

2018
Quarterly Report
September (Unaudited)



COMPANY INFORMATION

Board of Directors

Sh. 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

Mr. Aamir Jamil

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

Sh. Amar Hameed - Chairman
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

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,
Bhikki, 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 the unaudited financial accounts of the Company for the quarter ended September 30, 2018.

An analysis of the financial results for quarter ended September 30, 2018 is as under:

| | September 30, 2018 | September 30, 2017 |
|------------------|-------------------------------|-------------------------------|
| | Rupees in million | |
| Sales Revenue | 987 | 717 |
| Gross Profit | 76 | 60 |
| Operating Profit | 52 | 41 |
| Profit after Tax | 10 | 15 |

Sales revenue for the quarter was higher by 38% as compared to the corresponding period of last year on back of the higher sales volume, which was a result of the management's continuous efforts for increasing market share across all business segments. This has translated into 26% increase in the gross and 27% in operating profits of the Company during the quarter under review.

The quarter, however, witnessed a great uncertainty for the business due to devaluation of Pak Rupee and increase in interest rate. As a result, financial cost during the quarter increased substantially, which eventually stemmed down the net profitability of the Company.

Adverse balance of trade is hampering the foreign exchange reserves of the country resulting in continued devaluation of the Pakistani Rupee. Although the government is trying to curb imports by imposing heavy regulatory duties on luxurious items and items manufacturing locally, there is a likelihood of further depreciation of Pak Rupee, which would be a challenge going forward. The management, however, is committed to deliver the best possible results in the challenging situation during the remaining part of the year, Insha Allah.

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

For and on the behalf of the Board



M. Yahya Khan
Director



Zafar Mahmood
Chief Executive Officer

Lahore
October 24, 2018

ڈائریکٹر رپورٹ

ڈائریکٹر 30 ستمبر 2018ء کو ختم ہونے والی 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 2018ء کو ختم ہونے والی سہ ماہی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

| 30 ستمبر 2017ء | 30 ستمبر 2018ء | روپے بلین میں |
|----------------|----------------|-------------------|
| 717 | 987 | فروخت کی آمدنی |
| 60 | 76 | مجموعی منافع |
| 41 | 52 | آپریٹنگ منافع |
| 15 | 10 | بعد از ٹیکس منافع |

اعلیٰ فروخت، حجم کی پشت پر سہ ماہی کی فروخت کی آمدنی گزشتہ سال کی اسی مدت کے موازنہ میں 38 فیصد زیادہ ہوئی، جو تمام کاروباری شعبوں کے مارکیٹ شیئر میں اضافہ کے لئے انتظامیہ کی مسلسل کوششوں کا نتیجہ تھا۔ جس کی بدولت زیر جائزہ سہ ماہی کے دوران کمپنی کے مجموعی منافع میں 26 فیصد اور آپریٹنگ منافع میں 27 فیصد کا اضافہ ہوا ہے۔

سہ ماہی، تاہم، شرح سود میں اضافہ اور پاکستانی روپیہ کی قدر میں کمی کے باعث کاروبار کے لئے بہت غیر یقینی ظاہر کرتی ہے۔ نتیجتاً، سہ ماہی کے دوران مالی اخراجات معقول حد تک بڑھ گئے، جس سے کمپنی کا خالص منافع آخر کار کم ہو گیا۔ پاکستانی روپیہ کی قدر میں مسلسل کمی کے نتیجے تجارت کا منفی توازن کمپنی کے غیر ملکی زرمبادلہ کے ذخائر کو کم کر رہا ہے۔ اگرچہ حکومت لگژری آئٹمز اور مقامی تیار ہونے والی آئٹمز پر بھاری ریگولیٹری ڈیوٹیز عائد کر کے درآمدات کو روکنے کی کوشش کر رہی ہے، پاکستانی روپیہ کی قدر میں مزید کمی کا امکان ہے، جو مستقبل میں ایک چیلنج ہوگا۔ انتظامیہ، تاہم، سال کے باقی عرصہ کے دوران مشکل حالات میں ممکن بہتر نتائج دینے کے لئے پُر عزم ہے، انشاء اللہ۔

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

منجانب بورڈ



ظفر محمود
چیف ایگزیکٹو آفیسر



محمد یحییٰ خان
ڈائریکٹر

لاہور

124 اکتوبر 2018ء

Quarterly Report 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018 (UNAUDITED)

| | Note | September 2018 (Un-audited) Rupees '000' | June 2018 (Audited) Rupees '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 282,642,128 (June 30, 2018: 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 | | (594,914) | (605,396) |
| Surplus on revaluation of property, plant and equipment | | 84,655 | 84,744 |
| | | 1,021,343 | 1,010,950 |
| Non Current Liabilities | | | |
| Long term loan | 5 | 2,615 | - |
| Diminishing musharaka finance | | 4,447 | 4,828 |
| Retirement benefits liability | | 9,418 | 7,618 |
| Deferred tax liability | | 913 | 7,615 |
| | | 17,393 | 20,061 |
| Current Liabilities | | | |
| Trade and other payables | | 310,873 | 476,856 |
| Unclaimed dividends | | 293 | 293 |
| Accrued mark up | | 26,109 | 14,224 |
| Short term borrowings | | 1,512,221 | 1,212,177 |
| Current portion of long term loan | 5 | 682 | - |
| Current portion of diminishing musharaka finance | | 1,477 | 1,446 |
| Provision for taxation | | 54,780 | 42,421 |
| | | 1,906,435 | 1,747,417 |
| Contingencies and Commitments | | | |
| | 6 | - | - |
| Total Equity and Liabilities | | | |
| | | 2,945,171 | 2,778,428 |
| ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 7 | 499,630 | 506,365 |
| Intangible assets | | 911 | 995 |
| Long term deposits | | 10,740 | 10,740 |
| | | 511,281 | 518,100 |
| Current Assets | | | |
| Stores and spares | | 13,677 | 13,685 |
| Stock in trade | | 1,124,785 | 984,001 |
| Trade debts | | 735,787 | 769,511 |
| Loans and advances | | 85,824 | 69,879 |
| Trade deposits and short term prepayments | | 2,990 | 3,590 |
| Other receivables | | 26,283 | 1,109 |
| Tax refunds due from government | | 427,726 | 379,383 |
| Cash and bank balances | | 16,818 | 39,170 |
| | | 2,433,890 | 2,260,328 |
| Total Assets | | | |
| | | 2,945,171 | 2,778,428 |

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, 2018 (UNAUDITED)

| | Note | Quarter Ended | |
|--|------|----------------|----------------|
| | | September 2018 | September 2017 |
| | | Rupees '000' | Rupees '000' |
| Sales - net | | 987,468 | 716,652 |
| Cost of sales | 8 | (911,141) | (656,216) |
| Gross Profit | | 76,327 | 60,436 |
| Operating expenses: | | | |
| Distribution costs | | (14,249) | (9,657) |
| Administrative expenses | | (9,535) | (9,521) |
| | | (23,784) | (19,178) |
| Operating Profit | | 52,543 | 41,258 |
| Other operating charges | | (2,697) | (3,477) |
| Finance cost | | (35,332) | (16,664) |
| Other income | | 1,536 | 428 |
| Profit before Taxation | | 16,050 | 21,545 |
| Taxation | | | |
| Current | | (12,359) | (8,932) |
| Deferred | | 6,703 | 2,147 |
| | | (5,656) | (6,785) |
| Net profit for the Period | | 10,394 | 14,760 |
| Earning per Share - Basic & diluted (Rs.) | 9 | 0.04 | 0.05 |

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME


FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UNAUDITED)

| | Quarter Ended | |
|--|----------------|----------------|
| | September 2018 | September 2017 |
| | Rupees '000' | Rupees '000' |
| Net Profit for the Period | 10,394 | 14,760 |
| Other comprehensive income | - | - |
| Total Comprehensive Income for the Period | 10,394 | 14,760 |

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, 2018 (UNAUDITED)

| | Share Capital | Share Deposit Money | Sponsors' Interest Free Loan | Revaluation Reserve | Share Premium Reserve | Revaluation Surplus | Accumulated Loss | Total Equity |
|--|---------------|---------------------|------------------------------|---------------------|-----------------------|---------------------|------------------|--------------|
| | Rs. '000' | Rs. '000' | Rs. '000' | Rs. '000' | Rs. '000' | Rs. '000' | Rs. '000' | Rs. '000' |
| Balance as at June 30, 2017 (Audited) | 1,382,789 | 11,391 | 107,000 | 1,417 | 1,281 | - | (679,247) | 824,631 |
| Net profit for the period | - | - | - | - | - | - | 14,760 | 14,760 |
| Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax | - | - | - | 91 | - | - | - | 91 |
| Balance as at September 30, 2017 (Un-audited) | 1,382,789 | 11,391 | 107,000 | 1,508 | 1,281 | - | (664,487) | 839,482 |
| Impact of restatement | - | - | - | (1,508) | - | 85,131 | 1,417 | 85,040 |
| Net profit for the period | - | - | - | - | - | - | 86,427 | 86,427 |
| Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax | - | - | - | - | - | (387) | 387 | - |
| Issue of bonus shares @ 2.21% of ordinary shares | 30,422 | - | - | - | - | - | (30,422) | - |
| Balance as at June 30, 2018 (Audited) | 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 (Un-audited) | 1,413,211 | 11,391 | 107,000 | - | 1,281 | 84,655 | (596,195) | 1,021,343 |

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, 2018 (UNAUDITED)

| | Quarter Ended | |
|---|----------------|----------------|
| | September 2018 | September 2017 |
| | Rupees '000' | Rupees '000' |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 16,050 | 21,545 |
| Adjustments: | | |
| Depreciation | 9,392 | 8,232 |
| Amortization of intangible asset | 84 | 83 |
| Provision for gratuity | 1,800 | 1,362 |
| Workers' profit participation fund | 786 | 1,157 |
| Worker welfare fund | 314 | 440 |
| Exchange loss - net | 1,597 | 603 |
| Finance cost | 35,332 | 16,664 |
| | 49,305 | 28,541 |
| Operating profit before working capital changes | 65,355 | 50,086 |
| (Increase) / decrease in current assets: | | |
| Stores and spares | 8 | 420 |
| Stock in trade | (140,784) | 83,785 |
| Trade debts | 33,724 | (29,799) |
| Loans and advances | (15,945) | (1,419) |
| Trade deposits and short term prepayments | 600 | (287) |
| Other receivables | (25,174) | 309 |
| Tax refund due from government | (29,191) | 3,960 |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | (168,680) | 23,402 |
| | (345,442) | 80,371 |
| Cash (used in) / generated from operations | (280,087) | 130,457 |
| Finance cost paid | (23,274) | (16,978) |
| Gratuity paid | - | (52) |
| Income tax paid | (19,152) | (18,827) |
| Net Cash (Used In) / Generated From Operating Activities | (322,513) | 94,600 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Property, plant and equipment purchased | (1,406) | (1,581) |
| Capital work in progress | (1,251) | (11,386) |
| Net Cash Used In Investing Activities | (2,657) | (12,967) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term loan | 3,297 | - |
| New diminishing musharaka arrangements | - | 1,668 |
| Payments against diminishing musharaka arrangements | (523) | (261) |
| Short term borrowings | 300,044 | (19,065) |
| Net Cash Generated From / (Used In) Financing Activities | 302,818 | (17,658) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | (22,352) | 63,975 |
| Cash and cash equivalents at the beginning of the period | 39,170 | 16,136 |
| Cash and Cash Equivalents at the End of the Period | 16,818 | 80,111 |

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, 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.
- 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 comprises 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 June 30, 2018.

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, 2018.

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, 2018.

5. Long term loan

| | September 2018 | June 2018 |
|---|-----------------------------------|---------------------------------|
| | Unaudited Rupees '000' | Audited Rupees '000' |
| Demand finance - Vehicle | 3,297 | - |
| Current portion shown under current liabilities | (682) | - |
| | 2,615 | - |

5.1 During the period, the Company has entered into a demand finance arrangement for vehicle under Hire Purchase Agreement (HPA) with Soneri Bank, amounting to Rs. 3.4 million. Loan is repayable in 60 equal monthly installment starting from August 01, 2018. Markup is charged three month KIBOR plus 1.5% payable monthly in arrear.

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, 2018

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 2018 | June 2018 |
|------------------------------------|------|------------------------|----------------------|
| | | Unaudited Rupees '000' | Audited Rupees '000' |
| Sui Northern Gas Pipelines Limited | | 3,090 | 3,090 |
| Pakistan State Oil Company Limited | | 3,000 | 3,000 |
| Total Parco Pakistan Limited | | 5,000 | 5,000 |
| | | <u>11,090</u> | <u>11,090</u> |

6.3 Commitments

| | | | |
|-------------------|--|----------------|----------------|
| Letters of credit | | <u>125,394</u> | <u>511,919</u> |
|-------------------|--|----------------|----------------|

7. Property, Plant and Equipment

| | | | |
|--------------------------|-----|----------------|----------------|
| Operating fixed assets | 7.1 | 490,039 | 498,025 |
| Capital work in progress | 7.2 | 9,591 | 8,340 |
| | | <u>499,630</u> | <u>506,365</u> |

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

| | Note | September 2018 | June 2018 |
|---|-------|------------------------|----------------------|
| | | Unaudited Rupees '000' | Audited Rupees '000' |
| Opening Balance (WDV) | | 498,025 | 495,330 |
| Additions during the period / year (Cost) | 7.1.1 | 1,406 | 37,979 |
| Depreciation charge for the period / year | | (9,392) | (35,284) |
| Closing Balance (WDV) | | <u>490,039</u> | <u>498,025</u> |

7.1.1 Addition including transfers during period / year

| | | | |
|--|--|--------------|---------------|
| Buildings on freehold land | | - | 3,221 |
| Plant and machinery | | 1,023 | 22,715 |
| Office equipment, furniture and fixtures | | 174 | 2,537 |
| IT equipment | | 209 | 1,322 |
| Laboratory equipment | | - | 1,375 |
| Vehicles (Owned) | | - | 785 |
| Vehicles (Leased) | | - | 6,024 |
| | | <u>1,406</u> | <u>37,979</u> |

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

| | | | |
|---------------------------------------|--|--------------|--------------|
| Opening balance | | 8,340 | 16,982 |
| Addition during the period / year | | 1,251 | 16,840 |
| Transferred to operating fixed assets | | - | (25,482) |
| Closing balance | | <u>9,591</u> | <u>8,340</u> |

8. Cost of Sales

| | Quarter Ended | |
|---------------------------------|------------------------|------------------------|
| | September 2018 | September 2017 |
| | Unaudited Rupees '000' | Unaudited Rupees '000' |
| Opening stock of finished goods | 180,120 | 185,674 |
| Cost of goods manufactured | 912,090 | 604,190 |
| | 1,092,210 | 789,864 |
| Closing stock of finished goods | (181,069) | (133,648) |
| Cost of sales | 911,141 | 656,216 |

9 Earning per Share - Basic and Diluted

| | | Quarter Ended | |
|--|--------------|----------------|----------------|
| | | September 2018 | September 2017 |
| | | Unaudited | Unaudited |
| Net Profit for the period | Rupees '000' | 10,394 | 14,760 |
| Weighted average number of ordinary shares | Number '000' | 282,642 | 282,642 |
| Earning per share - Basic and Diluted | Rupee | 0.04 | 0.05 |

9.1 Comparative Weighted average number of ordinary shares has been restated since the Company had issued bonus shares during the year ended June 30, 2018.

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. Significant balances and transactions with related parties are as follows:

| Related Party | Relationship | Nature of Transaction | Quarter Ended | |
|--|-----------------|----------------------------|------------------------|------------------------|
| | | | September 2018 | September 2017 |
| | | | Unaudited Rupees '000' | Unaudited Rupees '000' |
| Transaction with related party | | | | |
| Nimir Industrial | Ultimate parent | Purchase of goods | 44,920 | 20,180 |
| Chemicals Limited | Company | Services received/acquired | 977 | 921 |
| | | Services provided | 732 | 683 |
| | | Other expenses reimbursed | 3 | 14 |
| Contribution to staff retirement benefits | | | | |
| | | Gratuity fund charge | 1,800 | 1,362 |
| Key Management Personal | | | | |
| | | Remuneration (Restated) | Note 10.1 | 7,663 |
| | | Other Benefits (Restated) | Note 10.1 | 2,347 |
| | | | | 5,392 |
| | | | | 1,086 |

10.1 Comparative figures have been restated to reflect changes in the definition of executive whose basic salary exceeds Rs. 1.2 million per annum as per the Companies Act, 2017 (Previously, basic salary limit for executive was Rs. 0.5 million per annum).

10.2 There were no transactions with key management personnel other than those undertaken as per terms of their employment.

10.3 All transactions have been carried out on commercial terms and conditions as per the Company's Policy.

11. Segment Reporting

11.1 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 Operating Decision Maker 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
- Blending and Others

The Chief Operating Decision Maker 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 but do not include deferred tax. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

11.2 Segment analysis

The segment information for the reportable segments for the quarter ended September 30, 2018 is as follows.

| | Coating, Emulsion & Polyester | Textile & Paper | Blending & Other | Total |
|---|--|--------------------------------|---------------------------------|--------------|
| | Rupees '000' | | | |
| Segment Results for the Period ended September 30, 2018 (Un-audited) | | | | |
| Sales | 561,175 | 285,434 | 140,859 | 987,468 |
| Segment results | 21,367 | 26,255 | 4,921 | 52,543 |
| Other operating expenses | | | | (2,697) |
| Finance costs | | | | (35,332) |
| Other income | | | | 1,536 |
| Profit before taxation | | | | 16,050 |
| Segment Results for the Period ended September 30, 2017 (Un-audited) | | | | |
| Sales | 422,536 | 194,621 | 99,495 | 716,652 |
| Segment results | 15,350 | 21,798 | 4,110 | 41,258 |
| Other operating expenses | | | | (3,477) |
| Finance costs | | | | (16,664) |
| Other income | | | | 428 |
| Profit before taxation | | | | 21,545 |
| Segment asset and liabilities as at September 30, 2018 (Un-audited) | | | | |
| Segment assets | 1,013,155 | 655,393 | 377,174 | 2,045,722 |
| Segment liabilities | 171,445 | 82,039 | 44,878 | 298,362 |

**Segment asset and liabilities as at
June 30, 2018 (Audited)**

| | | | | |
|---------------------|-----------|---------|---------|-----------|
| 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:

| | September 2018 | June 2018 |
|--|-------------------|------------------|
| | Unaudited | Audited |
| | Rupees '000' | |
| Segment assets for reportable segments | 2,045,722 | 1,936,722 |
| Corporate assets unallocated | 339,807 | 337,835 |
| Cash and bank balances | 16,818 | 39,170 |
| Others | 542,824 | 464,701 |
| Total assets as per the balance sheet | <u>2,945,171</u> | <u>2,778,428</u> |

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

| | | |
|---|------------------|------------------|
| Segment liabilities for reportable segments | 298,362 | 491,373 |
| Corporate liabilities unallocated | 1,531,091 | 1,233,685 |
| Trade and other payables | 157,986 | 118,391 |
| Taxation - net | 54,780 | 42,421 |
| Total liabilities as per the balance sheet | <u>2,042,219</u> | <u>1,885,870</u> |

12. Authorization of Financial Information

This condensed interim financial information (un-audited) is authorized for issuance on Wednesday, October 24, 2018 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.



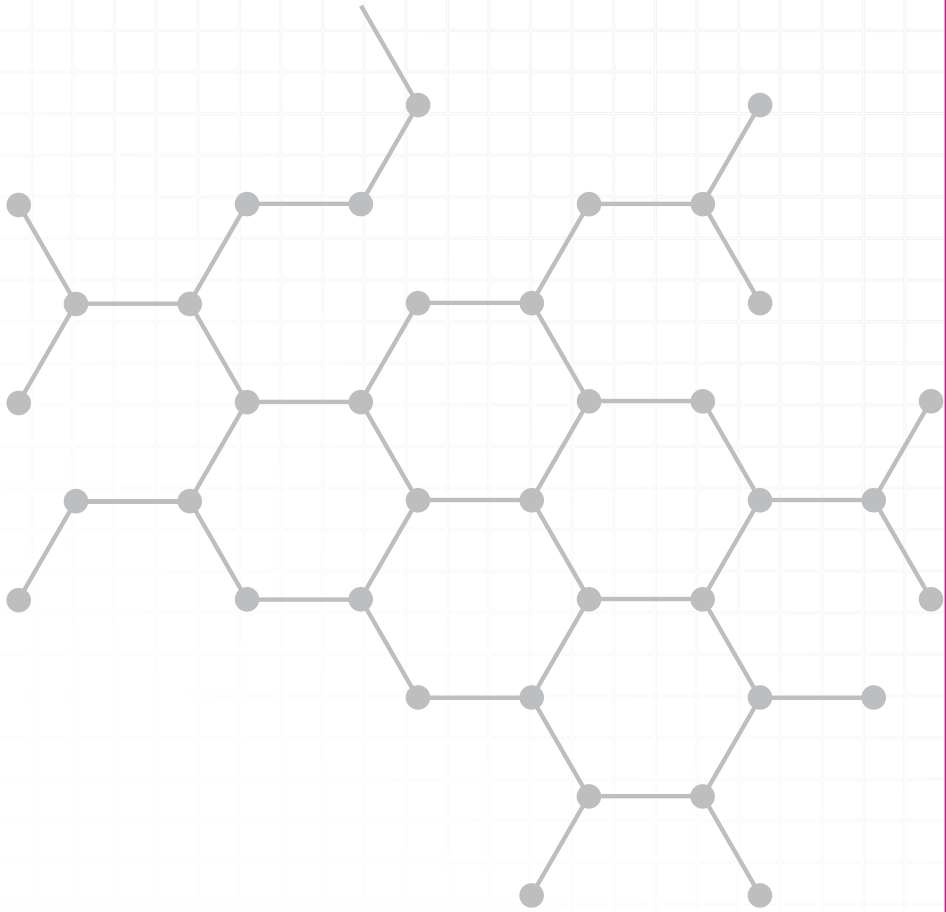
CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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