



NIMIR

TRANSFORMING FOR A SUSTAINABLE FUTURE

HALF YEARLY REPORT DECEMBER **2023**



Nimir Industrial Chemicals Limited

► Board of Directors

| | |
|---------------------------------------------------|---------------------------|
| Mr. M. Saeed-uz-Zaman | - Chairman |
| Mr. Zafar Mahmood | - Chief Executive Officer |
| Mr. Imran Afzal | |
| Mr. Aamir Jamil | |
| Mr. Javed Saleem Arif | |
| Mrs. Humaira Shazia | |
| Ms. Parveen Akhter Malik | |
| Mr. Saqib Anjum | |
| Mr. Abdul Jaleel Shaikh | |
| (Nominee - Pak Brunei Investment Company Limited) | |

► Chief Financial Officer

Syed Sajid Nasim

► Company Secretary

Mr. Muhammad Inam-ur-Rahim

► Head of Internal Audit

Mr. Umair Tahir

► Audit Committee

| | |
|-------------------------|------------|
| Mr. Javed Saleem Arif | - Chairman |
| Mrs. Humaira Shazia | - Member |
| Mr. Abdul Jaleel Shaikh | - Member |

► Human Resource & Remuneration Committee

| | |
|--------------------------|------------|
| Ms. Parveen Akhter Malik | - Chairman |
| Mr. M. Saeed-uz-Zaman | - Member |
| Mr. Zafar Mahmood | - Member |

► External Auditors

BDO Ibrahim & Co.
Chartered Accountants

► Legal Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

► Shares' Registrar

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

► Banks / DFIs

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

► Registered Office / 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

► Head Office

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

► Karachi Office

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

► Website

www.nimir.com.pk

Directors' Review Report

On behalf of the Board of Directors, we are pleased to present our performance review report together with unaudited financial statements of Nimir Industrial Chemicals Limited (the "Company") for the quarter and six months ended December 31, 2023.

During the half year under review, the net turnover for the period shrunk from PKR. 26.7 billion to PKR. 24.4 billion, caused mainly by product mix and prices. The gross profit for the period, however, increased from PKR. 2.08 billion to PKR. 2.95 billion, an increase of about 42%. The operating profit also grew by 43% from PKR 1.685 billion to PKR 2.416 billion, but the benefit of improved operating could not be translated to such improved profit after taxation due to high financial cost and taxation which grew by 45% and 123% respectively. The profit after taxation has grown by 25% during the period. The basic earnings per share is reported at PKR. 3.76 as compared to PKR. 3.01 for the corresponding period of last year.


The record high inflation, political and economic turmoil in Pakistan in particular, and in the region in general has been adversely affecting all sectors of the business and your Company is no exception. Although the discount rate and KIBOR is somewhat unchanged during this period, this cannot be sustainable for any economy. SBP has somewhat controlled the devaluation of PKR, but the critical situation of FOREX may push the currency further down. Despite these adverse scenarios, the management of the Company is committed to put all its efforts to achieve the best possible results in the remaining half of the year, Insha Allah.

After the balance sheet date, The Honourable Lahore High Court has sanctioned the "Scheme of Arrangement" filed by the Company and its subsidiaries Nimir Management Private Limited (NMPL) and Nimir Resins Limited (NRSL) pursuant to which Nimir Management Private Limited has been liquidated and the assets held by this Company have been transferred to its shareholders after paying off its liabilities. Furthermore, NICL has also distributed the shares held by it (including the shares transferred by NMPL) to its shareholders in proportion to their shareholding in NICL. As a result of this, NRSL ceased to be a subsidiary of NICL w.e.f. February 13, 2024.


The Board has recommended interim cash dividend of Re. 1 per share (i.e. 10 %) for the half year ended December 31, 2023.

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

Lahore
February 23, 2024


Aamir Jamil
Director

For and on the behalf of the Board


Zafar Mahmood
Chief Executive Officer

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2023 کو ختم ہونے والی سہ ماہی اور ششماہی کے لئے نمائندگی مل کمیونٹی لمیٹڈ (کمپنی) کے غیر نظر ثانی شدہ مالی گوشوارے معہ اپنی کارکردگی کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ ششماہی کے دوران، اس مدت کے لیے خالص کاروبار 26.7 بلین روپے سے کم ہو کر 24.4 بلین روپے ہو گیا، جس کی بنیادی وجہ پرائڈ کسٹس اور قیمتیں ہیں۔ تاہم، اس مدت کے لیے مجموعی منافع 2.08 بلین روپے سے بڑھ کر 2.95 بلین روپے ہو گیا، تقریباً 42 فیصد کا اضافہ ہوا۔ آپریٹنگ منافع بھی 43% بڑھ کر 1.685 بلین روپے سے 2.416 بلین روپے ہو گیا، لیکن بہتر آپریٹنگ کا فائدہ زیادہ مالی لاگت اور انجینئرنگ جس میں بالترتیب 45% اور 123% اضافہ ہوا کی وجہ سے بعد از ٹیکس اتنے بہتر منافع میں تبدیل نہیں ہو سکا۔ اس مدت کے دوران بعد از ٹیکس منافع میں 25 فیصد کا اضافہ ہوا ہے۔ فی حصص کی بنیادی آمدنی گزشتہ سال کی اسی مدت کے لیے 3.01 روپے کے مقابلے میں 3.76 روپے درج کی گئی ہے۔

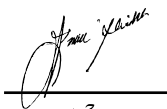
ریکارڈ بلڈ انفراسٹرکچر، پاکستان میں بالخصوص اور خطے میں بالعموم سیاسی اور معاشی بحران کاروبار کے تمام شعبوں کو بُری طرح متاثر کر رہا ہے اور آپ کی کمپنی بھی اس سے مستثنیٰ نہیں ہے۔ اگرچہ اس عرصہ کے دوران ڈسکاؤنٹ شرح اور KIBOR میں کچھ تبدیلیاں نہیں ہوئی، یہ کسی بھی معیشت کے لیے پائیدار نہیں ہو سکتی۔ اسٹیٹ بینک پاکستان نے پاکستانی روپیہ کی قدر میں کمی کو کسی حد تک کنٹرول کیا ہے، لیکن فاریکس کی نازک صورتحال کرنسی کو مزید کمزور کر سکتی ہے۔ ان منفی حالات کے باوجود، کمپنی کی انتظامیہ سال دوسری ششماہی میں بہترین ممکنہ نتائج حاصل کرنے کے لیے اپنی تمام کوششیں بروئے کار لانے کے لیے پُر عزم ہے، انشاء اللہ۔

معزز لاہور ہائی کورٹ نے کمپنی اور اس کے ذیلی اداروں نمبرینجمنٹ پرائیویٹ لمیٹڈ (NMPL) اور نمبر ریزرولٹ لمیٹڈ (NRSL) کی طرف سے دائر کردہ "اسکیم آف آرٹینجمنٹ" کی منظوری دے دی ہے جس کے تحت نمبرینجمنٹ پرائیویٹ لمیٹڈ کو ختم کر دیا گیا ہے اور اس کمپنی کے ملکیتی اثاثے اس کے واجبات کی ادائیگی کے بعد اس کے شیئر ہولڈرز کو منتقل کر دیئے گئے ہیں۔ مزید برآں، NICL نے اپنے پاس ملکیتی حصص (بشمول NMPL کے ذریعے منتقل کیے گئے حصص) کو بھی NICL میں ان کے شیئر ہولڈنگ کے تناسب سے اپنے حصص یافتگان میں تقسیم کر دیا ہے۔ اس کے نتیجے میں، NRSL کو NICL کا ماتحت ادارہ قرار دیا گیا ہے۔

بورڈ نے 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لیے ایک روپے فی شیئر (یعنی 10%) کے عبوری نقد منافع منقسمہ کی سفارش کی ہے۔

بورڈ کی جانب سے ہم شیئر ہولڈرز، ملازمین، سپلائرز، صارفین اور بینکروں کا تہہ دل سے شکریہ 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 میں خیر نتائج کے منتظر ہیں۔

منجانب بورڈ آف ڈائریکٹرز



عامر جمیل

ڈائریکٹر



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

23 فروری 2024ء

Independent Auditors' Review Report

To the members of Nimir Industrial Chemicals Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nimir Industrial Chemicals 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 interim 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 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

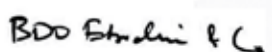
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The condensed interim financial statements of Nimir Industrial Chemicals Limited for the half year ended December 31, 2022 and for year ended June 30, 2023 were reviewed and audited by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 28, 2023 and October 02, 2023, respectively.

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



Lahore: February 23, 2024

UDIN: RR202310087CGdn1vmKL

BDO EBRAHIM & CO.
Chartered Accountants

A black and white photograph of an industrial facility, likely a refinery or chemical plant. The image shows a complex network of pipes, metal structures, and storage tanks. In the foreground, there are large, dark, cylindrical storage tanks. The background features a tall distillation column and various piping systems. The sky is visible in the upper left corner.

5

Financial Statements Separate

FOR THE HALF YEAR ENDED
DECEMBER 31, 2023

Unconsolidated Condensed Interim Statement Of Financial Position

AS AT DECEMBER 31, 2023

| | | Unaudited 31 December 2023 Rs. "000" | Audited 30 June 2023 Rs. "000" |
|------|-----------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|
| Note | | | |
| | ASSETS | | |
| | NON CURRENT ASSETS | | |
| | Property, plant and equipment | 7 13,679,516 | 13,849,351 |
| | Intangible assets | 21,690 | 29,824 |
| | Investment in subsidiary | 211,773 | 211,773 |
| | Loan to subsidiary | 14,512 | 14,512 |
| | Long term deposits | 36,103 | 36,105 |
| | | 13,963,594 | 14,141,565 |
| | CURRENT ASSETS | | |
| | Stores, spare parts and loose tools | 800,723 | 810,135 |
| | Stock-in-trade | 8 8,941,626 | 8,217,933 |
| | Trade receivables | 9 5,679,383 | 5,165,560 |
| | Loans and advances | 87,208 | 111,769 |
| | Trade deposits and short-term prepayments | 74,168 | 2,476 |
| | Other receivables | 52,896 | 214,717 |
| | Tax refunds due from the Government | 2,281,453 | 2,541,876 |
| | Cash and bank balances | 299,384 | 215,625 |
| | | 18,216,841 | 17,280,091 |
| | | 32,180,435 | 31,421,656 |
| | TOTAL ASSETS | | |
| | EQUITY AND LIABILITIES | | |
| | SHARE CAPITAL AND RESERVES | | |
| | Authorized share capital (145 million ordinary shares of Rs. 10 each) | 1,450,000 | 1,450,000 |
| | Issued, subscribed and paid up capital | 1,105,905 | 1,105,905 |
| | Revenue reserves - unappropriated profits | 6,936,705 | 6,742,469 |
| | | 8,042,610 | 7,848,374 |
| | NON CURRENT LIABILITIES | | |
| | Long term loans | 10 4,803,691 | 5,130,677 |
| | Lease liabilities | 43,913 | 50,402 |
| | Net defined benefit liability - funded gratuity | 208,305 | 200,405 |
| | Deferred tax liability | 948,184 | 1,017,419 |
| | Deferred grant | 642,969 | 730,544 |
| | | 6,647,062 | 7,129,447 |
| | CURRENT LIABILITIES | | |
| | Trade and other payables | 1,103,899 | 2,015,052 |
| | Contract liabilities | 69,256 | 150,862 |
| | Mark up accrued | 726,246 | 633,476 |
| | Unclaimed dividend | 14,578 | 12,871 |
| | Short-term borrowings | 11 14,342,998 | 12,296,372 |
| | Current maturity of long-term loans | 10 1,035,805 | 1,119,517 |
| | Current maturity of lease liabilities | 20,918 | 34,233 |
| | Current maturity of deferred grant | 177,063 | 181,452 |
| | | 17,490,763 | 16,443,835 |
| | CONTINGENCIES AND COMMITMENTS | | |
| | TOTAL EQUITY AND LIABILITIES | 32,180,435 | 31,421,656 |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Profit or Loss

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| Note | Half year ended | | Quarter ended | |
|----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| Revenue from contracts with customers - gross | 24,403,593 | 26,661,382 | 12,140,100 | 11,758,150 |
| Less: Sales tax, trade discounts | (3,778,666) | (3,737,445) | (1,866,072) | (1,671,612) |
| Revenue from contracts with customers - net | 20,624,927 | 22,923,937 | 10,274,028 | 10,086,538 |
| Cost of sales | (17,674,726) | (20,845,034) | (8,897,496) | (9,160,290) |
| Gross profit | 2,950,201 | 2,078,903 | 1,376,532 | 926,248 |
| Distribution costs | (253,832) | (183,635) | (122,019) | (95,052) |
| Administrative and selling expenses | (280,504) | (210,126) | (151,846) | (102,038) |
| | (534,336) | (393,761) | (273,865) | (197,090) |
| Operating profit | 2,415,865 | 1,685,142 | 1,102,667 | 729,158 |
| Other expenses | (55,251) | (25,301) | (35,890) | 269 |
| Other income | 189,869 | 94,960 | 61,191 | 69,770 |
| Finance cost | (1,918,187) | (1,324,315) | (988,021) | (713,711) |
| Profit before taxation | 632,296 | 430,486 | 139,947 | 85,486 |
| Taxation | (216,878) | (97,671) | (35,455) | 31,742 |
| Profit for the period | 415,418 | 332,815 | 104,492 | 117,228 |
| Earnings per share - basic and diluted | 3.76 | 3.01 | 0.94 | 1.06 |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Unconsolidated Condensed Interim Statement Of Comprehensive Income

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| | Half year ended | | Quarter ended | |
|--------------------------------------------------|------------------|------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| Profit for the period | 415,418 | 332,815 | 104,492 | 117,228 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 415,418 | 332,815 | 104,492 | 117,228 |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Changes In Equity

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| | Capital Reserve Issued, subscribed and paid up share capital | Revenue Reserve Unappropriated profits | Total |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------|-----------|
| | Rs. "000" | Rs. "000" | Rs. "000" |
| Balance as at July 01, 2022 (Audited) | 1,105,905 | 5,072,837 | 6,178,742 |
| Profit for the period | - | 332,815 | 332,815 |
| Other comprehensive income | - | - | - |
| Total comprehensive income | - | 332,815 | 332,815 |
| Final dividend for the year ended June 30, 2022 at the rate of Rs. 1.5 per share | - | (165,886) | (165,886) |
| Balance as at December 31, 2022 - (Un-audited) | 1,105,905 | 5,239,766 | 6,345,671 |
| Balance as at July 01, 2023 - (Audited) | 1,105,905 | 6,742,469 | 7,848,374 |
| Profit for the period | - | 415,418 | 415,418 |
| Other comprehensive income | - | - | - |
| Total comprehensive income | - | 415,418 | 415,418 |
| Final dividend for the year ended June 30, 2023 at the rate of Rs. 2 per share | - | (221,182) | (221,182) |
| Balance as at December 31, 2023 - (Un-audited) | 1,105,905 | 6,936,705 | 8,042,610 |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director




Chief Financial Officer


Unconsolidated Condensed Interim Statement Of Cash Flows

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| | Half year ended | |
|----------------------------------------------------------|-----------------|-------------|
| | 31 DECEMBER | 31 DECEMBER |
| | 2023 | 2022 |
| | Rs."000" | Rs."000" |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 632,296 | 430,486 |
| Adjustments for | | |
| Depreciation | 444,823 | 269,461 |
| Amortization of Intangible Asset | 8,134 | 5,380 |
| Gain on disposal of property, plant and equipment | (73,023) | (1,591) |
| Finance cost | 1,895,082 | 1,307,682 |
| Amortization of deferred grant | (91,964) | (67,230) |
| Provision for gratuity | 29,900 | 20,000 |
| Workers' profit participation fund | 33,958 | 23,120 |
| Workers' welfare fund | 12,903 | 8,785 |
| | 2,259,813 | 1,565,607 |
| Profit before working capital changes | 2,892,109 | 1,996,093 |
| Effect on cash flow due to working capital changes: | | |
| Increase / (decrease) in current assets | | |
| Stores, spare parts and loose tools | 9,412 | (173,660) |
| Stock in trade | (723,693) | 176,376 |
| Trade receivables | (513,823) | 452,620 |
| Loans and advances | 24,561 | 11,161 |
| Trade deposits and short term prepayments | (71,692) | (15,490) |
| Other receivables | 161,821 | 65,663 |
| Tax refunds due from the Government | 430,566 | (511,372) |
| | (682,848) | 5,298 |
| (Decrease) / increase in current liabilities | | |
| Creditors, accrued and other liabilities | (763,054) | 181,919 |
| Contract liabilities | (81,606) | 68,077 |
| | (844,660) | 249,996 |
| Cash generated from operations | 1,364,601 | 2,251,387 |
| Contribution (to) / from gratuity fund | (22,000) | 16,800 |
| Finance costs paid | (1,710,349) | (1,032,985) |
| Income taxes paid | (456,255) | (502,557) |
| Long-term deposits | - | (950) |
| Workers' welfare fund paid | (44,961) | - |
| Workers' profit participation fund paid | (149,999) | (132,516) |
| Net cash (used in) / generated from operating activities | (1,018,963) | 599,179 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (77,857) | (56,457) |
| Addition in capital work-in-progress | (209,945) | (1,580,447) |
| Decrease in long-term deposits - net | 2 | - |
| Proceeds from sale of property, plant and equipment | 90,511 | 2,721 |
| Net cash used in investing activities | (197,289) | (1,634,183) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of long-term loan | (502,662) | (279,693) |
| Increase in deferred liabilities | - | 425,000 |
| Long-term loans obtained | - | 900,000 |
| Dividend paid | (219,475) | (165,029) |
| Repayment of lease liabilities | (24,478) | (13,192) |
| Short-term borrowings - net | 2,046,626 | 171,479 |
| Net cash generated from financing activities | 1,300,011 | 1,038,565 |
| Net increase in cash and cash equivalents | 83,759 | 3,561 |
| Cash and cash equivalents at the beginning of the period | 215,625 | 260,276 |
| Cash and cash equivalents at the end of the period | 299,384 | 263,837 |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Notes To The Unconsolidated Condensed Interim Financial Statements

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

Nimir Industrial Chemicals Limited ('the Company') was incorporated in Pakistan as a public limited company and its shares are listed on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sales of chemical products along with toll manufacturing of aerosol, soap products, home and personal care products.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office and plant of the Company is situated at 14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan. Following are the business units of the Company along with their respective locations:

| BUSINESS UNIT | LOCATION |
|---------------|--------------------------------------------------------|
| Head office | Nimir House, 122-B, New Muslim Town, Lahore, Pakistan. |

3 THE GROUP

Nimir Industrial Chemicals Limited is part of Nimir Group which consist of:

| Subsidiary Companies | % age of Direct shareholding | % age of Effective shareholding |
|---------------------------------------------|------------------------------|---------------------------------|
| Nimir Management (Private) Limited ("NMPL") | 51.00% | 51.00% |
| Nimir Resins Limited ("NRL") | 11.63% | 37.64% |
| Nimir Overseas LLC ("NOL") | 100% | 100% |

The registered office of Nimir Management (Private) Limited (NMPL) is Nimir House, 122-B, New Muslim Town, Lahore, Pakistan.. NMPL was formed for the purpose of investment in Nimir Resins Limited.

Nimir Resins Limited is a listed company engaged in the manufacturing of surface coating resins, polyesters, optical brightener and textile auxiliaries. The registered office of the NRL is 14.5 Km, Lahore-Sheikhupura Road, Lahore. NRL is a sub-subsidiary of the Company as 51% shares of NRL are held by the NMPL, accordingly the Company exercises control over NRL.

Nimir Overseas LLC (NOL) is a company registered and operating in the Republic of Uzbekistan. It is a limited liability company established in accordance with the legislation of the Republic of Uzbekistan. NOL was incorporated on January 28, 2023. NOL is involved in acting as agents for the wholesale trade of fuel, ores, metals and chemicals, unspecialized wholesome trade, export and import operations, and investment activities.

These financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on cost basis rather than on the basis of reported results. Consolidated financial statements are prepared separately.

4 BASIS OF PREPARATION

4.1 Statement of compliance

These unconsolidated 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 comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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.

These are the (unconsolidated) separate condensed interim financial statements of the Company; consolidated interim financial statements have been presented separately.

4.2 These unconsolidated condensed interim financial statements do not include all the information and the disclosures required in the annual financial statements and should be read in conjunction with annual audited financial statements of the Company for the year ended June 30, 2023.

Comparative unconsolidated condensed interim statement of financial position is stated from annual audited financial statements as of June 30, 2023, whereas comparatives for unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unconsolidated condensed interim financial statements of the Company for the six months ended December 31, 2022.

**Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)**

- 4.3** These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. The condensed interim consolidated financial statements of the Company are prepared separately.
- 4.4** The condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupee, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand Pak Rupee unless otherwise stated.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unconsolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2023.

Provision in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation in these unconsolidated condensed interim financial statements are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

6 SIGNIFICANT ACCOUNTING POLICIES

- 6.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2023.
- 6.2** Change in accounting standards, interpretations and amendments to published accounting and reporting standards
- 6.2.1** Amendments to published accounting and reporting standards which became effective during the period:

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

These amendments had no effect on the unconsolidated condensed interim financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

- 6.2.2** Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - owned assets
Right-of-use assets
Capital work in progress

| (Un-audited) 31 Dec. 2023 | (Audited) 30 June 2023 |
|------------------------------|---------------------------|
| Rs."000" | Rs."000" |
| 13,504,280 | 13,583,265 |
| 50,864 | 64,116 |
| 124,372 | 201,970 |
| 13,679,516 | 13,849,351 |

Following are the additions / transfers and disposals (at net book value) in the operating fixed assets and right- of-use assets:

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| | (Un-Audited) | | (Audited) | |
|--------------------------------------------------|--------------------------|-----------|--------------------------|-----------|
| | 31 Dec. 2023 | | 30 June 2023 | |
| | Additions/ Transfers* | Disposals | Additions/ Transfers* | Disposals |
| | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| 7.1 Operating fixed assets - owned assets | | | | |
| Building on free hold land | 21,119 | - | 986,370 | - |
| Plant and machinery | 266,424 | (17,456) | 7,692,575 | (864) |
| Furniture and fittings | 1,250 | - | 18,675 | - |
| Office and factory equipment | 56,388 | (32) | 159,158 | (97) |
| IT & Computer Equipment | 18,550 | - | - | - |
| Vehicles - owned | 1,669 | - | 9,854 | (227) |
| | 365,400 | (17,488) | 8,866,632 | (1,188) |
| 7.2 Right-of-use assets | | | | |
| Vehicles - Leased | 4,674 | - | 20,426 | - |
| | 370,074 | (17,488) | 8,887,058 | (1,188) |

7.3 Capital work in progress

Following are the additions / transfers in the capital work-in-progress:

| | (Un-Audited) | | (Audited) | |
|----------------------------|-----------------------------------------------|---------------------------------------------|----------------------------------------------|----------------------------------------------|
| | Additions during the period 31 Dec-2023 | Transfers to fixed assets 31 Dec-2023 | Additions during the year 30 June-2023 | Transfers to fixed assets 30 June-2023 |
| | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| Building on free-hold land | 21,119 | 21,119 | 986,370 | 986,370 |
| Plant and machinery | 188,826 | 266,424 | 1,017,848 | 7,672,902 |
| Others | - | - | 4,574 | 19,674 |
| | 209,945 | 287,543 | 2,008,792 | 8,678,946 |

| 8 STOCK-IN-TRADE | (Un-audited) 31 Dec. 2023 | (Audited) 30 June 2023 |
|-------------------------------------------------|------------------------------|---------------------------|
| | Rs."000" | Rs."000" |
| Raw and packing material (In hand & in transit) | 6,554,022 | 5,221,559 |
| Finished goods | 2,387,604 | 2,996,374 |
| | 8,941,626 | 8,217,933 |
| 9 TRADE RECEIVABLES | | |
| Considered good-unsecured | | |
| Due from customers | 5,551,605 | 4,706,807 |
| Due from associates | 149,663 | 480,638 |
| | 5,701,268 | 5,187,445 |
| Allowance for expected credit losses | (21,885) | (21,885) |
| | 5,679,383 | 5,165,560 |

9.1 During the period, impact of expected credit loss is insignificant (June 30, 2023: Rs. 21.885 million).

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| 10 LONG-TERM LOANS | Note | (Un-audited) 31 Dec. 2023 | (Audited) 30 June 2023 |
|--------------------------------------------------------------|------|------------------------------|---------------------------|
| | | Rs."000" | Rs."000" |
| Term Finance | 10.1 | 2,219,358 | 2,506,418 |
| Term Finance - under temporary economic refinance facility | 10.2 | 3,620,138 | 3,743,775 |
| | | 5,839,496 | 6,250,193 |
| Mark up accrued | | 95,316 | 140,550 |
| | | 5,934,812 | 6,390,743 |
| Current maturity of term finance | | (708,691) | (627,533) |
| Current maturity under temporary economic refinance facility | | (327,114) | (491,983) |
| | | (1,035,805) | (1,119,516) |
| | | 4,899,007 | 5,271,227 |
| Less: Mark up accrued shown under current liabilities | | (95,316) | (140,550) |
| | | 4,803,691 | 5,130,677 |

10.1 These represent long-term finance facilities obtained from financial institutions carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in equal monthly and quarterly instalments over a period of 5 to 6 years including 1 year grace period. These facilities are secured against first joint pari passu charge and mortgage charge (equitable) over present and future fixed assets of the Company.

10.2 These represent loans obtained under the Temporary Economic Refinance Facility offered by the State Bank of Pakistan (the "SBP TERF") for setting up imported and locally manufactured plants and machinery for new projects. The loans carry mark-up at the rate of 2.02% per annum repayable in equal quarterly instalments over a period of 10 years including 2 years grace period. These facilities are secured against first joint pari passu charge over all present and future fixed assets of the Company. The loan was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using interest rate of three (3) month KIBOR plus spread. The difference between the fair value of the loan and loan proceeds has been recognized as deferred income as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance).

| 11 SHORT-TERM BORROWINGS | Note | (Un-audited) 31 Dec. 2023 | (Audited) 30 June 2023 |
|--------------------------------|------|------------------------------|---------------------------|
| | | Rs."000" | Rs."000" |
| Running finance | 11.1 | 2,169,277 | 1,826,048 |
| Local bills discounting | 11.1 | 782,194 | 743,171 |
| Finance against trust receipts | 11.1 | 11,391,527 | 9,575,392 |
| Short term loan | | - | 151,761 |
| | | 14,342,998 | 12,296,372 |

11.1 The aggregate limit of short term finance facilities available from various financial institutions (including commercial banks) at year end is Rs. 23,450 million (June 30, 2023: Rs. 18,600 million).

The limit of running finance facilities amounts to Rs. 3,350 million (June 30, 2023: Rs. 2,800 million). The rate of markup ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (June 30, 2023: 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap). The limit of local bills discounting and finance against trust receipts amounts to Rs. 20,100 million (June 30, 2023: Rs. 15,800 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 25 bps to 50 bps (June 30, 2023: 1 month KIBOR to 3 months KIBOR + 50 bps) and 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap (June 30, 2023: 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap) respectively. These facilities are secured against joint pari passu charge on the present and future current assets of the Company.

The unutilized facility for letters of credit, bank guarantees, running finance, local bills discounting as on December 31, 2023 amounts to Rs. 6,651 million (June 30, 2023: Rs. 5,467 million).

12 CONTINGENCIES AND COMMITMENT

12.1 Contingent liabilities

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2023.

12.2 Commitments

There is no material change in the commitments since the last audited financial statements for the year ended June 30, 2023.

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

| (Un-Audited) | | | | | |
|--------------|----------------------------------------------------------|-----------------|--------------|---------------|--------------|
| 13 | REVENUE FROM CONTRACTS WITH CUSTOMERS - NET | Half year ended | | Quarter ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| | Gross revenue | 24,403,593 | 26,661,382 | 12,140,100 | 11,758,150 |
| | Less: | | | | |
| | Commission / discount | (192,313) | (82,226) | (79,718) | (79,325) |
| | Sales tax | (3,586,353) | (3,655,219) | (1,786,354) | (1,592,287) |
| | | (3,778,666) | (3,737,445) | (1,866,072) | (1,671,612) |
| | | 20,624,927 | 22,923,937 | 10,274,028 | 10,086,538 |
| | | | | | |
| 14 | COST OF SALES | Half year ended | | Quarter ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| | Opening stock of finished goods | 2,996,374 | 1,456,673 | 2,221,306 | 1,760,574 |
| | Cost of goods manufactured | 17,065,956 | 21,513,364 | 9,063,794 | 9,524,718 |
| | | 20,062,330 | 22,970,037 | 11,285,100 | 11,285,292 |
| | Closing stock of finished goods | (2,387,604) | (2,125,003) | (2,387,604) | (2,125,003) |
| | | 17,674,726 | 20,845,034 | 8,897,496 | 9,160,289 |
| | | | | | |
| 15 | DISTRIBUTION COSTS | Half year ended | | Quarter ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| | Salaries, wages and benefits | 54,303 | 36,573 | 26,717 | 18,783 |
| | Depreciation | 2,534 | 2,272 | 1,256 | 1,227 |
| | Repairs and maintenance | 35 | 278 | 32 | 21 |
| | Traveling, conveyance and entertainment | 9,099 | 6,601 | 4,795 | 5,049 |
| | Communications | 1,194 | 619 | 1,006 | 209 |
| | Insurance | 2,365 | 2,507 | 955 | 1,620 |
| | Printing and stationery | 284 | 102 | 74 | 27 |
| | Freight outward | 182,388 | 129,100 | 85,967 | 62,938 |
| | Dues, fees and subscription | 257 | 2,283 | 109 | 2,209 |
| | Other expenses | 1,373 | 3,300 | 1,108 | 2,969 |
| | | 253,832 | 183,635 | 122,019 | 95,052 |
| | | | | | |
| 16 | FINANCE COSTS | Half year ended | | Quarter ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| | Mark-up on | | | | |
| | Long-term loans | 452,648 | 132,339 | 221,468 | 49,816 |
| | Short-term borrowings | 1,436,777 | 1,169,139 | 754,768 | 653,568 |
| | Financial charges on lease | 5,657 | 6,203 | 2,339 | 3,366 |
| | Bank charges, fee and commission | 23,105 | 16,634 | 9,446 | 6,961 |
| | | 1,918,187 | 1,324,315 | 988,021 | 713,711 |
| | | | | | |
| 17 | TAXATION | Half year ended | | Quarter ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| | Current | 286,113 | 70,424 | 98,445 | (27,285) |
| | Deferred tax | (69,235) | 27,247 | (62,990) | (4,457) |
| | | 216,878 | 97,671 | 35,455 | (31,742) |
| | | | | | |
| 18 | EARNINGS PER SHARE - BASIC AND DILUTED | Half year ended | | Quarter ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| | Profit attributable to ordinary shareholders (Rs. "000") | 415,418 | 332,815 | 104,492 | 117,228 |
| | Weighted average number of shares (No. "000") | 110,591 | 110,591 | 110,591 | 110,591 |
| | Earnings per share (Rs.) | 3.76 | 3.01 | 0.94 | 1.06 |

Notes To The Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated Companies, directors and key management personnel. Transactions with related parties during the period are as follows:

| Name of Company and relationship | Nature of Transaction | (Un-audited) | |
|----------------------------------------------------------|----------------------------------|------------------------|--------------|
| | | Six-month period ended | |
| | | 31 Dec. 2023 | 31 Dec. 2022 |
| | | Rs. "000" | Rs. "000" |
| Nimir Resins Limited - Subsidiary | Sale of goods | 134,142 | 138,885 |
| | Purchase of goods | 3,350 | 2,869 |
| | Services acquired | 2,815 | 2,559 |
| | Services provided | 3,633 | 3,302 |
| | Other expenses reimbursement-net | 307 | 5,358 |
| Nimir Overseas LLC - Subsidiary | Sale of goods | 366,069 | - |
| Nimir Chemcoats Limited - Associated Company | Purchase of goods | 837 | 21,043 |
| Nimir Energy Limited - Associated Company | Purchase of goods | - | 13,964 |
| Nimir Chemicals Pakistan Limited - Associated Company | Sale of goods | 5,540 | 13,843 |
| | | | |
| Key Management Personnel | Managerial Remuneration | 177,012 | 146,136 |
| | Other Benefits | 68,285 | 61,610 |
| Staff retirement benefits | Contribution to gratuity fund | 14,000 | 3,200 |

20 GENERAL

20.1 Figures have been rounded off to the nearest thousand rupee, unless otherwise stated.

20.2 Corresponding figures have been rearranged/reclassified, wherever necessary, for the purpose of better presentation. However no significant rearrangement or reclassification has been made during the period ended December 31, 2023.

21 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

21.1 After the period-end, on January 17, 2024, the Honourable Lahore High Court approved the scheme of arrangement by a subsidiary of the Company, Nimir Management (Private) Limited (NMPL), where in the NMPL has been dissolved without winding up and it has transferred and distributed all its assets, after discharging its liabilities, to its shareholder. Furthermore, NICL has also distributed the shares held by it (including the shares transferred by NMPL) to its shareholders in proportion to their shareholding in NICL. As a result of this, Nimir Resins Limited ceased to be a subsidiary of NICL w.e.f. February 13, 2024.

21.2 The Board of Directors of the Company in its meeting held on February 23, 2024 has recommended interim cash dividend at 10% i.e Rs. 1 per share. These financial statements do not reflect this appropriation.

22 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized by the Board of Directors of the Company for issue on Friday, February 23, 2024.


Chief Executive Officer


Director


Chief Financial Officer

A black and white photograph of a large industrial facility, likely a refinery or chemical plant. The image shows a complex network of steel structures, pipes, and scaffolding. In the foreground, there's a paved walkway with some construction materials. In the background, more industrial equipment and a cloudy sky are visible.

16

Financial Statements Consolidated


FOR THE HALF YEAR ENDED
DECEMBER 31, 2023

Consolidated Condensed Interim Statement Of Financial Position

AS AT 31 DECEMBER 2023

| | | Unaudited 31 December 2023 Rs."000" | Audited 30 June 2023 Rs."000" |
|------|-----------------------------------------------------------------------|----------------------------------------------|----------------------------------------|
| Note | | | |
| | ASSETS | | |
| | NON CURRENT ASSETS | | |
| | Property, plant and equipment | 5 14,352,624 | 14,555,033 |
| | Intangible assets | 21,690 | 29,824 |
| | Long term deposits | 63,846 | 63,120 |
| | | 14,438,160 | 14,647,977 |
| | CURRENT ASSETS | | |
| | Store and spares | 838,097 | 838,453 |
| | Stock-in-trade | 6 11,448,212 | 10,119,407 |
| | Trade receivables | 7 7,306,716 | 6,625,642 |
| | Loans and advances | 127,466 | 163,147 |
| | Trade deposits and short-term prepayments | 88,587 | 2,476 |
| | Other receivables | 81,498 | 231,057 |
| | Tax refunds due from the Government | 2,411,444 | 2,644,113 |
| | Cash and bank balances | 479,742 | 351,577 |
| | | 22,781,762 | 20,975,872 |
| | TOTAL ASSETS | 37,219,922 | 35,623,849 |
| | EQUITY AND LIABILITIES | | |
| | SHARE CAPITAL AND RESERVES | | |
| | Authorized share capital (145 million ordinary shares of Rs. 10 each) | 1,450,000 | 1,450,000 |
| | Issued, subscribed and paid up capital | 1,105,905 | 1,105,905 |
| | Revenue reserves - unappropriated profits | 7,579,738 | 7,275,995 |
| | Exchange translation reserve - foreign investment | (153) | 163 |
| | Non-controlling interest | 1,612,997 | 1,523,216 |
| | | 10,298,487 | 9,905,279 |
| | NON CURRENT LIABILITIES | | |
| | Long term loans | 8 4,827,635 | 5,234,620 |
| | Lease liabilities | 71,679 | 82,392 |
| | Net defined benefit liability - funded gratuity | 260,186 | 242,497 |
| | Deferred tax liability | 921,514 | 1,003,925 |
| | Deferred grant | 642,969 | 730,544 |
| | | 6,723,983 | 7,293,978 |
| | CURRENT LIABILITIES | | |
| | Trade and other payables | 1,859,475 | 2,977,376 |
| | Contract liabilities | 81,143 | 195,848 |
| | Mark up accrued | 835,985 | 678,169 |
| | Unclaimed dividend | 14,871 | 13,165 |
| | Short-term borrowings | 9 16,146,229 | 13,147,749 |
| | Current maturity of long-term loans | 8 1,052,948 | 1,188,445 |
| | Current maturity of lease liabilities | 29,738 | 42,388 |
| | Current maturity of deferred grant | 177,063 | 181,452 |
| | | 20,197,452 | 18,424,592 |
| | CONTINGENCIES AND COMMITMENTS | 10 - | - |
| | TOTAL EQUITY AND LIABILITIES | 37,219,922 | 35,623,849 |

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim Statement Of Profit Or Loss

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

| Note | Half year ended | | Quarter ended | |
|----------------------------------------------------|------------------|------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | Rs."000" | Rs."000" | Rs."000" | Rs."000" |
| Revenue from contracts with customers - gross | 30,338,656 | 31,932,357 | 14,480,846 | 14,401,925 |
| Less: Sales tax, trade discounts | (4,624,043) | (4,555,190) | (2,236,978) | (2,078,053) |
| Revenue from contracts with customers - net | 11 25,714,613 | 27,377,167 | 12,243,868 | 12,323,872 |
| Cost of sales | 12 (22,136,361) | (24,939,262) | (10,602,563) | (11,246,270) |
| Gross profit | 3,578,252 | 2,437,905 | 1,641,305 | 1,077,602 |
| Distribution costs | 13 (317,495) | (233,576) | (153,704) | (118,409) |
| Administrative and selling expenses | (366,667) | (257,004) | (193,105) | (126,760) |
| | (684,162) | (490,580) | (346,809) | (245,169) |
| Operating profit | 2,894,090 | 1,947,325 | 1,294,496 | 832,433 |
| Other expenses | (83,896) | (30,840) | (51,258) | (2,049) |
| Other income | 217,818 | 109,879 | 83,862 | 82,408 |
| Finance cost | 14 (2,142,132) | (1,536,892) | (1,121,690) | (814,217) |
| Profit before taxation | 885,880 | 489,472 | 205,410 | 98,575 |
| Taxation | 15 (271,174) | (118,543) | (43,221) | 37,345 |
| Profit for the period | 614,706 | 370,929 | 162,189 | 135,920 |
| Attributable to: | | | | |
| Equity holders of the parent | 524,925 | 343,012 | 128,519 | 118,735 |
| Non-controlling interests | 89,781 | 27,917 | 33,670 | 17,185 |
| | 614,706 | 370,929 | 162,189 | 135,920 |
| Earnings per share - basic and diluted | 4.75 | 3.10 | 1.47 | 1.07 |

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

| | Half year ended | | Quarter ended | |
|-----------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|----------------|
| | 31 DEC. 2023 | 31 DEC. 2022 | 31 DEC. 2023 | 31 DEC. 2022 |
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| Profit for the period | 614,706 | 370,929 | 162,189 | 135,920 |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | | | |
| Exchange differences on translation of foreign operation | (316) | - | (158) | - |
| Total comprehensive income for the period | 614,390 | 370,929 | 162,031 | 135,920 |
| Attributable to: | | | | |
| Equity holders of the parent | 524,609 | 343,012 | 128,361 | 118,735 |
| Non-controlling interests | 89,781 | 27,917 | 33,670 | 17,185 |
| | 614,390 | 370,929 | 162,031 | 135,920 |

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

Consolidated Condensed Interim Statement of Changes in Equity

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

| | Capital | Revenue | Exchange translation reserve-foreign investment | Non-controlling interest | Total |
|---------------------------------------------------------------------------------|----------------------------------------------|-----------------------|-------------------------------------------------|--------------------------|------------|
| | Issued, subscribed and paid up share capital | Unappropriated profit | | | |
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| Balance as at July 01, 2022 (audited) | 1,105,905 | 5,498,106 | - | 1,253,269 | 7,857,280 |
| Profit for the period | - | 343,012 | - | 27,917 | 370,929 |
| Other comprehensive income | - | - | - | - | - |
| | - | 343,012 | - | 27,917 | 370,929 |
| Final dividend for the year ended 30 June 2022 at the rate of Rs. 1.5 per share | - | (165,886) | - | - | (165,886) |
| Balance as at December 31, 2022 (un-audited) | 1,105,905 | 5,675,232 | - | 1,281,186 | 8,062,323 |
| Balance as at July 01, 2023 (audited) | 1,105,905 | 7,275,995 | 163 | 1,523,216 | 9,905,279 |
| Profit for the period | - | 524,925 | - | 89,781 | 614,706 |
| Other comprehensive income | - | - | (316) | - | (316) |
| | - | 524,925 | (316) | 89,781 | 614,390 |
| Final dividend for the year ended 30 June 2023 at the rate of Rs. 2 per share | - | (221,182) | - | - | (221,182) |
| Balance as at December 31, 2023 (un-audited) | 1,105,905 | 7,579,738 | (153) | 1,612,997 | 10,298,487 |

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

| | Half year ended | |
|----------------------------------------------------------|-----------------|--------------|
| | 31 DEC. 2023 | 31 DEC. 2022 |
| | Rs. "000" | Rs. "000" |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 885,880 | 489,472 |
| Adjustments for | | |
| Depreciation | 487,650 | 308,389 |
| Amortization of Intangible Asset | 8,134 | 5,380 |
| Gain on disposal of property, plant and equipment | (73,616) | (1,596) |
| Finance cost | 2,119,028 | 1,519,454 |
| Amortization of deferred grant | (91,964) | (67,230) |
| Exchange loss - unrealized | (15,169) | 448 |
| Provision for obsolescence of stock | 4,250 | - |
| Expected credit loss on trade debts | 5,830 | - |
| Provision for gratuity | 39,690 | 26,119 |
| Workers' profit participation fund | 45,047 | 26,587 |
| Workers' welfare fund | 17,643 | 10,407 |
| | 2,546,523 | 1,827,958 |
| Profit before working capital changes | 3,432,403 | 2,317,430 |
| Effect on cash flow due to working capital changes: | | |
| Increase / (decrease) in current assets | | |
| Store and spares | 356 | (176,601) |
| Stock in trade | (1,297,827) | 726,103 |
| Trade receivables | (189,645) | 409,616 |
| Loans and advances | 35,999 | (28,547) |
| Trade deposits and short term prepayments | (85,499) | (21,264) |
| Other receivables | 163,121 | 77,028 |
| Tax refunds due from the Government | 508,828 | (477,969) |
| | (864,667) | 508,366 |
| (decrease) / Increase in current liabilities | | |
| Creditors, accrued and other liabilities | (1,456,977) | 276,570 |
| Contract liabilities | (122,652) | 68,077 |
| | (1,579,629) | 344,647 |
| Cash (used in) / generated from operations | 988,107 | 3,170,443 |
| Contribution (to) / from gratuity fund | (22,000) | 15,140 |
| Finance costs paid | (1,869,249) | (1,232,768) |
| Income taxes paid | (638,840) | (645,947) |
| Long-term deposits | - | (4,030) |
| Workers' welfare fund paid | (57,810) | (12,681) |
| Workers' profit participation fund paid | (180,885) | (165,124) |
| Net cash (used in) / generated from operating activities | (1,780,677) | 1,125,033 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (102,112) | (67,800) |
| Addition in capital work-in-progress | (209,945) | (1,597,956) |
| Decrease in long-term deposits - net | (726) | - |
| share deposit money repaid | - | (2,000) |
| Loan received from NRL | - | 2,000 |
| Proceeds from sale of property and equipment | 105,104 | 2,786 |
| Net cash used in investing activities | (207,679) | (1,662,970) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of long-term loan | (634,447) | (317,415) |
| Increase in deferred liabilities | - | 425,000 |
| Long-term loans obtained | - | 900,000 |
| Dividend paid | (219,475) | (165,029) |
| Repayment of lease liabilities | (28,038) | (18,495) |
| Short-term borrowings - net | 2,998,481 | (287,980) |
| | 2,116,521 | 536,081 |
| Net cash generated from financing activities | 128,165 | (1,856) |
| Net increase in cash and cash equivalents | 351,577 | 284,936 |
| Cash and cash equivalents at the beginning of the period | 479,742 | 283,080 |
| Cash and cash equivalents at the end of the period | | |

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

1.1 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")

Nimir Overseas LLC ("NOL")

The shareholding of Nimir Group as at reporting date is as follows:

| | |
|-------------------------------------|---------|
| • The holding of NICL in NMPL: | 51.00% |
| • The holding of NMPL in NRL: | 51.00% |
| • The holding of NICL in NRL: | 11.64% |
| • Effective holding of NICL in NRL: | 37.64% |
| • The holding of NICL in NOL: | 100.00% |

Nimir Industrial Chemicals Limited ("NICL")

Nimir Industrial Chemicals Limited ('the Company') was incorporated in Pakistan as a public limited Company and its shares are listed on Pakistan Stock Exchange. The Company is engaged in manufacturing and sales of chemical products along with toll manufacturing of aerosol, soap products, home and personal care products. Following are the business units of the Company along with their respective locations:

| Business Unit | Address |
|-----------------------------|-----------------------------------------------------------------------------------|
| Registered office and plant | 14.8 Km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. |
| Head Office | Nimir House, 122-B, New Muslim Town, Lahore, Pakistan. |

Nimir Management (Private) Limited ("NMPL")

The registered office of Nimir Management (Private) Limited (NMPL) is Nimir House, 122-B, New Muslim Town, Lahore, Pakistan. NMPL was formed for the purpose of investment in Nimir Resins Limited.

Nimir Resins Limited ("NRL")

Nimir Resins Limited was initially 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 with the name of Nimir Resins Limited. The name of the Company was changed to Descon Chemicals Limited on April 1, 2010 when the Company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group as explained in note 1.2, the name of the Company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated April 18, 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. Following are the business units of the Company along with their respective locations:

| Business Unit | Address |
|-------------------------------|-----------------------------------------------------------------------------------|
| Registered office and plant 1 | 14.5 Km, Lahore-Sheikhpura Road, Lahore, Pakistan |
| Plant 2 | 14.8 Km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. |

Nimir Overseas LLC ("NOL")

NOL is a Company registered and operating in the Republic of Uzbekistan. It is a limited liability Company established in accordance with the legislation of the Republic of Uzbekistan. NOL was incorporated on January 28, 2023. NOL is involved in acting as agents for the wholesale trade of fuel, ores, metals and chemicals, unspecialized wholesome trade, export and import operations, and investment activities.

| Business Unit | Address |
|---------------|-------------------------------------------------|
| Head office | 7A Ibrohim ota, Olmazor district, Tashkent city |

1.2 In accordance with International Financial Reporting Standard (IFRS) – 10 'consolidated Financial Statements', the Holding Company assessed the control conclusion of its investment in Nimir Resins Limited (NRL) that although the Holding Company has less than 50% shareholding in NRL, however, based on absolute size of the Holding Company's shareholding, common directorship and management, the Holding Company has the ability to exercise control over NRL as per the terms of IFRS-10. Henceforth, Nimir Industrial Chemicals Limited (NICL) is deemed to be holding Group of NRL.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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 comprise of :

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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 consolidated condensed interim financial statements do not include all the information and the disclosures required in the annual financial statements and should be read in conjunction with consolidated annual audited financial statements of the Group for the year ended June 30, 2023.

Comparative consolidated condensed interim statement of financial position is stated from consolidated annual audited financial statements as of June 30, 2023, whereas comparatives for consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are extracted from consolidated condensed interim financial statements of the Group for the six months ended December 31, 2022.

- 2.3** These consolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. The condensed interim consolidated financial statements of the Group are prepared separately.

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

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2023.

Provision in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation in these consolidated condensed interim financial statements are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the Groups consolidated financial statements for the year ended June 30, 2023.

4.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

4.2.1 Amendments to published accounting and reporting standards which became effective during the period:

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

These amendments had no effect on the unconsolidated condensed interim financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

4.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

| 5 PROPERTY, PLANT AND EQUIPMENT | (Unaudited) | (Audited) |
|---------------------------------------|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| | Rs. "000" | Rs. "000" |
| Operating fixed assets - owned assets | 14,140,729 | 14,232,677 |
| Right-of-use assets | 85,832 | 104,695 |
| Capital work in progress | 126,063 | 217,661 |
| | 14,352,624 | 14,555,033 |

Following are the additions / transfers and disposals (at net book value) in the operating fixed assets and right- of-use assets:

| | (Un-Audited) | | (Audited) | |
|--------------------------------------------------|-----------------------------------------|---------------------------|------------------------------------------|---------------------------|
| | Additions/ Transfers 31 Dec. 2023 | Disposals 31 Dec. 2023 | Additions/ Transfers 30 June. 2023 | Disposals 30 June 2023 |
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| 5.1 Operating fixed assets - owned assets | | | | |
| Building on free hold land | 28,488 | - | 1,008,950 | - |
| Plant and machinery | 282,539 | (17,456) | 7,730,032 | (864) |
| Furniture and fittings | 1,493 | - | 18,675 | - |
| Office and factory equipment | 56,388 | (32) | 164,244 | (213) |
| IT & Computer Equipment | 19,077 | - | - | - |
| Vehicles - owned | 1,669 | - | 9,854 | (227) |
| | 389,654 | (17,488) | 8,931,755 | (1,304) |
| 5.2 Right-of-use assets | | | | |
| Vehicles - Leased | 4,674 | - | 33,752 | - |
| | 394,328 | (17,488) | 8,965,507 | (1,304) |
| 5.3 Capital work in progress | | | | |

Following are the additions / transfers in the capital work-in-progress:

| | (Un-Audited) | | (Audited) | |
|----------------------------|------------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
| | Additions during the period 31 Dec. 2023 | Transfers to fixed assets 31 Dec. 2023 | Additions during the year 30 June. 2023 | Transfers to fixed assets 30 June 2023 |
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| Building on free-hold land | 30,604 | 36,196 | 986,370 | 986,370 |
| Plant and machinery | 188,833 | 274,839 | 1,059,237 | 7,713,260 |
| Others | - | - | 9,123 | 32,750 |
| | 219,437 | 311,035 | 2,054,730 | 8,732,380 |

| 6 STOCK-IN-TRADE | (Unaudited) | (Audited) |
|----------------------------------------------------------|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| | Rs. "000" | Rs. "000" |
| Raw and packing material (In hand & in transit) | 8,414,181 | 6,366,110 |
| Finished goods | 3,077,214 | 3,777,373 |
| Solar panel purchased for resale to Nimir Energy Limited | - | 14,857 |
| | 11,491,395 | 10,158,340 |
| Less: Provision for obsolescence | (43,183) | (38,933) |
| | 11,448,212 | 10,119,407 |

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

| 7 | TRADE RECEIVABLES | Note | (Unaudited) | (Audited) |
|---|--------------------------------------|------|------------------|--------------|
| | | | 31 December 2023 | 30 June 2023 |
| | | | Rs. "000" | Rs. "000" |
| | Considered good-unsecured | | | |
| | Due from customers | | 7,305,706 | 6,709,866 |
| | Due from associates | | 123,316 | 32,252 |
| | | | 7,429,022 | 6,742,118 |
| | Allowance for expected credit losses | | (122,306) | (116,476) |
| | | | 7,306,716 | 6,625,642 |

8 LONG-TERM LOANS

| | | | |
|--------------------------------------------------------------|-----|-------------|-------------|
| Term Finance | 8.1 | 2,226,501 | 2,665,347 |
| Term Finance - under temporary economic refinance facility | 8.2 | 3,620,138 | 3,718,775 |
| Term Finance - under financing scheme for renewable energy | 8.3 | 20,000 | 25,000 |
| Loan from directors / sponsors - unsecured | 8.4 | 13,944 | 13,943 |
| | | 5,880,583 | 6,423,065 |
| Mark up accrued | | 94,396 | 140,550 |
| | | 5,974,979 | 6,563,615 |
| Current maturity of term finance | | (725,834) | (696,462) |
| Current maturity under temporary economic refinance facility | | (327,114) | (491,983) |
| | | (1,052,948) | (1,188,445) |
| | | 4,922,031 | 5,375,170 |
| | | (94,396) | (140,550) |
| | | 4,827,635 | 5,234,620 |

8.1 These represent long-term finance facilities obtained from financial institutions carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in equal monthly and quarterly instalments over a period of 5 to 6 years including 1 year grace period. These facilities are secured against first joint pari passu charge and mortgage charge (equitable) over present and future fixed assets of the Group.

8.2 These represent loans obtained under the Temporary Economic Refinance Facility offered by the State Bank of Pakistan (the "SBP TERF") for setting up imported and locally manufactured plants and machinery for new projects. The loans carry mark-up at the rate of 2.02% per annum repayable in equal quarterly instalments over a period of 10 years including 2 years grace period. These facilities are secured against first joint pari passu charge over all present and future fixed assets of the Group. The loan was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using interest rate of three (3) month KIBOR plus spread. The difference between the fair value of the loan and loan proceeds has been recognized as deferred income as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance).

8.3 This represents long-term finance facility obtained from financial institution under State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy. This loan is repayable in 20 equal instalments 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 Group with 25% margin.

8.4 This represents unsecured loan obtained from ex-director / sponsors of Nimir Resins Limited acquired as a result of winding of Nimir Holding (Private) Limited in the prior years. During the year the loan amounting to Rs 93.06 million has been written-back with the consent of lender.

| 9 | SHORT-TERM BORROWINGS | Note | (Unaudited) | (Audited) |
|---|--------------------------------------|------|------------------|--------------|
| | | | 31 December 2023 | 30 June 2023 |
| | | | Rs. "000" | Rs. "000" |
| | Running finance | | | |
| | Local bills discounting | 9.1 | 2,341,163 | 2,215,060 |
| | Finance against trust receipts | 9.1 | 782,194 | 743,171 |
| | Short term loan | 9.1 | 13,022,872 | 10,037,756 |
| | Allowance for expected credit losses | | - | 151,761 |
| | | | 16,146,229 | 13,147,748 |

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

- 9.1** The aggregate limit of short term finance facilities available from various financial institutions (including commercial banks) at period end is Rs.28,955 million (June 30, 2023: Rs.23,855 million).

The limit of running finance facilities amounts to Rs. 4,375 million (June 30, 2023: Rs.3,825 million). The rate of markup ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (June 30, 2023: 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap). The limit of local bills discounting and finance against trust receipts amounts to Rs. 24,580 million (June 30, 2023: Rs. 20,030 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR + 25 bps to 50 bps (June 30, 2023: 1 month KIBOR to 3 months KIBOR + 50 bps) and 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap (June 30, 2023: 1 month KIBOR + 75 bps to 6 months KIBOR + 75 bps with no floor and cap) respectively. These facilities are secured against joint pari passu charge and ranking hypothecation over present and future current assets of the Group and lien over title of imported goods.

The unutilized facility for letters of credit, bank guarantees, running finance, local bills discounting as on 31 December, 2023 amounts to Rs. 10,353 million (June 30, 2023: Rs. 9,871 million).

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingent liabilities

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2023.

10.2 Commitments

There is no material change in the commitments since the last audited financial statements for the year ended June 30, 2023.

| 11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET | (Unaudited) | | (Unaudited) | |
|------------------------------------------------|-----------------|--------------|---------------|--------------|
| | Half year ended | | Quarter ended | |
| | 31 DEC. 2023 | 31 DEC. 2022 | 31 DEC. 2023 | 31 DEC. 2022 |
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| Gross revenue | 30,338,656 | 31,932,357 | 14,480,846 | 14,401,925 |
| Less: | | | | |
| Discount | (192,313) | (82,226) | (79,718) | (79,325) |
| Sales tax | (4,431,730) | (4,472,964) | (2,157,260) | (1,998,728) |
| | (4,624,043) | (4,555,190) | (2,236,978) | (2,078,053) |
| | 25,714,613 | 27,377,167 | 12,243,868 | 12,323,872 |
| 12 COST OF SALES | | | | |
| Opening stock of finished goods | 3,777,373 | 10,110,345 | 2,635,817 | 2,330,104 |
| Cost of goods manufactured | 21,436,202 | 24,213,158 | 11,035,296 | 18,300,407 |
| | 25,213,575 | 34,323,503 | 13,671,113 | 20,630,511 |
| Closing stock of finished goods | (3,077,214) | (9,384,241) | (3,068,550) | (9,384,241) |
| | 22,136,361 | 24,939,262 | 10,602,563 | 11,246,270 |
| 13 DISTRIBUTION COSTS | | | | |
| Salaries, wages and benefits | 81,011 | 55,224 | 39,140 | 26,247 |
| Depreciation | 4,722 | 3,990 | 2,352 | 2,208 |
| Repairs and maintenance | 1,308 | 1,097 | 944 | 466 |
| Traveling, conveyance and entertainment | 15,702 | 10,889 | 8,237 | 7,408 |
| Communications | 1,344 | 767 | 1,078 | 299 |
| Insurance | 3,431 | 3,316 | 1,683 | 2,071 |
| Printing and stationery | 311 | 142 | 87 | 46 |
| Freight outward | 182,388 | 129,100 | 85,967 | 62,929 |
| Packing, carriage and forwarding | 22,277 | 21,672 | 10,031 | 11,374 |
| Dues, fees and subscription | 2,997 | 3,318 | 2,880 | 2,227 |
| Other expenses | 1,373 | 3,300 | 1,010 | 2,741 |
| Rent, rates and taxes | 18 | 309 | - | 163 |
| Utilities | 613 | 452 | 295 | 230 |
| | 317,495 | 233,576 | 153,704 | 118,409 |

17 OPERATING SEGMENT INFORMATION

| | Oleo Chemicals and Chlor Alkali | | Coating, Emulsion and Resins | | Other Segments | | Inter segment eliminations | | Total | |
|-------------------------------------------|---------------------------------|----------------------|------------------------------|---------------------|------------------------|-------------------|----------------------------|-----------------------|-------------------------|----------------------|
| | Six-month period ended | | Six-month period ended | | Six-month period ended | | Six-month period ended | | Six-month period ended | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | Rs. "000" | | | | | | | | | |
| Revenue from contracts with customers-net | 21,618,657 | 22,923,937 | 4,599,517 | 4,594,984 | - | - | (503,561) | (141,754) | 25,714,613 | 27,377,167 |
| Cost of sales | (18,656,730) | (20,845,034) | (4,041,911) | (4,231,186) | - | - | 562,280 | 136,958 | (22,136,361) | (24,939,262) |
| Gross profit | 2,961,927 | 2,078,903 | 557,606 | 363,798 | - | - | 58,719 | (4,796) | 3,578,252 | 2,437,905 |
| Distribution cost | (253,832) | (183,635) | (63,816) | (49,941) | - | - | 153 | - | (317,495) | (233,576) |
| Administrative expenses | (291,219) | (210,126) | (75,114) | (47,069) | (245) | (108) | (89) | 299 | (366,667) | (257,004) |
| Operating profit / (loss) | 2,416,876 | 1,685,142 | 418,676 | 266,788 | (245) | (108) | 58,783 | (4,497) | 2,894,090 | 1,947,325 |
| Other expenses | (58,362) | (25,301) | (25,534) | (5,539) | - | - | - | - | (83,896) | (30,840) |
| Other income | 189,869 | 94,960 | 29,648 | 15,744 | - | - | (1,699) | (825) | 217,818 | 109,879 |
| Financial cost | (1,918,187) | (1,324,315) | (223,945) | (212,577) | - | - | - | - | (2,142,132) | (1,536,892) |
| Profit before taxation | 630,196 | 430,486 | 198,845 | 64,416 | (245) | (108) | 57,084 | (5,322) | 885,880 | 489,472 |
| Taxation | (216,878) | (97,671) | (72,466) | (19,564) | 22,636 | - | (4,466) | (1,308) | (271,175) | (118,543) |
| Profit after taxation | 413,318 | 332,815 | 126,379 | 44,852 | 22,391 | (108) | 52,618 | (6,630) | 614,705 | 370,929 |
| | 31 Dec. 2023 | 30 June 2023 | 31 Dec. 2023 | 30 June 2023 | 31 Dec. 2023 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2023 | 30 June 2023 |
| Segment assets | (Un-audited) 32,338,100 | (Audited) 31,865,930 | (Un-audited) 6,134,672 | (Audited) 5,453,055 | (Un-audited) 291,855 | (Audited) 269,763 | (Un-audited) (1,544,705) | (Audited) (1,964,899) | (Un-audited) 37,219,922 | (Audited) 35,623,847 |
| Segment liabilities | 24,285,645 | 24,005,927 | 2,983,445 | 2,424,528 | 90 | 388 | (347,745) | (712,275) | 26,921,435 | 25,718,567 |

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

Notes to the Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-audited)

14 FINANCE COST

| | (Unaudited) | | (Unaudited) | |
|----------------------------------|-----------------|--------------|---------------|--------------|
| | Half year ended | | Quarter ended | |
| | 31 DEC. 2023 | 31 DEC. 2022 | 31 DEC. 2023 | 31 DEC. 2022 |
| | Rs. "000" | Rs. "000" | Rs. "000" | Rs. "000" |
| Mark-up on | | | | |
| Long-term loans | 458,930 | 147,152 | 222,138 | 56,976 |
| Short-term borrowings | 1,646,599 | 1,361,831 | 883,543 | 744,334 |
| Diminishing musharaka finance | - | 3 | - | - |
| Financial charges on lease | 8,438 | 8,570 | 3,714 | 4,679 |
| LC discounting charges | 360 | 1,897 | 73 | 610 |
| Bank charges, fee and commission | 27,805 | 17,439 | 12,222 | 7,618 |
| | 2,142,132 | 1,536,892 | 1,121,690 | 713,711 |

15 TAXATION

| | | | | |
|--------------|----------|---------|----------|----------|
| Current | 354,701 | 127,293 | 118,160 | (898) |
| Deferred tax | (83,527) | (8,750) | (74,939) | (36,447) |
| | 271,174 | 118,543 | 43,221 | (37,345) |

16 EARNINGS PER SHARE - BASIC AND DILUTED

| | | | | |
|----------------------------------------------------------|---------|---------|---------|---------|
| Profit attributable to ordinary shareholders (Rs. "000") | 524,925 | 343,012 | 162,189 | 118,735 |
| Weighted average number of shares (No. "000") | 110,591 | 110,591 | 110,591 | 110,591 |
| Earnings per share (Rs.) | 4.75 | 3.10 | 1.47 | 1.07 |

18 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated Companies, directors and key management personnel. Transactions with related parties during the period are as follows:

| Name of Group and relationship | Nature of Transaction | (Unaudited) | (Unaudited) |
|-----------------------------------------------------|----------------------------------|------------------|------------------|
| | | 31 December 2023 | 31 December 2022 |
| | | Rs. "000" | Rs. "000" |
| Nimir Chemcoats Limited - Associated Group | Sale of goods | 132,906 | 15,937 |
| | Purchase of goods | 43,153 | 65,351 |
| | Services acquired | 1,625 | 1,339 |
| | Other expenses reimbursement-net | 842 | 238 |
| Nimir Energy Limited - Associated Group | Sale of goods | 145,738 | 105,769 |
| | Other expenses reimbursement-net | - | 4 |
| Nimir Chemicals Pakistan Limited - Associated Group | Sales of goods | 5,540 | 13,843 |
| Key Management Personnel | Managerial Remuneration | 230,040 | 184,028 |
| | Other Benefits | 79,631 | 72,193 |
| Staff retirement benefits | Contribution to gratuity fund | 23,790 | 9,320 |

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand rupee, unless otherwise stated.

19.2 Corresponding figures have been rearranged/reclassified, wherever necessary, for the purpose of better presentation. However no significant rearrangement or reclassification has been made during the period ended December 31, 2023.

20 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

20.1 After the period-end, on January 17, 2024, the Honourable Lahore High Court approved the scheme of arrangement by a subsidiary of the Company, Nimir Management (Private) Limited (NMPL), where in the NMPL has been dissolved without winding up and it has transferred and distributed all its assets, after discharging its liabilities, to its shareholder. Furthermore, NICL has also distributed the shares held by it (including the shares transferred by NMPL) to its shareholders in proportion to their shareholding in NICL. As a result of this, Nimir Resins Limited cased to be a subsidiary of NICL w.e.f. February 13, 2024.

20.2 The Board of Directors of the Company in its meeting held on February 23, 2024 has recommended interim cash dividend at 10% i.e Rs. 1 per share. These financial statements do not reflect this appropriation.

21 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized by the Board of Directors of the Group for issue on Friday, February 23, 2024.



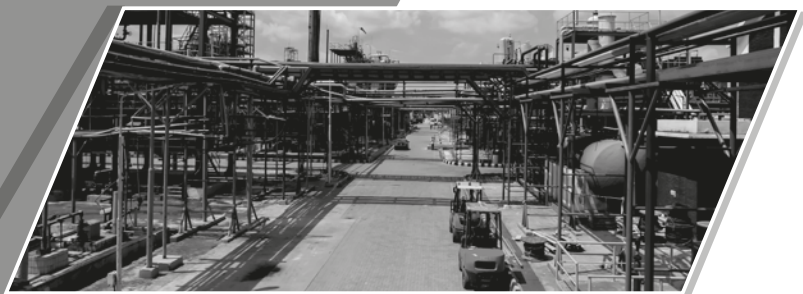
Chief Executive Officer



Director



Chief Financial Officer



NIMIR

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Bhikhi, District Sheikhpura, Pakistan.

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E-Brochure



Corporate Video