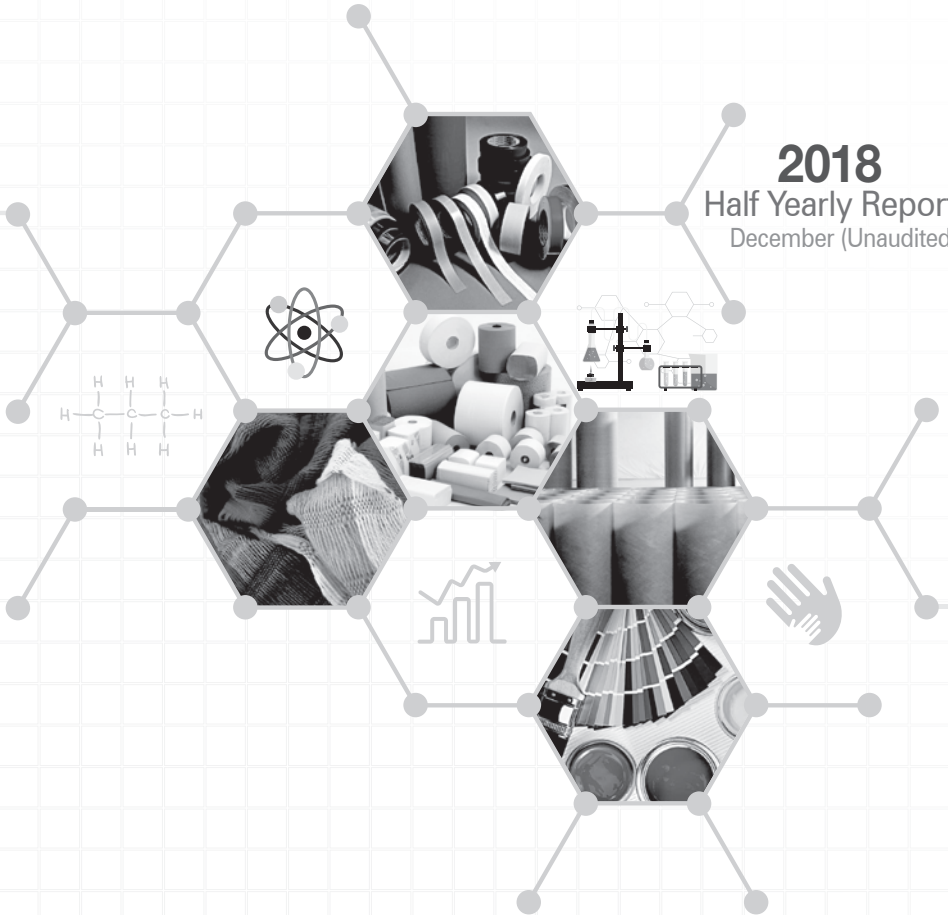


2018
Half Yearly Report
December (Unaudited)



COMPANY INFORMATION

Board of Directors

Sheikh. Amar Hameed - Chairman
Mr. Zafar Mahmood - Chief Executive Officer
Mr. Muhammad Yahya Khan
Mr. Abdul Jalil Jamil
Mr. Osman Hameed
Mr. Tahir Jahangir
Mr. Pervaiz Ahmad Khan

Executive Management

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

Chief Financial Officer

Syed Sajid Nasim

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Nabeel Ahmad Khan

Auditors

Horwath Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Mr. Pervaiz Ahmad Khan - Chairman
Mr. Abdul Jalil Jamil - Member
Mr. Osman Hameed - Member

Human Resources &

Remuneration Committee

Mr. Pervaiz Ahmad Khan - Chairman
Sheikh. Amar Hameed - Member
Mr. Abdul Jalil Jamil - Member
Mr. Zafar Mahmood - Member

Bankers

The Bank of Punjab
Soneri Bank Limited
Habib Bank Limited
MCB Bank Limited
Al Baraka Bank (Pakistan) Limited
Pak Brunei Investment Company Limited
Meezan Bank Limited
JS Bank Limited
Habib Metropolitan Bank Limited

Legal Advisors

M/s Hassan & Hassan
Advocates

Share Registrar

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

Registered Office / Plant - 1

14.5 Km, Lahore-Sheikhupura Road,
Lahore, Pakistan.
Tel : +92 42 37971512-14
Fax: +92 42 37970229

Plant – 2

14.8 Km, Sheikhupura-Faisalabad Road,
Bhikhi, Dist. Sheikhupura. Pakistan.
Tel : +92 56 3883001 – 7
Fax: +92 56 3883010

Lahore Office

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

Web Site

www.nimir.com.pk

DIRECTORS' REPORT

The directors are pleased to present their review report together with unaudited financial statements of the Company for the half year ended December 31, 2018.

The management continued its focus on top line growth and manage to record 41% increase in sales revenue during the first half of the current financial year. All business segments contributed towards the growth of the business.

Despite many challenges, the Company has been successful in maintaining the gross profit at approximately 8% to sales. The overall gross profit increased to Rs. 175 million during the current period against Rs. 122 million achieved in the same period last year. Similarly, the Company's operating performance also remained encouraging where the Company managed to increase the operating profit from Rs. 82 million in last year to Rs. 120 million in the current year; almost 50% up.

The new Government is trying to take measures to stabilise the economy, but fiscal deficit is yet to show signs of consolidation despite slash in development spending. With expected current account deficit of \$13-14 billion for the current fiscal year, the Rupee is expected to remain under pressure. In view of this, the State Bank of Pakistan has further increased the interest rate by 25 bps in its recent monetary policy. Even with these challenges, the management is confident to do its best to improve the financial results in the remaining half of the year, Insha Allah.

We are grateful to all our stakeholders for their continued support.

Lahore
February 11, 2019



Muhammad Yahya Khan
Director

For and on the behalf of the Board



Zafar Mahmood
Chief Executive Officer

ڈائریکٹر رپورٹ

ڈائریکٹر 31 دسمبر 2018ء کو تم ہونے والی ششماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالی حسابات کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

انتظامیہ نے ٹاپ لائن نمو پر اپنی توجہ جاری رکھی اور حالیہ مالی سال کی پہلی ششماہی کے دوران فروخت کی آمدنی میں %41 اضافہ درج کرنے میں کامیاب رہی۔ تمام کاروباری شعبوں نے کاروبار کی ترقی میں حصہ شامل کیا ہے۔

بہت سی مشکلات کے باوجود، کمپنی فروخت تک تقریباً %8 پر مجموعی منافع برقرار رکھنے میں کامیاب رہی ہے۔ گزشتہ سال کی اسی مدت میں حاصل کردہ 122 ملین روپے کے مقابلے موجودہ مدت کے دوران مجموعی منافع 175 ملین روپے تک زیادہ ہوا۔ اسی طرح، کمپنی کی آپریٹنگ کارکردگی بھی حوصلہ افزا رہی جہاں کمپنی نے گزشتہ سال میں 82 ملین روپے سے موجودہ سال میں 120 ملین روپے تک آپریٹنگ منافع زیادہ کا انتظام کیا، جو کہ تقریباً %150 اضافہ ہے۔

نئی حکومت معیشت کو مستحکم کرنے کے اقدامات کرنے کی کوشش کر رہی ہے، لیکن مالی خسارہ اب بھی ترقیاتی اخراجات میں سلپش کے باوجود مضبوطی کے نشانات ظاہر کرتا ہے۔ موجودہ مالی سال کے لئے 13-14 بلین ڈالر متوقع کرنٹ اکاؤنٹ خسارے کے ساتھ، روپے کی قدر داؤ کے تحت رہنے کی توقع ہے۔ اس نقطہ نظر میں، اسٹیٹ بینک نے اپنی موجودہ مانیٹری پالیسی میں سود کی شرح 25 پی بی ایس تک مزید اضافہ کیا ہے۔ ان مشکلات کے ساتھ بھی، کمپنی کی انتظامیہ رواں مالی سال کے باقی عرصہ میں انشاء اللہ مالیاتی نتائج کو بہتر بنانے کے لئے اپنی پوری کوشش کرے گی۔

ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون کے شکرگزار ہیں۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



محمد علی خان

ڈائریکٹر

لاہور

11 فروری 2019ء

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of NIMIR RESINS LIMITED ("the Company") as at December 31, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and the notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

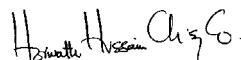
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

Lahore
January 11, 2019



Horwath Hussain Chaudary & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018 (UNAUDITED)

	Note	December 31, 2018 Unaudited Rs '000'	June 30, 2018 Audited Rs '000'
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
300,000,000 (June 30, 2018: 300,000,000) Ordinary shares of Rs. 5 each		1,500,000	1,500,000
Issued, subscribed and paid up share capital		1,413,211	1,413,211
Share deposit money		11,391	11,391
Sponsors' interest free loans		107,000	107,000
Reserves		(556,773)	(605,396)
Revaluation surplus on property, plant and equipment		84,472	84,744
		1,059,301	1,010,950
Non Current Liabilities			
Long term financing	5	2,445	-
Diminishing musharaka finance	6	4,057	4,828
Retirement benefit liability		11,155	7,618
Deferred tax liability		-	7,615
		17,657	20,061
Current Liabilities			
Trade and other payables		274,424	476,856
Unclaimed dividends		293	293
Accrued mark up		34,984	14,224
Short term borrowings	7	1,538,729	1,212,177
Current portion of long term financing	5	682	-
Current portion of diminishing musharaka arrangements	6	1,509	1,446
Provision for taxation		25,888	42,421
		1,876,509	1,747,417
Contingencies and Commitments			
	8	-	-
Total Equity and Liabilities		2,953,467	2,778,428
ASSETS			
Non Current Assets			
Property, plant and equipment	9	495,947	506,365
Intangible assets		829	995
Long term deposits		10,740	10,740
Deferred tax asset		13,377	-
		520,893	518,100
Current Assets			
Stores and spares		15,850	13,684
Stock in trade		1,066,657	984,001
Trade debts		760,769	769,511
Loans and advances		69,387	69,880
Trade deposits and short term prepayments		3,637	3,590
Other receivables		26,971	1,109
Tax refunds due from government		476,825	379,383
Cash and bank balances		12,478	39,170
		2,432,574	2,260,328
Total Assets		2,953,467	2,778,428

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018 (UNAUDITED)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2018 Rs '000'	December 31, 2017 Rs '000'	December 31, 2018 Rs '000'	December 31, 2017 Rs '000'
Sales		2,151,181	1,530,241	1,163,713	813,589
Cost of sales	10	(1,975,730)	(1,408,418)	(1,064,589)	(752,202)
Gross Profit		175,451	121,823	99,124	61,387
Operating expenses:					
Distribution costs		(34,449)	(18,952)	(20,200)	(9,295)
Administrative expenses		(20,402)	(21,013)	(10,867)	(11,492)
		(54,851)	(39,965)	(31,067)	(20,787)
Operating Profit		120,600	81,858	68,057	40,600
Other operating charges		(33,963)	(51,293)	(31,266)	(47,816)
Finance cost		(75,721)	(34,468)	(40,389)	(17,804)
Other income		4,167	4,297	2,631	3,869
		(105,517)	(81,464)	(69,024)	(61,751)
Profit / (Loss) before Taxation		15,083	394	(967)	(21,151)
Taxation	11				
Current		12,276	25,042	24,635	33,974
Deferred		20,992	15,608	14,289	13,461
		33,268	40,650	38,924	47,435
Net profit for the Period		48,351	41,044	37,957	26,284
Earnings per Share - Basic and Diluted		0.17	0.15	0.13	0.09

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018 (UNAUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2018 Rs '000'	December 31, 2017 Rs '000'	December 31, 2018 Rs '000'	December 31, 2017 Rs '000'
Net Profit for the Period	48,351	41,044	37,957	26,284
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
Items that may be re-classified subsequently to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	<u>48,351</u>	<u>41,044</u>	<u>37,957</u>	<u>26,284</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)

	Share Capital	Share Deposit Money	Sponsors Interest Free Loans	Reserves		Revaluation Surplus on Property, Plant and Equipment	Total
	Rs. '000'	Rs. '000'	Rs. '000'	Share Premium	Revaluation Reserve		
Balance as at June 30, 2017 as previously reported	1,382,789	11,391	107,000	1,281	1,417	(679,247)	824,631
Impact of restatement	-	-	-	-	(1,417)	1,417	85,131
Balance as at June 30, 2017 as restated	1,382,789	11,391	107,000	1,281	-	(677,830)	909,762
Total comprehensive income for the half year ended December 31, 2017	-	-	-	-	-	41,044	41,044
Issuance of bonus shares @ 2.2% of ordinary shares	30,422	-	-	-	-	(30,422)	-
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	191	(191)
Balance as at December 31, 2017 as restated	1,413,211	11,391	107,000	1,281	-	(667,017)	950,806
Balance as at December 31, 2017 as previously reported	1,413,211	11,391	107,000	1,281	1,608	(668,625)	865,866
Impact of restatement	-	-	-	-	(1,608)	1,608	84,940
Balance as at December 31, 2017 as restated	1,413,211	11,391	107,000	1,281	-	(667,017)	950,806
Balance as at June 30, 2018	1,413,211	11,391	107,000	1,281	-	(606,677)	1,010,950
Total comprehensive income for the half year ended December 31, 2018	-	-	-	-	-	48,351	48,351
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	272	(272)
Balance as at December 31, 2018	1,413,211	11,391	107,000	1,281	-	(558,054)	1,059,301

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

	Half Year Ended	
	December 31, 2018	December 31, 2017
	Rs '000'	Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,083	394
Adjustments:		
Depreciation	18,902	16,901
Amortization of intangible asset	166	166
Provision for gratuity	3,537	2,791
Provision for obsolescence of stock	10,036	11,030
Provision for doubtful debts	7,717	36,243
Workers' (profit) participation fund	822	-
Workers' welfare fund	537	-
Exchange loss - net	14,851	3,302
Finance cost	74,631	34,468
	131,199	104,901
Operating profit before working capital changes	146,282	105,295
(Increase) / decrease in current assets:		
Stores and spares	(2,166)	(503)
Stock in trade	(92,691)	52,925
Trade debts	1,025	(51,883)
Loans and advances	492	(20,034)
Trade deposits and short term prepayments	(46)	(2,260)
Other receivables	(25,862)	309
Sales tax refundable - Net	(76,021)	-
(Decrease) / increase in current liabilities:		
Trade and other payables	(210,938)	37,577
	(406,207)	16,131
Cash (Used in) / Generated from Operations	(259,925)	121,426
Finance cost paid	(53,615)	(33,120)
Income tax paid	(25,680)	(39,272)
Workers' welfare fund	(3,081)	-
Workers' (profit) participation fund	(4,620)	(5,000)
Gratuity paid	-	(223)
Net Cash (Used in) / Generated from Operating Activities	(346,921)	43,811
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(4,132)	(1,542)
Capital work in progress - property, plant and equipment	(4,352)	(17,542)
Net Cash Used in Investing Activities	(8,484)	(19,084)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing obtained	3,411	-
Long term financing repaid	(284)	-
Payments against diminishing musharaka finance	(965)	(887)
Short term borrowings - net	326,551	56,437
Net Cash Generated from Financing Activities	328,713	55,550
Net (Decrease) / Increase in Cash and Cash Equivalents	(26,692)	80,277
Cash and cash equivalents at the beginning of the period	39,170	16,136
Cash and Cash Equivalents at the End of the Period	12,478	96,413

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

1 The Company and its Operations

- 1.1** Nimir Resins Limited (the Company) was initially incorporated in Pakistan on December 17, 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on August 19, 1991 with the name of Nimir Resins Limited. The name of the Company was changed to Descon Chemicals Limited on April 01, 2010 when the Company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Subsequent to a change of management, the Board of Directors was reconstituted on January 05, 2016 and the name of the Company was changed to Nimir Resins Limited. The change was made effective on April 18, 2016.
- 1.2** The Company is a subsidiary of Nimir Management (Private) Limited whereas Nimir Industrial Chemicals Limited is the ultimate parent company of Nimir Resins Limited.
- 1.3** The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its registered office is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore. The principal activity of the Company is to manufacture surface coating resins, polyesters for paint industry, optical brightener and textile auxiliaries for textile industry.

Corporate office of the Company is located at 14.5 KM, Lahore-Sheikhupura Road, Lahore, while the production plants of the Company are located at 14.5 KM, Lahore-Sheikhupura Road, Lahore and 14.8 KM, Sheikhupura Faisalabad Road, Sheikhupura.

2 Basis of Preparation

- 2.1** These condensed interim financial statements has 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 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** These condensed interim financial statements are unaudited and have been subjected to limited scope review by the auditors as required by Section 237 of the Companies Act, 2017. The figures for the quarters ended on December 31, 2017 and 2018 presented in the condensed financial statements have not been reviewed by the external auditors.
- 2.3** These condensed interim financial statements are presented in Pak rupees, which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise. These condensed financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

3 Significant Accounting Policies

The accounting policies and methods of presentation of these condensed interim financial statements are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2018.

4 Accounting Estimates and Judgment

The accounting estimates and associated assumptions used in the preparation of these interim financial statements are consistent with those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2018.

5 Long Term Financing

		December 31, 2018	June 30, 2018
	Note	(Un-audited) Rs '000'	(Audited) Rs '000'
Long term loan	5.1	3,127	-
Less: Current portion		(682)	-
		<u>2,445</u>	<u>-</u>

- 5.1 During the period, the Company has obtained a loan of Rs. 3.411 million from Soneri Bank Limited for the purchase of a vehicle. This loan is repayable in 60 equal monthly instalment starting from August 01, 2018. Markup is charged at the rate of three months KIBOR plus 1.5% payable monthly in arrear. The loan is secured through joint ownership of vehicle with Bank's name till repayment of the loan.

6 Diminishing Musharika Arrangements

		December 31, 2018	June 30, 2018
	Note	(Un-audited) Rs '000'	(Audited) Rs '000'
Diminishing musharika facility	6.1	5,566	6,274
Less: Current portion		(1,509)	(1,446)
		<u>4,057</u>	<u>4,828</u>

- 6.1 The Company acquired vehicles under the diminishing musharaka financing arrangements entered with First Punjab Modaraba, for a period of 60 months. The financing is secured against specific charge on this asset to the extent of diminishing musharaka value. The effective rate of rent per unit is three months KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (2018: 8.55% - 8.66% per annum).

7 Short Term Borrowings

	December 31, 2018	June 30, 2018
	(Un-audited) Rs '000'	(Audited) Rs '000'
Banking companies - Secured		
Running finance	521,664	565,873
Borrowings / FATRs	1,017,065	646,304
	<u>1,538,729</u>	<u>1,212,177</u>

7.1 Terms and conditions of borrowings

The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period ended is Rs. 2,915 million (June 30, 2018: Rs. 2,415 million) which includes running finance facilities amounting to Rs. 800 million (June 30, 2018: 700 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 175 bps with no floor and no cap (June 30, 2018: 1 month KIBOR to 6 month KIBOR + 0 to 175 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

The above balance represents utilized portion of funded facilities, whereas the Company has also utilized Rs. 504 million (2018: Rs. 804 million) from its unfunded facilities.

8 Contingencies and Commitments

8.1 Contingencies

There is no material change in the status of contingencies as reported in financial statements of the Company for the year ended June 30, 2018.

	December 31, 2018	June 30, 2018
	(Un-audited) Rs '000'	(Audited) Rs '000'
8.2 Guarantees		
Sui Northern Gas Pipelines Limited	3,090	3,090
Pakistan State Oil Company Limited	3,000	3,000
Total Parco Pakistan Limited	7,000	5,000
	<u>13,090</u>	<u>11,090</u>
8.3 Commitments		
Letters of credit	<u>491,363</u>	<u>511,919</u>

9 Property, Plant and Equipment

		December 31, 2018	June 30, 2018
	Note	(Un-audited) Rs '000'	(Audited) Rs '000'
Operating fixed assets	9.1	491,065	498,025
Capital work in progress	9.2	4,882	8,340
		<u>495,947</u>	<u>506,365</u>
9.1 Operating fixed assets			
Opening written down value		498,025	495,330
Additions during the period / year		11,942	37,980
Disposals during the period / year		-	-
		<u>509,967</u>	<u>533,310</u>
Depreciation charge for the period / year		(18,902)	(35,285)
		<u>491,065</u>	<u>498,025</u>
9.2 Capital Work in Progress			
Opening balance		8,340	17,149
Additions during the period / year		4,352	16,840
		<u>12,692</u>	<u>33,989</u>
Transferred to property, plant and equipment		(7,810)	(25,649)
		<u>4,882</u>	<u>8,340</u>
		<u>495,947</u>	<u>506,365</u>

10 Cost of Sales

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Un-audited) Rs '000'	(Un-audited) Rs '000'	(Un-audited) Rs '000'	(Un-audited) Rs '000'
Opening stock of finished goods	180,120	185,674	181,069	133,648
Cost of goods manufactured	2,023,143	1,376,099	1,111,053	771,909
	<u>2,203,263</u>	<u>1,561,773</u>	<u>1,292,122</u>	<u>905,557</u>
Closing stock of finished goods	(227,533)	(153,355)	(227,533)	(153,355)
Cost of goods sold	<u>1,975,730</u>	<u>1,408,418</u>	<u>1,064,589</u>	<u>752,202</u>

11 Taxation

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Un-audited) Rs '000'	(Un-audited) Rs '000'	(Un-audited) Rs '000'	(Un-audited) Rs '000'
Current tax:				
- Current period	25,888	15,302	13,529	6,370
- Tax credit related to prior years	(38,164)	(40,344)	(38,164)	(40,344)
	<u>(12,276)</u>	<u>(25,042)</u>	<u>(24,635)</u>	<u>(33,974)</u>
Deferred tax	(20,992)	(15,608)	(14,289)	(13,461)
	<u>(33,268)</u>	<u>(40,650)</u>	<u>(38,924)</u>	<u>(47,435)</u>

12 Transactions with Related Parties

Related parties comprise related group companies, associated companies, staff retirement funds, directors and executives. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Related parties	Relationship	Nature of Transaction	Note	Half Year Ended	
				December 31, 2018	December 31, 2017
				(Un audited) Rs '000'	(Un audited) Rs '000' (Restated)
Nimir Industrial Chemicals Limited	Ultimate parent Company	Purchase of goods		60,621	46,449
		Services provided and rental income charge		1,464	1,365
		Services received, rent and reimbursement of expenses		1,953	1,842
		Other expenses reimbursed		1,428	33
Nimir Management (Private) Limited	Holding company	Bonus issued		-	15,515
Nimir Holding (Private) Limited	Associate	Bonus issued		-	3,539
Terranova Limited	Associate	Bonus issued		-	1,388
Directors	Director	Bonus issued		-	2,017
Contribution to staff retirement benefits					
		Gratuity fund charge		3,537	2,791
Key Management Personnel					
		Remuneration	12.1	15,346	17,184
		Other benefit	12.1	4,307	1,922

12.1 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. Comparative figures of remuneration and other benefits of key management personnel have been restated to reflect changes in the definition of executive as per the Companies Act, 2017 (previously basic salary limit for executive was Rs. 0.5 million)

12.2 Sale and purchase transactions have been carried out on commercial terms and conditions as per the Company's Policy.

13 Segment Reporting

13.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into the following three operating segments:

- Coating , Emulsion and polyester
- Textile and Paper
- Others

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

13.2 Segment analysis

The segment information for the reportable segments for the period ended December 31, 2018 is as follows:

	Coating, Emulsion & Polyester	Textile and Paper	Others	Total
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
Segment Results for the half year ended December 31, 2018				
Revenue	1,258,401	602,180	290,600	2,151,181
Segment results	50,752	59,928	9,920	120,600
Other operating expenses				(33,963)
Finance cost				(75,721)
Other income				4,167
Profit before taxation				15,083

Segment Results for the half year ended December 31, 2017

Revenue	930,431	390,416	209,394	1,530,241
Segment results December 31, 2017	34,906	39,608	7,344	81,858
Other operating expenses				(51,293)
Finance cost				(34,468)
Other income				4,297
Profit before taxation				394

Segment asset and liabilities as at December 31, 2018

Segment assets	1,053,476	635,697	294,054	1,983,227
Segment liabilities	195,184	68,598	45,175	308,957

Segment asset and liabilities as at June 30, 2018

Segment assets	1,057,184	549,692	329,846	1,936,722
Segment liabilities	297,832	119,428	74,113	491,373

Reportable segments' assets are reconciled to total assets as follows:

	December 31, 2018 (Un-audited) Rs '000'	June 30, 2018 (Audited) Rs '000'
Segment assets for reportable segments	1,983,227	1,936,722
Corporate assets unallocated	341,897	337,835
Cash and bank balances	12,478	39,170
Others	615,865	464,701
Total assets as per the reporting date	2,953,467	2,778,428

Reportable segments' liabilities are reconciled to total liabilities as follows:

	December 31, 2018	June 30, 2018
	(Un-audited) Rs '000'	(Audited) Rs '000'
Segment liabilities for reportable segments	308,957	491,373
Corporate liabilities unallocated	1,573,022	1,233,685
Other payables	104,690	118,391
Taxation - net	25,888	42,421
Total liabilities as per the reporting date	<u>2,012,557</u>	<u>1,885,870</u>

13.3 Entity-wide disclosures regarding reportable segment are as follows:

- Information about major customers

One customer of the Company accounts for 13.80% (2017: 11.98%) of total sales for the period. Revenue from such customer was Rs. 296.761 million (2017: Rs. 183.283 million).

- Information about geographical area

- All non-current assets of the Company are located in Pakistan as at the reporting date.

- Revenue from external customers attributed to foreign countries in aggregate is not material.

14 Authorization of Financial Statements

These condensed interim financial statements (un-audited) are approved and authorized for issuance on Monday, February 11, 2019 by the Board of Directors of the Company.

15 General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim financial statements (un-audited), except that the surplus on revaluation of property, plant and equipment has been included in the equity and comparative information for the six months period ended December 31, 2017 has been restated in statement of changes in equity. The basis of such restatement has been explained in Note 5 of annual financial statements for the year ended June 30, 2018.



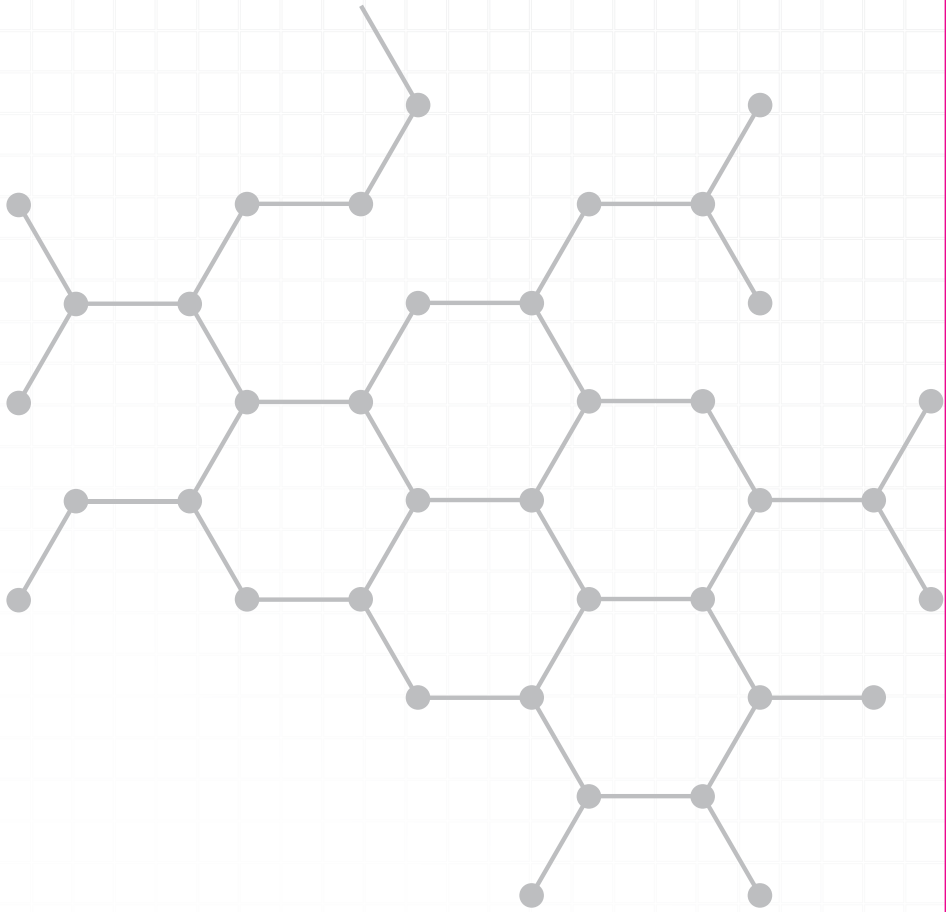
CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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