

NIMIR

QUARTERLY REPORT 2020

September (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
Executive Management	Shares' Registrar
Mr. Zafar Mahmood Mr. Khalid Mumtaz Qazi Mr. Imran Afzal Mr. Umar Iqbal Mr. Aamir Jamil Mr. Muhammad Yahya Khan	Corplink (Pvt.) Limited Wings Arcade, 1-K (Commercial), Model Town, Lahore. Tel: +92 42 35916714 & 19 Fax: +92 42 35869037 www.corplink.com.pk
Chief Financial Officer	Bankers
Syed Sajid Nasim	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
Company Secretary	Registered Office / Factory
Mr. Muhammad Inam-ur-Rahim	14.8 km., Sheikhupura-Faisalabad Road, Bhikhi, District Sheikhupura, Pakistan. Tel: +92 56 3883001-7 Fax: +92 56 3883010 Cell: +92 301-8221151, 301-8483950
Head of Internal Audit	Lahore Office
Mr. Nabeel Ahmad Khan	12-B, New Muslim Town, Lahore, Pakistan. Tel: +92 42 35926090-93 Fax: +92 42 35926099
Audit Committee	Website
Mr. Javed Saleem Arif - Chairman Mr. Tariq Ahmad Khan - Member Mr. Abdul Jaleel Shaikh - Member	www.nimir.com.pk
Human Resource & Remuneration Committee	
Ms. Parveen Akhter Malik - Chairperson Mr. M. Saeed-uz-Zaman - Member Mr. Zafar Mahmood - Member	
External Auditors	
EY Ford Rhodes Chartered Accountants	

DIRECTORS' REVIEW REPORT

The directors are pleased to present their review report with the unaudited financial statements of the Nimir Industrial Chemicals Limited for the first quarter, which ended September 30, 2020.

An analysis of the financial results for first quarter is as under:

	September 30, 2020	September 30, 2019	Change
	Rupees in million		% age
Sales Revenue	5,051	3,799	33%
Gross Profit	734	571 *	29%
Pre-Tax Profit	496	352	41%
Profit after Tax	356	232	53%
Earnings per share (Rs.)	3.22	2.10	53%

* Restated

Businesses across Pakistan endured difficult times due to the prolonged lockdowns, which were enforced to restrict the spread of COVID-19. Your company, being the producer of soap and therefore, being an essential business, not only continued its operations throughout the lockdown period, but also upscaled them significantly.

Since lockdown restrictions have eased and economic activities have normalised, our other business segments have also performed well in this quarter. This is reflected in our financial statements where our top line has grown by 33% and net profit by 53%. Besides increased turnover, reduced interest rate has too played its part in increasing the bottom line.

Looking ahead, the management is optimistic about the financial figures for the following quarters and is aiming to achieve even better results, Inshah Allah.

On behalf of the board, the company would like to thank all its stakeholders for their continued trust and support.

For and on the behalf of the Board



Khalid Mumtaz Qazi
Director



Zafar Mahmood
Chief Executive Officer

Lahore
October 23, 2020

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے لئے نمبر انڈسٹریل کیمیکلز لمیٹڈ (کمپنی) کے غیر نظر ثانی شدہ مالی حسابات کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ پہلی سہ ماہی کے لئے مالی نتائج کا تجزیہ حسب ذیل ہے:

تغیر	ستمبر 30, 2019	ستمبر 30, 2020	
	روپے ملین میں		
33%	3,799	5,051	فروخت کی آمدنی
29%	* 571	734	مجموعی منافع
41%	352	496	منافع قبل از ٹیکس
53%	232	356	منافع بعد از ٹیکس
53%	2.10	3.22	نی ٹیئر آمدنی (روپے)

* ری شیڈ

پورے پاکستان میں کاروباری اداروں نے طویل لاک ڈاؤن کی وجہ سے مشکلات کا سامنا کیا، جو COVID-19 کے پھیلاؤ کو روکنے کے لئے نافذ کیا گیا تھا۔ آپ کی کمپنی، صابن تیار کرتی ہے جو کہ ایک ضروری کاروبار ہونے کی وجہ سے، نہ صرف لاک ڈاؤن مدت میں اپنے آپریشنز کو جاری رکھا، بلکہ ان میں نمایاں اضافہ بھی کیا۔

چونکہ لاک ڈاؤن کی پابندیوں میں نرمی اور معاشی سرگرمیاں معمول پر آچکی ہیں، ہمارے دوسرے کاروباری شعبوں نے بھی اس سہ ماہی میں عمدہ کارکردگی کا مظاہرہ کیا ہے۔ اس کی عکاسی ہمارے مالی حسابات میں ہوتی ہے جہاں ہماری ٹاپ لائن میں 33 فیصد اور خالص منافع میں 53 فیصد اضافہ ہوا ہے۔ زیادہ فروخت کے علاوہ، کم شرح سود نے بھی زیریں خط کو بڑھانے میں اپنا کردار ادا کیا ہے۔

آگے بڑھتے ہوئے، انتظامیہ آئندہ سہ ماہیوں کے مالی اعداد و شمار کے بارے میں پُر امید ہے اور انشاء اللہ اس سے بھی بہتر نتائج حاصل کرنے کا ارادہ رکھتی ہے۔

بورڈ کی جانب سے، کمپنی اپنے تمام اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون کا شکریہ ادا کرتی ہے۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



خالد ممتاز قاضی

ڈائریکٹر

لاہور

23 اکتوبر 2020ء

NIMIR INDUSTRIAL CHEMICALS LIMITED
FINANCIAL STATEMENTS - SEPARATE
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (UN-AUDITED)

AS AT SEPTEMBER 30, 2020

		Unaudited September 30, 2020 Rs "000"	Audited June 30, 2020 Rs "000"
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	3,966,966	3,826,272
Intangibles		-	-
Investment in subsidiaries	6	202,384	202,384
Loan to subsidiary		14,512	14,512
Long term deposits		35,827	35,966
		4,219,689	4,079,134
CURRENT ASSETS			
Stores, spare parts and loose tools		283,144	280,618
Stock in trade		2,713,018	3,601,157
Trade debts		2,113,141	2,127,175
Loans and advances		190,210	66,387
Trade deposits and short term prepayments		28,671	4,130
Other receivables		22,584	21,596
Tax refunds due from the Government		599,967	566,674
Cash and bank balances		19,007	101,723
		5,969,742	6,769,460
TOTAL ASSETS		10,189,431	10,848,594
EQUITY AND LIABILITIES			
Authorized Share Capital 145,000,000 (30 June 2020: 145,000,000) Ordinary Shares of Rs. 10/- each		1,450,000	1,450,000
Issued, subscribed and paid up capital 110,590,546 (30 June 2020: 110,590,546) Ordinary Shares of Rs. 10/- each Unappropriated profit - revenue reserve		1,105,905 2,707,924 3,813,829	1,105,905 2,517,419 3,623,324
NON CURRENT LIABILITIES			
Long term loans	7	1,008,833	903,638
Lease liabilities		92,821	100,832
Deferred tax liability		372,541	376,091
		1,474,195	1,380,561
CURRENT LIABILITIES			
Trade and other payables		1,059,571	1,380,672
Contract liabilities		140,228	113,882
Net defined benefit liability-funded gratuity		106,246	97,246
Mark up accrued		53,369	77,583
Unclaimed dividend		9,563	13,404
Dividend payable		165,886	-
Short term borrowings		2,396,521	3,387,285
Current maturity of long term loans	7	312,150	257,401
Current maturity of lease liabilities		37,191	39,292
Provision for taxation		620,682	477,943
		4,901,407	5,844,709
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		10,189,431	10,848,594

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020 Rs "000"	September 30, 2019 Rs "000" (Restated)
Revenue from contracts with customers - net	9	5,050,950	3,779,491
Cost of sales	10	(4,317,214)	(3,207,870)
Gross profit		733,737	571,621
Distribution costs		(41,019)	(38,354)
Administrative expenses		(66,395)	(55,574)
Operating profit		626,323	477,693
Other expenses		(36,729)	(26,093)
Other income		1,922	3,834
Foreign exchange gain		3,280	17,505
Finance cost		(99,216)	(120,876)
Profit before taxation		495,579	352,063
Taxation:			
Current		(142,738)	(130,402)
Deferred		3,550	10,710
		(139,188)	(119,692)
Profit after taxation		356,391	232,371
Earnings per ordinary share - Basic and diluted Rs.		3.22	2.10

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	September 30, 2020 Rs "000"	September 30, 2019 Rs "000"
Profit after taxation	356,391	232,371
Other comprehensive income	-	-
Total comprehensive income for the period	<u>356,391</u>	<u>232,371</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Issued, Subscribed and paid up Capital	Unappropriated Profit	Total
	Rs "000"	Rs "000"	Rs "000"
Balance as on July 01, 2019	1,105,905	1,928,979	3,034,884
Final dividend for 2019 @ Rs. 1.5 per share	-	(165,885)	(165,885)
Total comprehensive income for the period (Jul 2019 to Sep 2019)	-	232,371	232,371
Balance as on September 30, 2019 (unaudited)	1,105,905	1,995,465	3,101,370
Total comprehensive income for the period (Oct 2019 to Jun 2020)	-	687,839	687,839
Interim dividend for 2020 @ Rs. 1.5 per share	-	(165,886)	(165,886)
Balance as on June 30, 2020 (audited)	1,105,905	2,517,419	3,623,324
Final dividend for 2020 @ Rs. 1.5 per share	-	(165,886)	(165,886)
Total comprehensive income for the period (Jul 2020 to Sep 2020)	-	356,391	356,391
Balance as on September 30, 2020 (unaudited)	1,105,905	2,707,924	3,813,829

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


 Chief Executive Officer


 Director


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	Rs "000"	Rs "000"
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	495,579	352,063
Adjustment for :		
Depreciation	103,614	89,783
Amortization	-	170
Gain on disposal of property, plant and equipment	-	(2,493)
Mark-up expense	97,709	119,919
Foreign exchange (gain)	(3,280)	(17,505)
Workers profit participation fund provision	24,515	18,908
Workers welfare fund provision	9,316	7,185
Provision for gratuity fund	9,000	6,000
	240,874	221,967
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	736,453	574,030
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,525)	(21,651)
Stock in trade	888,139	336,770
Trade debts	14,034	(110,285)
Loans and advances	(123,823)	(100,784)
Trade deposits and short term prepayments	(24,541)	(41,222)
Other receivables	(988)	3,152
Tax refunds due from the Government	(27,569)	(27,569)
Increase / (decrease) in current liabilities		
Trade and other payables	(351,652)	41,232
Contract liabilities	26,346	31,567
	397,420	111,210
CASH GENERATED FROM OPERATIONS	1,133,873	685,240
Contribution to gratuity fund	-	(2,000)
Markup paid	(121,923)	(114,448)
Tax paid	(5,725)	(115,365)
Long term deposits	139	(860)
	(127,509)	(232,673)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,006,364	452,568
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(7,735)	(598)
Additions in capital work in progress	(236,574)	(124,374)
Sale proceeds from disposal of property, plant and equipment	-	2,805
NET CASH USED IN INVESTING ACTIVITIES	(244,308)	(122,167)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans obtained	211,931	19,484
Long term loans repaid	(51,986)	(55,847)
New leases acquired during the period	-	3,183
Lease rental repaid	(10,112)	(5,473)
Dividend paid	(3,841)	(18)
Short term borrowings - net	(990,764)	(270,652)
NET CASH USED IN FINANCING ACTIVITIES	(844,772)	(309,323)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(82,716)	21,078
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	101,723	30,759
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19,007	51,837

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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.

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 comprises of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the Internal 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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim financial information does 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 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2020.

4 TAXATION

Provision for taxation is calculated on prevailing rates and these are subject to final adjustments in the annual audited financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

	<u>Period ended</u> September 30, 2020 (Un-audited) Rs "000"	<u>Year ended</u> June 30, 2020 (Audited) Rs "000"
Operating fixed assets	3,710,850	3,697,705
Capital work in progress*	256,116	128,567
	<u>3,966,966</u>	<u>3,826,272</u>

*This includes Rs.149.196 million (2019: Nil) paid to a supplier against import of plant and machinaries.

6 INVESTMENT IN SUBSIDIARIES

This represents 51% and 11.63% shares in Nimir Management (Private) Limited (NMPL) and Nimir Resins Limited (NRL) respectively. NMPL has majority shareholding of Nimir Resins Limited, a listed company engaged in the business of speciality chemicals. The investments have been made in accordance with the requirements under the Companies Act, 2017.

	Note	Unaudited	Audited
		September 30, 2020	June 30, 2020
		Rs "000"	Rs "000"
7 LONG TERM LOANS			
Term finance - Secured I		79,171	93,142
Term finance - Secured II		67,500	75,000
Term finance - Secured III		187,500	206,250
Term finance - Secured IV		164,706	176,471
Term finance - Secured V		252,665	252,665
Term finance - Secured VI		250,000	250,000
Term finance - Secured VII	7.1	155,735	92,999
Term finance - Secured VIII	7.2	149,195	-
Loan from directors / sponsors - unsecured		14,512	14,512
		<u>1,320,984</u>	<u>1,161,039</u>
Mark-up accrued		18,744	25,985
		<u>1,339,728</u>	<u>1,187,024</u>
Less:- Current maturity shown under current liabilities		(312,150)	(257,401)
Less:- Mark-up accrued shown under current liabilities		(18,744)	(25,985)
		<u>1,008,833</u>	<u>903,638</u>

7.1 This represents further loan from a financial institution for disbursement of salaries under State Bank of Pakistan Refinance Scheme. This facility is secured against first joint pari passu charge over fixed assets of the Company.

7.2 This represents loan from a financial institution repayable in 32 quarterly instalments. This facility is secured against first joint pari passu charge over fixed assets of the Company.

8 CONTINGENCIES AND COMMITMENTS

8.1 CONTINGENCIES

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2020.

8.2 COMMITMENTS

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

	Unaudited	Audited
	September 30, 2020	June 30, 2020
		Rupees
Letters of credit established for the import of raw materials, spare parts and machinery	1,368 million	1,382 million
Letter of guarantee given to SNGPL	96 million	96 million
Letter of guarantee given to PSO	50 million	50 million
Letter of guarantee given to TOTAL PARCO	5 million	5 million
	<u>September 30, 2020</u>	<u>September 30, 2019</u>
9 Revenue from contracts with customers - net	Rs "000"	Rs "000" (Restated)
Gross Sales	5,914,986	4,444,168
Less:		
Sales tax	(842,289)	(645,081)
Commission/Discount	(21,746)	(19,596)
	<u>(864,036)</u>	<u>(664,677)</u>
Net Sales	<u>5,050,950</u>	<u>3,779,491</u>

	September 30, 2020	September 30, 2019
	Rs "000"	Rs "000"
10 COST OF SALES		
Opening stock of finished goods	525,797	548,817
Cost of goods manufactured	4,163,133	3,489,439
	4,688,930	4,038,256
Closing stock of finished goods	(371,716)	(830,386)
Cost of goods sold	<u>4,317,214</u>	<u>3,207,870</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 are as follows.

<u>Name of Related Parties</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	September 30, 2020	September 30, 2019
			Rs "000"	Rs "000"
Nimir Resins Limited	Subsidiary Company	Sale of goods	51,691	43,973
		Purchase of goods	-	470
		Services provided	1,365	977
		Services acquired	1,057	732
		Expenses paid	270	131
Key Management Personnel		Remuneration	38,109	37,629
		Other Benefits	12,703	10,712

12 GENERAL

12.1 Following corresponding figures are re-arranged / reclassified in this financial information for better presentation.

<u>Nature</u>	<u>Classified from</u>	<u>Classified to</u>	<u>Amount</u> <u>Rs "000"</u>
Commission	Distribution cost	Revenue from contract with Customer	19,596

12.2 This interim condensed financial information was authorized for issue on October 23, 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 QUARTER ENDED SEPTEMBER 30, 2020

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	Note	Unaudited September 30, 2020 Rs "000"	Audited June 30, 2020 Rs "000"
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 145,000,000 (30 June 2020: 145,000,000) Ordinary shares of Rs.10 each		1,450,000	1,450,000
Issued, subscribed and paid up capital		1,105,905	1,105,905
Unappropriated profit - revenue reserve		2,972,339	2,767,319
Non-controlling interest		713,730	691,661
		4,791,974	4,564,885
NON CURRENT LIABILITIES			
Long term loans	7	1,222,750	1,017,222
Lease liabilities		92,821	100,832
Diminishing musharaka finance		1,172	1,653
Deferred tax liability		351,544	358,059
		1,668,287	1,477,766
CURRENT LIABILITIES			
Trade and other payables		1,355,190	1,945,460
Contract liabilities		140,228	128,634
Net defined benefit liability - funded gratuity		124,774	113,642
Mark up accrued		69,247	100,981
Unclaimed dividend		9,856	13,697
Dividend payable		165,886	-
Short term borrowings		3,589,922	4,452,222
Current maturity of long term loans	7	336,368	264,650
Current maturity of lease liabilities		37,191	39,292
Current maturity of diminishing musharaka finance		1,816	1,747
Provision for taxation		707,040	545,560
		6,537,518	7,605,885
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL EQUITY AND LIABILITIES		12,997,779	13,648,536
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	4,445,085	4,314,915
Intangibles		249	332
Long term deposits		50,468	48,824
		4,495,802	4,364,071
CURRENT ASSETS			
Stores, spare parts and loose tools		301,209	296,101
Stock in trade		3,868,313	4,869,286
Trade debts		3,069,947	2,924,575
Loans and advances		254,044	106,874
Trade deposits and short term prepayments		36,254	5,025
Other receivables		32,725	22,905
Tax refunds due from the Government		901,631	934,808
Cash and bank balances		37,854	124,891
		8,501,977	9,284,465
TOTAL ASSETS		12,997,779	13,648,536

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 - (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020 Rs "000"	September 30, 2019 Rs "000" (Restated)
Revenue from contracts with customers - net	9	6,235,696	4,845,012
Cost of sales	10	(5,382,352)	(4,145,325)
Gross profit		853,344	699,687
Distribution costs		(57,033)	(53,882)
Administrative expenses		(84,190)	(70,124)
Operating profit		712,121	575,681
Other expenses		(40,521)	(29,047)
Other income		3,920	7,780
Foreign exchange gain		3,280	17,505
Finance cost		(130,860)	(179,755)
Profit before taxation		547,940	392,164
Taxation		(154,965)	(135,422)
Profit after taxation		392,975	256,742
Attributable to:			
Equity holders of the parent		370,906	242,891
Non-controlling interest		22,069	13,851
		392,975	256,742
Earnings per share - basic and diluted		3.35	2.20

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 COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	Rs "000"	Rs "000"
Profit after taxation	392,975	256,742
Other comprehensive income	-	-
Total comprehensive income for the period	<u>392,975</u>	<u>256,742</u>
Attributable to:		
Equity holders of the parent	370,906	242,891
Non-controlling interest	22,069	13,851
	<u>392,975</u>	<u>256,742</u>

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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid up share capital	Unappropriated profit	Non-controlling interest	Total
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Balance as on 01 July 2019 (audited)	1,105,905	2,123,150	612,553	3,841,608
Final dividend for 2019 @ Rs. 1.5 per share	-	(165,886)	-	(165,886)
Total comprehensive income for the period (Jul 2019 to Sep 2019) - (Unaudited)	-	242,891	13,851	256,742
Balance as on 30 September 2019 (unaudited)	<u>1,105,905</u>	<u>2,200,155</u>	<u>626,404</u>	<u>3,932,464</u>
Balance as on 01 July 2020 (audited)	1,105,905	2,767,319	691,661	4,564,885
Final dividend for 2020 @ Rs. 1.5 per share	-	(165,886)	-	(165,886)
Total comprehensive income for the period (Jul 2020 to Sep 2020) - (Unaudited)	-	370,906	22069	392,975
Balance as on 30 September 2020 (unaudited)	<u><u>1,105,905</u></u>	<u><u>2,972,339</u></u>	<u><u>713,730</u></u>	<u><u>4,791,974</u></u>

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 CASH FLOW (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	Rs "000"	Rs "000"
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	547,940	392,164
Adjustment for:		
Depreciation	116,498	99,485
Amortization	83	252
Mark-up expense	128,208	178,798
Provision against doubtful debts	-	(2,088)
Interest on term deposit receipt	-	8,159
Provision for gratuity fund	11,160	(2,493)
Gain on disposal of property, plant and equipment	(1,854)	(17,200)
Exchange (gain) / loss - unrealized	(3,280)	20,799
Workers' profit participation fund provision	27,263	7,941
Workers' welfare fund provision	10,360	-
	288,438	293,653
Operating profit before working capital changes	836,378	685,817
(Increase) / Decrease in current assets		
Stores, spares parts and loose tools	(5,105)	(22,622)
Stock in trade	1,000,972	180,710
Trade debts	(150,719)	20,459
Loans and advances	(147,170)	(157,657)
Trade deposits and short term prepayments	(31,229)	(47,115)
Other receivables	(9,820)	14,415
Tax refunds due from the Government	929	(20,376)
	657,858	(32,186)
Increase / (decrease) in current liabilities		
Trade and other payables	(617,412)	94,906
Contract liabilities	11,594	22,726
	52,040	85,446
Cash generated from operations	888,418	771,263
Contribution to gratuity fund	(28)	(2,000)
Mark-up paid	(159,942)	(161,050)
Tax paid	32,246	(124,686)
Long term deposits	(1,645)	(2,035)
	(129,369)	(289,771)
Net cash generated from / (used in) operating activities	759,049	481,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(8,078)	(2,170)
Additions in capital work in progress - net	(238,589)	(130,496)
Sale proceeds from disposal of property, plant and equipment	-	2,805
Interest received	-	2,088
	(246,667)	(127,773)
NET CASH USED IN INVESTING ACTIVITIES	(246,667)	(127,773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	329,403	19,484
Long term loan repaid	(52,156)	(56,017)
Dividend paid	(3,841)	(18)
Repayment of liabilities against assets subject to finance lease	(10,112)	(5,473)
Repayment of liabilities against diminishing musharaka finance	(412)	(770)
New leases acquired	-	3,183
Short term borrowings - net	(862,301)	(307,806)
	(599,419)	(347,417)
NET CASH USED IN FINANCING ACTIVITIES	(599,419)	(347,417)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,037)	6,302
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	124,891	124,891
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37,854	131,193

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1 THE GROUP AND ITS OPERATIONS

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 the Nimir Group is as follows:

Holding of NICL in NMPL	51%
Holding of NMPL in NRL	51%
Holding of NICL in NRL	11.63%
Effective shareholding 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.

Nimir Management (Private) Limited (NMPL) were incorporated in Pakistan as private limited companies on 4 December 2015 respectively for the purpose of investment in Nimir Resins Limited. The registered office of NMPL is Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

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, 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.

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 comprises of:

- International Accounting Standards (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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim consolidated financial statement does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated 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 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 of Rupee, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The accounting estimates and associated assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 30 June 2020.

4 TAXATION

Provision for taxation is estimated and are subject to final adjustments in the annual audited financial statements.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the preceding annual published consolidated financial statements of the Group for the year ended 30 June 2020.

6 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) Quarter ended September 30, 2020 Rs "000"	(Audited) Year ended June 30, 2020 Rs "000"
Operating fixed assets	4,143,291	4,474,961
Capital work in progress*	301,794	44,221
	<u>4,445,085</u>	<u>4,519,182</u>

*This includes Rs.149.196 million (2019: Nil) paid to a supplier against import of plant and machinaries by parent company..

7 LONG TERM LOANS

	Notes	(Unaudited) September 30, 2020 Rs "000"	(Audited) June 30, 2020 Rs "000"
Term finance - Secured I		79,171	93,142
Term finance - Secured II		67,500	75,000
Term finance - Secured III		187,500	206,250
Term finance - Secured IV		164,706	176,471
Term finance - Secured V		1,933	2,103
Term finance - Secured VI		252,665	252,665
Term finance - Secured VII		250,000	250,000
Term finance - Secured VIII	7.1	155,735	92,999
Term finance - Secured IX	7.2	43,714	26,242
Term finance - Secured X	7.3	149,195	-
Term finance - Secured XI	7.4	100,000	-
Loan from directors / sponsors		107,000	107,000
		<u>1,559,119</u>	<u>1,281,872</u>
Mark up accrued		19,347	25,965
		<u>1,578,466</u>	<u>1,307,837</u>
Less: Current maturity shown under current liabilities		(336,368)	(264,650)
Less: Markup accrued shown under current liabilities		(19,347)	(25,965)
		<u>1,222,751</u>	<u>1,017,222</u>

- 7.1 This represents further loan from a financial institution for disbursement of salaries under State Bank of Pakistan Refinance Scheme. This facility is secured against first joint pari passu charge over fixed assets of the Holding company.
- 7.2 This represents further loan from a financial institution for disbursement of salaries under State Bank of Pakistan Refinance Scheme. This facility is secured against first joint pari passu charge over fixed assets of the subsidiary company.
- 7.3 This represents loan obtained by Holding Company from a financial institution repayable in 32 quarterly instalments. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.
- 7.4 The subsidiary company has obtained demand finance loan from financial institution. This loan is repayable in 14 equal quarterly instalments. This facility is secured against charge over fixed assets of the subsidiary company.

8 CONTINGENCIES AND COMMITMENTS

8.1 CONTINGENCIES

Holding Company/Subsidiary Company

There is no material change in the status of contingencies as reported in annual financial statements of the Company for the year ended June 30, 2020.

8.2 COMMITMENTS

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

	(Unaudited) September 30, 2020	(Audited) June 30, 2020
	Rupees	Rupees
Letters of credit established for the import of raw materials, spare parts and machinery	1,850 million	1,744 million
Letter of guarantee given to SNGPL	99 million	99 million
Letter of guarantee given to PSO	53 million	53 million
Letter of guarantee given to Total PARCO	12 million	12 million

9 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	(Unaudited) September 30, 2020	(Unaudited) September 30, 2019
	Rs "000"	Rs "000" (Restated)
Gross revenue	7,321,079	5,706,005
Less:- Sales Tax	(1,063,637)	(841,397)
Discounts	(21,746)	(19,596)
	(1,085,383)	(860,993)
Net revenue	<u>6,235,696</u>	<u>4,845,012</u>

10 COST OF SALES

Opening stock of finished goods	837,273	752,570
Cost of goods manufactured	5,183,063	4,473,296
	6,020,336	5,225,866
Closing stock of finished goods	(637,984)	(1,080,541)
	<u>5,382,352</u>	<u>4,145,325</u>

**11 OPERATING SEGMENT INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	-----Rupees '000'-----									
Revenue from contracts with customers - net	5,050,950	3,779,491	1,236,437	1,109,964	-	-	(51,691)	(44,443)	6,235,696	4,845,012
Cost of sales	(4,317,214)	(3,207,870)	(1,118,242)	(982,835)	-	-	53,104	45,380	(5,382,352)	(4,145,325)
Gross profit	733,736	571,621	118,195	127,129	-	-	1,413	937	853,344	699,687
Distribution cost	(41,019)	(38,354)	(16,014)	(15,528)	-	-	-	-	(57,033)	(53,882)
Administrative expenses	(66,395)	(55,574)	(18,034)	(14,626)	-	(114)	239	190	(84,190)	(70,124)
Operating profit	626,322	477,693	84,147	96,975	-	(114)	1,652	1,127	712,121	575,681
Other expenses	(36,729)	(26,093)	(3,792)	(2,954)	-	-	-	-	(40,521)	(29,047)
Other income	1,922	3,834	2,455	2,228	-	2,088	(457)	(370)	3,920	7,780
Foreign exchange gain	3,280	17,505	-	-	-	-	-	-	3,280	17,505
Finance cost	(99,216)	(120,876)	(31,644)	(58,879)	-	-	-	-	(130,860)	(179,755)
Profit before taxation	495,579	352,063	51,166	37,370	-	1,974	1,195	757	547,940	392,164
Taxation	(139,188)	(119,692)	(15,777)	(15,158)	-	(572)	-	-	(154,965)	(135,422)
Profit after taxation	356,391	232,371	35,389	22,212	-	1,402	1,195	757	392,975	256,742
	30	30	30	30	30	30	30	30	30	30
	September	June	September	June	September	June	September	June	September	June
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
Segment assets	10,189,431	10,848,594	3,546,805	3,529,191	293,332	293,332	(1,031,789)	(1,022,579)	12,997,779	13,648,538
Segment liabilities	6,375,602	7,225,270	1,799,294	1,817,069	78,736	78,735	(47,828)	(37,422)	8,205,805	9,083,652

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

12 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise related group companies, directors and key management personnel. Transactions with related parties are as follows.

<u>Relationship</u>	<u>Nature of transaction</u>	(Unaudited) September 30, 2020 Rs "000"	(Unaudited) September 30, 2019 Rs "000"
Staff retirement benefits	Company's contribution to gratuity fund.	-	2,000
Key Management Personal Remuneration		46,395	45,975
Other Benefits		15,443	13,025

13 GENERAL

13.1 Following corresponding figures are re-arranged / reclassified in this financial information for better presentation.

<u>Nature</u>	<u>Classified from</u>	<u>Classified to</u>	Amount Rs "000"
Commission	Distribution cost	Revenue from contract with Customer	19,596

13.2 This consolidated condensed interim financial information was authorized for issue by the Board of Directors of the Group on October 23, 2020.



Chief Executive Officer



Director



Chief Financial Officer

QUARTERLY REPORT

2020

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