

Date

10-Jul-26

Analyst

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Applicable Criteria

- Methodology | Corporate Rating | Jul-25
- Methodology | Rating Modifiers | Apr-26
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Apr-26

Related Research

- Sector Study | Chemicals | Aug-25

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PACRA Maintains the Entity Ratings of NIMIR Resins Limited

Rating Type	Entity	
	Current (10-Jul-26)	Previous (11-Jul-25)
Action	Maintain	Maintain
Long Term	A-	A-
Short Term	A2	A2
Outlook	Stable	Stable
Rating Watch	-	-

Nimir Resins Limited ("NRL" or "the Company") is a listed entity engaged in the manufacturing of surface coating resins, polyesters for the paint industry, optical brighteners, and textile auxiliaries. Backed by a well-structured governance framework, a seasoned management team, and technologically equipped production facilities, the Company maintains a strong operational foundation. NRL operates through six distinct business lines: Textile Auxiliaries and Binders, Unsaturated Polyester Resins, Coatings and Emulsions, Pulp and Paper Chemicals, Adhesives and Graphics, and Trading and Exports. Part of the broader Nimir Group, with Nimir Industrial Chemicals Limited as the parent entity, NRL benefits from intra-group synergies, procurement efficiencies, and a formal corporate guarantee extended by the parent, which provides an additional layer of financial support. The entry of Rudolf Pakistan (Private) Limited, which holds a ~40% shareholding, continues to strengthen the Company's governance framework and is expected to progressively enhance its technological and formulation capabilities in specialty and higher-margin product lines. Pakistan's resin sub-segment continues to operate under a challenging demand and margin environment, characterized by high raw material intensity, exposure to global commodity price cycles, and a highly competitive, unorganized market structure that exerts persistent downward pressure on pricing. Segment-level margins have remained under pressure, reflecting the dual impact of elevated input costs and subdued downstream demand from the paints, textiles, and paper sectors. Despite this backdrop, NRL's diversified portfolio across its six business lines and its affiliation with the Nimir Group have supported operational resilience. Net revenue for 9MFY26 amounted to ~PKR 9,085mln, against ~PKR 9,259mln for FY25, with growth continuing the recovery trend observed through FY25 following the demand contraction of FY24. This recovery has been driven by a combination of volume improvement in the resin segment and price-driven pass-through under the Company's raw material-linked pricing strategy. Revenue continues to reflect an entirely domestic sales orientation, with customer concentration risk partially mitigated by NRL's breadth of end-market exposure across the adhesives, coatings, and construction chemicals sectors. Gross margin for 9MFY26 stood at ~11.1%, a modest improvement over FY25's ~10.1%, though it remains below FY24 levels, indicating that the segment's full margin recovery is yet to materialize amid continued raw material cost pressures. Within its business line portfolio, the Coating, Emulsion, and Polyester (CEP) segment continues to be the Company's largest contributor, accounting for ~39.2% of sales value in 9MFY26, underpinned by its established market position and technological competence, though the segment has experienced a modest volume and value contraction in line with subdued demand from the paints and coatings sector. The Company's financial risk profile remains adequate, characterized by a structurally stretched working capital cycle, a modest improvement in debt servicing capacity, and satisfactory cash flows. Capital structure continues to be leveraged, with borrowings primarily comprising short-term loans to meet working capital requirements, reflecting a gradual increase over recent years as working-capital-led borrowing needs persisted amid the Company's raw material-intensive operations. The ratings remain dependent on NRL's ability to translate revenue recovery into sustained margin improvement, given the segment's structural exposure to imported raw material costs and competitive pricing pressures. Prudent management of leverage amid working capital requirements, continued strengthening of the CEP segment, and successful realization of synergies from the Rudolf Pakistan partnership are key rating sensitivities going forward.

About the Entity

Nimir Resins Limited was incorporated in 1964, listed on the PSX in 1991, and reacquired by the Nimir Group in 2016 after a period as Descon Chemicals Limited. The Company manufactures surface coating resins, polyesters, textile and paper auxiliaries, and optical brighteners, with its head office in Lahore and registered office in Sheikhpura. The Board comprises eight members, led by CEO Mr. Zafar Mahmood, who brings over 31 years of professional experience.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.