

NIMIR

TRANSFORMING FOR A **SUSTAINABLE FUTURE**



NIMIR INDUSTRIAL CHEMICALS LTD.

QUARTERLY
REPORT **2022**
March (Unaudited)

Company Information

Board of Directors

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

Chief Financial Officer

Syed Sajid Nasim

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Nabeel Ahmad Khan

Audit Committee

Mr. Javed Saleem Arif	- Chairman
Mr. Tariq Ahmad Khan	- Member
Mr. Abdul Jaleel Shaikh	- Member

Human Resource & Remuneration Committee

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

External Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

Shares' Registrar

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

Bankers

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

Registered Office/Factory

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

Lahore Office

12-B, New Muslim Town,
Lahore, Pakistan.
Tel: +92 42 35926090-93
+92 42 35947700-04

Karachi Office

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

Website

www.nimir.com.pk

▶ Directors' Review Report

The Directors are pleased to present their review report on the un-audited interim financial results of Nimir Industrial Chemicals Limited (the "Company" - NICL) for nine months ended March 31, 2022. The synopsis of the results is as under:"

	Nine Months ended March 31		
	2022	2021	Change
	PKR Million		%
Gross Sales Revenue	26,703	19,176	39%
Gross Profit	3,009	2,540	18%
Operating Profit	2,561	2,161	19%
Pre-Tax Profit	1,804	1,773	2%
Profit after Tax	1,274	1,234	3%
Earnings per share (Rs.)	11.52	11.16	3%

Your Company showed all-round performance during the third quarter ended March 31, 2022. The gross sales grew by 51%, which resulted in 35% increase in operating profit over the same quarter last year. Despite increase in financial cost, your company managed to post 19% increase in the profit after tax during the quarter. The quarterly performance helped the Company to achieve overall 39% growth in gross sales, 19% increase in operating profit and 3% increase in profit after tax during nine months period ended March 31, 2022.

The recent geopolitical tension on Ukraine crisis posing external risk resulting in high commodity prices and supply chain disruption worldwide. Likewise, domestic political unrest, continuous rupee devaluation, depleting forex reserve and increase in discount rates building continuous high risk on domestic economy. The management is well aware of the challenges and is committed to deliver its best to keep growth momentum continued.

The aggressive capital investment plan executed in the last financial year has started bringing results. The Company recently commissioned the expansion of Soap Noodles plant, expansion of Aerosol plant, up gradation and expansion of caustic soda plant and new production facility for Home Care products. The other projects are also in the process of completion / commissioning.

With all these expansions and diversification of product range, we are confident to achieve sustainable growth in future, Insha Allah

Lahore
April 25, 2022


Aamir Jamil
Director

For and on the behalf of the Board


Zafar Mahmood
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی نو ماہی کے لئے نمبر انڈسٹریل کیمیکلز لمیٹڈ ("کمپنی") کے غیر نظر ثانی شدہ عبوری مالی نتائج پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ نتائج کا خلاصہ حسب ذیل ہے:

پاکستانی روپے ملین میں

تبدیلی	31 مارچ 2021 مختتمہ نو ماہی	31 مارچ 2022 مختتمہ نو ماہی	
	19,176	26,703	مجموعی فروخت کی آمدنی
39%			
	2,540	3,009	مجموعی منافع
18%			
	2,161	2,561	آپریٹنگ منافع
19%			
	1,773	1,804	قبل از ٹیکس منافع
2%			
	1,234	1,274	منافع بعد از ٹیکس
3%			
	11.16	11.52	نیٹ شیئر آمدنی (روپے)
3%			

آپ کی کمپنی نے 31 مارچ 2022 کو ختم ہونے والی تیسری سہ ماہی کے دوران، بہت اچھی کارکردگی کا مظاہرہ کیا ہے۔ مجموعی فروخت میں 51% تک بہتری ہوئی، جس کے نتیجے گزشتہ سال کی اسی سہ ماہی سے آپریٹنگ منافع میں 35% اضافہ ہوا۔ مالی لاگت میں اضافہ کے باوجود، آپ کی کمپنی اس سہ ماہی کے دوران بعد از ٹیکس منافع میں 19% اضافہ درج کرنے میں کامیاب ہوئی۔ سہ ماہی کارکردگی نے 31 مارچ 2022 کو ختم ہونے والی نو ماہی کے دوران کمپنی کی مجموعی فروخت میں مجموعی 39% نمو، آپریٹنگ منافع میں 19% اضافہ اور بعد از ٹیکس منافع میں 3% اضافہ حاصل کرنے میں مدد کی ہے۔

یوکرین کے بحران پر حالیہ جغرافیائی سیاسی تناؤ بیرونی خطرے کا باعث ہے جس کے نتیجے میں دنیا بھر میں اجناس کی زیادہ قیمتیں اور سپلائی چین میں خلل پڑا ہے۔ اسی طرح ملکی سیاسی بے چینی، روپے کی مسلسل قدر میں کمی، غیر ملکی زرمبادلہ کے ذخائر میں کمی اور شرحوں میں اضافہ ملکی معیشت کے لئے مسلسل زیادہ خطرہ بن رہا ہے۔ انتظامیہ مذکورہ چیلنجوں سے بخوبی آگاہ ہے اور ترقی کی رفتار کو جاری رکھنے کے لیے اپنی بہترین کارکردگی کا مظاہرہ کرنے کے لیے پُر عزم ہے۔

گزشتہ مالی سال میں لاگو کی گئی اہم سرمایہ کاری کے منصوبے کے نتائج سامنے آنا شروع ہو گئے ہیں۔ کمپنی نے حال ہی میں صابن نوڈلز پلانٹ کی توسیع، ایرو سول پلانٹ کی توسیع اور گھر یلو گھنڈا اشت کی مصنوعات کے لیے نئی پیداواری سہولت کا آغاز کیا ہے۔ دیگر منصوبے بھی مکمل ہونے/کمیشن کے مراحل میں ہیں۔

ان تمام توسیعات اور مصنوعات کی ریجن میں تنوع کے ساتھ، ہم مستقبل میں پائیدار ترقی حاصل کرنے کے لیے پراعتماد ہیں، انشاء اللہ۔

برائے اور مخائب بورڈ





عالم جمیل
ڈائریکٹر

ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

25 اپریل 2022ء

01

Financial Statements Separate

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022



Condensed Interim Statement of Financial Position (Unaudited)

AS AT MARCH 31, 2022

Note	(Unaudited)		(Audited)	
	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021
	(Rs. '000')		(Rs. '000')	
ASSETS				
NON-CURRENT ASSETS				
	3	11,933,381	5,544,090	
		-	-	
		202,384	202,384	
		56,737	39,619	
		14,512	14,512	
		12,207,014	5,800,605	
CURRENT ASSETS				
	4	337,995	292,094	
		6,036,498	5,950,816	
		5,461,922	3,226,711	
		79,943	65,100	
		33,450	11,061	
		37,417	45,633	
		1,437,420	818,537	
		44,321	58,429	
		13,468,966	10,468,381	
		25,675,980	16,268,986	
TOTAL ASSETS				
EQUITY AND LIABILITIES				
Authorized Share Capital				
145,000,000 (June 30, 2021: 145,000,000)				
		1,450,000	1,450,000	
Issued, subscribed and paid up capital				
110,590,546 (June 30, 2021: 110,590,546)				
		1,105,905	1,105,905	
		4,760,905	3,818,121	
		5,866,810	4,924,026	
NON CURRENT LIABILITIES				
	5	5,978,819	1,809,092	
		73,902	87,592	
		-	1,427	
		305,495	314,596	
		6,358,216	2,212,707	
CURRENT LIABILITIES				
		1,275,204	1,533,942	
		59,591	146,679	
		154,419	128,419	
		256,674	99,356	
		12,689	10,767	
		10,547,146	5,869,058	
	5	442,586	415,070	
		31,407	29,099	
		2,896	7,686	
		668,342	892,177	
		13,450,954	9,132,253	
	6	-	-	
		25,675,980	16,268,986	
TOTAL EQUITY AND LIABILITIES				

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 (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

Note	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Revenue from contracts with customers - gross	26,703,497	19,176,048	10,693,254	7,052,259
Less: Sales tax, trade discounts and commission	(3,946,527)	(2,861,408)	(1,579,329)	(1,037,470)
Revenue from contracts with customers - net	22,756,970	16,314,640	9,113,925	6,014,789
Cost of sales	(19,748,195)	(13,774,823)	(7,846,646)	(5,038,535)
Gross profit	3,008,775	2,539,817	1,267,279	976,254
Distribution costs	(155,781)	(142,939)	(63,455)	(62,712)
Administrative expenses	(292,175)	(236,233)	(98,887)	(93,049)
	(447,956)	(379,172)	(162,342)	(155,761)
Operating profit	2,560,819	2,160,645	1,104,937	820,493
Other expenses	(133,667)	(133,850)	(57,557)	(51,481)
Other income	33,507	23,097	11,326	11,606
Foreign exchange (loss)/gain	(6,675)	29,700	(5,708)	23,149
Finance cost	(650,454)	(306,645)	(276,391)	(109,147)
Profit before taxation	1,803,530	1,772,947	776,607	694,620
Taxation:				
Current	(538,077)	(534,133)	(209,215)	(229,335)
Deferred	9,103	(4,393)	(19,815)	(5,700)
	(528,974)	(538,526)	(229,030)	(235,035)
Profit for the period	1,274,556	1,234,421	547,577	459,585
Earnings per ordinary share - Basic and diluted Rs.	11.52	11.16	4.95	4.16

The annexed notes from 1 to 11 form an integral part to this unaudited condensed interim financial information.

Condensed Interim Statement of Comprehensive Income (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Profit for the period	1,274,556	1,234,421	547,577	459,586
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,274,556	1,234,421	547,577	459,586

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 (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Issued, subscribed and paid up share capital	Unappropriated profit/revenue reserve	Total
	Rs. "000"	Rs. "000"	Rs. "000"
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 month period ended March 31, 2021	-	1,234,421	1,234,421
Balance as on March 31, 2021 (Unaudited)	<u>1,105,905</u>	<u>3,364,773</u>	<u>4,470,678</u>
Balance as on July 01, 2021 (Audited)	1,105,905	3,818,121	4,924,026
Final dividend for the year ended June 30, 2021 at the rate Rs. 2.00 per share	-	(221,181)	(221,181)
Interim dividend half year ended December 31, 2021 at the rate Rs. 1.00 per share	-	(110,591)	(110,591)
Total comprehensive income for the nine months period ended March 31, 2022	-	1,274,556	1,274,556
Balance as on March 31, 2022 (Unaudited)	<u>1,105,905</u>	<u>4,760,905</u>	<u>5,866,810</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

Nimir Industrial Chemicals Ltd.

Condensed Interim Statement of Cash Flow (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

	March 31, 2022 Rs."000"	March 31, 2021 Rs."000"
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,803,530	1,772,947
Adjustment for:		
Depreciation	363,606	312,006
Gain on disposal of property, plant and equipment	(439)	(808)
Mark-up expense	629,402	295,781
Provision for gratuity fund	27,000	27,000
Provision for Workers' profit participation fund	96,860	95,217
Provision for Workers' welfare fund	36,807	36,183
	1,153,236	765,379
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,956,766	2,538,326
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(45,902)	(31,480)
Stock in trade	(85,682)	(1,145,908)
Trade debts	(2,235,211)	(1,043,012)
Loans and advances	(14,843)	(13,207)
Trade deposits and short term prepayments	(22,389)	(17,039)
Other receivables	8,215	(19,351)
Tax refunds due from Government	(693,916)	(45,163)
	(3,089,728)	(2,315,160)
(Decrease) / increase in current liabilities		
Trade and other payables	(210,514)	(24,669)
Contract liabilities	(87,089)	(54,236)
CASH (USED IN) / GENERATED FROM OPERATIONS	(430,565)	144,261
Contribution to gratuity fund	(1,000)	(3,000)
Mark-up paid	(469,652)	(285,284)
Dividend paid during the period	(329,850)	(389,144)
Tax paid	(686,876)	(342,987)
Workers' profit participation fund paid	(129,341)	(72,530)
Workers' welfare fund paid	(52,546)	(25,036)
	(1,669,265)	(1,117,981)
NET CASH USED IN OPERATING ACTIVITIES	(2,099,830)	(973,720)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment-net	(203,899)	(204,415)
Addition in capital work in progress	(6,568,816)	(1,148,020)
Proceeds from disposal of property, plant and equipment	20,257	1,230
Long term deposits	(17,119)	(1,529)
NET CASH USED IN INVESTING ACTIVITIES	(6,769,577)	(1,352,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	4,678,087	1,504,482
Long term loan obtained	4,506,031	953,060
Long term loan repaid	(315,005)	(179,109)
New leases acquired during the period	15,108	2,136
Lease rental repaid	(28,922)	(26,839)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	8,855,299	2,253,730
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,108)	(72,724)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	58,429	101,723
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	44,321	28,999

The annexed notes from 1 to 11 form an integral part to this unaudited condensed interim financial information.



Chief Executive Officer

Quarterly Report - March 2022



Director



Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

1 THE COMPANY AND ITS OPERATIONS

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

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 2021.

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

Operating fixed assets
Right of use asset
Capital work in progress

	(Un-audited) March 31, 2022 Rs."000"	(Audited) June 30, 2021 Rs."000"
	3,922,777	3,606,153
	74,674	43,716
	7,935,930	1,894,221
	<u>11,933,381</u>	<u>5,544,090</u>

4 STOCK-IN-TRADE

Raw and packing material
– In hand
– In transit

Finished goods
Less: Provision for net realizable value

	1,688,649	493,043
	2,724,309	3,965,360
	4,412,958	4,458,403
	1,623,540	1,499,668
	-	(7,255)
	<u>1,623,540</u>	<u>1,492,413</u>
	<u>6,036,498</u>	<u>5,950,816</u>

5 LONG TERM LOAN-SECURED

Term Finance
Term Finance - under refinance scheme
Loan from directors / sponsors - unsecured

Mark up accrued

Less: Current maturity shown under current liabilities
Less: Mark up accrued shown under current liabilities

	1,619,436	941,636
	4,787,457	1,268,016
	14,512	14,512
	6,421,405	2,224,164
	184,419	26,239
	6,605,824	2,250,403
	(442,586)	(415,071)
	(184,419)	(26,239)
	<u>5,978,819</u>	<u>1,809,092</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

6 CONTINGENCIES AND COMMITMENT

CONTINGENCIES

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

COMMITMENTS

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

	(Un-audited)	(Audited)
	March 31, 2022	June 30, 2021
	Rs. in million	
Letters of credit established for the import of raw materials, spare parts and machinery	2,780	5,048
Letter of guarantee given to SNGPL	133	96
Letter of guarantee given to PSO	59	59
Letter of guarantee given to TOTAL PARCO	5	5

7 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	(Un-Audited)			
	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Gross revenue	26,703,497	19,176,048	10,693,254	7,052,259
Less: Sales tax & commission	(3,946,527)	(2,861,408)	(1,579,329)	(1,037,470)
Net revenue	22,756,970	16,314,640	9,113,925	6,014,789

8 COST OF SALES

Opening stock of finished goods	1,492,413	525,797	1,887,250	813,716
Cost of goods manufactured	19,879,322	14,631,815	7,582,936	5,607,608
	21,371,735	15,157,612	9,470,186	6,421,324
Closing stock of finished goods	(1,623,540)	(1,382,789)	(1,623,540)	(1,382,789)
	19,748,195	13,774,823	7,846,646	5,038,535

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	(Un-audited)	
			Nine months ended	
			March 31, 2022	March 31, 2021
			(Rs. '000')	(Rs. '000')
Nimir Resins Limited	Subsidiary	Sale of goods	161,154	142,720
		Purchase of goods	3,426	231
		Services acquired	3,489	3,172
		Services provided	4,503	4,094
		Reimbursement of expenses - net	851	1,725
Nimir Chemcoats Limited	Associate	Purchase / Services acquired	7,122	-
Nimir Chemicals Pakistan Ltd.	Associate	Sale of goods	17,996	-
Key Management Personnel		Managerial Remuneration	180,996	138,258
		Other employment benefits	75,952	45,410
Staff retirement benefits		Contribution to gratuity fund	1,000	3,000

10 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on Monday, 25 April 2022 has approved an interim dividend of Rs. Nil per share (i.e. Nil %) for the quarter ended 31 March 2022 (31 March 2021: Rs. Nil per share (i.e. Nil %)).

11 GENERAL

11.1 This interim condensed financial information was authorized for issue on Monday, 25 April 2022 by the Board of Directors of the Company.



Chief Executive Officer

Quarterly Report - March 2022



Director



Chief Financial Officer

02

Financial Statements Consolidated

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

Condensed Interim Consolidated Statement of Financial Position (Unaudited) AS AT 31 MARCH 2022

	Note	(Unaudited)	(Audited)
		31 March 2022	30 June 2021
		(Rs. '000')	(Rs. '000')
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	12,608,033	6,155,046
Intangibles		-	-
Long-term deposits		80,477	61,523
		12,688,510	6,216,569
CURRENT ASSETS			
Stores, spare parts and loose tools		359,200	312,536
Stock in trade	5	7,705,008	7,418,002
Trade debts		7,587,218	4,577,920
Loans and advances		143,557	101,299
Trade deposits and short term prepayments		41,821	12,445
Other receivables		38,826	47,042
Tax refunds due from the Government		1,640,332	1,073,910
Cash and bank balances		72,037	100,093
		17,587,999	13,643,247
		30,276,509	19,859,816
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized Share Capital			
145,000,000 (30 June 2021: 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 2021: 110,590,546) Ordinary shares of of Rs. 10/- each		1,105,905	1,105,905
Unappropriated profit - revenue reserve		5,251,158	4,205,349
Non-controlling interest		1,104,087	914,535
		7,461,150	6,225,789
NON-CURRENT LIABILITIES			
Long term loans	6	6,232,577	1,991,834
Lease liabilities		99,741	117,180
Diminishing musharaka finance		-	209
Deferred grant		-	2,978
Deferred tax liability		309,601	333,032
		6,641,919	2,445,233
CURRENT LIABILITIES			
Trade and other payables		1,606,505	2,283,257
Contract liabilities		98,425	154,037
Net defined benefit liability - funded gratuity		185,138	152,565
Mark up accrued		310,865	115,729
Unclaimed dividend		12,982	11,059
Short term borrowings		12,579,678	6,943,147
Current maturity of long term loans	6	536,485	485,829
Current maturity of lease liabilities		36,355	33,724
Current maturity of diminishing musharaka finance		433	1,405
Current portion of deferred grant		5,037	9,517
Provision for taxation		801,537	998,525
		16,173,440	11,188,794
Contingencies and commitments			
	7	-	-
		30,276,509	19,859,816
TOTAL EQUITY AND LIABILITIES			

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


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Note	Nine month period ended		Three month period ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		Rs."000"	Rs."000"	Rs."000"	Rs."000"
Revenue from contracts with customers-gross		33,705,869	24,488,381	13,296,493	9,191,900
Less: Sales tax, trade discount and commission		(5,033,033)	(3,691,937)	(1,991,560)	(1,371,371)
Revenue from contracts with customers-net	8	28,672,836	20,796,444	11,304,933	7,820,529
Cost of sales	9	(24,916,877)	(17,695,314)	(9,739,417)	(6,590,715)
Gross profit		3,755,959	3,101,130	1,565,516	1,229,814
Distribution costs		(220,764)	(197,981)	(85,469)	(83,403)
Administrative expenses		(349,824)	(282,953)	(117,684)	(108,155)
		(570,588)	(480,934)	(203,153)	(191,558)
Operating profit		3,185,371	2,620,196	1,362,363	1,038,256
Other expenses		(225,325)	(170,839)	(78,815)	(70,672)
Other income		49,746	33,818	15,957	14,476
Foreign exchange (loss) / gain		(6,675)	29,700	(5,708)	23,149
Finance cost		(785,455)	(391,592)	(347,634)	(137,315)
Profit before taxation		2,217,662	2,121,283	946,163	867,894
Taxation		(650,529)	(643,358)	(281,282)	(288,780)
Profit after taxation		1,567,133	1,477,925	664,881	579,114
Attributable to:					
Equity holders of the parent		1,377,581	1,326,283	584,791	503,662
Non-controlling interests		189,552	151,642	80,090	75,452
		1,567,133	1,477,925	664,881	579,114
Earnings per share- Basic and diluted (Rs.)		12.46	11.99	5.29	4.55

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 (Unaudited) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Nine month period ended		Three month period ended	
	31 March 2022 (Rs. '000')	31 March 2021 (Rs. '000')	31 March 2022 (Rs. '000')	31 March 2021 (Rs. '000')
Profit after taxation	1,567,133	1,477,925	664,881	579,114
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,567,133	1,477,925	664,881	579,114
Attributable to:				
Equity holders of the parent	1,377,581	1,326,283	584,791	503,662
Non-controlling interests	189,552	151,642	80,090	75,452
	1,567,133	1,477,925	664,881	579,114

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

Condensed Interim Consolidated Statement of Changes In Equity (Unaudited) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Issued, subscribed and paid up share capital	Unappropriated profit/revenue reserve	Non-controlling interest	Total
	Rs. "000"	Rs. "000"	Rs. "000"	Rs. "000"
Balance as on 01 July 2020 - (Audited)	1,105,905	2,767,319	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	1,105,905	3,706,535	843,303	5,655,743
Balance as on 01 July 2021 - (Audited)	1,105,905	4,205,349	914,535	6,225,789
Final cash dividend for the year ended 30 June 2021 at the rate of Rs. 2 per share	-	(221,181)	-	(221,181)
Interim cash dividend for the period ended 31 December 2021 at the rate of Rs. 1.00 per share	-	(110,591)	-	(110,591)
Total comprehensive income for the period ended 31 March 2022	-	1,377,581	189,552	1,567,133
Balance as on 31 March 2022	1,105,905	5,251,158	1,104,087	7,461,150

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 Cash Flow (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Nine month period ended	
	31 March 2022	31 March 2021
	(Rs. '000')	(Rs. '000')
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,217,662	2,121,283
Adjustment for:		
Depreciation	415,153	352,373
Amortization	-	249
Gain on disposal of property, plant and equipment	(439)	(808)
Mark-up expense	759,835	379,949
Exchange loss / (gain) - unrealized	36,636	(4,790)
Provision for gratuity	34,380	33,480
Allowance for expected credit loss	16,130	7,163
Workers' profit participation fund provision	120,181	113,940
Workers' welfare fund provision	46,014	43,819
Provision for obsolescence of stock	6,364	3,467
	<u>1,434,254</u>	<u>928,842</u>
Operating profit before working capital changes	3,651,916	3,050,125
(Increase) / decrease in current assets		
Stores, spares parts and loose tools	(46,664)	(33,183)
Stock in trade	(293,369)	(945,675)
Trade debts	(3,029,918)	(1,524,172)
Loans and advances	(42,258)	(15,945)
Trade deposits and short term prepayments	(29,375)	(20,581)
Other receivables	8,215	(23,402)
Tax refunds due from the Government	(624,605)	19,847
	<u>(4,057,974)</u>	<u>(2,543,111)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(638,291)	(168,524)
Contract liabilities	(73,378)	(39,717)
CASH (USED IN) / GENERATED FROM OPERATIONS	(1,117,727)	298,773
Contribution to gratuity fund	(1,808)	(4,294)
Mark-up paid	(562,267)	(371,034)
Dividend paid during the period	(329,850)	(389,144)
Income tax refund	-	54,659
Tax paid	(812,768)	(402,828)
Workers' welfare fund paid	(62,590)	(29,325)
Workers' profit participation fund paid	(156,442)	(82,613)
	<u>(1,925,725)</u>	<u>(1,224,579)</u>
NET CASH USED IN OPERATING ACTIVITIES	(3,043,452)	(925,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(209,971)	(214,454)
Addition in capital work in progress	(6,677,988)	(1,234,894)
Sale proceeds from disposal of property, plant and equipment	20,257	1,230
Long term deposits	(18,954)	(4,646)
NET CASH USED IN INVESTING ACTIVITIES	(6,886,656)	(1,452,764)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	(372,088)	(214,451)
Long term loan obtained	4,656,031	1,134,263
Lease rental paid	(32,347)	(26,839)
New leases acquired during the period	15,108	7,035
Payment against diminishing musharaka finance	(1,181)	(1,285)
Short term borrowings - net	5,636,530	1,427,121
NET CASH GENERATED FROM FINANCING ACTIVITIES	9,902,053	2,325,844
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,055)	(52,726)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	100,092	116,607
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	72,037	63,881

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 Statements (Unaudited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

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	14.8 Km, Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura, Pakistan.
Head Office	Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

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

Nimir Resins Limited was initially incorporated in Pakistan on 17 December 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on 19 August 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on 1 April 2010 when the company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group as explained in note 1.2, the name of the company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated 18 April 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile auxiliaries for textile industry. Following are the business units of the company along with their respective locations:

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

1.2 As a result of adoption of International Financial Reporting Standard (IFRS) – 10 'Consolidated Financial Statements', the Holding Company assessed the control conclusion of its investment in Nimir Resins Limited (NRL) that although the Holding Company has less than 50% shareholding in NRL, however, it directly and indirectly (i.e. through Nimir Management (Private) Limited) controls 62.63% voting rights of Nimir Resins Limited. Remaining 37.37% of the equity shares in Nimir Resins Limited are widely held by many other shareholders, none of whom individually hold more than 5% of the equity shares in Nimir Resins Limited. Further, the Holding Company also has power to appoint majority of the directors on the board of Nimir Resins Limited. Henceforth, Nimir Industrial Chemicals Limited (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:

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

- 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 2021.
- 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 2021, 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.

4 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 31 March 2022 (Rs. '000')	(Audited) 30 June 2021 (Rs. '000')
Operating fixed assets	4,593,877	4,128,489
Capital work in progress	8,014,156	2,026,557
	12,608,033	6,155,046

5. STOCK IN TRADE

Raw and packing material		
In hand	3,038,421	1,575,597
In transit	2,724,309	4,200,482
	5,762,730	5,776,079
Finished goods	1,942,278	1,670,468
Less: Provision for obsolescence	-	(21,291)
Less: Provision for net realizable value	-	(7,255)
	1,942,278	1,641,923
	7,705,008	7,418,002

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

6 LONG TERM LOANS

	(Unaudited) 31 March 2022 (Rs. '000')	(Audited) 30 June 2021 (Rs. '000')
Term Finance	1,820,102	1,021,742
Term Finance - under refinance scheme	4,841,960	1,348,921
Loan from directors / sponsors - unsecured	107,000	107,000
	6,769,062	2,477,663
Add: Mark up accrued	184,419	28,616
	6,953,481	2,506,279
Less: Current maturity shown under current liabilities	(536,485)	(485,829)
Less: Markup accrued shown under current liabilities	(184,419)	(28,616)
	6,232,577	1,991,834

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 2021.

COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee are as follows:

	(Unaudited) 31 March 2022 Rs. in million	(Audited) 30 June 2021 Rs. in million
Letters of credit established for the import of raw materials, spare parts and machinery	3,530	5,512
Letter of guarantee given to SNGPL	136	99
Letter of guarantee given to PSO	62	62
Letter of guarantee given to Total PARCO	13	13

8 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Nine month period ended		Three month period ended	
	31 March 2022 (Rs. '000')	31 March 2021 (Rs. '000')	31 March 2022 (Rs. '000')	31 March 2021 (Rs. '000')
Gross revenue	33,705,869	24,488,381	13,296,493	9,191,900
Less: Sales tax & commission	(5,033,033)	(3,691,937)	(1,991,560)	(1,371,371)
	28,672,836	20,796,444	11,304,933	7,820,529

9 COST OF SALES

Opening stock of finished goods	1,670,468	837,273	2,178,005	1,106,650
Cost of goods manufactured	25,188,687	18,414,332	9,503,690	7,040,356
	26,859,155	19,251,605	11,681,695	8,147,006
Less: Closing stock of finished goods	(1,942,278)	(1,556,291)	(1,942,278)	(1,556,291)
	24,916,877	17,695,314	9,739,417	6,590,715

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

10 OPERATING SEGMENT INFORMATION - Un-audited

	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	
	Nine-month period ended 31-Mar-22	31-Mar-21	Nine-month period ended 31-Mar-22	31-Mar-21	Nine-month period ended 31-Mar-22	31-Mar-21	Nine-month period ended 31-Mar-22	31-Mar-21	Nine-month period ended 31-Mar-22	31-Mar-21
CONTINUING OPERATIONS										
Revenue from contracts with customers-net	22,756,970	16,314,640	6,080,446	4,624,755	-	-	(164,580)	(142,951)	28,672,836	20,796,444
Cost of sales	(19,749,195)	(13,774,823)	(5,322,613)	(4,064,451)	-	-	153,931	143,960	(24,916,877)	(17,695,314)
Gross profit	3,008,775	2,539,817	757,833	560,304	-	-	(10,649)	1,009	3,755,959	3,101,130
Distribution cost	(155,781)	(142,939)	(64,983)	(55,042)	-	-	-	-	(220,764)	(197,981)
Administrative expenses	(292,175)	(236,233)	(58,339)	(47,321)	(100)	(117)	790	718	(349,824)	(282,953)
Operating profit / (loss)	2,560,819	2,160,645	634,511	457,941	(100)	(117)	(9,859)	1,727	3,185,371	2,620,196
Other expenses	(133,667)	(133,850)	(91,658)	(36,989)	-	-	-	-	(225,325)	(170,839)
Other income	33,507	23,097	17,746	12,091	-	-	(1,507)	(1,370)	49,746	33,818
Foreign exchange/gain (loss)	(6,675)	29,700	-	-	-	-	-	-	(6,675)	29,700
Finance cost	(650,454)	(306,645)	(135,001)	(84,947)	-	-	-	-	(785,455)	(391,592)
Profit / (loss) before taxation	1,803,530	1,772,947	425,598	348,096	(100)	(117)	(11,366)	357	2,217,662	2,221,283
Taxation	(528,974)	(538,526)	(121,555)	(104,832)	-	-	-	-	(650,529)	(643,358)
Profit / (loss) after taxation	1,274,556	1,234,421	304,043	243,264	(100)	(117)	(11,366)	357	1,567,133	1,477,925
	31-Mar-22	30-June-21	31-Mar-22	30-June-21	31-Mar-22	30-June-21	31-Mar-22	30-June-21	31-Mar-22	30-June-21
Segment assets	25,975,980	16,268,986	5,342,768	4,303,333	292,923	293,024	(1,035,162)	(1,005,526)	30,276,509	19,859,816
Segment liabilities	19,809,170	11,344,960	2,968,958	2,233,566	78,740	78,741	(41,509)	(23,239)	22,815,359	13,634,027

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

11 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise parent company, related group companies, directors and key management personnel. Transactions with related parties during the period are as follows:

Name of related party and relationship	Nature of Transaction	(Un-audited)	
		Nine-month period ended	
		31 March 2022	31 March 2021
		(Rs. '000')	(Rs. '000')
Key Management Personnel	Managerial Remuneration	222,408	166,531
	Other Benefits	86,945	50,646
Nimir Chemcoats Limited (Associated Company)	Sale of goods	46,908	4,108
	Purchase of goods	17,610	-
	Services provided	1,541	-
Nimir Chemicals Pakistan Limited (Associated Company)	Sale of goods	17,996	-

12 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on 25 April 2022 has approved an interim dividend of Rs. Nil per share (i.e. Nil%) for the quarter ended 31 March 2022 (31 March 2021: Rs. Nil per share).

13 GENERAL

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on Monday, 25 April 2022



Chief Executive Officer



Director



Chief Financial Officer



NIMIR

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