

NIMIR

HALF YEARLY REPORT 2020

December (Unaudited)



NIMIR INDUSTRIAL
CHEMICALS LTD.



COMPANY INFORMATION

Board of Directors Mr. M. Saeed-uz-Zaman - Chairman Mr. Zafar Mahmood - Chief Executive Officer Mr. Khalid Mumtaz Qazi Mr. Umar Iqbal Mr. Javed Saleem Arif Mr. Tariq Ahmad Khan Ms. Parveen Akhter Malik Mr. Muhammad Iqbal Mr. Abdul Jaleel Shaikh (Nominee - Pak Brunei Investment Company Limited)	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
Executive Management Mr. Zafar Mahmood Mr. Khalid Mumtaz Qazi Mr. Imran Afzal Mr. Umar Iqbal Mr. Aamir Jamil Mr. Muhammad Yahya Khan	Bankers The Bank of Punjab Habib Bank Limited Standard Chartered Bank (Pakistan) Limited Samba Bank Limited Pak Brunei Investment Company Limited Soneri Bank Limited Askari Bank Limited National Bank of Pakistan MCB Bank Limited Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Al Baraka Bank (Pakistan) Limited Meezan Bank Limited Pakistan Kuwait Investment Company (Private) Limited Industrial and Commercial Bank of China Habib Metropolitan Bank Limited
Chief Financial Officer Syed Sajid Nasim	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
Company Secretary Mr. Muhammad Inam-ur-Rahim	Lahore Office 12-B, New Muslim Town, Lahore, Pakistan. Tel: +92 42 35926090-93 Fax: +92 42 35926099
Head of Internal Audit Mr. Nabeel Ahmad Khan	Website www.nimir.com.pk
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	

DIRECTORS' 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, 2020.

During the period under review, Pakistan's industry showed revival after subsiding the negative impact of Covid19 related lockdowns. There had been significant increase in exports and remittances by overseas Pakistanis, which resulted in increase of foreign exchange reserves of the country crossing USD 20.00 billion mark. All these combined to help maintaining stability in the exchange rates. The Government's policy for maintaining low policy rate and incentives for the trade and industry is helping the businesses to perform well.

Due to diversified product range and recent new investments, we have been able to grow the top-line from PKR 7.6 billion to 10.3 billion an increase of approximately 34%. The gross profit for the period under review improved by PKR 381 million over last year, an increase of more than 32%. The operating profit also increased by PKR 353 million reflecting increase of 35.7% over the corresponding period. The reduction in policy rate played a vital role in reduction of financial cost which helped the company to increase the net profit by PKR 317 million representing an increase of 69.3% over the last year.

The Board has recommended interim cash dividend of Rs. 02 per share (i.e. 20 %) for the half year ended December 31, 2020.

We are committed to putting up our best efforts to achieve the best possible results in the remaining half of the year too, Insha Allah.

For and on the behalf of the Board



Khalid Mumtaz Qazi
Director



Zafar Mahmood
Chief Executive Officer

Lahore
February 04, 2021

ڈائریکٹر رپورٹ

ہم 31 دسمبر 2020 کو ختم ہونے والی ششماہی کے لئے نمبر انڈسٹریل کیمیکلز لمیٹڈ کے غیر نظر ثانی شدہ مالی حسابات کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران، کوویڈ 19 سے متعلقہ لاک ڈاؤن کے منفی اثرات کو کم کرنے کے بعد پاکستان کی صنعت نے بحالی کا مظاہرہ کیا۔ بیرون ملک مقیم پاکستانیوں کی برآمدات اور ترسیلات زر میں نمایاں اضافہ ہوا ہے، جس کے نتیجے میں ملک کے زرمبادلہ کے ذخائر میں 20.00 بلین امریکی ڈالر کا اضافہ ہوا۔ ان سب نے ایکچینج ریٹس میں استحکام برقرار رکھنے میں مدد کی ہے۔ شرح سود میں کمی اور مراعات کو برقرار رکھنے کی حکومتی پالیسی کے کاروبار میں بہتری کا سبب بنی، جس کی وجہ سے صنعت اور تجارت کے شعبے نے فروغ حاصل کیا۔

متنوع پراڈکٹ کی رینج اور حالیہ نئی سرمایہ کاریوں کی وجہ سے، ہم بالائی لائن کی نمو 7.6 بلین روپے پاکستانی سے بڑھا کر 10.3 بلین روپے پاکستانی کرنے میں کامیاب رہے جو کہ تقریباً 34 فیصد رہی۔ زیر جائزہ مدت کے مجموعی منافع میں گزشتہ سال سے 381 ملین روپے پاکستانی کی بہتری ہوئی، جو 32 فیصد سے زائد کا اضافہ ہے۔ آپریٹنگ منافع میں بھی 353 ملین روپے پاکستانی کا اضافہ ہوا جو گزشتہ اسی عرصے کے دوران 35.7 فیصد کا اضافہ ظاہر کرتا ہے۔ پالیسی شرح میں کمی نے مالی لاگت کم کرنے میں اہم کردار ادا کیا جس نے کمپنی کے خالص منافع کو 317 ملین روپے پاکستانی تک بڑھانے میں مدد کی، جو گزشتہ سال سے 69.3 فیصد زائد رہا ہے۔

بورڈ نے 31 دسمبر 2020 کو ختم ہونے والی ششماہی کے لئے 2.0 روپے فی شیئر (یعنی 20 فیصد) عبوری نقد منافع منقسمہ کی سفارش کی ہے۔

ہم انشاء اللہ، بقیہ نصف سال میں بہتر ممکن نتائج کے حصول کے لئے بھرپور کوششوں کے لئے پُر عزم ہیں۔

منجانب بورڈ



خالد ممتاز قاضی

ڈائریکٹر



ظفر محمود

چیف ایگزیکٹو آفیسر

04 فروری 2021ء

لاہور

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nimir Industrial Chemicals Limited as at 31 December 2020 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.

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.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three month periods ended 31 December 2020 and 31 December 2019 and related notes have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2020.

The engagement partner on the review resulting in this independent auditor's report is Abdullah Fahad Masood.



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	(Unaudited) December 31, 2020 Rs '000'	(Audited) June 30, 2020 Rs '000'
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	4,599,584	3,826,272
Intangibles		-	-
Investment in subsidiaries		202,384	202,384
Loan to subsidiary		14,512	14,512
Long term deposits		36,800	35,966
		4,853,280	4,079,134
CURRENT ASSETS			
Stores, spare parts and loose tools		293,841	280,618
Stock in trade	5	3,093,631	3,601,157
Trade debts - considered good - unsecured		2,025,997	2,127,175
Loans and advances		197,100	66,387
Trade deposits and short term prepayments		14,918	4,130
Other receivables		32,656	21,596
Tax refunds due from the Government		390,091	566,674
Cash and bank balances		65,759	101,723
		6,113,993	6,769,460
TOTAL ASSETS		10,967,273	10,848,594
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (30 June 2020: 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 2020: 110,590,546) Ordinary shares of Rs. 10/- each		1,105,905	1,105,905
Revenue reserve - unappropriated profit		3,126,368	2,517,419
		4,232,273	3,623,324
NON CURRENT LIABILITIES			
Long term loans	6	1,345,236	903,638
Lease liabilities		87,666	100,832
Deferred grant		4,492	-
Deferred tax liability		374,784	376,091
		1,812,178	1,380,561
CURRENT LIABILITIES			
Trade and other payables		825,487	1,380,672
Contract liabilities		124,382	113,882
Net defined benefit liability - funded gratuity		112,246	97,246
Mark up accrued		45,670	77,583
Unclaimed dividend		15,615	13,404
Short term borrowings - secured		2,917,779	3,387,285
Current maturity of long term loans	6	400,319	257,401
Current maturity of lease liabilities		34,635	39,292
Current portion of deferred grant		10,727	-
Provision for taxation		435,962	477,944
		4,922,822	5,844,709
CONTINGENCIES AND COMMITMENTS			
	7	-	-
TOTAL EQUITY AND LIABILITIES		10,967,273	10,848,594

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 (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Note	Six month period ended		Three month period ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rs '000'	Rs '000'	Rs '000'	Rs '000'
Revenue from contracts with customers-net	8	10,299,851	7,670,824	5,248,901	3,871,737
Cost of sales	9	(8,736,288)	(6,488,505)	(4,419,074)	(3,280,635)
Gross profit		1,563,563	1,182,319	829,827	591,102
Distribution costs		(80,227)	(75,599)	(39,208)	(17,649)
Administrative expenses		(143,184)	(119,262)	(76,789)	(63,688)
		(223,411)	(194,861)	(115,997)	(81,337)
Operating profit		1,340,152	987,458	713,830	509,765
Other expenses		(82,369)	(56,718)	(45,640)	(30,625)
Other income		11,490	9,588	9,568	5,754
Foreign exchange gain		6,551	33,160	3,271	15,655
Finance cost		(197,498)	(296,524)	(98,282)	(175,648)
Profit before taxation		1,078,326	676,964	582,747	324,901
Taxation					
Current		(304,798)	(232,334)	(162,060)	(101,932)
Deferred		1,307	12,657	(2,243)	1,947
		(303,491)	(219,677)	(164,303)	(99,985)
Profit for the period		774,835	457,287	418,444	224,916
Earnings per share - Basic and diluted (Rs.)	10	7.01	4.13	3.78	2.03

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Six month period ended		Three month period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
Profit for the period	774,835	457,287	418,444	224,916
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	774,835	457,287	418,444	224,916

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 (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Issued, subscribed and paid up share capital Rs '000'	Revenue reserve - unappropriated profit Rs '000'	Total Rs '000'
Balance as on 01 July 2019 - (Audited)	1,105,905	1,928,979	3,034,885
Profit for the period	-	457,287	457,287
Other comprehensive income	-	-	-
Total comprehensive income for the period ended 31 December 2019	-	457,287	457,287
Final dividend for the year ended 30 June 2019 at the rate of Rs.1.5 per share	-	(165,886)	(165,886)
Balance as on 31 December 2019 - (Un-audited)	<u>1,105,905</u>	<u>2,220,380</u>	<u>3,326,286</u>
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>

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 CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Six month period ended	
	December 31, 2020	December 31, 2019
	Rs '000'	Rs '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,078,326	676,964
Adjustments for:		
Depreciation	207,384	186,822
Amortization	-	283
Gain on disposal of property, plant and equipment	(22)	(4,055)
Impairment on investment in subsidiary	-	6,546
Mark-up expense	193,564	293,221
Grant income	(5,289)	-
Provision for gratuity	18,000	15,000
Expected credit losses of trade debts	1,450	-
Impairment of stores, spares parts and loose tools	1,000	-
Workers' profit participation fund	57,912	36,357
Workers' welfare fund	22,007	13,816
	496,006	547,990
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,574,332	1,224,954
(Increase) / decrease in current assets		
Stores, spares parts and loose tools	(14,223)	(48,473)
Stock in trade	507,526	(1,260,838)
Trade debts	99,728	(251,391)
Loans and advances	(130,713)	(150,258)
Trade deposits and short term prepayments	(10,788)	(8,110)
Other receivables	(11,060)	(33,916)
Tax refunds due from the Government	176,583	(144,652)
	617,053	(1,897,638)
(Decrease) / increase in current liabilities		
Trade and other payables	(537,718)	711,123
Contract liabilities	10,500	45,538
CASH GENERATED FROM OPERATIONS	1,664,167	83,977
Contribution to gratuity fund	(3,000)	(2,000)
Mark-up paid	(213,023)	(273,561)
Tax paid	(346,780)	(163,832)
Long term deposits	(834)	(2,201)
Workers' welfare fund paid	(25,037)	(61,980)
Workers' profit participation fund paid	(72,349)	(19,235)
	(661,023)	(522,809)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	1,003,144	(438,832)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(183,029)	(12,497)
Addition in capital work in progress	(797,610)	(377,262)
Sale proceeds from disposal of property, plant and equipment	29	4,368
Short term investment	-	8,200
Assets transferred on dissolution of subsidiary	-	72,922
NET CASH USED IN INVESTING ACTIVITIES	(980,610)	(304,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans repaid	(103,973)	(111,701)
Long term loans obtained	703,708	19,484
Dividend paid during the period	(163,675)	(165,064)
Repayment of lease liabilities	(25,052)	(23,412)
New leases acquired during the period	-	10,005
Short term borrowings - net	(469,506)	1,012,152
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(58,498)	741,464
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,964)	(1,637)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	101,723	30,759
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	65,759	29,122

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


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

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. The registered office of the Company is situated at 14.8 km, Sheikhpura-Faisalabad Road, Mouza Bhikhi, District Sheikhpura, Pakistan.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 2020.

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

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2020, except as follows:

3.1 New / Revised Standards, Interpretations and Amendments

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

New Amendments

IFRS 3	Definition of a Business — (Amendments)
IAS 1 and IAS 8	Definition of Material — (Amendments)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform — (Amendments)

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

4 PROPERTY, PLANT AND EQUIPMENT

	(Un-Audited) December 31, 2020 Rs '000'	(Audited) June 30, 2020 Rs '000'
Operating fixed assets	3,833,169	3,697,705
Capital work in progress	766,415	128,567
	<u>4,599,584</u>	<u>3,826,272</u>

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

(Un-Audited).....	(Audited).....	
	Additions Dec-2020 Rs '000'	Disposal Dec-2020 Rs '000'	Additions June-2020 Rs '000'	Disposal June-2020 Rs '000'
Free-hold land	169,659	-	11,299	-
Building on free-hold land	40,100	-	108,545	(130)
Plant and machinery - owned	119,662	-	743,620	(15,103)
Furniture and fittings	696	-	681	-
Office and factory equipment	7,719	-	17,980	(1,114)
Vehicles - Owned	5,019	(120)	380	(6,609)
Vehicles - Leased	-	-	15,778	-
Building - Leased	-	-	6,586	-
	<u>342,855</u>	<u>(120)</u>	<u>904,869</u>	<u>(22,956)</u>

	Note	(Un-Audited) December 31, 2020 Rs '000'	(Audited) June 30, 2020 Rs '000'
5 STOCK IN TRADE			
Raw and packing material			
In hand		937,710	411,659
In transit		1,342,205	2,663,701
		<u>2,279,915</u>	<u>3,075,360</u>
Finished goods		813,716	525,797
		<u>3,093,631</u>	<u>3,601,157</u>
6 LONG TERM LOANS			
Term finance - Secured I		65,200	93,142
Term finance - Secured II		60,000	75,000
Term finance - Secured III		168,750	206,250
Term finance - Secured IV		152,941	176,471
Term finance - Secured V		252,665	252,665
Term finance - Secured VI		250,000	250,000
Term finance - Secured VII	6.1	185,215	92,999
Term finance - Secured VIII	6.2	149,195	-
Term finance - Secured IX	6.3	20,746	-
Term finance - Secured X	6.4	212,861	-
Term finance - Secured XI	6.5	122,259	-
Term finance - Secured XII	6.6	106,430	-
Loan from directors / sponsors - unsecured		14,512	14,512
		<u>1,760,774</u>	<u>1,161,039</u>
Less: Deferred grant		(15,219)	-
Less: Current maturity of long term loans		(400,319)	(257,401)
		<u>1,345,236</u>	<u>903,638</u>

6.1 This represents long term finance facility from a financial institution for disbursement of salaries under State Bank of Pakistan's (SBP) Refinance Scheme repayable in 8 equal quarterly instalments starting from January 2021. This facility is secured against first joint pari passu charge over fixed assets of the Company. The effect of differential in rate by applying 'IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance' has been treated as deferred grant.

6.2 This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 32 equal quarterly instalments starting from December 2022. This facility is secured against ranking hypothecation and mortgage charge over all present and future fixed assets of the Company.

- 6.3** This represents long term finance facility obtained from a financial institution repayable in 32 equal quarterly instalments starting from February 2023. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.
- 6.4** This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 32 equal quarterly instalments starting from December 2022. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.
- 6.5** This represents long term finance facility from a financial institution repayable in 20 equal quarterly instalments starting from December 2021. This facility is secured against first joint pari passu charge over fixed assets of the Company.
- 6.6** This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 32 equal quarterly instalments starting from March 2023. This facility is secured against joint pari passu charge over all present and future fixed assets of the Company.

7 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2020.

COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 31 December 2020 are as follows:

	(Un-Audited) December 31, 2020 Rs '000'	(Audited) June 30, 2020 Rs '000'
Letters of credit established for the import of raw materials, spare parts and machinery	3,721 million	1,382 million
Letter of guarantee given to SNGPL	96 million	96 million
Letter of guarantee given to PSO	59 million	50 million
Letter of guarantee given to Total PARCO	5 million	5 million

	Six month period ended		Three month period ended	
	December 31, 2020 Rs '000'	December 31, 2019 Rs '000'	December 31, 2020 Rs '000'	December 31, 2019 Rs '000'
8 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET(Un-Audited).....			
Gross sales	12,123,097	8,983,650	6,208,111	4,539,482
Less:				
Commission / discount	(57,755)	(47,522)	(36,009)	(47,522)
Sales tax	(1,765,491)	(1,265,304)	(923,201)	(620,223)
	(1,823,246)	(1,312,826)	(959,210)	(667,745)
Net sales	10,299,851	7,670,824	5,248,901	3,871,737
9 COST OF SALES				
Opening stock of finished goods	525,797	548,817	371,716	830,386
Cost of goods manufactured	9,024,207	6,885,444	4,861,074	3,396,005
	9,550,004	7,434,261	5,232,790	4,226,391
Less: Closing stock of finished goods	(813,716)	(945,756)	(813,716)	(945,756)
	8,736,288	6,488,505	4,419,074	3,280,635
10 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders (Rs. "000")	774,835	457,287	418,444	224,916
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share (Rs.)	7.01	4.13	3.78	2.03

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	
		December 31, 2020	December 31, 2019
		Rs '000'	Rs '000'
Nimir Resins Limited - Subsidiary	Sale of goods	101,226	90,263
	Purchase of goods	22	602
	Services acquired	2,115	1,597
	Services provided	2,729	2,150
	Reimbursement of expenses - net	434	241
Key Management Personnel	Managerial Remuneration	89,250	76,218
	Other Benefits	29,536	24,604
Staff retirement benefits	Contribution to gratuity fund	3,000	2,000

Balances with related parties:

Name of Company and relationship	Nature of Balance	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
		Rs '000'	Rs '000'
Nimir Resins Limited - Subsidiary	Trade debts	21,933	16,146
	Creditors	22	5,774

12 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on February 04, 2021 has approved an interim dividend of Rs. 2 per share (i.e. 20%) for the period ended 31 December 2020 (31 December 2019: Rs. 1.5 per share (i.e. 15%)). 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 February 04, 2021.


Chief Executive Officer


Director


Chief Financial Officer

NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS - CONSOLIDATED
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	(Unaudited) December 31, 2020 Rs '000'	(Audited) June 30, 2020 Rs '000'
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,128,755	4,314,915
Intangibles		166	332
Long term deposits		52,453	48,824
		5,181,374	4,364,071
CURRENT ASSETS			
Stores, spare parts and loose tools		311,162	296,103
Stock in trade	5	4,313,971	4,869,286
Trade debts - considered good - unsecured		3,179,182	2,924,575
Loans and advances		273,402	106,874
Trade deposits and short term prepayments		20,946	5,025
Other receivables		38,016	22,905
Tax refunds due from the Government		655,062	934,808
Cash and bank balances		95,805	124,891
		8,887,546	9,284,467
TOTAL ASSETS		14,068,920	13,648,538
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (30 June 2020: 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 2020: 110,590,546) Ordinary shares of Rs. 10/- each		1,105,905	1,105,905
Revenue reserve - unappropriated profit		3,424,055	2,767,319
Non-controlling interest		767,851	691,661
		5,297,811	4,564,885
NON CURRENT LIABILITIES			
Long term loans	6	1,559,780	1,017,222
Lease liabilities		92,053	100,832
Diminishing musharaka finance		742	1,653
Deferred grant		7,224	-
Deferred tax liability		352,679	358,059
		2,012,478	1,477,766
CURRENT LIABILITIES			
Trade and other payables		1,239,389	1,945,460
Contract liabilities		136,233	128,634
Net defined benefit liability - funded gratuity		132,689	113,642
Mark up accrued		67,382	100,981
Unclaimed dividend		15,908	13,697
Short term borrowings - secured		4,155,449	4,452,222
Current maturity of long term loans	6	471,823	264,650
Current maturity of lease liabilities		35,312	39,292
Current maturity of diminishing musharaka finance		1,816	1,747
Current portion of deferred grant		11,550	-
Provision for taxation		491,080	545,562
		6,758,631	7,605,887
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		14,068,920	13,648,538

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 FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020 (UN-AUDITED)

	Note	Six month period ended		Three month period ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rs '000'	Rs '000'	Rs '000'	Rs '000'
Revenue from contracts with customers-net	8	12,975,915	10,120,883	6,740,219	5,256,275
Cost of sales	9	(11,104,599)	(8,651,803)	(5,722,247)	(4,506,478)
Gross profit		1,871,316	1,469,080	1,017,972	749,797
Distribution costs		(114,578)	(106,813)	(57,545)	(33,335)
Administrative expenses		(174,798)	(147,574)	(90,608)	(77,450)
		(289,376)	(254,387)	(148,153)	(110,785)
Operating profit		1,581,940	1,214,693	869,819	639,012
Other expenses		(100,167)	(64,216)	(59,646)	(35,169)
Other income		19,342	19,250	15,422	11,470
Foreign exchange gain		6,551	33,479	3,271	15,974
Finance cost		(254,277)	(406,492)	(123,417)	(226,737)
Profit before taxation		1,253,389	796,714	705,449	404,550
Taxation		(354,578)	(258,844)	(199,613)	(123,422)
Profit for the period		898,811	537,870	505,836	281,128
Attributable to:					
Equity holders of the parent		822,621	491,602	451,715	248,711
Non-controlling interests		76,190	46,268	54,121	32,417
		898,811	537,870	505,836	281,128
Earnings per share- Basic and diluted (Rs.)	10	7.44	4.45	4.08	2.25

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 COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020 (UN-AUDITED)

	Six month period ended		Three month period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
Profit for the period	898,811	537,870	505,836	281,128
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	898,811	537,870	505,836	281,128
Attributable to:				
Equity holders of the parent	822,621	491,602	451,715	248,711
Non-controlling interests	76,190	46,268	54,121	32,417
	898,811	537,870	505,836	281,128

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020 (UN-AUDITED)

	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 2019 - (Audited)	1,105,905	2,123,150	612,553	3,841,608
Profit for the period	-	491,602	46,268	537,870
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended 31 December 2019	-	491,602	46,268	537,870
Final dividend for the year ended 30 June 2019 at the rate of Rs. 1.5 per share	-	(165,886)	-	(165,886)
Balance as on 31 December 2019 - (Un-audited)	1,105,905	2,448,866	658,821	4,213,592
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

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 FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020 (UN-AUDITED)

	Six month period ended	
	December 31, 2020	December 31, 2019
	Rs '000'	Rs '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,253,389	796,714
Adjustments for:		
Depreciation	233,475	206,385
Amortization	166	449
Profit on term deposit receipt	-	(2,584)
Gain on disposal of property, plant and equipment	(22)	(4,805)
Provision for obsolescence of stock	-	-
Mark-up expense	249,654	402,179
Grant income	(5,289)	-
Exchange gain - unrealized	(2,362)	(319)
Provision for gratuity	22,320	19,320
Expected credit losses of trade debts	5,841	5,463
Impairment of stores, spares parts and loose tools	1,000	-
Workers' profit participation fund	67,250	42,440
Workers' welfare fund	26,076	16,314
	598,109	684,842
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,851,498	1,481,556
Decrease / (increase) in current assets		
Stores, spares parts and loose tools	(16,059)	(47,584)
Stock in trade	555,315	(1,387,045)
Trade debts	(260,448)	(296,378)
Loans and advances	(166,528)	(200,773)
Trade deposits and short term prepayments	(15,921)	(11,821)
Other receivables	(15,111)	(35,479)
Tax refunds due from the Government	198,405	(77,506)
	279,653	(2,056,586)
(Decrease) / increase in current liabilities		
Trade and other payables	(685,277)	1,076,337
Contract liabilities	7,599	44,215
CASH GENERATED FROM OPERATIONS	1,453,473	545,522
Contribution to gratuity fund	(3,273)	(2,690)
Mark-up paid	(270,798)	(380,256)
Tax paid	(333,099)	(180,146)
Long term deposits	(3,629)	(5,723)
Workers' welfare fund paid	(35,119)	(22,579)
Workers' profit participation fund paid	(76,639)	(70,776)
	(722,557)	(662,170)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	730,916	(116,648)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(186,318)	(22,508)
Addition in capital work in progress	(860,939)	(382,624)
Sale proceeds from disposal of property, plant and equipment	29	5,118
Interest income received	-	2,980
Short term investment	-	54,900
NET CASH USED IN INVESTING ACTIVITIES	(1,047,228)	(342,134)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	(111,342)	(112,042)
Long term loan obtained	884,910	19,484
Dividend paid during the period	(163,675)	(165,063)
Repayment of lease liabilities	(25,052)	(23,411)
New leases acquired during the period	-	10,005
Payment against diminishing musharaka finance	(842)	(644)
Short term borrowings - net	(296,773)	676,210
NET CASH GENERATED FROM FINANCING ACTIVITIES	287,226	404,539
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,086)	(54,243)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	124,891	127,733
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	95,805	73,490

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020 (UN-AUDITED)

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%
• The holding of NMPL in NRL:	51%
• 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 do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2020. In prior year, Nimir Holding (Private) Limited (NHPL) was wound-up voluntarily and net assets were transferred to the Holding Company, NHPL being considered neither material part of the Group nor it was a subsidiary acquired exclusively with a view to resale, therefore, it had not been considered discontinued operations in accordance with 'IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations' and accordingly its results have not been presented as separate line item in condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income for the six-month and three-month period ended 31 December 2019.

2.3 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.

2.4 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 2020, 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 Amendments

IFRS 3	Definition of a Business — (Amendments)
IAS 1 and IAS 8	Definition of Material — (Amendments)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform — (Amendments)

The adoption of the above amendments applied for the first time in the period did not have any material impact on the condensed interim consolidated financial statements of the Group.

4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

(Un-audited) December 31, 2020	(Audited) June 30, 2020
Rs '000'	Rs '000'
4,302,897	4,142,687
825,858	172,228
<u>5,128,755</u>	<u>4,314,915</u>

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

	(Un-Audited)		(Audited)	
	Additions Dec-2020	Disposal Dec-2020	Additions June-2020	Disposal June-2020
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
Free-hold land	169,659	-	11,299	-
Building on free-hold land	41,398	-	110,806	(130)
Plant and machinery - owned	165,899	-	750,710	(15,103)
Furniture and fittings	696	-	681	-
Office and factory equipment	8,230	-	27,311	(1,661)
Vehicles - Owned	7,497	(120)	582	(7,872)
Vehicles - Leased	64	-	15,778	-
Building - Leased	-	-	6,586	-
	393,443	(120)	923,753	(24,766)

5 STOCK IN TRADE

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		Rs '000'	Rs '000'
Raw and packing material			
In hand		1,758,389	1,206,503
In transit		1,464,714	2,841,292
		3,223,103	4,047,795
Finished goods		1,106,650	837,273
Less: Provision for obsolescence		(15,782)	(15,782)
		1,090,868	821,491
		4,313,971	4,869,286

6 LONG TERM LOANS

Term finance - Secured I		65,200	93,142
Term finance - Secured II		60,000	75,000
Term finance - Secured III		168,750	206,250
Term finance - Secured IV		152,941	176,471
Term finance - Secured V		1,876	2,103
Term finance - Secured VI		252,665	252,665
Term finance - Secured VII		250,000	250,000
Term finance - Secured VIII	6.1	185,215	92,999
Term finance - Secured IX	6.2	52,382	26,242
Term finance - Secured X	6.3	149,195	-
Term finance - Secured XI	6.4	20,746	-
Term finance - Secured XII	6.5	212,861	-
Term finance - Secured XIII	6.6	122,259	-
Term finance - Secured XIV	6.7	106,431	-
Term finance - Secured XV	6.8	92,856	-
Term finance - Secured XVI	6.9	50,000	-
Loan from directors / sponsors - unsecured		107,000	107,000
		2,050,377	1,281,872
Less: Deferred grant		(18,774)	-
Less: Current maturity of long term loans		(471,823)	(264,650)
		1,559,780	1,017,222

- 6.1** This represents long term finance facility from a financial institution for disbursement of salaries under State Bank of Pakistan's (SBP) Refinance Scheme repayable in 8 equal quarterly instalments starting from January 2021. This facility is secured against first joint pari passu charge over fixed assets of the Holding Company. The effect of differential in rate by applying 'IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance' has been treated as deferred grant.
- 6.2** This represents long term finance facility from a financial institution for disbursement of salaries under State Bank of Pakistan's (SBP) Refinance Scheme repayable in 8 equal quarterly instalments starting from January 2021. This facility is secured against exclusive charge over fixed assets of the subsidiary company. The effect of differential in rate by applying 'IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance' has been treated as deferred grant.
- 6.3** This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 32 equal quarterly instalments starting from December 2022. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Holding Company.
- 6.4** This represents long term finance facility obtained from a financial institution repayable in 32 equal quarterly instalments starting from February 2023. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Holding Company.
- 6.5** This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 32 equal quarterly instalments starting from December 2022. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Holding Company.
- 6.6** This represents long term finance facility from a financial institution repayable in 20 equal quarterly instalments starting from December 2021. This facility is secured against first joint pari passu charge over fixed assets of the Holding Company.
- 6.7** This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 32 equal quarterly instalments starting from March 2023. This facility is secured against joint pari passu charge over all present and future fixed assets of the Holding Company.
- 6.8** This represents long term finance facility obtained from a financial institution repayable in 14 equal quarterly instalments starting from September 2020. This facility is secured against exclusive charge registered with SECP over fixed assets of the subsidiary company.
- 6.9** This represents long term finance facility obtained from a financial institution against SBP Temporary Economic Refinance Facility (TERF) repayable in 20 equal quarterly instalments starting from March 2021. This facility is secured against joint pari passu charge over fixed assets of the subsidiary company.

7 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2020.

COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at 31 December 2020 are as follows:

	(Un-audited) December 31, 2020 Rs '000'	(Audited) June 30, 2020 Rs '000'
Letters of credit established for the import of raw materials, spare parts and machinery	4,225	1,774
Letter of guarantee given to SNGPL	99	99
Letter of guarantee given to PSO	62	53
Letter of guarantee given to Total PARCO	12	12

	Six month period ended		Three month period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
.....(Un-Audited).....				
8 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Gross sales	15,296,481	11,880,700	7,975,402	6,174,695
Less:				
Commission / discount	(58,356)	(47,522)	(36,610)	(27,926)
Sales tax	(2,262,210)	(1,712,295)	(1,198,573)	(890,494)
	(2,320,566)	(1,759,817)	(1,235,183)	(918,420)
Net Sales	12,975,915	10,120,883	6,740,219	5,256,275
9 COST OF SALES				
Opening stock of finished goods	837,273	752,570	637,984	1,080,541
Cost of goods manufactured	11,373,976	9,151,112	6,190,913	4,677,816
	12,211,249	9,903,682	6,828,897	5,758,357
Less: Closing stock of finished goods	(1,106,650)	(1,251,879)	(1,106,650)	(1,251,879)
	11,104,599	8,651,803	5,722,247	4,506,478
10 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period attributable to ordinary shareholders (Rs. "000")	822,621	491,602	451,715	248,711
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share for the period (Rs.)	7.44	4.45	4.08	2.25

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:

		(Un-Audited)	
		Six month period ended	
Name of Company and relationship	Nature of Transaction	December 31, 2020	December 31, 2019
		Rs '000'	Rs '000'
Key Management Personnel	Managerial Remuneration	107,784	92,900
	Other Benefits	33,584	28,135
Staff retirement benefits	Contribution to gratuity fund	3,273	2,690

12 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	Six-month period ended 2020	2019	Six-month period ended 2020	2019	Six-month period ended 2020	2019	Six-month period ended 2020	2019	Six-month period ended 2020	2019
	-----Rupees in '000'-----									
	(Un-audited)									
Revenue from contracts with customers-net	10,299,851	7,670,824		2,540,924	-	-		(90,885)	12,975,915	10,120,883
Cost of sales	(8,736,288)	(6,488,505)		(2,252,461)	-	-		89,163	(11,104,599)	(8,651,803)
Gross profit / (loss)	1,563,563	1,182,319		288,463	-	-		(1,702)	1,871,316	1,469,080
Distribution cost	(80,227)	(75,599)		(34,351)	(31,214)	-		-	(114,578)	(106,813)
Administrative expenses	(143,184)	(119,262)		(31,990)	(28,380)	(103)		436	(174,798)	(147,574)
Operating profit / (loss)	1,340,152	987,458		228,860	(368)	(368)		(1,266)	1,581,940	1,214,693
Other expenses	(82,369)	(55,718)		(14,044)	-	-		6,546	(100,167)	(64,216)
Other income	11,490	9,588		7,911	2,583			(832)	19,342	19,250
Foreign exchange gain	6,551	33,160		319	-	-		-	6,551	33,479
Finance cost	(197,496)	(256,524)		(56,779)	(109,968)	-		-	(254,277)	(406,492)
Profit / (loss) before taxation	1,078,326	676,964		113,087	2,215			4,448	1,253,389	796,714
Taxation	(303,491)	(219,677)		(38,892)	(642)			367	(354,578)	(258,844)
Profit / (loss) for the period	774,835	457,287		74,195	1,573			4,815	898,811	537,870
	31 December 2020	30 June 2020	31 December 2020	30 June 2020	31 December 2020	30 June 2020	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Segment assets	10,967,274	10,848,594	3,837,686	3,529,191	293,038	293,332	(1,028,078)	(1,022,579)	14,068,920	13,646,538
Segment liabilities	6,735,000	7,225,270	2,003,305	1,817,069	78,545	78,735	(45,741)	(37,421)	8,771,109	9,083,653

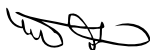
12.1 Inter segment sales, purchases and balances have been eliminated.

13 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of Nimir Industrial Chemicals Limited in its meeting held on February 04, 2021 has approved an interim dividend of Rs. 2 per share (i.e. 20%) for the period ended 31 December 2020 (31 December 2019: Rs. 1.5 per share (i.e. 15%)). 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 February 04, 2021.



Chief Executive Officer



Director



Chief Financial Officer

HALF YEARLY REPORT

2020

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