیں کیا جاسکا، جو کہ سہ ماہی کے دوران توانائی کی قیمتوں میں بے پناہ اضافہ اور زیر پراگریس نئے منصوبوں پر سرمایہ کاری اور زیادہ ورکنگ کیپٹل کے باعث مالی لاگت میں اضافے کی وجہ سے ختم ہو گیا۔

اشیاء اور توانائی کی زیادہ قیمتوں کو پوری دنیا میں محسوس کیا جا رہا ہے اور آپ کی کمپنی کوئی بھی استثناء نہیں ہے۔ ملکی صنعت درآمد شدہ گیس اور کوئلہ پر بہت زیادہ انحصار کرتی ہے۔ ان اہم لاگتی عناصر کی قیمتوں میں مسلسل اضافے کی وجہ سے، ہمارا خیال ہے کہ مارجن اور مجموعی منافع پر دباؤ رواں مالی سال میں بھی جاری رہے گا۔

بڑھتی ہوئی مہنگائی اور کرنسی کی قدر میں کمی نے ملک میں انڈسٹری کے لیے مزید مشکلات پیدا کر دی ہیں کیونکہ آخری صارفین کی طلب کم ہو رہی ہے۔ تاہم، مستقبل قریب میں کمپنی کی مجموعی مصنوعات میں نئی مصنوعات کا اضافہ اضافی آمدنی پیدا کرنے میں، کمپنی کی مدد کرے گا۔ انتظامیہ پُر عزم ہے اور آئندہ سہ ماہیوں میں بہترین ممکنہ نتائج درج کرنے کے لیے پُر امید ہے، انشاء اللہ۔

بورڈ کی جانب سے، ہم اپنے تمام اسٹیک ہولڈرز کے اعتماد اور تعاون کے لئے ان کا شکریہ ادا کرتے ہیں۔

مخائبہ بورڈ



خالد ممتاز قاضی  
ڈائریکٹر



ظفر محمود  
چیف ایگزیکٹو آفیسر

لاہور  
26 اکتوبر 2021ء

01

# Financial Statements Separate

FOR THE QUARTER ENDED SEPTEMBER 30, 2021



# Condensed Interim Statement of Financial Position (Unaudited)

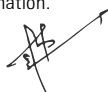
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	Unaudited September 2021 Rs."000"	Audited June 2021 Rs."000"
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	8,113,217	5,544,090
Intangibles		-	-
Investment in subsidiaries	6	202,384	202,384
Loan to subsidiary		14,512	14,512
Long term deposits		38,619	39,619
		8,368,732	5,800,605
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		229,475	292,094
Stock in trade		5,079,165	5,950,816
Trade debts		3,685,191	3,226,711
Loans and advances		54,877	65,100
Trade deposits and short term prepayments		43,492	11,061
Other receivables		20,408	45,633
Tax refunds due from the Government		784,303	818,537
Cash and bank balances		123,677	58,429
		10,020,588	10,468,381
<b>TOTAL ASSETS</b>		<b>18,389,320</b>	<b>16,268,986</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Share Capital</b>			
145,000,000 ( 30 June 2021: 145,000,000)			
Ordinary Shares of Rs. 10/- each		1,450,000	1,450,000
<b>Issued, subscribed and paid up capital</b>			
110,590,546 ( 30 June 2021: 110,590,546)			
Ordinary Shares of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit - revenue reserve		3,919,684	3,818,121
		5,025,589	4,924,026
<b>NON CURRENT LIABILITIES</b>			
Long term loans	7	3,170,005	1,809,092
Lease liabilities		80,806	87,592
Deferred grant		1,262	1,427
Deferred tax liability		294,276	314,596
		3,546,349	2,212,707
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,367,404	1,533,942
Contract liabilities		56,811	146,679
Net defined benefit liability-funded gratuity		137,419	128,419
Mark up accrued		131,948	99,356
Unclaimed dividend		10,665	10,767
Dividend payable		221,181	-
Short term borrowings		6,394,967	5,869,058
Current maturity of long term loans	7	416,541	415,071
Current maturity of lease liabilities		28,231	29,099
Current portion of deferred grant		7,850	7,686
Provision for taxation		1,044,366	892,177
		9,817,382	9,132,253
<b>CONTINGENCIES AND COMMITMENTS</b>	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,389,320</b>	<b>16,268,986</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Unaudited)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	September 30, 2021 Rs."000"	September 30, 2020 Rs."000"
Revenue from contracts with customers - gross		8,696,194	5,914,986
Less: Sales tax, trade discounts and commission		(1,286,705)	(864,036)
Revenue from contracts with customers - net		7,409,489	5,050,950
Cost of sales	9	(6,655,215)	(4,317,214)
<b>Gross profit</b>		754,274	733,737
Distribution costs		(41,869)	(41,019)
Administrative expenses		(81,149)	(66,395)
<b>Operating profit</b>		631,256	626,323
Other expenses		(33,693)	(36,729)
Other income		13,630	1,922
Foreign exchange gain		3,906	3,280
Finance cost		(160,486)	(99,216)
<b>Profit before taxation</b>		454,613	495,579
Taxation:			
Current		(152,189)	(142,738)
Deferred		20,321	3,550
		(131,868)	(139,188)
<b>Profit after taxation</b>		322,745	356,391
Earnings per ordinary share - Basic and diluted Rs.		2.92	3.22

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

► **Condensed Interim Statement of Comprehensive Income (Unaudited)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	<b>September 30, 2021</b>	<b>September 30, 2020</b>
	<b>Rs."000"</b>	<b>Rs."000"</b>
<b>Profit after taxation</b>	322,745	356,391
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>322,745</u>	<u>356,391</u>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Director**

  
\_\_\_\_\_  
**Chief Financial Officer**



► **Condensed Interim Statement of Changes in Equity (Unaudited)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on 01 July 2020	1,105,905	2,517,419	3,623,324
Final dividend for 2020 @ Rs. 1.5 per share	-	(165,885)	(165,885)
Total comprehensive income for the period (Jul 2020 to Sep 2020)	-	356,391	356,391
Balance as on 30 September 2020 (unaudited)	1,105,905	2,707,925	3,813,830
Balance as on 01 July 2021	1,105,905	3,818,121	4,924,026
Final dividend for 2021 @ Rs. 2.0 per share	-	(221,181)	(221,181)
Total comprehensive income for the period (Jul 2021 to Sep 2021)	-	322,745	322,745
<b>Balance as on 30 September 2021 (unaudited)</b>	<b>1,105,905</b>	<b>3,919,684</b>	<b>5,025,589</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021 Rs."000"	September 30, 2020 Rs."000"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	454,613	495,579
Adjustment for:		
Depreciation	140,392	103,614
Gain on disposal of property, plant and equipment	(54)	-
Mark-up expense	156,815	97,709
Foreign exchange gain	(3,906)	(3,280)
Workers profit participation fund provision	24,415	24,515
Workers welfare fund provision	9,278	9,316
Provision for gratuity fund	9,000	9,000
	335,940	240,874
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	790,553	736,453
<b>(Increase) / Decrease in current assets</b>		
Stores, spares parts and loose tools	62,618	(2,525)
Stock in trade	871,651	888,139
Trade debts	(458,480)	14,034
Loans and advances	10,223	(123,823)
Trade deposits and short term prepayments	(32,431)	(24,541)
Other receivables	25,225	(988)
Tax refunds due from the Government	174,912	(27,569)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(196,325)	(351,652)
Contract liabilities	(89,868)	26,346
	367,525	397,421
<b>CASH GENERATED FROM OPERATIONS</b>	1,158,078	1,133,874
Mark-up paid	(124,223)	(121,923)
Tax paid	(140,677)	(5,725)
Long term deposits	1,000	139
	(263,900)	(127,509)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	894,178	1,006,366
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment - net	(3,508)	(7,735)
Additions in capital work in progress	(2,725,713)	(236,574)
Sale proceeds from disposal of property, plant and equipment	19,756	-
<b>Net cash used in investing activities</b>	(2,709,465)	(244,309)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans obtained	1,466,936	211,931
Long term loans repaid	(104,554)	(51,986)
New leases acquired during the period	2,911	-
Payment of lease liabilities	(10,565)	(10,112)
Dividend paid	(102)	(3,841)
Short term borrowings - net	525,909	(990,764)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	1,880,535	(844,772)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	65,248	(82,716)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	58,429	101,723
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	123,677	19,007

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Notes to the Condensed Interim Financial Information (Unaudited)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2021

### 1 THE COMPANY AND ITS OPERATIONS

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 and soap products.

### 2 BASIS OF PREPARATION

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

- International Accounting Standards (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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.

2.3 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2021.

### 4 TAXATION

Provision for taxation is estimated and are subject to final adjustments in the annual audited financial statements.

### 5 PROPERTY, PLANT AND EQUIPMENT

	30 September 2021	30 June 2021
	(Un-audited) Rs."000"	(Audited) Rs."000"
Operating fixed assets	3,493,283	3,649,869
Capital work in progress	4,619,934	1,894,221
	8,113,217	5,544,090

### 6 INVESTMENT IN SUBSIDIARIES

This represents 51% and 11.63% shares in Nimir Management (Private) Limited (NMPL) and Nimir Resins Limited (NRL) respectively. NMPL has majority shareholding of Nimir Resins Limited, a listed company engaged in the business of specialty chemicals. The investments have been made in accordance with the requirements under the Companies Act, 2017.

# Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

## 7 LONG TERM LOANS

	Unaudited 30 Sept. 2021 Rs."000"	Audited 30 June 2021 Rs."000"
Term finance	860,233	941,636
Term finance - under refinance scheme for payroll financing	106,647	129,798
Term finance - under temporary economic refinance facility	2,605,154	1,138,218
Loan from directors / sponsors - unsecured	14,512	14,512
	3,586,546	2,224,164
Mark-up accrued	34,316	26,239
	3,620,863	2,250,403
Less:- Current maturity shown under current liabilities	(416,541)	(415,071)
Less:- Mark-up accrued shown under current liabilities	(34,316)	(26,239)
	3,170,005	1,809,092

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 CONTINGENCIES

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2021.

### 8.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee are as follows:

	Unaudited 30 Sept. 2021	Audited 30 June 2021
Letters of credit established for the import of raw materials, spare parts and machinery	5,625 million	5,048 million
Letter of guarantee given to SNGPL	96 million	96 million
Letter of guarantee given to PSO	59 million	59 million
Letter of guarantee given to TOTAL PARCO	5 million	5 million

## 9 COST OF SALES

	Unaudited 30 Sept. 2021 Rs."000"	Unaudited 30 Sept. 2020 Rs."000"
Opening stock of finished goods	1,492,413	525,797
Cost of goods manufactured	6,645,341	4,163,133
	8,137,754	4,688,930
Closing stock of finished goods	(1,482,540)	(371,716)
Cost of goods sold	6,655,215	4,317,214

## 10 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise parent Company, related group companies, directors and key management personnel. Transactions with related parties are as follows.

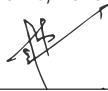
Name of Related Party	Relationship	Nature of transaction	30 Sept. 2021 (Rs. '000')	30 Sept. 2020 (Rs. '000')
Nimir Resins Limited	Subsidiary Company	Sale of goods	30,699	51,691
		Purchase of goods	1,180	-
		Services provided	1,501	1,365
		Services acquired	1,163	1,057
		Other Expenses	683	270
Nimir Chemcoats Limited	Associated Company	Purchase of goods	2,256	-
<b>Key Management Personnel</b>				
Remuneration			60,572	38,109
Other Benefits			16,549	12,703

## 11 GENERAL

11.01 This interim condensed financial information was authorized for issue on Tuesday, 26 October 2021 by the Board of Directors of the Company.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

02

## Financial Statements Consolidated

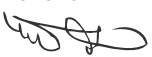
FOR THE QUARTER ENDED SEPTEMBER 30, 2021




# Condensed Interim Consolidated Statement of Financial Position (Unaudited) AS AT SEPTEMBER 30, 2021

	Note	Unaudited 30 September 2021 (Rs. '000')	Audited 30 June 2021 (Rs. '000')
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
145,000,000 (30 June 2021: 145,000,000) Ordinary shares of Rs.10 each		1,450,000	1,450,000
<b>Issued, subscribed and paid up capital</b>			
Unappropriated profit - revenue reserve		1,105,905	1,105,905
Non-controlling interest		4,324,533	4,205,349
		944,960	914,535
		6,375,398	6,225,789
<b>NON CURRENT LIABILITIES</b>			
Long term loans	7	3,339,344	1,991,834
Lease liabilities		109,173	117,180
Diminishing musharaka finance		43	209
Deferred tax liability		309,709	333,033
Deferred grant		2,038	2,978
		3,760,307	2,445,234
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,153,316	2,283,257
Contract liabilities		56,811	154,037
Net defined benefit liability - funded gratuity		164,026	152,565
Mark up accrued		149,434	115,729
Unclaimed dividend		10,958	11,059
Dividend payable		221,181	-
Short term borrowings		7,400,210	6,943,147
Current maturity of long term loans	7	484,663	485,829
Current maturity of lease liabilities		32,961	33,724
Current maturity of diminishing musharaka finance		1,098	1,405
Current maturity of deferred grant		10,133	9,516
Provision for taxation		1,173,417	998,525
		11,858,208	11,188,793
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		21,993,913	19,859,816
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	8,730,670	6,155,046
Intangibles		-	-
Long term deposits		61,680	61,523
		8,792,350	6,216,569
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		247,917	312,536
Stock in trade		6,396,451	7,418,002
Trade debts		5,180,696	4,577,919
Loans and advances		86,207	101,299
Trade deposits and short term prepayments		56,048	12,446
Other receivables		21,817	47,042
Tax refunds due from the Government		1,072,111	1,073,910
Cash and bank balances		140,316	100,093
		13,201,563	13,643,247
<b>TOTAL ASSETS</b>		21,993,913	19,859,816

The annexed notes from 1 to 12 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	September 30, 2021 (Rs. '000')	September 30, 2020 (Rs. '000')
Revenue from contracts with customers - gross		10,064,844	7,321,079
Less: Sales tax, trade discounts and commission		(1,140,992)	(1,085,383)
Revenue from contracts with customers - net		8,923,852	6,235,696
Cost of sales	9	(8,026,444)	(5,382,352)
<b>Gross profit</b>		897,408	853,344
Distribution costs		(60,455)	(57,033)
Administrative expenses		(98,913)	(84,190)
<b>Operating profit</b>		738,040	712,121
Other expenses		(47,306)	(40,521)
Other income		15,472	3,920
Foreign exchange gain		3,906	3,280
Finance cost		(187,405)	(130,860)
<b>Profit before taxation</b>		522,707	547,940
Taxation		(151,917)	(154,965)
<b>Profit after taxation</b>		370,790	392,975
<b>Attributable to:</b>			
Equity holders of the parent		340,365	370,906
Non-controlling interest		30,425	22,069
		370,790	392,975
<b>Earnings per share - basic and diluted</b>		3.08	3.35

The annexed notes from 1 to 12 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

► **Condensed Interim Consolidated Statement of Comprehensive Income**  
(Unaudited) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021 (Rs. '000')	September 30, 2020 (Rs. '000')
<b>Profit after taxation</b>	370,790	392,975
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the period</b>	<u>370,790</u>	<u>392,975</u>
<b>Attributable to:</b>		
Equity holders of the parent	340,365	370,906
Non-controlling interest	30,425	22,069
	<u>370,790</u>	<u>392,975</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



# Condensed Interim Consolidated Statement of Changes In Equity

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid up share capital Rs. "000"	Unappropriated profit Rs. "000"	Non- controlling interest Rs. "000"	Total Rs. "000"
Balance as on 01 July 2020 (audited)	1,105,905	2,767,319	691,661	4,564,885
Final dividend for 2020 @ Rs. 1.5 per share	-	(165,886)	-	(165,886)
Total comprehensive income for the period (Jul 2020 to Sep 2020)	-	370,906	22,069	392,975
Balance as on 30 September 2020 (unaudited)	1,105,905	2,972,339	713,730	4,791,974
Balance as on 01 July 2021 (audited)	1,105,905	4,205,349	914,535	6,225,789
Final dividend for 2021 @ Rs. 2.0 per share	-	(221,181)	-	(221,181)
Total comprehensive income for the period (Jul 2021 to Sep 2021)	-	340,365	30,425	370,790
<b>Balance as on 30 September 2021 (unaudited)</b>	<b>1,105,905</b>	<b>4,324,533</b>	<b>944,960</b>	<b>6,375,398</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim consolidated financial

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Cash Flows (Unaudited)


FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021 (Rs. '000')	September 30, 2020 (Rs. '000')
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	522,707	547,940
<b>Adjustment for:</b>		
Depreciation	156,062	116,498
Amortization	-	83
Mark-up expense	182,886	128,208
Interest on term deposit receipt	-	-
Provision for gratuity fund	11,460	11,160
Gain on disposal of property, plant and equipment	(54)	(1,854)
Exchange loss / (gain) - unrealized	4,604	(3,280)
Workers' profit participation fund provision	28,114	27,263
Workers' welfare fund provision	10,683	10,360
	393,755	288,438
<b>Operating profit before working capital changes</b>	916,462	836,378
<b>(Increase) / Decrease in current assets</b>		
Stores, spares parts and loose tools	64,619	(5,105)
Stock in trade	1,021,552	1,000,972
Trade debts	(616,810)	(150,719)
Loans and advances	15,092	(147,170)
Trade deposits and short term prepayments	(43,602)	(31,229)
Other receivables	25,225	(9,820)
Tax refunds due from the Government	198,376	929
	664,452	657,858
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(159,306)	(617,412)
Contract liabilities	(97,226)	11,594
	407,920	52,040
<b>Cash generated from operations</b>	1,324,382	888,418
Contribution to gratuity fund	-	(28)
Mark-up paid	(149,181)	(159,942)
Tax paid	(196,931)	32,246
Long term deposits	(156)	(1,645)
	(346,268)	(129,369)
<b>Net cash generated from operating activities</b>	978,114	759,049
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment - net	(4,811)	(8,078)
Additions in capital work in progress - net	(2,746,576)	(238,589)
Sale proceeds from disposal of property, plant and equipment	19,756	-
<b>Net cash used in investing activities</b>	(2,731,631)	(246,667)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan obtained	1,466,936	329,403
Long term loan repaid	(120,915)	(52,156)
Dividend paid	(102)	(3,841)
Paymnet of lease liabilities	(11,680)	(10,112)
Repayment of liabilities against diminishing musharaka finance	(473)	(412)
New leases acquired	2,911	-
Short term borrowings - net	457,063	(862,301)
<b>Net cash generated from / (used in) financing activities</b>	1,793,740	(599,419)
<b>Net increase / (decrease) in cash and cash equivalents</b>	40,223	(87,037)
<b>Cash and cash equivalents at the beginning of the period</b>	100,093	124,891
<b>Cash and cash equivalents at the end of the period</b>	140,316	37,854

The annexed notes from 1 to 12 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# ► Notes to the Condensed Interim Consolidated Financial Information (Unaudited) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

## 1 THE COMPANY AND ITS OPERATIONS

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

### Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICL")

### Subsidiary Companies

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

Holding of NICL in NMPL	51%
Holding of NMPL in NRL	51%
Holding of NICL in NRL	11.63%
Effective shareholding of NICL in NRL	37.64%

**Nimir Industrial Chemicals Limited** ('the Holding Company') was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange Limited. The Holding Company is engaged in manufacturing and sales of chemical products.

**Nimir Management (Private) Limited** (NMPL) were incorporated in Pakistan as private limited companies on 4 December 2015 respectively for the purpose of investment in Nimir Resins Limited. The registered office of NMPL is Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

**Nimir Resins Limited** was initially incorporated in Pakistan on 17 December 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on 19 August 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on 1 April 2010 when the company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group, the name of the company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated 18 April 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile auxiliaries for textile industry.

## 2 BASIS OF PREPARATION

**2.1** These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Interim Financial Reporting. The accounting and Reporting Standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standards (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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** The condensed interim consolidated financial statement does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2021.

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

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The accounting estimates and associated assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 30 June 2021.

### 4 TAXATION

Provision for taxation is estimated and is subject to final adjustments in the annual audited financial statements.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the preceding annual published consolidated financial statements of the Group for the year ended 30 June 2021.

### 6 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 30 September 2021	(Audited) 30 June 2021
	(Rs. '000')	(Rs. '000')
Operating fixed assets	4,018,482	4,128,489
Capital work in progress	4,712,188	2,026,557
	<u>8,730,670</u>	<u>6,155,046</u>

### 7 LONG TERM LOANS

	(Unaudited) 30 September 2021	(Audited) 30 June 2021
	(Rs. '000')	(Rs. '000')
Term finance	929,967	1,021,742
Term finance - under refinance scheme for payroll financing	139,386	165,703
Term finance - under temporary economic refinance facility	2,605,154	1,138,218
Term finance	42,500	45,000
Loan from directors / sponsors	107,000	107,000
	<u>3,824,007</u>	<u>2,477,663</u>
Mark up accrued	36,531	28,616
	<u>3,860,538</u>	<u>2,506,279</u>
Less: Current maturity shown under current liabilities	(484,663)	(485,829)
Less: Markup accrued shown under current liabilities	(36,531)	(28,616)
	<u>3,339,344</u>	<u>1,991,834</u>

### 8 CONTINGENCIES AND COMMITMENTS

#### 8.1 CONTINGENCIES

##### Holding Company/Subsidiary Company

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2021.

## 8.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee are as follows:

	(Unaudited) 30 September 2021 (Rs. '000')	(Audited) 30 June 2021 (Rs. '000')
Letters of credit established for the import of raw materials, spare parts and machinery	6,299 million	5,512 million
Letter of guarantee given to SNGPL	99 million	99 million
Letter of guarantee given to PSO	62 million	62 million
Letter of guarantee given to Total PARCO	13 million	13 million

## 9 COST OF SALES

	(Unaudited) 30 September 2021 (Rs. '000')	(Unaudited) 30 September 2020 (Rs. '000')
Opening stock of finished goods	1,670,468	837,273
Cost of goods manufactured	8,065,770	5,183,063
	9,736,238	6,020,336
Closing stock of finished goods	(1,709,794)	(637,984)
	8,026,444	5,382,352

## 10 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise related group companies, directors and key management personnel. Transactions with related parties are as follows.

		(Unaudited) 30 September 2021 (Rs. '000')	(Unaudited) 30 September 2020 (Rs. '000')
Name of Related Party			
Nimir Chemcoats Ltd.	Purchase of goods	2,256	-
(Associated Company)	Sales of goods	19,471	-
	Services provided	491	-
Key Management Personal			
	Remuneration	73,854	46,395
	Other Benefits	19,769	15,443

# 11 OPERATING SEGMENT INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER

	NIGL		NRL		Other segments		Inter segment eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees									
Revenue from contracts with customers - net	7,409,489	5,050,950	1,546,242	1,236,437	-	-	(31,879)	(51,691)	8,923,852	6,235,696
Cost of sales	(6,655,215)	(4,317,214)	(1,402,603)	(1,118,242)	-	-	31,374	53,104	(8,026,444)	(5,382,352)
Gross profit	754,274	733,736	143,639	118,195	-	-	(505)	1,413	897,408	853,344
Distribution cost	(41,869)	(41,019)	(18,586)	(16,014)	-	-	-	-	(60,455)	(57,033)
Administrative expenses	(81,149)	(66,395)	(18,027)	(18,034)	-	-	263	239	(98,913)	(84,190)
Operating profit	631,256	626,322	107,026	84,147	-	-	(242)	1,652	738,040	712,121
Other expenses	(33,693)	(36,729)	(13,613)	(3,792)	-	-	-	-	(47,306)	(40,521)
Other income	13,630	1,922	2,344	2,455	-	-	(502)	(457)	15,472	3,920
Foreign exchange gain	3,906	3,280	-	-	-	-	-	-	3,906	3,280
Finance cost	(160,486)	(99,216)	(26,919)	(31,644)	-	-	-	-	(187,405)	(130,860)
Profit before taxation	454,613	495,579	68,838	51,166	-	-	(744)	1,195	522,707	547,940
Taxation	(131,868)	(139,188)	(20,049)	(15,777)	-	-	-	-	(151,917)	(154,965)
Profit after taxation	322,745	356,391	48,789	35,389	-	-	(744)	1,195	370,790	392,975
Segment assets	18,389,320	16,268,986	4,318,370	4,303,332	293,024	293,024	(1,006,801)	(1,005,526)	21,993,913	19,859,816
Segment liabilities	13,363,731	11,344,960	2,199,815	2,233,566	78,739	78,740	(23,771)	(23,239)	15,618,515	13,634,027

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

## 12 GENERAL

This consolidated condensed interim financial information was authorized for issue by the Board of Directors of the Group on Tuesday, 26 October 2021.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



# NIMIR

**NIMIR INDUSTRIAL CHEMICALS LTD.**

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