

# Quarterly Report

## 2020

March (Unaudited)



# COMPANY INFORMATION

## Board of Directors

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

## Executive Management

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

## 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. Muhammad 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

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  
Bank Alfalah Limited

Al Baraka Bank (Pakistan) Limited  
Meezan Bank Limited

## Registered Office / Factory

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

## Lahore Office

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

## Web Site

www.nimir.com.pk

# DIRECTORS' REPORT

The Directors are pleased to present their review report on the un-audited financial results of Nimir Industrial Chemicals Ltd (NICL) for period ended March 31, 2020. The synopsis of the results is as under:

	Nine Months period ended		
	March	March	Change
	31, 2020	31, 2019	
	Rupees in million		
Sales Revenue	11,726	10,847	8%
Gross Profit	1,781	1,451	23%
Operating Profit	1,502	1,191	26%
Pre-Tax Profit	877	865	1%
Profit after Tax	596	608	(2%)
Earnings per share (Rs.)	5.39	5.5	(2%)

Covid-19, a pandemic that started in China in December last year has now spread around the planet, sending billions of people into lockdown. Pakistan also imposed country-wide lockdown a month ago. NICL, however, is exempted being the producer of today's most essential product; soap.

The global economy is facing worst recession resulting in a drastic reduction in the prices of crude oil and related commodities. Due to sudden outflow of hot money from Pakistan, immediate pressure was seen on Pak Rupee, which lost its value by around 9% in last one month. Like other countries, Pakistan announced a stimulus package to support the economy and also reduced discount rate to support businesses.

The top-line of the company in the nine months' period showed a moderate 8% growth. Due to diversified product range, the company achieved 23% increase in gross profit and 26% increase in operating profit. This increase was, however, offset by higher interest cost and foreign exchange loss. The bottom line witnessed a small decline over the same period last year.

Under the current lockdown of general industry, there is an insignificant demand of company's products other than soap. Hence it is difficult to assess how the prevailing situation will impact the company's performance during the remainder of the year.

The management shall stand committed to perform its best under these difficult times, Insha Allah.

For and on the behalf of the Board

Sheikhupura  
April 24, 2020

  
Khalid Mumtaz Qazi  
Director

  
Zafar Mahmood  
Chief Executive Officer

## ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 مارچ 2020ء کو ختم ہونے والی مدت کے لئے نمبر انڈسٹریل کمیونیکیشنز لمیٹڈ (NICL) کے غیر نظر ثانی شدہ مالیاتی نتائج پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔ نتائج کا خلاصہ حسب ذیل ہے:

نوماہی حسابات		مارچ	مارچ	
		31, 2019	31, 2020	تبدیلی فی صد
روپے بلین میں				
	8%	10,847	11,726	فروخت کی آمدنی
	23%	1,451	1,781	مجموعی منافع
	26%	1,191	1,502	آپریٹنگ منافع
	1%	865	877	ٹیکس سے پہلے منافع
	(2%)	608	596	ٹیکس کے بعد منافع
	(2%)	5.5	5.39	فی شیئرز آمدنی (روپے)

کوویڈ 19، وبائی مرض جو کہ سال 2019 دسمبر کے آخر میں چین سے شروع ہوا اور اب پوری دنیا میں پھیل گیا ہے، جس کی وجہ سے اربوں لوگ لاک ڈاؤن میں چلے گئے۔ پاکستان نے بھی ایک مہینے پہلے پورے ملک میں لاک ڈاؤن نافذ کر دیا۔ تاہم، صابن بنانے والی کمپنی کی حیثیت سے NICL کو لاک ڈاؤن سے استثناء حاصل ہے۔

عالمی معیشت کو خام تیل اور متعلقہ اشیاء کی قیمتوں میں زبردست کمی کے نتیجے میں بدترین کساد بازاری کا سامنا ہے۔ پاکستان سے ہاٹ منی کے اچانک آؤٹ فلو کی وجہ سے، پاکستانی روپیہ پر فوری دباؤ دیکھا گیا، جس نے گذشتہ ایک ماہ کے دوران اس کی قیمت تقریباً 9 فیصد تک گر گئی۔ دوسرے ممالک کی طرح، پاکستان نے بھی اپنی معیشت کو استحکام دینے کے لئے محرک چیکج کا اعلان کیا ہے، جس میں شرح سود کی لاگت میں کمی بھی شامل ہے۔

نوماہی مدت میں کمپنی کی بالائی لائن میں 8 فیصد کا معمولی اضافہ ہوا۔ متنوع مصنوعات کی رینج کی وجہ سے، کمپنی نے مجموعی منافع میں 23 فیصد اضافہ اور آپریٹنگ منافع میں 26 فیصد اضافہ حاصل کیا۔ تاہم، یہ اضافہ سود کی زیادہ لاگت اور زر مبادلہ کے نقصان کی وجہ سے ختم ہو گیا اور پچھلے سال کے اسی عرصے کے مقابلے میں چلی لائن میں معمولی کمی دیکھی گئی۔

عام صنعت کے موجودہ لاک ڈاؤن کے تحت، صابن کے علاوہ کمپنی کی مصنوعات کی طلب بہت کم ہے۔ لہذا یہ اندازہ کرنا مشکل ہے کہ موجودہ صورتحال سال کی باقی مدت میں کمپنی کی کارکردگی پر کیا اثر ڈالے گی۔

چنانچہ انتظامیہ ان مشکلات کا سامنا کرنے اور مستقبل میں بھی ترقی جاری رکھنے کے لئے پختہ عزم رکھتی ہے، انشاء اللہ۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



خالد ممتاز قاضی

ڈائریکٹر

شیخوپورہ

24 اپریل 2020ء

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

		<b>Unaudited March 31, 2020 Rs "000"</b>	<b>Audited June 30, 2019 Rs "000"</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3	3,594,192	3,122,888
Intangibles		-	283
Investment in subsidiary	4	202,384	281,852
Long term deposits		35,469	33,125
Loan to subsidiary		14,512	-
		<b>3,846,557</b>	<b>3,438,148</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		276,103	203,644
Stock in trade	5	3,508,471	2,466,536
Trade debts - Considered good - Unsecured		2,516,432	1,757,640
Loans and advances		189,050	71,135
Trade deposits and short term prepayments		17,437	3,489
Short term investment		-	8,200
Other receivables		15,178	15,955
Tax refunds due from Government		616,893	518,522
Cash and bank balances		58,242	30,759
		<b>7,197,806</b>	<b>5,075,880</b>
<b>TOTAL ASSETS</b>		<b>11,044,363</b>	<b>8,514,028</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized Share Capital			
145,000,000 ( June 30, 2019: 145,000,000)		1,450,000	1,450,000
Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up capital			
110,590,546 ( June 30, 2019: 110,590,546)		1,105,905	1,105,905
Ordinary shares of Rs. 10/- each			
Revenue Reserve - Un appropriated profit		2,192,908	1,928,979
		<b>3,298,813</b>	<b>3,034,884</b>
<b>NON CURRENT LIABILITIES</b>			
Long term loan-secured	6	602,959	532,343
Liabilities against assets subject to finance lease		104,257	59,336
Deferred tax liability		313,376	321,621
		<b>1,020,592</b>	<b>913,300</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,090,977	914,307
Contract liabilities		42,353	33,546
Net defined benefit liability-funded gratuity		92,287	75,287
Mark up accrued		126,987	81,771
Unclaimed dividend		45,219	7,468
Short term borrowings - secured	7	4,666,322	2,849,881
Current maturity of long term loan-secured	6	222,854	242,303
Current maturity of liabilities against assets subject to finance lease		36,324	22,970
Provision for taxation		401,635	338,311
		<b>6,724,958</b>	<b>4,565,844</b>
Contingencies and commitments	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,044,363</b>	<b>8,514,028</b>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Note	Nine months ended		Three months ended		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
	Rs "000"	Rs "000"	Rs "000"	Rs "000"	
<b>Revenue from contracts with customers-net</b>	9	11,726,467	10,846,676	4,055,643	3,393,216
Cost of sales	10	(9,945,529)	(9,396,030)	(3,457,022)	(2,956,390)
<b>Gross profit</b>		1,780,938	1,450,646	598,621	436,826
Distribution costs		(106,887)	(116,993)	(31,287)	(37,663)
Administrative expenses		(171,953)	(142,206)	(52,691)	(49,433)
		(278,840)	(259,199)	(83,978)	(87,096)
<b>Operating profit</b>		1,502,098	1,191,447	514,643	349,730
Other expenses		(71,525)	(64,086)	(14,807)	(18,116)
Other income		12,312	13,019	2,724	6,177
Foreign exchange loss		(101,196)	(26,016)	(134,356)	(735)
Finance costs		(464,937)	(249,667)	(168,414)	(92,629)
<b>Profit before taxation</b>		876,752	864,697	199,790	244,427
Taxation					
Current		(289,298)	(220,212)	(56,963)	(67,554)
Deferred		8,246	(36,498)	(4,412)	24,495
		(281,052)	(256,710)	(61,375)	(43,059)
<b>Profit for the period</b>		595,700	607,987	138,415	201,368
<b>Earnings per share - Basic and diluted (Rs.)</b>		5.39	5.50	1.25	1.82

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine months ended		Three months ended	
	March 31, 2020 Rs "000"	March 31, 2019 Rs "000"	March 31, 2020 Rs "000"	March 31, 2019 Rs "000"
<b>Profit for the period</b>	595,700	607,987	138,415	201,368
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>595,700</u>	<u>607,987</u>	<u>138,415</u>	<u>201,368</u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	876,752	864,697
<b>Adjustment for:</b>		
Depreciation	262,055	199,201
Depreciation - right of used assets	10,878	-
Amortization	283	509
Gain on disposal of property, plant and equipment	(4,629)	(3,382)
Impairment on investment in subsidiary	6,546	-
Mark-up expense	458,270	243,958
Foreign exchange loss-Unrealized	66,000	521
Provision for gratuity fund	24,000	10,800
Provision for Workers' profit participation fund	47,087	46,439
Provision for Workers' welfare fund	17,619	17,647
	<b>888,109</b>	<b>515,693</b>
<b>Operating profit before working capital changes</b>	<b>1,764,861</b>	<b>1,380,390</b>
<b>Decrease / (Increase) in current assets</b>		
Stores, spare parts and loose tools	(72,459)	(62,742)
Stock in trade	(1,041,935)	88,748
Trade debts	(758,792)	106,087
Loans and advances	(117,915)	29,481
Trade deposits and short term prepayments	(13,948)	14,917
Other receivables	777	51,469
Tax refunds due from Government	(118,383)	25,610
	<b>(2,122,655)</b>	<b>253,570</b>
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	126,906	(195,089)
Contract liabilities	8,807	511
	<b>(222,081)</b>	<b>1,439,382</b>
<b>Cash (used in) / generated from operations</b>	<b>(222,081)</b>	<b>1,439,382</b>
Contribution to gratuity fund	(7,000)	(441)
Mark-up paid	(399,607)	(212,378)
Dividend paid during the period	(294,021)	(373,155)
Tax paid	(205,963)	(119,441)
Workers' profit participation fund paid	(61,980)	(52,978)
Workers' welfare fund paid	(18,963)	(15,670)
	<b>(987,534)</b>	<b>(774,063)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,209,615)</b>	<b>665,319</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment-net	(29,675)	(91,067)
Addition in capital work in progress	(647,757)	(687,061)
Proceeds from disposal of property, plant and equipment	5,515	17,463
Short term investment	8,200	-
Assets transferred on dissolution of subsidiary	72,922	-
Long term deposits	(2,344)	(4,909)
	<b>(593,139)</b>	<b>(765,574)</b>
<b>Net cash used in investing activities</b>	<b>(593,139)</b>	<b>(765,574)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	1,816,441	(103,486)
Long term loan obtained	215,967	368,117
Long term loan repaid	(179,311)	(130,038)
New leases acquired during the period	13,748	25,356
Repayment of liabilities against assets subject to finance lease	(36,608)	(54,421)
	<b>1,830,236</b>	<b>105,528</b>
<b>Net cash generated from financing activities</b>	<b>1,830,236</b>	<b>105,528</b>
<b>Net increase in cash and cash equivalents</b>	<b>27,483</b>	<b>5,273</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>30,759</b>	<b>6,446</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>58,242</b>	<b>11,719</b>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Issued, Subscribed and paid up Share Capital	Revenue Reserve- Unappropriated Profit	Total Equity
	Rs "000"	Rs "000"	Rs "000"
Balance as on July 01, 2018 (Audited)	1,105,905	1,508,959	2,614,864
Final dividend for the year ended June 30, 2018 at the rate Rs. 2 per share	-	(221,181)	(221,181)
Interim dividend half year ended December 31, 2018 at the rate Rs. 1.50 per share	-	(165,886)	(165,886)
Total comprehensive income for the nine months period ended March 31, 2019	-	607,987	607,987
Balance as on March 31, 2019	<u>1,105,905</u>	<u>1,729,879</u>	<u>2,835,784</u>
Balance as on July 01, 2019 (Audited)	1,105,905	1,928,979	3,034,884
Final dividend for the year ended June 30, 2019 at the rate Rs. 1.50 per share	-	(165,886)	(165,886)
Interim dividend half year ended December 31, 2019 at the rate Rs. 1.50 per share	-	(165,886)	(165,886)
Total comprehensive income for the nine months period ended March 31, 2020	-	595,700	595,700
<b>Balance as on March 31, 2020</b>	<u><u>1,105,905</u></u>	<u><u>2,192,908</u></u>	<u><u>3,298,813</u></u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 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. In previous year, the Company was a 56.74% subsidiary of Nimir Resources (Private) Limited ('NRPL'). As a result of voluntary winding up of NRPL, shares held by NRPL have been transferred to its sponsors, who have made a consortium through an agreement to control the Company. 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 2019.

2.3 These condensed interim financial statements are unaudited and are 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 Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

2.5 These are separate financial statements, consolidated financial statements are separately presented.

## 3 PROPERTY, PLANT AND EQUIPMENT

	<b>Unaudited March 31, 2020 Rs "000"</b>	<b>Audited June 30, 2019 Rs "000"</b>
Operating fixed assets	3,082,074	3,094,530
Capital work in progress	512,118	28,358
	3,594,192	3,122,888

### 3.1 Additions / (Disposals) at cost in operating fixed assets

	<b>Additions March 31, 2020</b>	<b>Disposals March 31, 2020</b>
Freehold land	11,029	-
Building on freehold land	13,738	(130)
Plant and machinery	150,261	(15,103)
Furniture and fittings	87	-
Office and factory equipments	4,736	(700)
Vehicles-Owned	76	(6,609)
Vehicles-Leased	13,748	-
Building-Leased*	67,688	-
	261,363	(22,542)

\* This represents initial recognition of right-of-used asset on rented building for a period of five years.

#### 4 INVESTMENT IN SUBSIDIARY

In 2016, the Company formed a wholly owned subsidiary under the name of Nimir Holding (Private) Limited (NHPL). NHPL formed a sub-subsidiary, Nimir Management (Private) Limited (NMPL), which acquired the majority shareholding of Nimir Resins Limited, a listed company engaged in the business of industrial chemicals.

On 4 July 2019, NHPL closed its operations, appointed liquidator and initiated voluntary winding up. During the period ended 31 March 2020, NHPL transferred its net assets to the Company after completion of winding up proceedings.

	Note	Unaudited March 31, 2020 Rs "000"
Investment in subsidiary (as on 30.06.19)		281,852
Impairment on investment charged during the period		(6,546)
Funds transferred from subsidiary		(72,922)
Investment in subsidiary (as on 31.03.20)	4.1	202,384
<b>4.1 Detail of investment in subsidiary companies;</b>		
Investment in shares of NMPL		128,162
Investment in shares of NRL	4.2	74,222
		202,384

**4.2** The shareholding of the Company in Nimir Management (Private) Limited is 51%, whereas, effective shareholding in Nimir Resins Limited is 37.64%. The Company has determined that Nimir Resins Limited is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

#### 5 STOCK IN TRADE

	Note	Unaudited March 31, 2020 Rs "000"	Audited June 30, 2019 Rs "000"
Raw and packing material in hand in transit		595,631 1,737,757 2,333,388	249,103 1,668,616 1,917,719
Finished goods		1,175,083 3,508,471	548,817 2,466,536

#### 6 LONG TERM LOAN-SECURED

Term finance - I	6.1	7,283	40,104
Term finance - II	6.2	4,688	18,750
Term finance - III	6.3	107,113	149,026
Term finance - IV	6.4	82,500	105,000
Term finance - V	6.5	225,000	281,250
Term finance - VI	6.6	188,235	180,516
Term finance - VII	6.7	196,482	-
loan from directors / sponsors - unsecured	6.8	14,512	-
		825,813 (222,854)	774,646 (242,303)
Less: current maturity shown under current liabilities		602,959	532,343

- 6.1** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 equal monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.
- 6.2** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 equal monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.
- 6.3** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 equal monthly instalments starting from February 2017 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.
- 6.4** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 54 equal monthly instalments starting from December 2017 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

- 6.5** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 equal monthly instalments starting from March 2018 with grace period of one year. This facility is secured against first pari passu charge over present and future fixed assets of the Company.
- 6.6** This represents long term finance facility amounting to Rs. 200 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 16 equal quarterly instalments starting from March 2019 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.
- 6.7** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 16 equal Quarterly instalments after grace period of one year. This facility is secured against first Joint pari passu charge over present and future fixed assets of the Company.
- 6.8** 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 SHORT TERM BORROWINGS - SECURED

- 7.1** The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period end is Rs. 8,499 million (30 June 2019: Rs. 6,399 million) which includes running finance facilities amounting Rs. 1,025 million (30 June 2019: Rs. 900 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap (30 June 2019: 1 month KIBOR to 6 months KIBOR + 0 to 100 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.
- 7.2** In addition to above, the unutilized facility for opening letters of credit and bank guarantees as at 31 March 2020 amounts to Rs. 2,331 million (30 June 2019: Rs. 2,120 million) and Rs. 59 million (30 June 2019: Rs. 84 million) respectively.

## 8 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended June 30, 2019.

### COMMITMENTS

Commitments in respect of letters of credit and letter of guaranties are as follows:

	<b>Unaudited</b>		<b>Audited</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2020</b>	<b>June 30, 2019</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>
Letters of credit established for the import of raw materials, spare parts and machinery	1,476,000		499,000	
Letter of guarantee given to SNGPL	96,000		96,000	
Letter of guarantee given to PSO	50,000		27,000	
Letter of guarantee given to TOTAL PARCO	5,000		3,000	
	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>
<b>9 Revenue from contracts with customer-net</b>				
Gross Sales	13,741,046	12,691,948	4,749,068	3,970,320
Less: Sales tax & commission	(2,014,579)	(1,845,272)	(693,425)	(577,104)
	<u>11,726,467</u>	<u>10,846,676</u>	<u>4,055,643</u>	<u>3,393,216</u>
<b>10 COST OF SALES</b>				
Opening stock of finished goods	548,817	471,688	945,756	643,673
Cost of goods manufactured	10,577,672	9,584,373	3,692,226	2,972,748
	<u>11,126,489</u>	<u>10,056,061</u>	<u>4,637,982</u>	<u>3,616,421</u>
Closing stock of finished goods	(1,180,960)	(660,031)	(1,180,960)	(660,031)
	<u>9,945,529</u>	<u>9,396,030</u>	<u>3,457,022</u>	<u>2,956,390</u>

## 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:

<u>Related Parties</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>Nine months ended</u>	
			<u>Unaudited</u>	<u>Unaudited</u>
			<u>March</u>	<u>March</u>
			<u>31, 2020</u>	<u>31, 2019</u>
			<u>Rs "000"</u>	<u>Rs "000"</u>
Nimir Resins Limited	Subsidiary	Sale of goods	115,115	85,108
		Purchase of goods	1,700	-
		Services acquired	2,395	2,196
		Services provided	3,225	2,930
		Reimbursement of expenses-net	626	3,226
Key Management Personnel		Managerial Remuneration	114,327	81,593
		Other employment benefits	35,273	27,773
Staff retirement benefits		Contribution to gratuity fund	7,000	7
			<u>Unaudited</u>	<u>Audited</u>
			<u>March</u>	<u>June</u>
			<u>31, 2020</u>	<u>30, 2019</u>
			<u>Rs "000"</u>	<u>Rs "000"</u>
<b>Period end balances:</b>				
Nimir Resins Limited	Subsidiary	Trade receivable	18,157	26,584
		Trade payable	1,327	684

## 12 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on Friday, April 24, 2020 has approved an interim dividend of Rs. Nil per share (i.e. Nil%) for the period ended 31 March 2020 (31 March 2019: Rs. Nil per share (i.e. Nil %)).

## 13 GENERAL

**13.1** This interim condensed financial information was authorized for issue on Friday, April 24, 2020 by the Board of Directors of the Company.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

NIMIR INDUSTRIAL CHEMICALS LIMITED AND ITS SUBSIDIARIES  
**FINANCIAL STATEMENTS - CONSOLIDATED**  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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

		<b>Unaudited March 31, 2020 Rs "000"</b>	<b>Audited June 30, 2019 Rs "000"</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
	5	4,093,337	3,607,503
Property, plant and equipment		415	946
Intangibles		48,326	42,460
Long term deposits		4,142,078	3,650,909
<b>CURRENT ASSETS</b>			
	6	291,524	219,602
Stores, spare parts and loose tools		4,374,023	3,320,280
Stock in trade		3,569,827	2,750,670
Trade debts - considered good - unsecured		280,251	104,200
Loans and advances		19,614	3,816
Trade deposits and short term prepayments		-	396
Interest accrued		-	54,900
Short term investment		22,794	28,527
Other receivables		990,720	1,024,970
Tax refunds due from the Government		81,100	127,733
Cash and bank balances		9,629,853	7,635,094
		13,771,931	11,286,003
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
		1,450,000	1,450,000
Authorized Share Capital			
145,000,000 (30 June 2019: 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 2019: 110,590,546) Ordinary shares of of Rs. 10/- each		2,433,962	2,123,150
Unappropriated profit - Revenue reserve		673,247	612,553
Non-controlling interest		4,213,114	3,841,608
<b>NON CURRENT LIABILITIES</b>			
	7	697,039	641,447
Long term loans		104,257	59,336
Liabilities against assets subject to finance lease		2,114	3,253
Diminishing musharaka finance		293,971	317,500
Deferred tax liability		1,097,381	1,021,536
<b>CURRENT LIABILITIES</b>			
	8	1,694,531	1,168,243
Trade and other payables		50,432	42,387
Contract liabilities		107,093	86,240
Net defined benefit liability - funded gratuity		161,879	116,608
Mark up accrued		45,512	7,760
Unclaimed dividend		5,678,278	4,334,710
Short term borrowings - secured	8	223,536	242,985
Current maturity of long term loans	7	36,324	22,970
Current maturity of liabilities against assets subject to finance lease		1,685	1,575
Current maturity of diminishing musharaka finance		462,166	399,381
Provision for taxation		8,461,436	6,422,859
	9	-	-
<b>Contingencies and commitments</b>	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>			
		13,771,931	11,286,003

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Note	Nine months ended		Three months ended		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
	Rs "000"	Rs "000" Restated	Rs "000"	Rs "000"	
<b>CONTINUING OPERATIONS</b>					
Revenue from contracts with customers-net	10	15,403,637	14,163,946	5,282,754	4,619,926
Cost of sales	11	(13,201,677)	(12,411,759)	(4,549,874)	(4,060,667)
<b>Gross profit</b>		2,201,960	1,752,187	732,880	559,259
Distribution costs		(153,309)	(167,730)	(46,496)	(53,951)
Administrative expenses		(212,996)	(171,718)	(65,790)	(59,593)
		(366,305)	(339,448)	(112,286)	(113,544)
<b>Operating profit</b>		1,835,655	1,412,739	620,594	445,715
Other expenses		(109,685)	(86,674)	(45,469)	(21,592)
Other income		52,698	20,082	36,031	10,538
Foreign exchange loss		(129,593)	(40,853)	(163,072)	(721)
Finance cost		(615,346)	(372,819)	(208,854)	(140,059)
<b>Profit before taxation from continuing operations</b>		1,033,729	932,475	239,230	293,881
Taxation		(332,024)	(237,407)	(73,822)	(57,022)
<b>Profit after taxation from continuing operations</b>		701,705	695,068	165,408	236,859
<b>DISCONTINUED OPERATIONS</b>					
Profit after taxation from discontinued operations	4	1,573	1,242	-	-
Profit for the period		703,278	696,310	165,408	236,859
<b>Attributable to:</b>					
Equity holders of the parent		642,584	643,703	150,982	214,376
Non-controlling interests		60,694	52,607	14,426	22,483
		703,278	696,310	165,408	236,859
<b>Earnings per share - Basic and diluted (Rs.)</b>					
-from continuing operations	12	5.80	5.81	1.37	1.94
-from discontinued operations	12	0.01	0.01	-	-
-for the period	12	5.81	5.82	1.37	1.94

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine months ended		Three months ended	
	March 31, 2020 Rs "000"	March 31, 2019 Rs "000"	March 31, 2020 Rs "000"	March 31, 2019 Rs "000"
Profit after taxation	703,278	696,310	165,408	236,859
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>703,278</b>	<b>696,310</b>	<b>165,408</b>	<b>236,859</b>
<b>Attributable to:</b>				
Equity holders of the parent	642,584	643,703	150,982	214,376
Non-controlling interests	60,694	52,607	14,426	22,483
	<b>703,278</b>	<b>696,310</b>	<b>165,408</b>	<b>236,859</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine months ended	
	March 31, 2020	March 31, 2019
	Rs "000"	Rs "000" Restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation from continuing operations	1,033,729	932,475
Profit before taxation from discontinued operations	2,215	1,914
	1,035,944	934,389
<b>Adjustment for:</b>		
Depreciation	302,454	227,775
Amortization	531	753
Interest income	(2,584)	(3,406)
Gain on disposal of property, plant and equipment	(5,379)	(4,422)
Provision for obsolescence of stock	-	10,036
Mark-up expense	608,679	367,110
Exchange loss - unrealized	94,397	15,358
Provision for gratuity	30,480	15,600
Allowance for expected credit loss	5,463	7,717
Workers' profit participation fund provision	54,789	49,745
Workers' welfare fund provision	20,764	19,177
	1,109,594	705,443
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	2,145,538	1,639,832
<b>(Increase) / decrease in current assets</b>		
Stores, spares parts and loose tools	(71,922)	(64,863)
Stock in trade	(1,053,743)	211,710
Trade debts	(824,620)	8,890
Loans and advances	(176,051)	7,302
Trade deposits and short term prepayments	(15,798)	16,527
Other receivables	5,733	41,277
Tax refunds due from the Government	(29,976)	(64,859)
	(2,166,377)	155,984
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	449,422	(389,872)
Contract liabilities	8,045	8,997
	457,467	(380,875)
<b>CASH GENERATED FROM OPERATIONS</b>	436,628	1,414,941
Contribution to gratuity fund	(9,626)	(993)
Mark-up paid	(549,130)	(317,825)
Dividend paid during the period	(294,020)	(373,154)
Tax paid	(229,187)	(153,947)
Workers' welfare fund paid	(22,307)	(18,751)
Workers' profit participation fund paid	(70,777)	(57,598)
	(1,175,047)	(922,268)
<b>NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES</b>	(738,419)	492,673
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment - net	(37,506)	(96,117)
Addition in capital work in progress	(683,978)	(706,389)
Sale proceeds from disposal of property, plant and equipment	6,265	18,503
Interest income received	2,980	3,670
Short term investment	54,900	-
Long term deposits	(5,866)	(2,693)
	(663,205)	(783,026)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(663,205)	(783,026)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan repaid	(179,823)	(130,493)
Long term loan obtained	215,967	371,528
Repayment of lease liabilities	(36,608)	(54,421)
New leases acquired during the period	13,748	25,356
Payment against diminishing musharaka finance	(1,861)	(1,649)
Short term borrowings - net	1,343,568	63,853
	1,354,991	274,174
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	1,354,991	274,174
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(46,633)	(16,179)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	127,733	115,127
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	81,100	98,948

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)

	Issued, subscribed and paid up share capital Rs "000"	Unappropriated profit - Revenue reserve Rs "000"	Non-controlling interest Rs "000"	Total Rs "000"
<b>Balance as on 01 July 2018 - (Audited)</b>	1,105,905	1,642,848	516,162	3,264,915
Final cash dividend for the year ended 30 June 2018 at the rate of Rs.2 per share	-	(221,181)	-	(221,181)
Interim cash dividend for the period ended 31 December 2018 at the rate Rs. 1.50 per share	-	(165,886)	-	(165,886)
Total comprehensive income for the period ended 31 March 2019	-	643,703	52,607	696,310
<b>Balance as on 31 March 2019</b>	<u>1,105,905</u>	<u>1,899,484</u>	<u>568,769</u>	<u>3,574,158</u>
<b>Balance as on 01 July 2019 - (Audited)</b>	1,105,905	2,123,150	612,553	3,841,608
Final cash dividend for the year ended 30 June 2019 at the rate of Rs.1.50 per share	-	(165,886)	-	(165,886)
Interim cash dividend for the period ended 31 December 2019 at the rate Rs. 1.50 per share	-	(165,886)	-	(165,886)
Total comprehensive income for the period ended 31 March 2020	-	642,584	60,694	703,278
<b>Balance as on 31 March 2020</b>	<u>1,105,905</u>	<u>2,433,962</u>	<u>673,247</u>	<u>4,213,114</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)

## 1 THE GROUP AND ITS OPERATIONS

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

### Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICL")

### Subsidiary Companies

Nimir Holding (Private) Limited ("NHPL")

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

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

- |                                     |        |
|-------------------------------------|--------|
| • The holding of NICL in NMPL:      | 51%    |
| • The holding of NMPL in NRL:       | 51%    |
| • The holding of NICL in NRL:       | 11.63% |
| • Effective holding of NICL in NRL: | 37.64% |

Nimir Industrial Chemicals Limited (the Holding Company) was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange Limited. The Holding Company is engaged in manufacturing and sales of chemical products. In previous year, the Holding Company was a 56.74% subsidiary of Nimir Resources (Private) Limited (NRPL). As a result of voluntary winding up of NRPL, shares held by NRPL have been transferred to its sponsors, who have made a consortium through an agreement to control the Holding Company. 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 Holding (Private) Limited (NHPL) and Nimir Management (Private) Limited (NMPL) were incorporated in Pakistan as private limited companies on 28 September 2015 and 4 December 2015 respectively for the purpose of investment in Nimir Resins Limited. During the period, NHPL had initiated and completed process of voluntary-winding up after which the net assets of the NHPL were transferred to the NICL holding 100% shares of the NHPL.

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, based on absolute size of the Holding Company's shareholding, common directorship and management, the Holding Company has the ability to exercise control over NRL as per the terms of IFRS-10. Henceforth, Nimir Industrial Chemicals Limited (NICL) is deemed to be holding 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 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.

### 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 2019, except as follows:

#### 3.1 New / Revised Standards, Interpretations and Amendments

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

##### New Standards, Interpretations and Amendments

IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9	Prepayment Features with Negative Compensation — (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures — (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement — (Amendments)
IFRS 3	Business Combinations - Previously held Interests in a joint operation — (AIP)
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation — (AIP)
IAS 12	Income Taxes - Income tax consequences of payments on financial instruments classified as equity — (AIP)
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalization — (AIP)

The nature and effect of the changes as a result of adoption of IFRS 16 are described below. The adoption of other standards, interpretations and 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 DISCONTINUED OPERATIONS

During the period, Nimir Holding (Private) Limited (NHPL) had initiated and completed process of voluntary-winding up after which the net assets of the NHPL were transferred to the Holding Company holding 100% shares of the NHPL. The results of NHPL for the period are presented below:

	<b>Nine month period ended</b>	
	<b>March* 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
Administrative expenses	(368)	(5)
Other income	2,584	1,919
<b>Profit before taxation from discontinued operations</b>	<b>2,216</b>	<b>1,914</b>
Taxation	(643)	(672)
<b>Profit after taxation from discontinued operations</b>	<b>1,573</b>	<b>1,242</b>

\*Represents activity prior to the transfer of net assets on 16 December 2019.

### 5 PROPERTY, PLANT AND EQUIPMENT

	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2020</b>	<b>June 30, 2019</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
Operating fixed assets	3,534,050	3,563,283
Capital work in progress	559,287	44,220
	<b>4,093,337</b>	<b>3,607,503</b>

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

	Unaudited		Audited	
	Additions March 2020	Disposal March 2020	Additions June 2019	Disposal June 2019
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Free-hold land	11,029	-	178,877	-
Building on free-hold land	15,999	(130)	190,646	(125)
Plant and machinery - owned	151,549	(15,103)	703,770	(18,321)
Furniture and fittings	87	-	1,179	(1,116)
Office and factory equipment	13,856	(700)	62,368	(12,660)
Vehicles - Owned	152	(7,872)	16,940	(6,248)
Vehicles - Leased	13,748	-	34,274	(2,382)
Building - Leased*	67,688	-	-	-
	<u>274,108</u>	<u>(23,805)</u>	<u>1,188,054</u>	<u>(40,852)</u>

\* This represents initial recognition of right-of-use asset on rented building for a period of five years.

6 STOCK IN TRADE		Unaudited	Audited
		March 31, 2020	June 30, 2019
		Rs "000"	Rs "000"
Raw and packing material in hand		1,174,437	781,375
in transit		1,796,605	1,813,520
		<u>2,971,042</u>	<u>2,594,895</u>
Finished goods		1,418,763	752,570
Less: Provision for obsolescence		(15,782)	(27,185)
		<u>1,402,981</u>	<u>725,385</u>
		<u>4,374,023</u>	<u>3,320,280</u>
7 LONG TERM LOAN	Note	Unaudited March 31, 2020	Audited June 30, 2019
		Rs "000"	Rs "000"
Term finance - Secured I	7.1	7,283	40,104
Term finance - Secured II	7.2	4,688	18,750
Term finance - Secured III	7.3	107,113	149,026
Term finance - Secured IV	7.4	82,500	105,000
Term finance - Secured V	7.5	225,000	281,250
Term finance - Secured VI	7.6	188,235	180,516
Term finance - Secured VII	7.7	196,483	-
Term finance - Secured VIII	7.8	2,274	2,786
Loan from directors / sponsors - unsecured	7.9	107,000	107,000
		<u>920,576</u>	<u>884,432</u>
Less: Current maturity shown under current liabilities		(223,536)	(242,985)
		<u>697,040</u>	<u>641,447</u>

7.1 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 equal monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

7.2 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 equal monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

7.3 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 equal monthly instalments starting from February 2017 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

7.4 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 54 equal monthly instalments starting from December 2017 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

- 7.5** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 equal monthly instalments starting from March 2018 with grace period of one year. This facility is secured against first pari passu charge over present and future fixed assets of the Holding Company.
- 7.6** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 16 equal quarterly instalments starting from March 2019 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.
- 7.7** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 16 equal quarterly instalments starting from March 2019 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.
- 7.8** This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 150 bps per annum repayable in 60 equal monthly instalments starting from August 2018. This facility is secured against first pari passu charge over a vehicle of the subsidiary company for which loan facility is obtained.
- 7.9** 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.

## 8 SHORT TERM BORROWINGS - Secured

- 8.1** The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period end is Rs. 11,664 million (30 June 2019: Rs. 9,564 million) which includes running finance facilities amounting Rs. 1,925 million (30 June 2019: Rs. 1,800 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 125 bps with no floor and no cap (30 June 2019: 1 month KIBOR to 6 months KIBOR + 0 to 125 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Group.
- 8.2** In addition to above, the unutilized facility for opening letters of credit and bank guarantees as at 31 March 2020 amounts to Rs. 3,117 million (30 June 2019: Rs. 3,153 million) and Rs. 61 million (30 June 2019: Rs. 86 million) respectively.

## 9 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2019.

### COMMITMENTS

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

	<b>Unaudited March 31, 2020</b>	<b>Audited June 30, 2019</b>
	<b>Rs "000"</b>	<b>Rs "000"</b>
Letters of credit established for the import of raw materials, spare parts and machinery	2,000	866
Letter of guarantee given to SNGPL	99	99
Letter of guarantee given to PSO	53	30
Letter of guarantee given to Total PARCO	12	10

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>Unaudited March 31, 2020</b>	<b>Unaudited March 31, 2019</b>	<b>Unaudited March 31, 2020</b>	<b>Unaudited March 31, 2019</b>
<b>10 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>	<b>Rs "000"</b>
Gross revenue	18,066,923	16,404,499	6,186,223	5,389,344
Less: Sales tax & commission	(2,663,286)	(2,240,553)	(903,469)	(769,418)
	<u>15,403,637</u>	<u>14,163,946</u>	<u>5,282,754</u>	<u>4,619,926</u>
<b>11 COST OF SALES</b>				
Opening stock of finished goods	752,570	651,810	1,251,879	871,207
Cost of goods manufactured	13,867,870	12,616,525	4,716,758	4,046,036
	<u>14,620,440</u>	<u>13,268,335</u>	<u>5,968,637</u>	<u>4,917,243</u>
Less: Closing stock of finished goods	(1,418,763)	(856,576)	(1,418,763)	(856,576)
	<u>13,201,677</u>	<u>12,411,759</u>	<u>4,549,874</u>	<u>4,060,667</u>

14 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	Rupees in thousands		Rupees in thousands		Rupees in thousands		Rupees in thousands		Rupees in thousands	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Revenue from contracts with customers-net	11,726,467	10,846,676	3,793,985	3,402,379	-	-	(116,815)	(85,109)	15,403,637	14,163,946
Cost of sales	(9,945,529)	(9,396,030)	(3,375,665)	(3,103,227)	-	-	119,517	87,495	(13,201,677)	(12,411,759)
Gross profit	1,780,938	1,450,646	418,320	299,152	-	-	2,702	2,389	2,201,960	1,752,187
Distribution cost	(106,887)	(116,993)	(46,422)	(50,737)	-	-	-	-	(153,309)	(167,730)
Administrative expenses	(171,953)	(142,206)	(41,512)	(30,745)	(184)	(421)	653	1,654	(212,996)	(171,719)
Operating profit / (loss)	1,502,098	1,191,447	330,386	217,670	(184)	(421)	3,355	4,043	1,835,655	1,472,739
Other expenses	(71,525)	(64,066)	(44,706)	(22,598)	-	-	6,546	-	(109,695)	(86,574)
Other income	(12,312)	13,019	41,939	7,779	-	1,487	(1,559)	(2,196)	52,699	20,082
Foreign exchange loss	(101,086)	(26,016)	(38,397)	(14,837)	-	-	-	-	(120,593)	(40,953)
Finance cost	(484,937)	(249,667)	(150,499)	(123,151)	-	-	-	(1)	(615,346)	(372,819)
Profit / (loss) before taxation from continuing operations	876,752	864,697	148,813	64,866	(184)	1,066	8,348	1,846	1,033,729	932,475
Taxation	(281,052)	(256,710)	(51,340)	19,681	-	(378)	368	-	(332,024)	(237,407)
Profit / (loss) after taxation from continuing operations	595,700	607,987	97,473	84,547	(184)	688	8,716	1,846	701,705	695,068
DISCONTINUING OPERATIONS										
Profit after taxation from discontinued operations	-	-	-	-	1,573	1,242	-	-	1,573	1,242
Profit for the period	595,700	607,987	97,473	84,547	1,389	1,930	8,716	1,846	703,278	696,310
31 March 2020 (Un-audited)		30 June 2019 (Audited)	31 March 2020 (Un-audited)	30 June 2019 (Audited)	31 March 2020 (Un-audited)	30 June 2019 (Audited)	31 March 2020 (Un-audited)	30 June 2019 (Audited)	31 March 2020 (Un-audited)	30 June 2019 (Audited)
Segment assets	11,044,993	8,514,028	2,987,932	3,048,964	293,331	564,558	(533,695)	(861,447)	13,771,931	11,296,003
Segment liabilities	7,745,550	5,479,144	1,704,587	1,882,992	78,544	98,221	30,136	(13,962)	9,558,817	7,444,295

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



	Nine months ended		Three months ended	
	Unaudited March 31, 2020	Unaudited March 31, 2019	Unaudited March 31, 2020	Unaudited March 31, 2019
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
<b>12 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit from continuing operations attributable to ordinary shareholders	641,011	642,461	150,982	214,376
Profit from discontinued operations attributable to ordinary shareholders	1,573	1,242	-	-
Profit for the period attributable to ordinary shareholders	642,584	643,703	150,982	214,376
Weighted average number of shares (No. "000")	110,591	110,591	110,591	110,591
Earnings per share from continuing operations (Rs.)	5.80	5.81	1.37	1.94
Earnings per share from discontinued operations (Rs.)	0.01	0.01	-	-
Earnings per share for the period (Rs.)	5.81	5.82	1.37	1.94

### 13 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:

#### Transactions with related parties:

<u>Name of related party and relationship</u>	<u>Nature of Transaction</u>	Nine months ended	
		Unaudited March 31, 2020	Unaudited March 31, 2019
		Rs "000"	Rs "000"
Key Management Personnel	Managerial Remuneration	139,295	102,986
	Other Benefits	40,022	32,823

### 15 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on Friday, 24 April 2020 has approved an interim dividend of Rs. NIL per share (i.e. NIL) for the period ended 31 March 2020 (31 March 2019: Rs. Nil per share ). This condensed interim consolidated financial statements do not reflect the effect of the above event.

### 16 GENERAL

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on Friday, 24 April 2020.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



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