

Date

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Analyst

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Applicable Criteria

- Methodology | Corporate Rating | Jul-24
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Apr-25
- Methodology | Rating Modifiers | Apr-25

Related Research

- Sector Study | Chemicals | Jul-24

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PACRA Maintains Entity Ratings of Nimir Resins Limited

Rating Type	Entity	
	Current (11-Jul-25)	Previous (12-Jul-24)
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: (i) Textile Auxiliaries and Chemicals, (ii) Coating and Emulsion, (iii) Unsaturated Polyester Resins, (iv) Pulp & Paper Chemicals, (v) Adhesives, and (vi) Solvents & Monomers, each catering to specific industrial segments. The Company’s customer portfolio comprises well-established and reputable players from various sectors, underscoring its market credibility and consistent service delivery. Moreover, as a member of the Nimir Group, NRL benefits from intra-group synergies and operational efficiencies that enhance its overall competitiveness. The resins industry is closely linked to economic activity and infrastructure development, with demand primarily driven by the paints, coatings, and textile sectors. It remains highly competitive, with margin pressures stemming from a large unorganized segment. The industry functions largely as a price taker due to its reliance on imported raw materials and limited pricing flexibility, making it vulnerable to global supply chain disruptions and oil price volatility. During FY25, macroeconomic indicators began to stabilize, supported by improved foreign exchange availability and a gradual decline in interest and inflation rates supporting consumer confidence. The chemical sector, segmented into essential and non-essential chemicals, saw mixed trends. Nimir Resins Limited, operating primarily in the non-essential category through its specialized product lines which includes surface coating resins, polyesters, and textile auxiliaries remained sensitive to fluctuations in industrial activity. Nonetheless, the Company’s diversified portfolio, operational efficiencies, and affiliation with the Nimir Group supported its resilience amidst a competitive and import-dependent landscape. During the period under review, NRL recorded a ~11% increase in sales volumes of its Coating, Emulsion, and Polyester (CEP) segment. Consequently, overall sales revenue grew by ~9%, with the Company’s top line reaching ~PKR 7,029mln during 9MFY25 (FY24: ~PKR 8,585mln). However, margins experienced slight dilution across all levels, primarily due to an increase in various operational costs. The operations of the Company benefited from a modern manufacturing facility and robust control environment. The financial risk profile of the Company is characterized by moderate coverages, cashflows, and a stretched working capital cycle which depicts the industry norm. Capital structure is moderately leveraged where borrowings are mainly comprised of short-term to meet the working capital requirements. Looking ahead, Rudolf Pakistan (Private) Limited a new prominent shareholder holding a 40% stake in the Company will contribute to strengthening the governance framework and enhancing operational synergies. This strategic partnership supports the Company’s overall efficiency and long-term sustainability.

The ratings are dependent on the firm’s ability to sustain its position amidst a changing business environment along with positive topline growth and management’s ability for successful strategy execution pertaining to corporatization. With the growth in the firm’s volume; prudent financial performance and an effective liquidity profile shall remain imperative.

About the Entity

Nimir Resins Limited, initially incorporated in 1964 as a Private Limited Company, converted to a Public Listed Company in 1991. Renamed Descon Chemicals Limited in 2010, it merged with Descon Chemicals (Pvt) Limited before being reacquired by Nimir Group in 2016. The Company manufactures and sells surface coating resins, polyesters, textile, paper auxiliaries, and optical brighteners. Its head office is in Lahore, with the registered office in Sheikhpura. The Board of Directors includes eight members, with Mr. Zafar Mehmood as CEO. He has over 31 years of experience and leads a team of seasoned professionals.

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.