

NIMIR



HALF YEARLY
REPORT
DECEMBER
2024

Nimir Resins Limited
Better life Through Chemistry

COMPANY INFORMATION

Board of Directors

Sheikh Amar Hameed	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. Khalid Mumtaz Qazi	
Mr. Muhammad Yahya Khan	
Mr. Osman Hameed	
Mr. Khalid Siddiq Tirmizey	
Mr. Pervaiz Ahmad Khan	
Mrs. Nazia Qureshi	

Chief Financial Officer

Syed Sajid Nasim

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Umair Tahir

Auditors

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Mr. Pervaiz Ahmad Khan	- Chairman
Mrs. Nazia Qureshi	- Member
Mr. Osman Hameed	- Member

Human Resources &

Remuneration Committee

Mr. Khalid Siddiq Tirmizey	- Chairman
Sheikh Amar Hameed	- Member
Mr. Zafar Mahmood	- Member

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

Legal Advisors

M/s Hassan & Hassan
Advocates

Bankers

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

Registered Office / Plant

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

Head Office

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

Karachi Office

607, Progressive Centre, Block-6,
PECHS, Shahrah-e-Faisal, Karachi.
Tel : +92 21 34327661-62

Web Site

www.nimir.com.pk

DIRECTORS' REPORT

The Directors are pleased to present their review report together with un-audited financial statements of Nimir Resins Limited (the "Company") for the quarter and six months ended December 31, 2024.

The second quarter of the current financial year has shown a significant improvement in both the company's top line and profitability compared to the first quarter of this year and the same quarter of the previous financial year. In comparison to last year, the company experienced a 33.7% increase in turnover, along with a substantial reduction in financial costs, leading to a 115.2% increase in net profit for the period.

Throughout the first half of the year, the company maintained a gross turnover of PKR 5.67 billion, representing a 4% year-on-year increase. However, the gross profit decreased by PKR. 31.20 million, primarily due to fluctuations in international prices during the first quarter. Despite this, the aggregate profit for the first half of the year increased by 6.4%. The basic earnings per share (EPS) for the period is reported at Re. 0.95, compared to Re. 0.89 for the same period last year.

The inflation in the country has gone down dramatically from 28% in Jan-24 to 4% in Jan-25 which has caused the discount rate to be brought down by 10% from 22% to 12%. This will help in bringing down the financial cost further and will add to the bottom line. The uncertain political scenario in the country in particular and in the world in general has limited the growth of economy. The USD-PKR parity was stable during the last one and a half year and is expected to remain so in the near future. Under the circumstances, the Management is expecting to ensure better results in the other half of the year in the best possible way.

On December 26, 2024, M/s. AKD Securities, acting on behalf of Rudif Pakistan Private Limited made a Public Announcement of Intention to acquire 30,000,000 shares from the sponsors under the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. On December 31, 2024, they made public offering to acquire 21.42% shares (30,276,302 ordinary shares) at a price of PKR 25.85 per share subject minimum acceptance level of 7.49% shares.

On behalf of the board, we extend our heartfelt appreciation to the shareholders, employees, suppliers, customers and bankers for their continued confidence and support during this time of unpercedented challenges and look forward to a productive second half of the financial year.

For and on the behalf of the Board



Khalid Mumtaz Qazi
Director



Zafar Mahmood
Chief Executive Officer

Lahore
February 13, 2025

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 31 دسمبر، 2024 کو ختم ہونے والی سہ ماہی اور ششماہی کے لئے نمبر ریزولیمینڈ ("کمپنی") کے غیر آڈٹ شدہ مالی گوشواروں کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے پیشکش محسوس کرتے ہیں۔

رواں مالی سال کی دوسری سہ ماہی میں رواں سال کی پہلی سہ ماہی اور گزشتہ مالی سال کی اسی سہ ماہی کے مقابلے میں کمپنی کی دونوں ٹاپ لائن اور منافع میں نمایاں بہتری دیکھنے میں آئی ہے۔ گزشتہ سال کے مقابلے میں کمپنی نے آمدنی میں 33.7 فیصد اضافہ کے ساتھ ساتھ مالی اخراجات میں خاطر خواہ کمی کا تجربہ کیا جس کے نتیجے میں اس عرصہ کے لیے خالص منافع میں 115.2 فیصد اضافہ ہوا۔

سال کی پہلی ششماہی کے دوران کمپنی نے 5.67 بلین روپے کی مجموعی آمدنی کو برقرار رکھا جو سال بہ سال 4 فیصد اضافہ کی نمائندگی کرتا ہے۔ تاہم مجموعی منافع میں، بنیادی طور پر پہلی سہ ماہی کے دوران بین الاقوامی قیمتوں میں اتار چڑھاؤ کی وجہ سے 31.20 بلین پاکستانی روپے کی کمی واقع ہوئی۔ اس کے باوجود، سال کی پہلی ششماہی کے لئے مجموعی منافع میں 6.4 فیصد اضافہ ہوا۔ اس مدت کے لئے بنیادی آمدنی فی حصص (ای پی اے) 0.95 روپے درج کی گئی ہے، جو پچھلے سال کی اسی مدت کے لئے 0.89 روپے تھی۔

ملک میں افراط زر کی شرح جنوری 24 میں 28 فیصد سے کم ہو کر جنوری 25 میں 4 فیصد ہو گئی ہے جس کی وجہ سے ڈسکاؤنٹ ریٹ کو 10 فیصد کم کر کے 22 فیصد سے 12 فیصد کر دیا گیا ہے۔ اس سے مالی لاگت کو مزید کم کرنے میں مدد ملے گی اور نچلی سطح میں اضافہ ہوگا۔ گزشتہ ڈیڑھ سال کے دوران امریکی ڈالر اور پاکستانی روپیہ کی برابری مستحکم رہی اور مستقبل قریب میں بھی اسی طرح رہنے کی توقع ہے۔ ان حالات میں انتظامیہ کو امید ہے کہ سال کی دوسری ششماہی میں بہترین انداز میں بہتر نتائج کو یقینی بنایا جائے گا۔

26 دسمبر 2024ء کو، روڈ لف پاکستان پرائیویٹ لمیٹڈ کی جانب سے کام کرتے ہوئے میسرز اے کے ڈی سیکورٹیز نے سیکورٹیز ایکٹ 2015ء اور سیکورٹیز (دوئج ٹیٹرز اور ٹیک اورڈر) کا خاطر خواہ حصول (ریگولیشنز 2017ء کے تحت سپانسرز سے 30,000,000 حصص خریدنے کے ارادہ کا اعلان کیا۔ 31 دسمبر 2024ء کو انہوں نے کم از کم 7.49 فیصد حصص کی قبولیت سطح سے مشروط 25.85 روپے فی حصص کی قیمت پر 21.42 فیصد حصص (30,276,302) عام حصص) خریدنے کی عوامی پیشکش کی۔

بورڈ کی جانب سے ہم شیئر ہولڈرز، ملازمین، سپلائرز، صارفین اور ڈیکریٹرز کے بے حد مشکلات کے اس دور میں مسلسل اعتماد اور حمایت پر تہ دل سے شکر گزار ہیں اور مالی سال کی دوسری ششماہی کے نتیجے میں نتائج کے منتظر ہیں۔

منجانب بورڈ آف ڈائریکٹرز



خالد ممتاز قاضی
ڈائریکٹر



ظفر محمود
چیف ایگزیکٹو آفیسر

لاہور

13 فروری 2025ء

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, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, and the condensed interim statement of cash flows, and 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.

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.

Other Matter

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, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT December 31, 2024 (UN-AUDITED)

	Note	December 31	June 30
		2024	2024
		(Un-audited)	(Audited)
		(Rs. '000')	(Rs. '000')
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
150,000,000 (June 30, 2024: 150,000,000) Ordinary shares of Rs. 10 each (June 30, 2024: Rs. 10 each)		1,500,000	1,500,000
Issued, subscribed and paid up share capital		1,413,211	1,413,211
Sponsors' interest free loans		6,886	6,886
Reserves		1,240,688	1,084,861
Surplus on revaluation of property, plant and equipment		630,566	793,261
		3,291,351	3,298,219
Non Current Liabilities			
Long term financing	5	-	5,000
Lease liabilities	6	33,796	36,856
Loan from related parties - unsecured		21,569	21,569
Post employment benefits obligations		68,714	59,636
Deferred tax liability		13,489	50,229
		137,568	173,290
Current Liabilities			
Trade and other payables	7	928,619	732,572
Unclaimed dividends		1,645	293
Accrued mark up		53,300	69,327
Short term borrowings	8	1,742,527	1,887,701
Current portion of long term liabilities	9	22,811	20,122
Provision for taxation		167,471	269,788
		2,916,373	2,979,803
Liabilities related to asset classified as held for sale		-	36,000
Contingencies and Commitments			
	10	-	-
		6,345,292	6,487,312
ASSETS			
Non Current Assets			
Property, plant and equipment	11	1,204,960	1,229,863
Right-of-use assets		41,200	43,883
Long term deposits		54,271	46,195
		1,300,431	1,319,941
Current Assets			
Stores and spares		29,793	31,795
Stock in trade		2,102,782	2,473,143
Trade debts		2,464,940	1,929,140
Loans and advances		74,617	58,106
Prepayments and other receivables		20,201	4,163
Tax refunds due from Government		283,935	363,397
Cash and bank balances		68,593	78,471
		5,044,861	4,938,215
Asset classified as held for sale		-	229,156
		6,345,292	6,487,312

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Half Yearly Report December 2024

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2024 (Rs. '000')	2023 (Rs. '000')	2024 (Rs. '000')	2023 (Rs. '000')
Revenue from sales		5,667,898	5,444,894	3,078,654	2,303,265
Less:					
- Sales tax		(900,526)	(845,377)	(493,070)	(370,906)
Net sales		4,767,372	4,599,517	2,585,584	1,932,359
Cost of sales	12	(4,240,940)	(4,041,911)	(2,301,282)	(1,674,205)
Gross Profit		526,432	557,606	284,302	258,154
Operating expenses:					
- Distribution costs		(71,926)	(63,816)	(37,267)	(31,761)
- Administrative expenses		(72,012)	(75,114)	(38,214)	(39,056)
		(143,938)	(138,930)	(75,481)	(70,817)
Operating Profit		382,494	418,676	208,821	187,337
Other operating expenses		(27,588)	(25,534)	(22,843)	(14,777)
Finance cost		(194,410)	(223,946)	(84,499)	(133,669)
Other income		15,440	29,648	12,705	23,156
		(206,558)	(219,832)	(94,637)	(125,290)
Profit before Taxation		175,936	198,844	114,184	62,047
Taxation	13				
- Current		(61,080)	(67,525)	(33,639)	(22,768)
- Super tax		(17,144)	(23,698)	(13,818)	(8,265)
- Deferred		36,741	18,757	30,519	14,182
		(41,483)	(72,466)	(16,938)	(16,851)
Net Profit for the Period		134,453	126,378	97,246	45,196
Earnings per Share - Basic and Diluted		0.95	0.89	0.69	0.32

The annexed notes from 1 to 18 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, 2024 (UN-AUDITED)

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	(Rs. '000')	(Rs. '000')	(Rs. '000')	(Rs. '000')
Net Profit for the Period	134,453	126,378	97,246	45,196
Other comprehensive income				
Items that may not be re-classified to profit or loss	-	-	-	-
Items that may be re-classified to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	<u>134,453</u>	<u>126,378</u>	<u>97,246</u>	<u>45,196</u>

The annexed notes from 1 to 18 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, 2024 (UN-AUDITED)

Particulars	Share Capital	Share Deposit Money	Sponsors' Interest Free Loans	Capital Reserves		Revenue Reserves Unappropriated Profit	Surplus on Revaluation of Property, Plant and Equipment	Total
				Share Premium Reserve	Reserve			
----- Rs. '000' -----								
Balance as at June 30, 2023	1,413,211	9,391	107,000	1,281	1,281	807,070	797,575	3,135,528
Net profit for the period	-	-	-	-	-	126,378	-	126,378
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	126,378	-	126,378
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-	(4,655)	-
Balance as at December 31, 2023	1,413,211	9,391	107,000	1,281	1,281	938,103	792,920	3,261,906

Balance as at June 30, 2024	1,413,211	-	6,886	1,281	1,083,580	793,261	-	3,298,219
Net profit for the period	-	-	-	-	134,453	-	-	134,453
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	134,453	-	134,453
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	4,504	(4,504)	-
Transfer of revaluation surplus related to disposal of asset - net of deferred tax	-	-	-	-	-	158,191	(158,191)	-
Transactions with owners	-	-	-	-	-	(141,321)	-	(141,321)
Final dividend - 2024	-	-	-	-	-	-	-	-
Balance as at December 31, 2024	1,413,211	-	6,886	1,281	1,239,407	630,566	-	3,291,351

The annexed notes from 1 to 18 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, 2024 (UN-AUDITED)

	Half Yearly Ended December 31,	
	2024	2023
	(Rs. '000')	(Rs. '000')
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	175,936	198,844
Adjustments:		
- Depreciation on property, plant and equipment	41,674	44,848
- Depreciation on right of use asset	7,401	5,610
- Bad debts written off	1	0.18
- Provision for gratuity	10,428	9,790
- Provision for obsolescence of stock	3,220	4,250
- Expected credit loss on trade debts	10,144	5,830
- Workers' (profit) participation fund	10,016	10,715
- Workers' welfare fund	4,207	4,740
- Exchange gain/(loss) - net	448	(15,188)
- Finance cost	194,410	223,946
- Gain on disposal of property, plant and equipment	(10,844)	(593)
	271,105	293,948
Operating profit before working capital changes	447,041	492,792
(Increase) / decrease in current assets:		
- Stores and spares	2,002	(9,056)
- Stock in trade	367,141	(790,009)
- Trade debts	(545,944)	159,806
- Loans and advances	(16,511)	9,155
- Prepayments and other receivables	(16,038)	(13,119)
- Sales tax refundable - net	7,737	48,729
(Decrease) / Increase in current liabilities:		
- Trade and other payables	204,800	(273,881)
	3,187	(868,375)
Cash Generated from / (Used in) Operations	450,228	(375,583)
Finance cost paid	(206,675)	(158,900)
Income tax paid	(108,816)	(182,585)
Gratuity paid	(1,350)	-
Workers' welfare fund paid	-	(12,849)
Workers' (profit) participation fund paid	(23,424)	(30,886)
Net Cash Generated from / (Used in) Operating Activities	109,963	(760,803)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,053)	(763)
Proceeds from disposal of property, plant and equipment	204,000	593
Capital work in progress - property, plant and equipment	(15,718)	(9,492)
Long term deposits	(8,076)	(728)
Net Cash Generated from / (Used in) Investing Activities	179,153	(10,390)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing repaid	(5,000)	(131,785)
Lease liabilities	(8,851)	(3,560)
Dividend paid	(139,969)	-
Short term borrowings - net	(145,174)	951,855
Net Cash (Used in) / Generated from Financing Activities	(298,994)	816,510
Net (Decrease) / Increase in Cash and Cash Equivalents	(9,878)	45,317
Cash and cash equivalents at the beginning of the period	78,471	134,023
Cash and Cash Equivalents at the End of the Period	68,593	179,340

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements (un-audited).


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER
Half Yearly Report December 2024

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

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 repealed Companies Act, 1913 (now the Companies Act, 2017). It 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 domiciled in Pakistan and principal activity of the Company is to manufacture surface coating resins, polyesters for paint industry, optical brightener and textile auxiliaries for textile industry. The shares of the Company are quoted on Pakistan Stock Exchange Limited.
- 1.3 The geographical location and address of the Company is as under:

Business Unit	Geographical Location
Head office	122-B, New Muslim Town, Lahore, Pakistan.
Registered Office / Plant	14.5 KM, Lahore-Sheikhupura Road, Lahore

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:
- 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 comprise of the condensed interim statement of financial position of the Company, as at December 31, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows together with the notes forming part thereof.
- 2.3 These condensed interim financial statements are unaudited and have been subjected to limited scope review by the external auditors as required by Section 237 of the Companies Act, 2017. The figures for the quarters ended on December 31, 2023 and 2024 presented in the condensed financial statements have not been reviewed by the external auditors.
- 2.4 The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2024, whereas comparative 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 have been extracted from the un-audited condensed interim financial statements for the six months period ended December 31, 2023.
- 2.5 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, 2024.

3 Material Accounting Policy Information

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, 2024.

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 immediately preceding year ended June 30, 2024.

5	Long Term Financing	Note	December 31, 2024	June 30, 2024
			(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
	Bank Alfalah Limited	5.1	10,000	15,000
	Less: current portion of loans		(10,000)	(10,000)
			-	5,000
5.1	This represents facility of Rs. 50 million obtained for solar energy unit of 578.76 KW. This loan is repayable in 20 equal installments payable quarterly in arrears starting from March 31, 2021. Markup is charged at SBP rate plus 2% p.a (June 30, 2024: SBP rate plus 2% p.a) payable quarterly in arrears. This loan is secured against joint pari passu charge of Rs. 67 million over fixed assets of the Company with 25% margin.			
6	Lease Liabilities		December 31, 2024	June 30, 2024
			(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
	Opening balance		46,978	40,145
	Add: Additions during the year		4,719	14,270
	Add: Interest expense		3,761	5,607
	Less: Payments made		(8,851)	(13,044)
	Gross liability		46,607	46,978
	Less: Current portion		(12,811)	(10,122)
	Closing balance		33,796	36,856
6.1	The Company acquired vehicles from different banks under finance lease arrangements, for a period of 60 months. Present value of minimum lease payments has been discounted using interest rate ranging from 3 months to 1 year KIBOR with a spread of upto 2% (June 30, 2024: 3 months to 1 year KIBOR with a spread of upto 2%) (to be revised annually). Rentals are paid in equal monthly instalments. Taxes, repairs and insurance costs are borne by the Company. In case of earlier termination, the Company will be required to pay entire principal portion of the rentals for unexpired period of lease agreement. These vehicles are registered exclusively in the name of respective banks.			
6.2	There are no variable lease payments in the lease contracts. There are no leases with residual value guarantees or leases not yet commenced to which the Company is committed.			
6.3	Remaining lease term of lease contracts is of 5 years (June 30, 2024: 5 years) for which lease liability is recorded.			
7	Trade and Other Payables		December 31, 2024	June 30, 2024
			(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
	Local creditors - Unsecured		534,657	421,223
	Foreign creditors - Secured		280,893	126,317
	Accrued liabilities		70,216	142,717
	Contract liabilities		17,394	8,818
	Workers' (profit) participation fund		10,015	23,423
	Workers' welfare fund		14,281	10,074
	Sales tax payable - net		1,163	-
			928,619	732,572
8	Short Term Borrowings		December 31, 2024	June 30, 2024
			(Un-audited) (Rs. '000')	(Audited) (Rs. '000')
	Banking companies - Secured			
	Running finance / short term loan		694,952	646,307
	Borrowings / finance against trust receipts		1,047,575	1,241,394
			1,742,527	1,887,701

8.1 Terms and conditions of borrowings

Purpose

The Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 6,152 million (June 30, 2024: Rs. 5,755 million) including running finance facilities amounting to Rs. 1,075 million (June 30, 2024: Rs. 1,025 million) to meet working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables and loan against trust receipts etc.

Mark-up

Mark-up on short term borrowings is charged using 1 to 6 Months KIBOR+ spread of up to 1.25% (June 30, 2024: 1 to 6 Months KIBOR + spread of up to 1.25%) per annum. Mark up is payable on monthly / quarterly basis in arrears or at the time of adjustment of liability whichever is earlier. Furthermore, some limits carry commission against foreign and local LCs at 0.05% to 0.10% (June 30, 2024: 0.05% to 0.10%) per quarter.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Company's lien over title of imported goods and personal guarantee of main sponsors of the Company.

9	Current Portion of Long Term Liabilities	December 31, 2024	June 30, 2024	
		(Un-audited) (Rs. '000')	(Audited) (Rs. '000')	
	Liabilities against assets subject to finance lease	12,811	10,122	
	Long term financing	10,000	10,000	
		<u>22,811</u>	<u>20,122</u>	
10	Contingencies and Commitments			
10.1	Contingencies			
	There are no material contingencies outstanding as at reporting date (June 30, 2024: Nil).			
10.2	Guarantees	December 31, 2024	June 30, 2024	
		(Un-audited) (Rs. '000')	(Audited) (Rs. '000')	
	Sui Northern Gas Pipelines Limited	44,525	44,525	
	Pakistan State Oil Company Limited	6,000	6,000	
	Total Parco Pakistan Limited	8,000	8,000	
		<u>58,525</u>	<u>58,525</u>	
10.3	Commitments			
	Letters of credit	863,268	680,951	
11	Property, Plant and Equipment			
	Operating fixed assets	11.1	1,175,806	1,210,267
	Capital work in progress	11.2	29,154	19,596
			<u>1,204,960</u>	<u>1,229,863</u>
11.1	Operating fixed assets			
	Opening written down value	1,210,267	1,487,659	
	Additions during the period / year	7,213	42,421	
	Disposals during the period / year	-	(12,154)	
	Adjustment during the period / year	-	(229,156)	
		<u>1,217,480</u>	<u>1,288,770</u>	
	Depreciation charge for the period / year	(41,674)	(90,633)	
	Disposals during the period / year	-	12,130	
		<u>(41,674)</u>	<u>(78,503)</u>	
		<u>1,175,806</u>	<u>1,210,267</u>	
11.2	Capital Work in Progress			
	Opening balance	19,596	15,691	
	Additions during the period / year	15,718	32,539	
		<u>35,314</u>	<u>48,230</u>	
	Transferred to property, plant and equipment	(6,160)	(28,634)	
		<u>29,154</u>	<u>19,596</u>	

12 Cost of Sales

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024 (Rs. '000')	2023 (Rs. '000')	2024 (Rs. '000')	2023 (Rs. '000')
	(Un-audited)			
Opening stock of finished goods	746,577	495,944	678,998	415,511
Cost of goods manufactured	4,061,518	4,131,170	2,189,439	1,844,897
	4,808,095	4,627,114	2,868,437	2,260,408
Closing stock of finished goods	(567,155)	(585,203)	(567,155)	(585,203)
Cost of goods sold	4,240,940	4,041,911	2,301,282	1,675,205

13 Taxation

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024 (Rs. '000')	2023 (Rs. '000')	2024 (Rs. '000')	2023 (Rs. '000')
	(Un-audited)			
Current tax:				
- Current period	62,147	68,724	34,706	23,967
- Super tax	17,144	23,698	13,818	8,265
- Adjustment for prior years	(1,067)	(1,199)	(1,067)	(1,199)
	78,224	91,223	47,457	31,033
Deferred tax	(36,741)	(18,757)	(30,519)	(14,182)
	41,483	72,466	16,938	16,851

14 Transactions with Related Parties

Related parties comprise associated companies due to common directorship, 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	Half Year Ended December 31,	
			Dec. 2024 (Un-audited) (Rs. '000')	Dec. 2023 (Un-audited) (Rs. '000')
Nimir Industrial Chemicals Limited	Associated Company	Purchase of goods	166,168	134,142
		Sale of goods	1,278	3,350
		Services provided	1,425	2,815
		Services received / acquired	15,716	3,633
		Other expenses reimbursed	2,273	307
Nimir Chemcoats Limited	Associated Company	Purchase of goods	8,532	43,153
		Sale of goods	91,806	132,906
		Services provided	3,308	2,468
Nimir Energy Limited	Associated Company	Sale of goods	-	145,738
		Services provided	600	-
		Other expenses reimbursed	970	7
Extracts4Life (Private) Ltd.	Associated Company	Sale of goods	3,093	-
Contribution to staff retirement benefits				
		Contribution to gratuity fund	10,428	9,790
Key Management Personal				
		Remuneration	53,846	53,028
		Other benefits	5,453	11,346

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

15 Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2024.

16 Segment Reporting

16.1 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 operating segments:

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

The Chief Operating Decision Maker (the Chief Executive Officer) of the Company 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.

16.2 Segment analysis

The segment information for the reportable segments is as follows:

	Coating, Emulsion and Blending	Textile, Paper and others	Total
	(Rs. '000')		
Segment Results for the half year ended December 31, 2024			
Revenue	2,905,453	1,861,919	4,767,372
Segment results	164,654	217,840	382,494
Other operating expenses			(27,588)
Finance cost			(194,410)
Other income			15,440
Profit before taxation			175,936
Segment Results for the half year ended December 31, 2023 (Un-audited)			
Revenue	2,592,203	2,007,314	4,599,517
Segment results	154,578	264,098	418,676
Other operating expenses			(25,534)
Finance cost			(223,946)
Other income			29,648
Profit before taxation			198,844

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

- Information about major customers

One customer of the Company accounts for 9.30% (December 31, 2023: 11.92%) of total sales for the period. Revenue from such customer was Rs. 443.424 million (December 31, 2023: Rs. 549.800 million).

- Information about geographical areas

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

- Revenue from export sale is Nil (December 31, 2023: Nil).

17 Authorization of Financial Statements

These condensed interim financial statements (un-audited) were approved and authorized by the Board of Directors of the Company for issuance on Tuesday, February 13, 2025.

18 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).



CHIEF EXECUTIVE OFFICER



DIRECTOR



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