

NIMIR

QUARTERLY REPORT 2021

March (Unaudited)



NIMIR INDUSTRIAL
CHEMICALS LTD.



COMPANY INFORMATION

Board of Directors	Legal Advisor
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)	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	Bankers
Mr. Zafar Mahmood Mr. Khalid Mumtaz Qazi Mr. Imran Afzal Mr. Umar Iqbal Mr. Aamir Jamil Mr. Muhammad Yahya Khan	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
Chief Financial Officer	
Syed Sajid Nasim	
Company Secretary	
Mr. Muhammad Inam-ur-Rahim	
Head of Internal Audit	
Mr. Nabeel Ahmad Khan	
Audit Committee	
Mr. Javed Saleem Arif - Chairman Mr. Tariq Ahmad Khan - Member Mr. Abdul Jaleel Shaikh - Member	
Human Resource & Remuneration Committee	
Ms. Parveen Akhter Malik - Chairperson Mr. M. Saeed-uz-Zaman - Member Mr. Zafar Mahmood - Member	
External Auditors	
EY Ford Rhodes Chartered Accountants	
	Registered Office / Factory
	14.8 km., Sheikhpura-Faisalabad Road, Bhikhi, District Sheikhpura, Pakistan. Tel: +92 56 3883001-7 Fax: +92 56 3883010 Cell: +92 301-8221151, 301-8483950
	Lahore Office
	12-B, New Muslim Town, Lahore, Pakistan. Tel: +92 42 35926090-93 Fax: +92 42 35926099
	Website
	www.nimir.com.pk

DIRECTORS' REPORT

The Directors are pleased to present their review report on the un-audited interim financial results of Nimir Industrial Chemicals Ltd (NICTL) for period ended March 31, 2021. The synopsis of the results is as under:

	Nine Months period ended		
	March	March	Change
	31, 2021	31, 2020	
	Rupees in million		
Sales Revenue	16,315	11,726	39%
Gross Profit	2,540	1,781	43%
Operating Profit	2,161	1,502	44%
Pre-Tax Profit	1,773	877	102%
Profit after Tax	1,234	596	107%
Earnings per share (Rs.)	11.16	5.39	107%

Pakistan's industry in general and large-scale manufacturing in particular continued its growth despite the outbreak of COVID. Due to significant increase in exports and inward remittances, the Balance of Payment has improved which has helped the Rupee to achieve substantial gains against US Dollar. The Government and central bank reforms not only softened the pandemic impact but also helped in reviving the economy, which in turn have started to perform well.

Due to diversified product range and recent new investments, your company has been able to grow the top-line from PKR 11.7 billion to 16.3 billion an increase of approximately 39%. The gross profit for the period under review improved by PKR 759 million over last year, an increase of more than 43%. The operating profit and net profit after tax also increased by PKR 659 million and PKR 638 million respectively reflecting increase of 44% and 107% over the corresponding period. Reduction in financial cost due to lower interest rate also played a notable role in improving the bottom line.

We are committed in putting up our best efforts in growing Company top line and profitability while constantly enhancing shareholder value, Insha Allah.

For and on the behalf of the Board



Khalid Mumtaz Qazi
Director



Zafar Mahmood
Chief Executive Officer

Lahore
April 23, 2021

ڈائریکٹرز کی رپورٹ

ہم ڈائریکٹران 31 مارچ 2021 و ختم ہونے والی نو ماہی کے لئے نمراڈسٹرل کیمیکلز لمیٹڈ (NICL) کے غیر نظر ثانی شدہ مالیاتی نتائج کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مختتمہ مدت کے لئے نتائج کا خلاصہ حسب ذیل ہے:

مختتمہ نو ماہی		
	مارچ 31, 2020	مارچ 31, 2021
	روپے بلین میں	
فروخت کی آمدنی	11,726	16,315
مجموع منافع	1,781	2,540
آپریٹنگ منافع	1,502	2,161
ٹیکس سے پہلے منافع	877	1,773
ٹیکس کے بعد منافع	596	1,234
فی شیئر آمدنی (روپے)	5.39	11.16

پاکستان کی صنعت نے عمومی طور پر اور بڑے پیمانے کی مینوفیکچرنگ نے خاص طور پر COVID کے پھیلاؤ کے باوجود اپنی نمو جاری رکھی۔ برآمدات اور ترسیلات زر میں نمایاں اضافہ کی وجہ سے بیلنس ادا نیکیاں بہتر ہوئیں جس نے امریکی ڈالر کے مقابلے روپیہ کی مستحکم قدر حاصل کرنے میں مدد کی۔ حکومت اور سنٹرل بینک کی اصلاحات نے نہ صرف وباء کے اثرات کو کم کیا بلکہ معیشت کی بحالی میں بھی مدد کی، جس نے بہتر کارکردگی کا مظاہرہ کرنا شروع کر دیا۔

متنوع پراڈکٹ کی ریٹج اور حالیہ سی سرمایہ کاریوں کی وجہ سے، ہم بالائی لائن کی نمو 11.7 ملین روپے پاکستانی سے بڑھا کر 16.3 بلین روپے پاکستانی کرنے میں کامیاب رہے جو تقریباً 39 فیصد رہی۔ زرب جائزہ مدت کے مجموعی منافع میں گذشتہ سال سے 759 ملین روپے پاکستانی کی بہتری ہوئی، جو 43 فیصد سے زائد کا اضافہ ہے۔ آپریٹنگ منافع اور ٹیکس کے بعد خالص منافع میں بھی بالترتیب 659 ملین روپے پاکستانی اور 638 ملین روپے پاکستانی کا اضافہ ہوا جو گذشتہ اسی عرصے سے 44 فیصد اور 107 فیصد کا اضافہ ظاہر کرتا ہے۔ کم شرح سود کی وجہ سے مالی لاگت میں کمی نے زیریں لائن کو بہتر کرنے میں بھی نمایاں کرداد ادا کیا۔

ہم، انشاء اللہ، حصص داران کی قدر میں مسلسل اضافہ کرتے ہوئے کمپنی کی بالائی لائن اور منافع کو بڑھانے میں اپنی بہترین کوششیں کرنے کے لئے پُر عزم ہیں۔

مخانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



خالد ممتاز قاضی

ڈائریکٹر

لاہور

23 اپریل 2021ء

NIMIR INDUSTRIAL CHEMICALS LIMITED
FINANCIAL STATEMENTS - SEPARATE
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

		Unaudited March 31, 2021 Rs "000"	Audited June 30, 2020 Rs "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	4,866,279	3,826,272
Intangibles		-	-
Investment in subsidiary		202,384	202,384
Long term deposits		37,495	35,966
Loan to subsidiary		14,512	14,512
		5,120,670	4,079,134
CURRENT ASSETS			
Stores, spare parts and loose tools		312,098	280,618
Stock in trade	4	4,747,065	3,601,157
Trade debts - Considered good - Unsecured		3,170,187	2,127,175
Loans and advances		79,594	66,387
Trade deposits and short term prepayments		21,169	4,130
Other receivables		40,947	21,596
Tax refunds due from Government		608,044	566,674
Cash and bank balances		28,999	101,723
		9,008,103	6,769,460
TOTAL ASSETS		14,128,773	10,848,594
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (June 30, 2020: 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, 2020: 110,590,546)		1,105,905	1,105,905
Ordinary shares of Rs. 10/- each			
Revenue Reserve - Un appropriated profit		3,364,773	2,517,419
		4,470,678	3,623,324
NON CURRENT LIABILITIES			
Long term loan	5	1,508,235	903,638
Lease liabilities		87,449	100,832
Deferred grant		2,761	-
Deferred tax liability		380,484	376,091
		1,978,929	1,380,561
CURRENT LIABILITIES			
Trade and other payables		1,389,837	1,380,672
Contract liabilities		59,646	113,882
Net defined benefit liability-funded gratuity		121,246	97,246
Mark up accrued		84,177	77,583
Unclaimed dividend		11,327	13,404
Short term borrowings - secured		4,891,767	3,387,285
Current maturity of long term loan-secured	5	414,770	257,401
Current maturity of lease liabilities		31,875	39,292
Current portion of deferred grant		9,224	-
Provision for taxation		665,297	477,944
		7,679,166	5,844,709
Contingencies and commitments	6	-	-
TOTAL EQUITY AND LIABILITIES		14,128,773	10,848,594

The annexed notes from 1 to 11 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, 2021

Note	Nine months ended		Three months ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
	Rs "000"	Rs "000"	Rs "000"	Rs "000"	
Revenue from contracts with customers-net	7	16,314,640	11,726,467	6,014,789	4,055,643
Cost of sales	8	(13,774,823)	(9,945,529)	(5,038,535)	(3,457,022)
Gross profit		2,539,817	1,780,938	976,254	598,621
Distribution costs		(142,939)	(106,887)	(62,712)	(31,287)
Administrative expenses		(236,233)	(171,953)	(93,049)	(52,691)
		(379,172)	(278,840)	(155,761)	(83,979)
Operating profit		2,160,645	1,502,098	820,493	514,643
Other expenses		(133,850)	(71,525)	(51,481)	(14,807)
Other income		23,097	12,312	11,606	2,724
Foreign exchange / gain (loss)		29,700	(101,196)	23,149	(134,356)
Finance costs		(306,645)	(464,937)	(109,147)	(168,414)
Profit before taxation		1,772,947	876,752	694,621	199,790
Taxation					
Current		(534,133)	(289,298)	(229,335)	(56,963)
Deferred		(4,393)	8,246	(5,700)	(4,411)
		(538,526)	(281,052)	(235,035)	(61,374)
Profit for the period		1,234,421	595,700	459,586	138,416
Earnings per share - Basic and diluted (Rs.)		11.16	5.39	4.16	1.25

The annexed notes from 1 to 11 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, 2021

	Nine months ended		Three months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Profit for the period	1,234,421	595,700	459,586	138,416
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,234,421</u>	<u>595,700</u>	<u>459,586</u>	<u>138,416</u>

The annexed notes from 1 to 11 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, 2021

	Issued, Subscribed and paid up Share Capital	Revenue Reserve- Unappropriated Profit	Total Equity
	Rs "000"	Rs "000"	Rs "000"
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. 2 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
Balance as on March 31, 2020	<u>1,105,905</u>	<u>2,192,908</u>	<u>3,298,813</u>
Balance as on July 01, 2020 (Audited)	1,105,905	2,517,419	3,623,324
Final dividend for the year ended June 30, 2020 at the rate Rs. 1.50 per share	-	(165,886)	(165,886)
Interim dividend half year ended December 31, 2020 at the rate Rs. 2.00 per share	-	(221,181)	(221,181)
Total comprehensive income for the nine months period ended March 31, 2021	-	1,234,421	1,234,421
Balance as on March 31, 2021	<u>1,105,905</u>	<u>3,364,773</u>	<u>4,470,678</u>

The annexed notes from 1 to 11 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, 2021

	March 31, 2021 Rs "000"	March 31, 2020 Rs "000"
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,772,947	876,752
Adjustment for:		
Depreciation	312,006	272,933
Amortization	-	283
Gain on disposal of property, plant and equipment	(808)	(4,629)
Impairment on investment in subsidiary	-	6,546
Mark-up expense	295,781	458,270
Foreign exchange loss / (gain)-Unrealized	-	66,000
Provision for gratuity fund	27,000	24,000
Provision for Workers' profit participation fund	95,217	47,087
Provision for Workers' welfare fund	36,183	17,619
	765,379	888,109
Operating profit before working capital changes	2,538,326	1,764,861
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(31,480)	(72,459)
Stock in trade	(1,145,908)	(1,041,935)
Trade debts	(1,043,012)	(758,792)
Loans and advances	(13,207)	(117,915)
Trade deposits and short term prepayments	(17,039)	(13,948)
Other receivables	(19,351)	777
Tax refunds due from Government	(45,163)	(118,383)
	(2,315,160)	(2,122,655)
(Decrease) / Increase in current liabilities		
Trade and other payables	(24,669)	126,906
Contract liabilities	(54,236)	8,807
Cash generated from / (used in) operations	144,261	(222,081)
Contribution to gratuity fund	(3,000)	(7,000)
Mark-up paid	(285,284)	(399,607)
Dividend paid during the period	(389,144)	(294,021)
Tax paid	(342,987)	(205,963)
Workers' profit participation fund paid	(72,530)	(61,980)
Workers' welfare fund paid	(25,036)	(18,963)
	(1,117,981)	(987,534)
Net cash used in operating activities	(973,720)	(1,209,615)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment-net	(204,415)	(29,675)
Addition in capital work in progress	(1,148,020)	(647,757)
Proceeds from disposal of property, plant and equipment	1,230	5,515
Short term investment	-	8,200
Assets transferred on dissolution of subsidiary	-	72,922
Long term deposits	(1,529)	(2,344)
Net cash used in investing activities	(1,352,734)	(593,139)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - net	1,504,482	1,816,441
Long term loan obtained	953,060	215,967
Long term loan repaid	(179,109)	(179,311)
New leases acquired during the period	2,136	13,748
Lease rental repaid	(26,839)	(36,608)
NET CASH GENERATED FROM FINANCING ACTIVITIES	2,253,730	1,830,237
NET INCREASE IN CASH AND CASH EQUIVALENTS	(72,724)	27,483
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	101,723	30,759
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	28,999	58,242

The annexed notes from 1 to 11 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, 2021

1 THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals Limited ("the Company") was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sales of chemical products. The registered office of the Company is situated at 14.8 km, Shekhupura-Faisalabad Road, Mouza Bhikki, District Shekhupura, 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 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 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 PROPERTY, PLANT AND EQUIPMENT

	Unaudited	Audited
	March	June
	31, 2021	30, 2020
	Rs "000"	Rs "000"
Operating fixed assets	3,762,885	3,697,705
Capital work in progress	1,103,394	128,567
	<u>4,866,279</u>	<u>3,826,272</u>

4 STOCK IN TRADE

Raw and packing material		
-in hand	1,118,016	411,659
-in transit	2,246,260	2,663,701
	<u>3,364,276</u>	<u>3,075,360</u>
Finished goods	1,382,789	525,797
	<u>4,747,065</u>	<u>3,601,157</u>

5 LONG TERM LOAN-SECURED

	Unaudited	Audited
	March	June
	31, 2021	30, 2020
	Rs "000"	Rs "000"
Opening Balance	1,161,039	774,646
Loans received during the period	953,060	610,177
Loans paid during the period	(179,109)	(223,784)
	<u>1,934,990</u>	<u>1,161,039</u>
Less: Current maturity	(414,770)	(257,401)
Less: Deferred grant	(11,985)	-
Closing balance	<u>1,508,235</u>	<u>903,638</u>

6 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

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

COMMITMENTS

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

	Unaudited	Audited
	March	June
	31, 2021	30, 2020
	Rs "000"	Rs "000"
Letters of credit established for the import of raw materials, spare parts and machinery	5,175	1,382
Letter of guarantee given to SNGPL	96	96
Letter of guarantee given to PSO	59	50
Letter of guarantee given to TOTAL PARCO	5	5

7 REVENUE FROM CONTRACTS WITH CUSTOMER-NET

	Nine months ended		Three months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	March	March	March	March
	31, 2021	31, 2020	31, 2021	31, 2020
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Gross Sales	19,176,048	13,741,046	7,052,259	4,749,068
Less: Sales tax & commission	(2,861,408)	(2,014,579)	(1,037,470)	(693,425)
	<u>16,314,640</u>	<u>11,726,467</u>	<u>6,014,789</u>	<u>4,055,643</u>

8 COST OF SALES

	Nine months ended		Three months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	March	March	March	March
	31, 2021	31, 2020	31, 2021	31, 2020
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Opening stock of finished goods	525,797	548,817	813,716	945,756
Cost of goods manufactured	14,631,815	10,577,672	5,607,608	3,692,226
	<u>15,157,612</u>	<u>11,126,489</u>	<u>6,421,324</u>	<u>4,637,982</u>
Closing stock of finished goods	(1,382,789)	(1,180,960)	(1,382,789)	(1,180,960)
	<u>13,774,823</u>	<u>9,945,529</u>	<u>5,038,535</u>	<u>3,457,022</u>

9 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:

Related Parties	Relationship	Nature of Transaction	Nine months ended	
			Unaudited	Unaudited
			March 31, 2021 Rs "000"	March 31, 2020 Rs "000"
Nimir Resins Limited	Subsidiary	Sale of goods	142,720	115,115
		Purchase of goods	231	1,700
		Services acquired	3,172	2,395
		Services provided	4,094	3,225
		Reimbursement of expenses-net	1,725	626
Key Management Personnel		Managerial Remuneration	138,258	114,327
		Other employment benefits	45,410	35,273
Staff retirement benefits		Contribution to gratuity fund	3,000	7,000

10 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on Friday, April 23, 2021 has approved an interim dividend of Rs. Nil per share (i.e. Nil %) for the period ended 31 March 2021 (31 March 2020: Rs. Nil per share (i.e. Nil %)).

11 GENERAL

11.1 This interim condensed financial information was authorized for issue on April 23, 2021 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, 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

		Unaudited	Audited
	Note	March	June
		31, 2021	30, 2020
		Rs "000"	Rs "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,411,469	4,314,915
Intangibles		83	332
Long term deposits		53,469	48,824
		<u>5,465,021</u>	<u>4,364,071</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		329,286	296,103
Stock in trade	5	5,811,493	4,869,286
Trade debts		4,441,584	2,924,575
Loans and advances		122,819	106,874
Trade deposits and short term prepayments		25,606	5,025
Other receivables		46,307	22,905
Tax refunds due from the Government		848,691	934,808
Cash and bank balances		63,881	124,891
		<u>11,689,667</u>	<u>9,284,467</u>
		<u>17,154,688</u>	<u>13,648,538</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (30 June 2020: 145,000,000) Ordinary shares of 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 of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit - revenue reserve		3,706,535	2,767,319
Non-controlling interest		843,303	691,661
		<u>5,655,743</u>	<u>4,564,885</u>
NON CURRENT LIABILITIES			
Long term loans	6	1,694,158	1,017,222
Lease liabilities		91,657	100,832
Diminishing musharaka finance		453	1,653
Deferred grant		4,651	-
Deferred tax liability		353,853	358,059
		<u>2,144,772</u>	<u>1,477,766</u>
CURRENT LIABILITIES			
Trade and other payables		1,817,967	1,945,460
Contract liabilities		88,917	128,634
Net defined benefit liability - funded gratuity		142,828	113,642
Mark up accrued		105,993	100,981
Unclaimed dividend		11,620	13,697
Short term borrowings		5,871,059	4,452,222
Current maturity of long term loans	6	493,651	264,650
Current maturity of lease liabilities		32,566	39,292
Current maturity of diminishing musharaka finance		1,662	1,747
Current portion of deferred grant		9,224	-
Provision for taxation		778,686	545,562
		<u>9,354,173</u>	<u>7,605,887</u>
Contingencies and commitments	7	-	-
TOTAL EQUITY AND LIABILITIES		<u>17,154,688</u>	<u>13,648,538</u>

The annexed notes from 1 to 13 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, 2021

Note	Nine months ended		Three months ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
	Rs "000"	Rs "000"	Rs "000"	Rs "000"	
Revenue from contracts with customers-net	8	20,796,444	15,403,637	7,820,529	5,282,754
Cost of sales	9	(17,695,314)	(13,201,677)	(6,590,715)	(4,549,874)
Gross profit		3,101,130	2,201,960	1,229,814	732,880
Distribution costs		(197,981)	(153,309)	(83,403)	(46,496)
Administrative expenses		(282,953)	(213,364)	(108,155)	(65,790)
		(480,934)	(366,673)	(191,558)	(112,286)
Operating profit		2,620,196	1,835,287	1,038,256	620,594
Other expenses		(170,839)	(109,685)	(70,672)	(45,469)
Other income		33,818	55,281	14,476	36,031
Foreign exchange gain / (loss)		29,700	(129,593)	23,149	(163,072)
Finance cost		(391,592)	(615,346)	(137,315)	(208,854)
Profit before taxation		2,121,283	1,035,944	867,894	239,230
Taxation		(643,358)	(332,666)	(288,780)	(73,822)
Profit after taxation		1,477,925	703,278	579,114	165,408
Attributable to:					
Equity holders of the parent		1,326,283	642,584	503,662	150,982
Non-controlling interests		151,642	60,694	75,452	14,426
		1,477,925	703,278	579,114	165,408
Earnings per share - Basic and diluted (Rs.)		11.99	5.81	4.55	1.37

The annexed notes from 1 to 13 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, 2021

	Nine months ended		Three months ended	
	March 31, 2021 Rs "000"	March 31, 2020 Rs "000"	March 31, 2021 Rs "000"	March 31, 2020 Rs "000"
Profit after taxation	1,477,925	703,278	579,114	165,408
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,477,925</u>	<u>703,278</u>	<u>579,114</u>	<u>165,408</u>
Attributable to:				
Equity holders of the parent	1,326,283	642,584	503,662	150,982
Non-controlling interests	151,642	60,694	75,452	14,426
	<u>1,477,925</u>	<u>703,278</u>	<u>579,114</u>	<u>165,408</u>

The annexed notes from 1 to 13 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, 2021 (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"
Balance as on 01 July 2019 - (Audited)	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
Balance as on 31 March 2020	<u>1,105,905</u>	<u>2,433,962</u>	<u>673,247</u>	<u>4,213,114</u>
Balance as on 01 July 2020 - (Audited)	1,105,905	2,767,319	691,661	4,564,885
Final cash dividend for the year ended 30 June 2020 at the rate of Rs.1.50 per share	-	(165,886)	-	(165,886)
Interim cash dividend for the period ended 31 December 2020 at the rate of Rs. 2.00 per share	-	(221,181)	-	(221,181)
Total comprehensive income for the period ended 31 March 2021	-	1,326,283	151,642	1,477,925
Balance as on 31 March 2021	<u>1,105,905</u>	<u>3,706,535</u>	<u>843,303</u>	<u>5,655,743</u>

The annexed notes from 1 to 13 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, 2021

	Nine months ended	
	March 31, 2021	March 31, 2020
	Rs "000"	Rs "000" Restated
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,121,283	1,035,944
Adjustments for:		
Depreciation	352,373	302,454
Amortization	249	531
Interest income	-	(2,584)
Gain on disposal of property, plant and equipment	(808)	(5,379)
Mark-up expense	379,949	608,679
Exchange (gain) / loss - unrealized	(4,790)	94,397
Provision for gratuity	33,480	30,480
Allowance for expected credit loss	-	5,463
Workers' profit participation fund provision	113,940	54,789
Workers' welfare fund provision	43,819	20,764
Loss allowance	7,163	-
Provision for obsolescence of stock	3,467	-
	928,842	1,109,594
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,050,125	2,145,538
(Increase) / decrease in current assets		
Stores, spares parts and loose tools	(33,183)	(71,922)
Stock in trade	(945,675)	(1,053,743)
Trade debts	(1,524,172)	(824,620)
Loans and advances	(15,945)	(176,051)
Trade deposits and short term prepayments	(20,581)	(15,798)
Other receivables	(23,402)	5,733
Tax refunds due from the Government	19,847	(29,976)
	(2,543,111)	(2,166,377)
Increase / (decrease) in current liabilities		
Trade and other payables	(168,524)	449,422
Contract liabilities	(39,717)	8,045
CASH GENERATED FROM OPERATIONS	298,773	436,628
Contribution to gratuity fund	(4,294)	(9,626)
Mark-up paid	(371,034)	(549,130)
Dividend paid during the period	(389,144)	(294,020)
Income tax refund	54,659	-
Tax paid	(402,828)	(229,187)
Workers' welfare fund paid	(29,325)	(22,307)
Workers' profit participation fund paid	(82,613)	(70,777)
	(1,224,579)	(1,175,047)
NET CASH USED IN OPERATING ACTIVITIES	(925,806)	(738,419)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(214,454)	(37,506)
Addition in capital work in progress	(1,234,894)	(683,978)
Sale proceeds from disposal of property, plant and equipment	1,230	6,265
Interest income received	-	2,980
Short term investment	-	54,900
Long term deposits	(4,646)	(5,866)
NET CASH USED IN INVESTING ACTIVITIES	(1,452,764)	(663,205)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	(214,451)	(179,823)
Long term loan obtained	1,134,263	215,967
Lease rental paid	(26,839)	(36,608)
New leases acquired during the period	7,035	13,748
Payment against diminishing musharaka finance	(1,285)	(1,861)
Short term borrowings - net	1,427,121	1,343,568
NET CASH GENERATED FROM FINANCING ACTIVITIES	2,325,844	1,354,991
NET DECREASE IN CASH AND CASH EQUIVALENTS	(52,726)	(46,633)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	116,607	127,733
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	63,881	81,100

The annexed notes from 1 to 13 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, 2021 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

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

Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICL")

Subsidiary Companies

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

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. Following are the business units of the Holding Company along with their respective locations:

Business Unit	Address
Registered office and plant Head Office	14.8 Km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan. 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 Plant 2	14.5 Km, Lahore-Sheikhpura Road, Lahore, Pakistan 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 (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 2020.
- 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 standard, amendments and interpretations of IFRSs which became effective for the current period:

New Standards, Interpretations and 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.

	Unaudited	Audited
	March	June
	31, 2021	30, 2020
	Rs "000"	Rs "000"
4 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4,228,210	4,142,687
Capital work in progress	1,183,259	172,228
	<u>5,411,469</u>	<u>4,314,915</u>
5 STOCK IN TRADE		
Raw and packing material		
In hand	1,901,083	1,206,503
In transit	2,373,369	2,841,292
	4,274,452	4,047,795
Finished goods	1,556,291	837,273
Less: Provision for obsolescence	(19,249)	(15,782)
	1,537,042	821,491
	<u>5,811,493</u>	<u>4,869,286</u>
6 LONG TERM LOANS		
Opening Balance	1,281,872	884,432
Loans received during the period	1,134,263	621,906
Loans repaid during the period	(214,451)	(224,466)
	2,201,684	1,281,872
Less: Current maturity	(493,651)	(264,650)
Less: Deferred grant	(13,875)	-
Closing balance	<u>1,694,158</u>	<u>1,017,222</u>

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 are as follows:

	Unaudited March 31, 2021	Audited June 30, 2020
	Rs "000"	Rs "000"
Letters of credit established for the import of raw materials, spare parts and machinery	5,175	4,225
Letter of guarantee given to SNGPL	99	99
Letter of guarantee given to PSO	62	62
Letter of guarantee given to Total PARCO	12	12

	Nine months ended		Three months ended	
	Unaudited March 31, 2021	Unaudited March 31, 2020	Unaudited March 31, 2021	Unaudited March 31, 2020
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
8 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Gross revenue	24,488,381	18,066,923	9,191,900	6,186,223
Less: Sales tax & commission	(3,691,937)	(2,663,286)	(1,371,371)	(903,469)
	<u>20,796,444</u>	<u>15,403,637</u>	<u>7,820,529</u>	<u>5,282,754</u>
9 COST OF SALES				
Opening stock of finished goods	837,273	752,570	1,106,650	1,251,879
Cost of goods manufactured	18,414,332	13,867,870	7,040,356	4,716,758
	<u>19,251,605</u>	<u>14,620,440</u>	<u>8,147,006</u>	<u>5,968,637</u>
Less: Closing stock of finished goods	(1,556,291)	(1,418,763)	(1,556,291)	(1,418,763)
	<u>17,695,314</u>	<u>13,201,677</u>	<u>6,590,715</u>	<u>4,549,874</u>
10 TRANSACTIONS WITH RELATED PARTIES				

The related parties and associated undertakings comprise parent company, related group companies, directors and key management personnel. Transactions with related parties 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, 2021	Unaudited March 31, 2020
		Rs "000"	Rs "000"
Key Management Personnel	Managerial Remuneration	166,531	139,295
	Other Benefits	50,646	40,022
Nimir Chemcoats Limited (Associated Company)	Sale of goods	4,108	-

11 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
-----Rupees in thousands-----										
CONTINUING OPERATIONS										
Revenue from contracts with customers-net	16,314,640	11,726,467	4,624,755	3,793,985	-	-	(142,951)	(116,815)	20,796,444	15,403,637
Cost of sales	(13,774,823)	(9,945,529)	(4,064,451)	(3,375,665)	-	-	143,960	119,517	(17,695,314)	(13,201,677)
Gross profit	2,539,817	1,780,938	360,304	418,320	-	-	1,009	2,702	3,101,130	2,201,960
Distribution cost	(142,939)	(106,887)	(55,042)	(46,422)	-	-	-	-	(197,981)	(153,309)
Administrative expenses	(236,233)	(171,953)	(47,321)	(41,512)	(117)	(552)	718	653	(282,953)	(213,364)
Operating profit / (loss)	2,160,645	1,502,088	457,941	330,386	(117)	(552)	1,727	3,355	2,620,196	1,835,287
Other expenses	(133,850)	(71,525)	(36,989)	(44,706)	-	-	-	6,546	(170,839)	(109,685)
Other income	23,097	12,312	12,091	41,939	-	2,583	(1,370)	(1,553)	33,818	55,281
Foreign exchange/gain (loss)	29,700	(101,196)	-	(28,397)	-	-	-	-	29,700	(129,593)
Finance cost	(306,645)	(484,337)	(84,947)	(150,409)	-	-	-	-	(391,592)	(615,346)
Profit / (loss) before taxation	1,772,947	876,752	348,096	148,813	(117)	2,031	357	8,348	2,121,283	1,035,944
Taxation	(538,526)	(281,052)	(104,832)	(51,340)	-	(642)	-	368	(643,359)	(332,666)
Profit / (loss) after taxation	1,234,421	595,700	243,264	97,473	(117)	1,389	357	8,716	1,477,925	703,278
	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Segment assets	14,128,773	10,846,894	3,750,213	3,529,191	293,023	293,332	(1,017,321)	(1,022,579)	17,154,668	13,646,538
Segment liabilities	9,658,095	7,225,270	1,794,827	1,817,069	78,544	78,735	(32,521)	(37,421)	11,498,945	9,083,653

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

12 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on Friday April 23, 2021 has approved an interim dividend of Rs. Nil per share (i.e. Nil) for the period ended 31 March 2021 (31 March 2020: Rs. Nil per share). This condensed interim consolidated financial statements do not reflect the effect of the above event.

13 GENERAL

13.1 These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on Friday April 23, 2021.



Chief Executive Officer



Director



Chief Financial Officer

QUARTERLY REPORT

2021

NIMIR INDUSTRIAL CHEMICALS LTD.
14.8 Km., Sheikhpura-Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.
Ph: +92 56 3883001-7 • Fax: +92 56 3883010
www.nimir.com.pk