

NIMIR

TRANSFORMING FOR A **SUSTAINABLE FUTURE**



NIMIR INDUSTRIAL CHEMICALS LTD.

HALF YEARLY
REPORT 2021
December (Unaudited)

Company Information

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	
Mr. Tariq Ahmad Khan	
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. 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	- Chairperson
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 Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China
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 Limited
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
+92 42 35947700-04

Karachi Office

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

Website

www.nimir.com.pk

▶ Directors' Review Report

We are pleased to present our review report together with the unaudited financial statements of Nimir Industrial Chemicals Limited for the half year ended December 31, 2021.

The period under review remained challenging due to rising inflation and shrinking end-consumers' demand. Nevertheless, the diversified product range helped the company grow its top-line by 32% to PKR. 16 billion. The gross profit for the period, however, increased by only 11% mainly due to increasing feedstock and fuel prices, which the company could not fully pass with the objective to maintain its market share. The increase in policy rate and enhanced borrowings to meet the working capital requirements adversely affected the performance with increased financial cost which jumped by more than PKR. 177 million, an increase of over 89%. This has diluted the profit of the Company by PKR. 48 million representing a decrease of 6% in profit after tax over the last year.

International Palm oil prices, which is our major raw material hit a record high in the first half of the current financial year. Adverse balance of payment is also exerting pressure on exchange rate, which may result in further devaluation of PKR. However, 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.

The Board has recommended interim cash dividend of PKR. 1/- per share (i.e. 10%) for the half year ended December 31, 2021.

Lahore
February 24, 2022



Aamir Jamil
Director

For and on the behalf of the Board



Zafar Mahmood
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

ہمیں 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے لیے نمبر انڈسٹریل کمیونیکیشنز لمیٹڈ کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

زیر جائزہ مدت بڑھتی ہوئی مہنگائی اور آخری صارفین کی طلب میں کمی کی وجہ سے چیلنجز رہی۔ اس کے باوجود متنوع مصنوعات کی ریٹخ نے کمپنی کو اپنی ٹاپ لائن کو 32% اضافہ سے 16 بلین روپے تک بڑھانے میں مدد دی۔ تاہم، بنیادی طور پر فیڈ اسٹاک اور ایندھن کی قیمتوں میں اضافے کی وجہ سے اس مدت کے لیے مجموعی منافع میں صرف 11% اضافہ ہوا، جسے کمپنی اپنے مارکیٹ شیئر کو برقرار رکھنے کے مقصد کے ساتھ پوری طرح سے پاس نہیں کر سکی۔ پالیسی ریٹ میں اضافہ اور ورکنگ کپیٹل کی ضروریات کو پورا کرنے کے لیے زیادہ قرضوں نے مالیاتی لاگت جو کہ پچھلے سال کے مقابلے میں 89 فیصد سے زائد رہا 177 بلین روپے سے زیادہ تک بڑھ گئی نتیجتاً جس نے کمپنی کی مجموعی کارکردگی کو بری طرح متاثر کیا۔ اس سے کمپنی کا منافع 48 بلین روپے تک کم ہو گیا جو پچھلے سال کے بعد از ٹیکس منافع میں 6% کی کمی کی نمائندگی کرتا ہے۔

پام آئل، جو کہ ہمارا اہم خام مال ہے، کی بین الاقوامی قیمتیں رواں مالی سال کی پہلی ششماہی میں ریکارڈ بلندی پر پہنچ گئیں۔ ادائیگی کا منفی توازن بھی شرح مبادلہ پر دو باؤ ڈال رہا ہے، جس کے نتیجے میں پاکستانی روپیہ کی قدر میں مزید کمی واقع ہو سکتی ہے۔ تاہم، کمپنی کی انتظامیہ سال کی دوسری ششماہی میں انشاء اللہ بہترین ممکنہ نتائج حاصل کرنے کے لیے اپنی تمام تر کوششیں بروئے کار لانے کے لیے پُر عزم ہے۔

بورڈ نے 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لیے 1 روپے فی شیئر (یعنی 10%) کے عبوری نقد منافع کی سفارش کی ہے۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



عامر جمیل

ڈائریکٹر

لاہور

24 فروری 2022ء

▶ Independent Auditor's Report

To the members of Nimir Industrial Chemicals Limited Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nimir Industrial Chemicals Limited as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, 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 "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2021.

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 condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



01

Financial Statements Separate

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021



Condensed Interim Statement of Financial Position (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

Note	Unaudited	Audited	
	31 December 2021 (Rs. '000')	30 June 2021 (Rs. '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	8,673,729	5,544,090
Investment in subsidiaries		202,384	202,384
Loan to subsidiary		14,512	14,512
Long-term deposits		38,957	39,619
		8,929,582	5,800,605
CURRENT ASSETS			
Stores, spare parts and loose tools		320,022	292,094
Stock-in-trade	5	8,552,770	5,950,816
Trade debts - considered good - unsecured		3,031,042	3,226,711
Loans and advances		57,940	65,100
Trade deposits and short-term prepayments		26,547	11,061
Other receivables		34,278	45,633
Tax refunds due from the Government		668,317	818,537
Cash and bank balances		30,124	58,429
		12,721,040	10,468,381
		21,650,622	16,268,986
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (30 June 2021: 145,000,000)			
Ordinary Shares of Rs. 10/- each			
		1,450,000	1,450,000
Issued, subscribed and paid up capital			
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			
		4,323,918	3,818,121
		5,429,823	4,924,026
NON CURRENT LIABILITIES			
Long term loans	6	4,585,802	1,809,092
Lease liabilities		75,228	87,592
Deferred grant		-	1,427
Deferred tax liability		285,679	314,596
		4,946,709	2,212,707
CURRENT LIABILITIES			
Trade and other payables		938,228	1,533,942
Contract liabilities		33,015	146,679
Net defined benefit liability - funded gratuity		145,419	128,419
Mark up accrued		208,308	99,356
Unclaimed dividend		12,501	10,767
Short-term borrowings		8,962,376	5,869,058
Current maturity of long-term loans	6	480,528	415,070
Current maturity of lease liabilities		30,095	29,099
Current portion of deferred grant		4,492	7,686
Provision for taxation		459,128	892,177
		11,274,090	9,132,253
CONTINGENCIES AND COMMITMENTS			
	7	-	-
TOTAL EQUITY AND LIABILITIES			
		21,650,622	16,268,986

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

Note	Six month period ended		Three month period ended		
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	
	16,004,021	12,123,097	7,307,827	6,208,111	
	(2,360,977)	(1,823,246)	(1,074,272)	(959,210)	
Revenue from contracts with customers - net	8	13,643,044	10,299,851	6,233,555	5,248,901
Cost of sales	9	(11,901,546)	(8,736,288)	(5,246,331)	(4,419,074)
Gross profit		1,741,498	1,563,563	987,224	829,827
Distribution costs		(92,327)	(80,227)	(50,458)	(39,208)
Administrative expenses		(193,288)	(143,184)	(112,139)	(76,789)
		(285,615)	(223,411)	(162,597)	(115,997)
Operating profit		1,455,883	1,340,152	824,627	713,830
Other expenses		(76,110)	(82,369)	(42,417)	(45,640)
Other income		22,180	11,490	8,550	9,568
Foreign exchange (loss)/gain		(967)	6,551	(4,873)	3,271
Finance cost		(374,064)	(197,498)	(213,578)	(98,282)
Profit before taxation		1,026,922	1,078,326	572,309	582,747
Taxation:					
Current		(328,861)	(304,798)	(176,672)	(162,060)
Deferred		28,917	1,307	8,596	(2,243)
		(299,944)	(303,491)	(168,076)	(164,303)
Profit after taxation		726,978	774,835	404,233	418,444
Earnings per ordinary share - Basic and diluted Rs.	10	6.57	7.01	3.66	3.78

Condensed Interim Statement of Comprehensive Income (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Six month period ended		Three month period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Profit for the period	726,978	774,835	404,233	418,444
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	726,978	774,835	404,233	418,444

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Issued, subscribed and paid up capital	Unappropriated profit/revenue reserve	Total
	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on 01 July 2020 - (Audited)	1,105,905	2,517,419	3,623,324
Profit for the period	-	774,835	774,835
Other comprehensive income	-	-	-
Total comprehensive income for the period ended 31 December 2020	-	774,835	774,835
Final dividend for the year ended 30 June 2020 at the rate of Rs. 1.5 per share	-	(165,886)	(165,886)
Balance as on 31 December 2020 - (Un-audited)	<u>1,105,905</u>	<u>3,126,368</u>	<u>4,232,273</u>
Balance as on 01 July 2021 - (Audited)	1,105,905	3,818,121	4,924,026
Profit for the period	-	726,978	726,978
Other comprehensive income	-	-	-
Total comprehensive income for the period ended 31 December 2021	-	726,978	726,978
Final dividend for the year ended 30 June 2021 at the rate of Rs. 2 per share	-	(221,181)	(221,181)
Balance as on 31 December 2021 - (Un-audited)	<u>1,105,905</u>	<u>4,323,918</u>	<u>5,429,823</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer
Nimir Industrial Chemicals Ltd.

Condensed Interim Statement of Cash Flows (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Six-month period ended	
	31 DECEMBER 2021	31 DECEMBER 2020
	Rs."000"	Rs."000"
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,026,922	1,078,326
Adjustment for:		
Depreciation	249,963	207,384
Gain on disposal of property, plant and equipment	(54)	(22)
Mark-up expense	360,103	193,564
Grant income	(4,621)	(5,289)
Provision for gratuity	18,000	18,000
Expected credit losses of trade debts	-	1,450
Impairment of stores, spares parts and loose tools	-	1,000
Workers' profit participation fund	55,152	57,912
Workers' welfare fund	20,958	22,007
	699,501	496,006
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,726,423	1,574,332
(Increase) / Decrease in current assets		
Stores, spares parts and loose tools	(27,928)	(14,223)
Stock in trade	(2,601,954)	507,526
Trade debts	195,669	99,728
Loans and advances	7,160	(130,713)
Trade deposits and short term prepayments	(15,486)	(10,788)
Other receivables	11,355	(11,060)
Tax refunds due from the Government	150,220	176,583
	(2,280,964)	617,053
(Decrease) / increase in current liabilities		
Trade and other payables	(489,937)	(537,718)
Contract liabilities	(113,664)	10,500
CASH FLOWS (USED IN) / GENERATED FROM OPERATIONS	(1,158,142)	1,664,167
Contribution to gratuity fund	(1,000)	(3,000)
Mark-up paid	(245,940)	(213,023)
Tax paid	(761,910)	(346,780)
Long-term deposits	662	(834)
Workers' welfare fund paid	(52,546)	(25,037)
Workers' profit participation fund paid	(129,341)	(72,349)
	(1,190,075)	(661,023)
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(2,348,217)	1,003,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment -net	(164,615)	(183,029)
Additions in capital work in progress	(3,222,632)	(797,610)
Sale proceeds from disposal of property, plant and equipment	19,756	29
NET CASH FLOWS IN INVESTING ACTIVITIES	(3,367,491)	(980,610)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans repaid	(212,944)	(103,973)
Long-term loans obtained	3,055,112	703,708
Dividend paid during the period	(219,447)	(163,675)
Repayment of lease liabilities	(28,636)	(25,052)
Short-term borrowings - net	3,093,318	(469,506)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	5,687,403	(58,498)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,305)	(35,964)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	58,429	101,723
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	30,124	65,759

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 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 Limited. The Company is engaged in manufacturing and sales of chemical products along with toll manufacturing of aerosol and soap products. Following are the business units of the Company along with their respective locations:

Business Unit	Address
Registered office and plant	14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan.
Head office	Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

1.1 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%

The registered office of Nimir Management (Private) Limited (NMPL) is Nimir House, 12-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. The Company considers that it exercises control over Nimir Resins Limited and hence the investment has been treated as investment in subsidiary company.

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.

2 STATEMENT OF COMPLIANCE

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

2.2 The condensed interim financial statements do 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 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

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 Company. Figures have been rounded off to the nearest thousand Pak Rupee unless otherwise stated.

2.5 Provisions in respect of taxation, retirement benefit obligations, Workers' Welfare Fund (WWF) and Workers' Profit Participation Fund (WPPF) are provisional and these are subject to final adjustments in the annual audited financial statements.

2.6 These are separate financial statements, where the investment in subsidiaries is shown at cost; consolidated financial statements are separately presented.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments applicable to the financial statements for the period ended 31 December 2021

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards and interpretations effective for annual period beginning on 01 July 2021, as listed below. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 16	- Covid-19-Related Rent Concessions beyond 30 June 2021 – (Amendments)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	- Interest Rate Benchmark Reform – Phase 2 – Amendments

The adoption of amendments applied for the first time in the year did not have any material impact on the financial statements of the Company.

3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3	- Reference to Conceptual Framework — (Amendments) 01 January 2022
IAS 16	- Property, Plant and Equipment: Proceeds before intended use — (Amendments) 01 January 2022
IAS 37	- Onerous contracts - costs of fulfilling a contract — (Amendments) 01 January 2022
AIP IFRS 1	- First-time Adoption of International Financial Reporting Standards - Subsidiary as a First-time Adopter 01 January 2022
AIP IFRS 9	- Fees in the '10 per cent' Test for Derecognition of Financial Liabilities 01 January 2022
AIP IAS 41	- Agriculture – Taxation in Fair Value Measurements 01 January 2022
IAS 1	- Classification of Liabilities as Current or Non-Current — (Amendments) 01 January 2023
IAS 8	- Definition of Accounting Estimates — (Amendments) 01 January 2023
IAS 1 and IFRS Practice Statement 2	- Disclosure of Accounting Policies — (Amendments) 01 January 2023
IAS 12	- Deferred Tax related to Assets and Liabilities Arising from a Single Transaction — (Amendments) 01 January 2023
IFRS 10 and IAS 28	- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — (Amendments) 01 January 2023
	- Interest Rate Benchmark Reform — (Amendments)

The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2022.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standard 1 July 2009
IFRS 17	Insurance Contracts 1 January 2023

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

4 PROPERTY, PLANT AND EQUIPMENT	(Un-audited)	(Audited)
	31 Dec. 2021	30 June 2021
	Rs."000"	Rs."000"
Operating fixed assets - owned assets	3,477,416	3,539,106
Right-of-use assets	79,501	110,763
Capital work in progress	5,116,812	1,894,221
	8,673,729	5,544,090

Following are the additions / disposals (at cost) in the operating fixed assets and right-of-use assets:

	(Un-Audited)		(Audited)	
	Additions	Disposals	Additions	Disposals
	Dec-2021	Dec-2021	June-2021	June-2021
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Operating fixed assets - owned assets				
Free-hold land	151,385	-	171,605	-
Building on free-hold land	41	-	50,889	-
Plant and machinery - owned	4,339	(21,260)	174,124	(3,094)
Furniture and fittings	43	-	971	(1,052)
Office and factory equipment	13,093	(209)	87,488	(10,271)
Vehicles - owned	4,055	(65)	5,743	(1,366)
	172,956	(21,534)	490,820	(15,783)
Right-of-use assets				
Vehicles - Leased	12,057	-	9,759	-
Building - Leased	-	-	-	-
	185,013	(21,534)	500,579	(15,783)

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

	(Un-Audited)		(Audited)	
	Additions	Transfers to	Additions	Transfers to
	Dec-2021	fixed assets	June-2021	fixed assets
	Rs."000"	Dec-2021	Rs."000"	June-2021"
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Vehicles - Leased	644,526	-	50,889	(50,889)
Building - Leased	2,578,106	(41)	1,939,779	(174,124)
	3,222,632	(41)	1,990,668	(225,013)

5 STOCK-IN-TRADE	(Un-audited)	(Audited)
	31 Dec. 2021	30 June 2021
	Rs."000"	Rs."000"
Raw and packing material		
In hand	1,509,447	493,043
In transit	5,156,073	3,965,360
	6,665,520	4,458,403
Finished goods	1,894,505	1,499,668
Less: Provision for net realizable value	(7,255)	(7,255)
	8,552,770	5,950,816

6 LONG-TERM LOANS	Note	(Un-audited)	(Audited)
		31 Dec. 2021	30 June 2021
		Rs."000"	Rs."000"
Term Finance	6.1	809,821	941,635
Term Finance - under refinance scheme	6.2	4,241,997	1,268,015
Loan from directors / sponsors - unsecured	6.3	14,512	14,512
		5,066,330	2,224,162
Mark up accrued		44,250	26,239
		5,110,580	2,250,401
Less: Current maturity shown under current liabilities		(480,528)	(415,070)
Less: Mark up accrued shown under current liabilities		(44,250)	(26,239)
		4,585,802	1,809,092

Notes to the Condensed Interim Financial Statements (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

- 6.1** This represents 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 installments over a period of 5 to 6 years including 1 year grace period. These facilities are secured against first joint pari passu charge over present and future fixed assets of the Company.
- 6.2** This represents long-term finance facilities from financial institutions under State Bank of Pakistan's (SBP) Refinance Schemes. The loans carries mark-up at SBP defined rates plus 100 bps to 250 bps per annum and repayable in equal quarterly installments from 2 years to 10 years. These facilities are secured against first joint pari passu charge over fixed assets of the Company.
- 6.3** 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 year. This loan is interest free and repayable on demand, however, the lender has agreed not to demand repayment for a period of next twelve months.

7 CONTINGENCIES AND COMMITMENT

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2021.

CONTINGENCIES

Commitments in respect of letters of credit and letters of guarantee as at 31 December 2021 are as follows:

	(Un-audited) 31 Dec. 2021	(Audited) 30 June 2021
	Rs. in million	Rs. in million
Letters of credit established for the import of raw materials, spare parts and machinery	2,913	5,048
Letter of guarantee given to SNGPL	133	96
Letter of guarantee given to PSO	59	59
Letter of guarantee given to TOTAL PARCO	5	5

	(Un-Audited)			
	Six-month period ended		Three-month period ended	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
8 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Gross revenue	16,004,021	12,123,097	7,307,827	6,208,111
Less:				
Commission / discount	(41,327)	(57,755)	(16,471)	(36,009)
Sales tax	(2,319,650)	(1,765,491)	(1,057,801)	(923,201)
Net revenue	13,643,044	10,299,851	6,233,555	5,248,901
9 COST OF SALES				
Opening stock of finished goods	1,492,413	525,797	1,482,540	371,716
Cost of goods manufactured	12,296,383	9,024,207	5,651,041	4,861,074
	13,788,796	9,550,004	7,133,581	5,232,790
Less: Closing stock of finished goods	(1,887,250)	(813,716)	(1,887,250)	(813,716)
	11,901,546	8,736,288	5,246,331	4,419,074
10 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders (Rs. "000")	726,978	774,835	404,233	418,444
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share (Rs.)	6.57	7.01	3.66	3.78

11 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 during the period are as follows:

Name of Company and relationship	Nature of Transaction	(Un-audited)	
		Six-month period ended	
		31 Dec. 2021 (Rs. '000')	31 Dec. 2020 (Rs. '000')
Nimir Resins Limited - Subsidiary	Sale of goods	78,163	101,226
	Purchase of goods	1,676	22
	Services acquired	2,326	2,115
	Services provided	3,002	2,729
	Reimbursement of expenses - net	676	434
Nimir Chemcoats Limited - Associated Company	Purchase of goods	3,399	-
Key Management Personnel	Managerial Remuneration	121,079	89,250
	Other Benefits	50,857	29,536
Staff retirement benefits	Contribution to gratuity fund	1,000	3,000

12 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on February 24, 2022 has approved an interim dividend of Rs. 1 per share (i.e.10%) for the period ended 31 December 2021 (31 December 2020: Rs. 2 per share (i.e. 20%)). This condensed interim financial statement does not reflect the effect of the above event.

13 GENERAL

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on Thursday, February, 24, 2022.



Chief Executive Officer



Director



Chief Financial Officer

02

Financial Statements Consolidated

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31 2021



Condensed Interim Consolidated Statement of Financial Position (Unaudited) AS AT 31 DECEMBER 2021

Note	Unaudited	Audited
	31 December 2021	30 June 2021
	(Rs. '000')	(Rs. '000')
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	9,302,019	6,155,046
Long-term deposits	62,597	61,523
	9,364,616	6,216,569
CURRENT ASSETS		
Stores, spare parts and loose tools	339,403	312,536
Stock-in-trade	10,329,721	7,418,002
Trade debts - considered good - unsecured	4,930,617	4,577,920
Loans and advances	124,997	101,299
Trade deposits and short-term prepayments	35,401	12,445
Other receivables	50,725	47,042
Tax refunds due from the Government	864,599	1,073,910
Cash and bank balances	45,064	100,093
	16,720,527	13,643,247
	26,085,143	19,859,816
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Authorized Share Capital	1,450,000	1,450,000
145,000,000 (30 June 2021: 145,000,000) Ordinary shares of of Rs.10/- each		
Issued, subscribed and paid up capital	1,105,905	1,105,905
110,590,546 (30 June 2021: 110,590,546) Ordinary shares of of Rs. 10/- each	4,776,958	4,205,349
Revenue reserve - unappropriated profit	1,023,997	914,535
Non-controlling interest	6,906,860	6,225,789
NON-CURRENT LIABILITIES		
Long term loans	4,857,373	1,991,834
Lease liabilities	102,285	117,180
Diminishing musharaka finance	-	209
Deferred grant	-	333,032
Deferred tax liability	293,159	2,978
	5,252,817	2,445,233
CURRENT LIABILITIES		
Trade and other payables	1,323,715	2,283,257
Contract liabilities	33,015	154,037
Net defined benefit liability - funded gratuity	174,485	152,565
Mark up accrued	235,334	115,729
Unclaimed dividend	12,794	11,059
Short term borrowings - secured	10,986,171	6,943,147
Current maturity of long term loans	580,458	485,829
Current maturity of lease liabilities	34,932	33,724
Current maturity of diminishing musharaka finance	716	1,405
Current portion of deferred grant	7,148	9,517
Provision for taxation	536,698	998,525
	13,925,466	11,188,794
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	26,085,143	19,859,816

The annexed notes from 1 to 14 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 SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

	Note	Six month period ended		Three month period ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Revenue from contracts with customers-gross	8	20,409,376	15,296,481	10,344,532	7,975,402
Less: Sales tax, trade discount and commission		(3,041,473)	(2,320,566)	(1,900,481)	(1,235,183)
Revenue from contracts with customers-net		17,367,903	12,975,915	8,444,051	6,740,219
Cost of sales	9	(15,177,460)	(11,104,599)	(7,151,016)	(5,722,247)
Gross profit		2,190,443	1,871,316	1,293,035	1,017,972
Distribution costs		(135,295)	(114,578)	(74,840)	(57,545)
Administrative expenses		(232,140)	(174,798)	(133,227)	(90,608)
		(367,435)	(289,376)	(208,067)	(148,153)
Operating profit		1,823,008	1,581,940	1,084,968	869,819
Other expenses		(146,510)	(100,167)	(99,204)	(59,646)
Other income		33,789	19,342	18,317	15,422
Foreign exchange (loss) / gain		(967)	6,551	(4,873)	3,271
Finance cost		(437,821)	(254,277)	(250,416)	(123,417)
Profit before taxation		1,271,499	1,253,389	748,792	705,449
Taxation		(369,247)	(354,578)	(217,330)	(199,613)
Profit for the period		902,252	898,811	531,462	505,836
Attributable to:					
Equity holders of the parent		792,790	822,621	452,425	451,715
Non-controlling interests		109,462	76,190	79,037	54,121
		902,252	898,811	531,462	505,836
Earnings per share- Basic and diluted (Rs.)	10	7.17	7.44	4.09	4.08

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

	Six month period ended		Three month period ended	
	31 DEC. 2021 (Rs. '000')	31 DEC. 2020 (Rs. '000')	31 DEC. 2021 (Rs. '000')	31 DEC. 2020 (Rs. '000')
Profit for the period	902,252	898,811	531,462	505,836
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	902,252	898,811	531,462	505,836
Attributable to:				
Equity holders of the parent	792,790	822,621	452,425	451,715
Non-controlling interests	109,462	76,190	79,037	54,121
	902,252	898,811	531,462	505,836

Condensed Interim Consolidated Statement of Changes In Equity (Unaudited) FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

	Issued, subscribed and paid up share capital	Unappropriated profit/revenue reserve	Non-controlling interest	Total
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on 01 July 2020 - (Audited)	1,105,905	2,767,320	691,661	4,564,886
Profit for the period	-	822,621	76,190	898,811
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended 31 December 2020	-	822,621	76,190	898,811
Final dividend for the year ended 30 June 2020 at the rate of Rs. 1.5 per share	-	(165,886)	-	(165,886)
Balance as on 31 December 2020 - (Un-audited)	1,105,905	3,424,055	767,851	5,297,811
Balance as on 01 July 2021 - (Audited)	1,105,905	4,205,349	914,535	6,225,789
Profit for the period	-	792,790	109,462	902,252
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended 31 December 2021	-	792,790	109,462	902,252
Final dividend for the year ended 30 June 2021 at the rate of Rs. 2 per share	-	(221,181)	-	(221,181)
Balance as on 31 December 2021 (Un-audited)	1,105,905	4,776,958	1,023,997	6,906,860

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Six month period ended	
	31 DEC. 2021 (Rs. '000')	31 DEC. 2020 (Rs. '000')
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,271,499	1,253,389
Adjustment for:		
Depreciation	282,623	233,475
Amortization	-	166
Gain on disposal of property, plant and equipment	(54)	(22)
Provision for obsolescence of stock	4,352	-
Mark-up expense	421,227	249,654
Grant income	(4,621)	(5,289)
Exchange gain / (loss)	37,531	(2,362)
Provision for gratuity	22,920	22,320
Expected credit losses of trade debts	9,996	5,841
Impairment of stores, spares parts and loose tools	-	1,000
Workers' profit participation fund	68,323	67,250
Workers' welfare fund	26,308	26,076
	868,605	598,109
Operating profit before working capital changes	2,140,104	1,851,498
Decrease / (increase) in current assets		
Stores, spares parts and loose tools	(26,866)	(16,059)
Stock in trade	(2,916,070)	555,315
Trade debts	(367,183)	(260,448)
Loans and advances	(23,698)	(166,528)
Trade deposits and short term prepayments	(22,955)	(15,921)
Other receivables	(3,683)	(15,111)
Tax refunds due from the Government	179,796	198,405
	(3,180,659)	279,653
(Decrease) / increase in current liabilities		
Trade and other payables	(889,354)	(685,277)
Contract liabilities	(99,953)	7,599
CASH (USED IN) / GENERATED FROM OPERATIONS	(2,029,862)	1,453,473
Contribution to gratuity fund	(1,000)	(3,273)
Mark-up paid	(295,127)	(270,798)
Tax paid	(841,433)	(333,099)
Long term deposits	662	(3,629)
Workers' welfare fund paid	(62,590)	(35,119)
Workers' profit participation fund paid	(156,342)	(76,639)
	(1,355,830)	(722,557)
NET CASH / GENERATED FROM OPERATING ACTIVITIES	(3,385,692)	730,916
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(166,750)	(186,318)
Additions in capital work in progress - net	(3,270,493)	(860,939)
Sale proceeds from disposal of property, plant and equipment	18,021	29
NET CASH (USED IN) INVESTING ACTIVITIES	(3,419,222)	(1,047,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	(245,666)	(111,342)
Long term loan obtained	3,205,112	884,910
Dividend paid during the period	(219,447)	(163,675)
Repayment of lease liabilities	(32,239)	(25,052)
Payment against diminishing musharaka finance	(899)	(842)
Short term borrowings - net	4,043,024	(296,773)
NET CASH GENERATED FROM FINANCING ACTIVITIES	6,749,885	287,226
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(55,029)	(29,086)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	100,093	124,891
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	45,064	95,805

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer

Half Yearly Report - December 2021



Director



Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

1 THE GROUP AND ITS OPERATIONS

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

Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICTL")

Subsidiary Companies

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

The shareholding of Nimir Group as at period end is as follows:

• The holding of NICTL in NMPL:	51.00%
• The holding of NMPL in NRL:	51.00%
• The holding of NICTL in NRL:	11.63%
• Effective holding of NICTL 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. Following are the business units of the Holding 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, 12-B, New Muslim Town, Lahore, Pakistan.

Nimir Management (Private) Limited (NMPL) was incorporated in Pakistan as private limited companies on 4 December 2015 for the purpose of investment in Nimir Resins Limited.

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 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 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. 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.

1.2 As a result of adoption of 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, it directly and indirectly (i.e. through Nimir Management (Private) Limited) controls 62.63% voting rights of Nimir Resins Limited. Remaining 37.37% of the equity shares in Nimir Resins Limited are widely held by many other shareholders, none of whom individually hold more than 5% of the equity shares in Nimir Resins Limited. Further, the Holding Company also has power to appoint majority of the directors on the board of Nimir Resins Limited. Henceforth, Nimir Industrial Chemicals Limited (NICTL) is deemed to be holding company of NRL.

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

- 2.2** The condensed interim consolidated financial statements have been prepared under the historical cost convention. These condensed interim 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 rupee unless otherwise stated.
- 2.3** Provisions in respect of taxation, retirement benefit obligations, Workers' Welfare Fund (WWF) and Workers' Profit Participation Fund (WPPF) are provisional and these are subject to final adjustments in the annual audited financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2021, except as follows:

3.1 New / Revised Standards, Interpretations and Amendments

The Group has adopted the following amendments of IFRSs which became effective for the current period:

New Standards, Interpretations and Amendments

IFRS 16	Covid-19-Related Rent Concession beyond 30 June 2021 - Amendments
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 - Amendments

The adoption of amendments applied for the first time in the year did not have any material impact on the financial statements of the Company.

Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	- Reference to Conceptual Framework — (Amendments)	01 January 2022
IAS 16	- Property, Plant and Equipment: Proceeds before intended use — (Amendments)	01 January 2022
IAS 37	- Onerous contracts - costs of fulfilling a contract — (Amendments)	01 January 2022
AIP IFRS 1	- First-time Adoption of International Financial Reporting Standards - Subsidiary as a First-time Adopter	01 January 2022
AIP IFRS 9	- Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	01 January 2022
AIP IAS 41	- Agriculture – Taxation in Fair Value Measurements	01 January 2022
IAS 1	- Classification of Liabilities as Current or Non-Current — (Amendments)	01 January 2023
IAS 8	- Definition of Accounting Estimates — (Amendments)	01 January 2023
"IAS 1 and IFRS Practice Statement 2"	- Disclosure of Accounting Policies — (Amendments)	01 January 2023
IAS 12	- Deferred Tax related to Assets and Liabilities Arising from a Single Transaction — (Amendments)	01 January 2023
IFRS 10 and IAS 28	- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — (Amendments)	01 January 2023
	- Interest Rate Benchmark Reform — (Amendments)	

The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2022.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standard	1 July 2009
IAS 17	Insurance Contracts	1 January 2023

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 31 December 2021 (Rs. '000')	(Audited) 30 June 2021 (Rs. '000')
Operating fixed assets	4,047,932	4,011,747
Right-of-use assets	114,711	116,742
Capital work in progress	5,139,376	2,026,557
	9,302,019	6,155,046

Following are the additions / disposals (at cost) in the operating fixed assets made are as follows:

	(Un-Audited)		(Audited)	
	Additions Dec-2021 (Rs. '000')	Disposals Dec-2021 (Rs. '000')	Additions June-2021 (Rs. '000')	Disposals June-2021 (Rs. '000')
Operating fixed assets - owned assets				
Free-hold land	155,627	-	171,605	-
Building on free-hold land	17,981	-	69,434	-
Plant and machinery - owned	109,416	(21,260)	231,642	(3,094)
Furniture and fittings	658	-	971	(1,052)
Office and factory equipment	14,473	(209)	91,633	(10,271)
Vehicles - Owned	4,195	(65)	8,034	(1,536)
	302,350	(21,534)	573,319	(15,953)
Right-of-use assets	42,430	-	-	-
Vehicles - Leased	344,780	(21,534)	573,319	(15,953)

5 STOCK IN TRADE

	(Unaudited) 31 December 2021 (Rs. '000')	(Audited) 30 June 2021 (Rs. '000')
Raw and packing material		
In hand	2,907,846	1,575,597
In transit	5,276,768	4,200,482
	8,184,614	5,776,079
Finished goods	2,178,005	1,670,468
Less: Provision for obsolescence	-	(21,290)
Less: Provision for net realizable value	(32,898)	(7,255)
	2,145,107	1,641,923
	10,329,721	7,418,002

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

6 LONG TERM LOANS

	Note	(Unaudited) 31 December 2021 (Rs. '000')	(Audited) 30 June 2021 (Rs. '000')
Term Finance	6.1	1,025,300	1,021,742
Term Finance - under refinance scheme	6.2	4,265,532	1,303,921
Term Finance - under refinance scheme for renewable energy	6.3	40,000	45,000
Loan from directors / sponsors - unsecured	6.4	107,000	107,000
		5,437,832	2,477,663
Markup up accrued		46,444	28,616
		5,484,276	2,506,279
Less: Current maturity shown under current liabilities		(580,458)	(485,829)
Less: Markup accrued shown under current liabilities		(46,445)	(28,616)
		4,857,373	1,991,834

- 6.1** This represents long-term finance facilities obtained from financial institutions carrying mark-up at the rate of 3 months KIBOR plus 75 bps to 150 bps per annum repayable over a period of 3.5 to 6 years including 0 to 1 year grace period in equal monthly and quarterly instalments. These facilities are secured against first joint pari passu charge and exclusive charge over present and future fixed assets of the Group.
- 6.2** This represents long-term finance facilities obtained from financial institutions under State Bank of Pakistan's (SBP) Refinance Scheme. The loan carries mark-up at the rate of SBP TERF Refinance rate plus 125 bps to 250 bps per annum repayable in equal quarterly installments 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 Holding Company.
- 6.3** This represents the balance payable on account of loan of Rs. 50 million from Bank Alfalah Limited for Solar Energy unit of 450KW. This loan is repayable in 20 equal installments payable quarterly in arrears starting from March 31, 2021. Markup is charged at 3 Months Kibor plus 2% p.a payable quarterly in arrears till the approval from the State Bank of Pakistan (SBP) and as soon as SBP gives approval, mark up will be charged at SBP rate plus 2% p.a payable quarterly in arrears. This loan is secured against joint pari passu charge of Rs. 67 million over fixed assets of the Company.
- 6.4** This represents loan obtained from ex-director / sponsors of Nimir Resins Limited. This loan is interest free and repayable on demand, however, the lender has agreed not to demand repayment for a period of next twelve months.

7 CONTINGENCIES AND COMMITMENTS

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.

COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 31 December 2021 are as follows:

	(Unaudited) 31 December 2021 Rs. in million	(Audited) 30 June 2021 Rs. in million
Letters of credit established for the import of raw materials, spare parts and machinery	3,369	5,512
Letter of guarantee given to SNGPL	136	99
Letter of guarantee given to PSO	62	62
Letter of guarantee given to Total PARCO	13	13

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

8	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	Six month period ended		Three month period ended		
		31 DEC. 2021	31 DEC. 2020	31 DEC. 2021	31 DEC. 2020	
		(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')	
	Gross sales	20,409,376	15,296,481	10,344,532	7,975,402	
	Less:	(41,627)	(58,356)	(16,771)	(36,610)	
	Commission / discount	(2,999,846)	(2,262,210)	(1,883,710)	(1,198,573)	
	Sales tax	(3,041,473)	(2,320,566)	(1,900,481)	(1,235,183)	
	Net Sales	17,367,903	12,975,915	8,444,051	6,740,219	
9	COST OF SALES	Six month period ended		Three month period ended		
		31 DEC. 2021	31 DEC. 2020	31 DEC. 2021	31 DEC. 2020	
		(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')	
	Opening stock of finished goods	1,670,468	837,273	1,709,794	637,984	
	Cost of goods manufactured	15,684,997	11,373,976	7,619,227	6,190,913	
		17,355,465	12,211,249	9,329,021	6,828,897	
	Less: Closing stock of finished goods	(2,178,005)	(1,106,650)	(2,178,005)	(1,106,650)	
		15,177,460	11,104,599	7,151,016	5,722,247	
10	EARNINGS PER SHARE - BASIC AND DILUTED	Profit for the period attributable to ordinary shareholders (Rs. "000")	792,790	822,621	452,425	451,715
		Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
		Earnings per share for the period (Rs.)	7.17	7.44	4.09	4.08

11 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 during the period are as follows:

Name of Company and relationship	Nature of Transaction	Six-month period ended	
		(Unaudited) 31 December 2021	(Unaudited) 31 December 2020
		(Rs. '000')	(Rs. '000')
Nimir Chemcoats Limited - Associated Company	Purchase of goods	36,859	-
	Sale of goods	3,896	-
	Services provided	968	-
Staff retirement benefits	Contribution to gratuity fund	1,000	3,273

12 OPERATING SEGMENT INFORMATION

	Oleo Chemicals and Chlor Alkali		Coating, Emulsion and Resins		Other Segments		Inter segment eliminations		Total	
	Six-month period ended 2021	2020	Six-month period ended 2021	2020	Six-month period ended 2021	2020	Six-month period ended 2021	2020	Six-month period ended 2021	2020
CONTINUING OPERATIONS										
Revenue from contracts with customers-net	13,643,044	10,299,851	3,804,698	2,777,311	-	-	(79,839)	(101,247)	17,367,903	12,975,915
Cost of sales	(11,901,546)	(8,736,288)	(3,355,994)	(2,471,813)	-	-	80,080	103,502	(15,177,460)	(11,104,599)
Gross profit	1,741,498	1,563,563	448,704	305,498	-	-	241	2,255	2,190,443	1,871,316
Distribution cost	(92,327)	(80,227)	(42,968)	(34,351)	-	-	-	-	(135,295)	(114,578)
Administrative expenses	(193,288)	(143,184)	(39,279)	(31,990)	(100)	(103)	527	479	(232,140)	(174,798)
Operating profit / (loss)	1,455,883	1,340,152	366,457	238,157	(100)	(103)	768	2,734	1,823,008	1,581,940
Other expenses	(76,110)	(82,369)	(70,400)	(17,798)	-	-	-	-	(146,510)	(100,167)
Other income	22,180	11,490	12,614	8,766	-	-	(1,005)	(914)	33,789	19,342
Foreign exchange gain/(loss)	(967)	6,551	-	-	-	-	-	-	(967)	6,551
Finance cost	(374,064)	(197,498)	(63,757)	(56,779)	-	-	-	-	(437,821)	(254,277)
Profit before taxation	1,026,922	1,078,326	244,914	173,346	(100)	(103)	(237)	1,820	1,271,499	1,253,389
Taxation	(299,944)	(303,491)	(69,303)	(51,087)	-	-	-	-	(369,247)	(354,578)
Profit after taxation	726,978	774,835	175,611	122,259	(100)	(103)	(237)	1,820	902,252	898,811
	31 Dec. 2021	30 June 2021	31 Dec. 2021	30 June 2021	31 Dec. 2021	30 June 2021	31 Dec. 2021	30 June 2021	31 Dec. 2021	30 June 2021
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Segment assets	21,650,622	16,268,986	5,165,632	4,303,332	292,924	293,024	(1,024,035)	(1,005,526)	26,095,143	19,859,816
Segment liabilities	16,220,799	11,344,960	2,920,254	2,233,566	78,741	78,741	(41,511)	(23,239)	19,178,283	13,634,027

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

13 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on February 24, 2022 has approved an interim dividend of Rs. 1 per share (i.e. 10%) for the period ended 31 December 2021 (31 December 2020: Rs. 2 per share (i.e. 20%)). This condensed interim consolidated financial statements do not reflect the effect of the above event.

14 GENERAL

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on Thursday, February 24, 2022.


Chief Executive Officer


Director


Chief Financial Officer



NIMIR

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