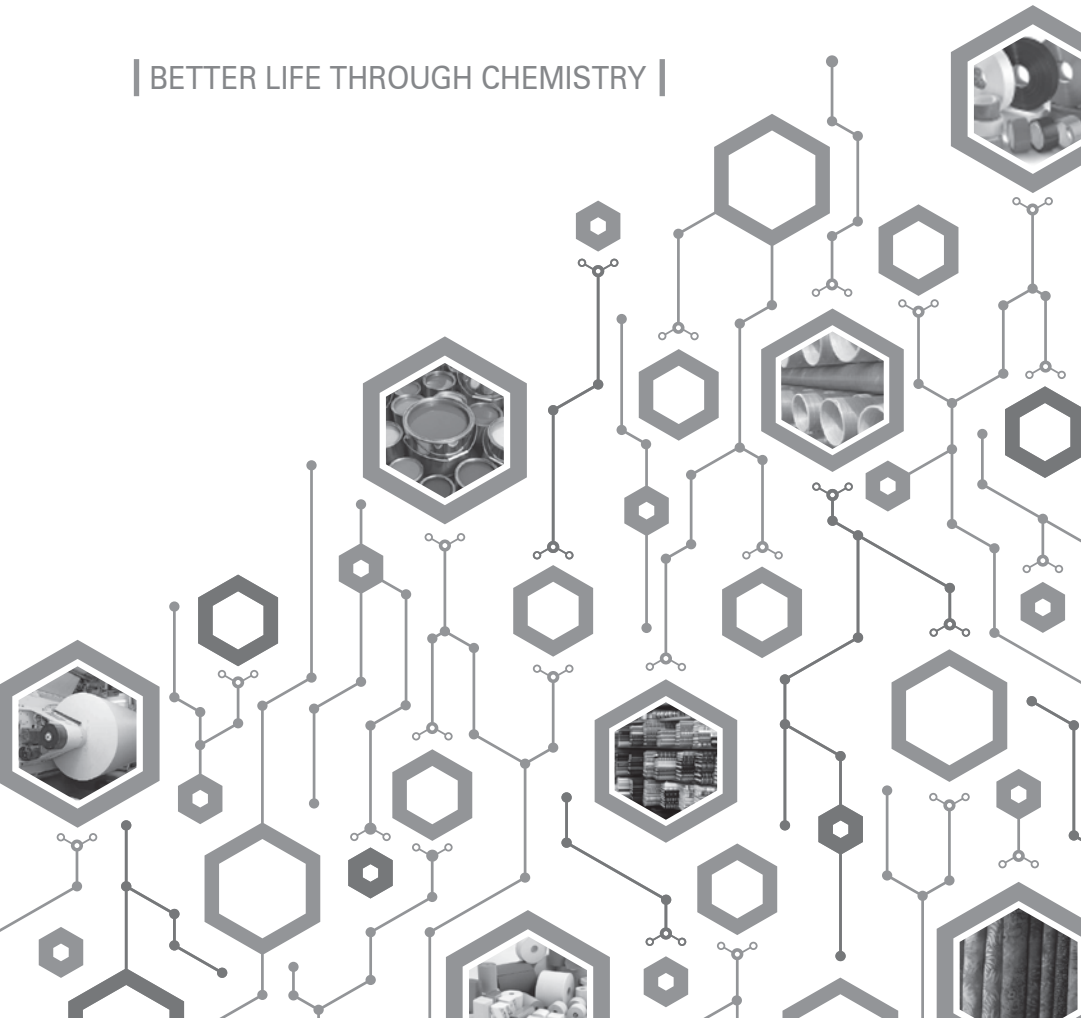


Quarterly Report

2019

September (Unaudited)

| BETTER LIFE THROUGH CHEMISTRY |



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

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

Legal Advisors

M/s Hassan & Hassan
Advocates

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

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

Karachi Office

Office No. 05, 18th Floor,
Muhammadi Trade Tower,
Opposite Haji Adam Chamber, New Chali Karachi.
Tel: +92 21 32626905, Cell: +92 322 2456905

Web Site

www.nimir.com.pk

DIRECTORS' REPORT

The directors are pleased to present their review report together with the un-audited financial statements of the Company for the first quarter ended September 30, 2019.

An analysis of the financial results for the first quarter ended September 30, 2019 is as under:

	September 30, 2019	September 30, 2018
	Rupees in million	
Sales Revenue	1,110	987
Gross Profit	127	76
Operating Profit	97	53
Profit after Tax	22	10

There is an overall adverse environment for the businesses across Pakistan due to economic downturn and demand-cut. However, due to our diversified product range and continuous focus on development of new products on the back strong R&D setup, the negative impact of economic slowdown has largely been subsided. We have been successful in achieving 12% growth in sale revenue and 85% growth in operating profit.

The management is confident and is striving its best to minimize the effect of the current economic slowdown and demand cut on overall results of the company, Insha Allah.

The management is vigilant about the current state of the economy and putting its best possible efforts to minimise the impact on company's results, Insha Allah.

For and on the behalf of the Board



M. Yahya Khan
Director



Zafar Mahmood
Chief Executive Officer

Lahore
October 25, 2019



ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالی معلومات پر اپنی جائزہ

رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

30 ستمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

30 ستمبر 2018ء 30 ستمبر 2019ء

روپے بلین میں

987	1,110	فروخت کی آمدنی
76	127	مجموعی منافع
53	97	آپریٹنگ منافع
10	22	بعد از ٹیکس منافع

اقتصادی سست روی اور طلب میں کمی کے باعث پورے پاکستان کے کاروبار کے لئے مجموعی منفی ماحول ہے۔ تاہم، ہماری متنوع مصنوعات رینج اور مضبوط R&D سیٹ اپ کی پشت پر نئی مصنوعات کی ڈویلپمنٹ پر مسلسل توجہ کے سبب، معاشی سست روی کے منفی اثرات بڑی حد تک کم ہوئے ہیں۔ ہم فروخت آمدنی میں 12 فیصد نمو اور آپریٹنگ منافع میں 85 فیصد نمو حاصل کرنے میں کامیاب ہوئے ہیں۔

انتظامیہ کمپنی کے مجموعی نتائج پر موجودہ اقتصادی سست روی اور کم طلب کے اثرات کو کم کرنے کے لئے اپنی بہترین کوششیں کر رہی ہے اور متوقع نتائج حاصل ہونے پر پختہ یقین رکھتی ہے، انشاء اللہ۔

انتظامیہ معیشت کی موجودہ صورتحال کے بارے میں چوکس ہے اور انشاء اللہ کمپنی کے نتائج پر پڑنے والے اثرات کو کم کرنے کی اپنی بہترین کوششیں کر رہی ہے۔

منجانب بورڈ



ظفر محمود
چیف ایگزیکٹو آفیسر



محمد یحییٰ خان
ڈائریکٹر

لاہور

25 اکتوبر 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

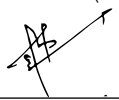
AS AT SEPTEMBER 30, 2019 (UNAUDITED)

	Note	September 2019 (Un-audited) Rs. '000'	June 2019 (Audited) Rs. '000'
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 300,000,000 (June 30, 2019: 300,000,000) Ordinary shares of Rs. 5 each		1,500,000	1,500,000
Issued, subscribed and paid up share capital 282,642,128 (June 30, 2019: 282,642,128) Ordinary shares of Rs. 5 each		1,413,211	1,413,211
Share deposit money		11,391	11,391
Sponsors' interest free loans		107,000	107,000
Reserves		(427,778)	(450,087)
Surplus on revaluation of property, plant and equipment		84,260	84,357
		1,188,084	1,165,872
Non Current Liabilities			
Long term loan		1,933	2,103
Diminishing musharaka finance		2,987	3,253
Retirement benefits liability		13,112	10,952
		18,032	16,308
Current Liabilities			
Trade and other payables		333,065	288,835
Unclaimed dividends		293	293
Accrued mark up		46,618	34,838
Short term borrowings	5	1,447,674	1,484,829
Current portion of long term loan		682	682
Current portion of diminishing musharaka finance		1,567	1,575
Provision for taxation		75,789	59,115
		1,905,688	1,870,167
Contingencies and Commitments			
	6	-	-
Total Equity and Liabilities			
		3,111,804	3,052,347
ASSETS			
Non Current Assets			
Property, plant and equipment	7	521,715	523,723
Intangible assets		581	663
Long term deposits		10,510	9,336
Deferred tax asset		5,000	3,483
		537,806	537,205
Current Assets			
Stores and spares		16,929	15,958
Stock in trade		1,012,468	857,165
Short term investment		108,300	46,700
Trade debts		884,997	1,020,297
Loans and advances		89,938	33,065
Trade deposits and short term prepayments		6,220	327
Other receivables		1,309	12,572
Tax refunds due from government		445,535	505,286
Cash and bank balances		8,302	23,772
		2,573,998	2,515,142
Total Assets			
		3,111,804	3,052,347

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information (un-audited).


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	Note	Quarter Ended	
		September 2019	September 2018
		Rs. '000'	Rs. '000'
Sales - net		1,109,964	987,468
Cost of sales	8	(982,835)	(911,141)
Gross Profit		127,129	76,327
Operating expenses:			
Distribution costs		(15,528)	(14,249)
Administrative expenses		(14,626)	(9,535)
		(30,154)	(23,784)
Operating Profit		96,975	52,543
Other operating charges		(2,954)	(2,697)
Finance cost		(58,879)	(35,332)
Other income		2,228	1,536
Profit before Taxation		37,370	16,050
Taxation			
Current		(16,675)	(12,359)
Deferred		1,517	6,703
		(15,158)	(5,656)
Net profit for the Period		22,212	10,394
Earning per Share - Basic & diluted (Rs.)	9	0.08	0.04

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	Quarter Ended	
	September 2019	September 2018
	Rs. '000'	Rs. '000'
Net Profit for the Period	22,212	10,394
Other comprehensive income	-	-
Total Comprehensive Income for the Period	22,212	10,394

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	Share Capital	Share Deposit Money	Sponsors' Loan Interest Free	Share Premium	Revaluation Surplus	Accumulated Loss	Total Equity
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Balance as at June 30, 2018	1,413,211	11,391	107,000	1,281	84,744	(606,678)	1,010,949
Net profit for the period	-	-	-	-	-	10,394	10,394
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	(89)	89	-
Balance as at September 30, 2018	1,413,211	11,391	107,000	1,281	84,655	(596,195)	1,021,343
Balance as at June 30, 2019	1,413,211	11,391	107,000	1,281	84,357	(451,368)	1,165,872
Net profit for the period	-	-	-	-	-	22,212	22,212
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	(97)	97	-
Balance as at September 30, 2019	1,413,211	11,391	107,000	1,281	84,260	(429,059)	1,188,084

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UNAUDITED)

	Quarter Ended	
	September 2019	September 2018
	Rs. '000'	Rs. '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	37,370	16,050
Adjustments:		
Depreciation	9,702	9,392
Amortization of intangible asset	82	84
Provision for gratuity	2,160	1,800
Workers' profit participation fund	1,891	786
Worker welfare fund	756	314
Exchange loss - net	307	1,597
Finance cost	58,879	35,332
	73,777	49,305
Operating profit before working capital changes	111,147	65,355
(Increase) / decrease in current assets:		
Stores and spares	(971)	8
Stock in trade	(155,303)	(140,784)
Trade debts	135,300	33,724
Loans and advances	(56,873)	(15,945)
Trade deposits and short term prepayments	(5,893)	600
Other receivables	11,263	(25,174)
Tax refund due from government	7,194	(29,191)
Increase / (decrease) in current liabilities:		
Trade and other payables	41,277	(168,680)
	(24,006)	(345,442)
Cash generated from / (used in) operations	87,141	(280,087)
Finance cost paid	(46,602)	(23,274)
Income tax paid	(9,045)	(19,152)
Net Cash Generated From / (Used In) Operating Activities	31,494	(322,513)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,572)	(1,406)
Capital work in progress	(6,122)	(1,251)
Long term deposits	(1,174)	-
Net Cash Used In Investing Activities	(8,868)	(2,657)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan	(170)	3,297
Payments against diminishing musharaka arrangements	(771)	(523)
Short term borrowings	(37,155)	300,044
Net Cash (Used In) / Generated From Financing Activities	(38,096)	302,818
Net Decrease in Cash and Cash Equivalents	(15,470)	(22,352)
Cash and cash equivalents at the beginning of the period	23,772	39,170
Cash and Cash Equivalents at the End of the Period	8,302	16,818

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (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 principal activity of the Company is to manufacture surface coating resins, polyesters for paint industry, optical brightener and textile auxiliaries for textile industry.
- 1.4** 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 information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standard (IFRS) 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 from the IFRS, 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, 2019.
- 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. Significant 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, 2019.

4. Accounting Estimates and Judgment

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of Nimir Resins Limited for the year ended June 30, 2019.

5. Short term borrowings

	September 2019	June 2019
	Unaudited Rs. '000'	Audited Rs. '000'
Banking companies - Secured		
Running finance	618,398	563,695
FE-25 loan	29,556	-
Borrowings / finance against trust receipts	799,720	921,134
	<u>1,447,674</u>	<u>1,484,829</u>

5.1 The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period ended is Rs. 3,165 million (June 30, 2019: Rs. 3,165 million) which includes running finance facilities amounting to Rs. 900 million (June 30, 2019: 900 million). The rate of mark up ranges from 1 to 6 months KIBOR + 0.00% to 1.25% with no floor and no cap (June 30, 2019: 1 to 6 Month KIBOR+ 0.00% to 1.25% per annum). 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. 449.059 million (2019: Rs. 430.393 million) from its non-funded facilities.

6. Contingencies and Commitments

6.1 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, 2019.

6.2 Guarantees

The Company has given counter-guarantees to different banks for their guarantees in favour of the following parties for amounts given hereunder:

	Note	September 2019 Unaudited Rs. '000'	June 2019 Audited Rs. '000'
Sui Northern Gas Pipelines Limited		3,090	3,090
Pakistan State Oil Company Limited		3,000	3,000
Total Parco Pakistan Limited		7,000	7,000
		<u>13,090</u>	<u>13,090</u>

6.3 Commitments

Letters of credit		<u>172,280</u>	<u>367,273</u>
-------------------	--	----------------	----------------

7. Property, Plant and Equipment

Operating fixed assets	7.1	504,645	507,861
Capital work in progress	7.2	17,070	15,862
		<u>521,715</u>	<u>523,723</u>

7.1 The movement in operating fixed assets during the period/year are as follows:

	Note	September 2019 Unaudited Rs. '000'	June 2019 Audited Rs. '000'
Opening Balance (WDV)		507,861	498,024
Additions during the period / year (Cost)	7.1.1	6,486	53,267
Written off / scrapped during the period / year (WDV)		-	(145)
Depreciation charge for the period / year		(9,702)	(43,285)
Closing Balance (WDV)		<u>504,645</u>	<u>507,861</u>

7.1.1 Addition including transfers during period / year

Buildings on freehold land		970	2,899
Plant and machinery		42	41,636
Office equipment, furniture and fixtures		78	1,611
IT equipment		216	653
Laboratory equipment		5,180	1,151
Vehicles and carriers		-	5,317
		<u>6,486</u>	<u>53,267</u>

7.2 Movement in capital work-in-progress is as follows:

Opening balance		15,862	8,340
Addition during the period / year		6,122	48,988
Transferred to operating fixed assets		(4,914)	(41,466)
Closing balance		<u>17,070</u>	<u>15,862</u>

8. Cost of Sales

	Quarter Ended	
	September 2019	September 2018
	Unaudited Rs. '000'	Unaudited Rs. '000'
Opening stock of finished goods	203,753	180,120
Cost of goods manufactured	1,029,237	912,090
	1,232,990	1,092,210
Closing stock of finished goods	(250,155)	(181,069)
Cost of sales	982,835	911,141

9. Earning per Share - Basic and Diluted

		Quarter Ended	
		September 2019	September 2018
		Unaudited	Unaudited
Net Profit for the period	Rupees '000'	22,212	10,394
Weighted average number of ordinary shares	Number '000'	282,642	282,642
Earning per share - Basic and Diluted	Rupees	0.08	0.04

10. Transactions with Related Parties

Related parties comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. 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. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Significant balances and transactions with related parties are as follows:

Related Party	Relationship	Nature of Transaction	Quarter Ended	
			September 2019	September 2018
			Unaudited Rs '000'	Unaudited Rs '000'
Transaction with related party				
Nimir Industrial	Ultimate parent	Purchase of goods	43,973	44,920
Chemicals Limited	Company	Sales of goods	470	-
		Services received/acquired	977	977
		Services provided	732	732
		Other expenses reimbursed	131	3
Contribution to staff retirement benefits				
		Gratuity fund charge	2,160	1,800
Key Management Personal				
		Remuneration	8,346	7,663
		Other Benefits	2,313	2,347

11. Segment Reporting

11.1 Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

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

11.2 Segment analysis

The segment information for the reportable segments for the quarter ended is as follows:

	Coating, Emulsion & Blending	Textile, Paper & Other	Total
	Rs. '000'	Rs. '000'	Rs. '000'
Segment Results for the Period ended September 30, 2019 (Un-audited)			
Sales	703,849	406,115	1,109,964
Segment results	30,339	66,636	96,975
Other operating expenses			(2,954)
Finance costs			(58,879)
Other income			2,228
Profit before taxation			<u>37,370</u>

Segment Results for the Period ended September 30, 2018 (Un-audited)

Sales	702,034	285,434	987,468
Segment results	26,288	26,255	52,543
Other operating expenses			(2,697)
Finance costs			(35,332)
Other income			1,536
Profit before taxation			<u>16,050</u>

- Information about major customers

One customer of the Company accounts for 9.75% (2018: 7.77%) of total sales for the period. Revenue from such customer was Rs. 108.207 million (2018: Rs. 76.720 million).

- Information about geographical areas

- All non-current assets of the Company are located in Pakistan as at the reporting date.
- The entire reported revenue relates to local sales in Pakistan.

12. Authorization of Financial Information

This condensed interim financial information (un-audited) is authorized for issuance on Friday, October 25, 2019 by the Board of Directors of the Company.

13. General

- 13.1** Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in this condensed interim financial information (un-audited) for better presentation.
- 13.2** All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



NIMIR RESINS LIMIEDT

14.5 K.M. Lahore – Sheikhpura Road,
Lahore, Pakistan.

Tel: +92 42 37971512-14 • Fax: +92 42 37970229

www.nimir.com.pk