

**2019**  
Quarterly Report  
March (Unaudited)



# 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

## 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

## 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,  
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

## Web Site

www.nimir.com.pk

# DIRECTORS' REPORT

The directors are pleased to present their review report on the un-audited financial results of Nimir Resins Limited for the period ended March 31, 2019. The synopsis of the results is as under:

	Third Quarter		Nine Months	
	March		March	
	31, 2019	31, 2018	31, 2019	31, 2018
	Rupees in million			
Sales	1,251	968	3,402	2,498
Gross Profit	124	97	299	219
Operating Profit	97	76	218	158
Profit after Tax	36	30	85	71

The momentum of top line growth continued in the period under review. The sales for the third quarter grew by 29%. The company has been successful in achieving a cumulative 36% top line growth in the nine-month period while maintaining gross profit ratio as of the same period of last year. Overall gross profit for nine months was Rs. 299 million; up by Rs. 80 million from the same period last year. This helped in achieving operating profit of Rs. 218 million, which was 38% up. The increase in bottom line, however, was limited to 19.4% predominantly due to exorbitant hike in financial cost.

The new Government is struggling to stabilise the economy but there is no instantaneous hope to control the inflationary pressure, liquidity crunch, high interest rates, weakening Rupee and rising utilities prices, which are the major challenges being faced by the industry. The management is taking all possible measures to face these challenges and keep moving with the aim to achieve the targets set by the board and close the financial year with improved numbers, Insha Allah.

For and on the behalf of the Board



**Abdul Jalil Jamil**  
Director



**Zafar Mahmood**  
Chief Executive Officer

Lahore  
April 19, 2019

## ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے نمبرز لمیٹڈ ("کمپنی") کی غیر نظر ثانی شدہ مالی معلومات پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔  
نتیجہ کا خلاصہ حسب ذیل ہے:

31 مارچ 2018		31 مارچ 2019		
2018	2019	2018	2019	
				روپے ملین میں
2,498	3,402	968	1,251	فروخت کی آمدنی
219	299	97	124	مجموعی منافع
158	218	76	97	آپریٹنگ منافع
71	85	30	36	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران ٹاپ لائن ترقی کی رفتار برقرار رہی ہے اور تیسری سہ ماہی کے دوران فروخت کی آمدنی میں 29% نمو حاصل کی ہے۔ کمپنی نے موجودہ نو ماہی مدت میں مجموعی %36 ٹاپ لائن نمو حاصل کی جس کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں مجموعی منافع کا تناسب برقرار رکھنے میں کامیاب ہوئی ہے۔ موجودہ نو ماہی کا مجموعی منافع 299 ملین روپے رہا ہے، جو گزشتہ سال کی اسی مدت سے 80 ملین روپے زیادہ ہے جس نے 218 ملین روپے کا آپریٹنگ منافع حاصل کرنے میں مدد کی، جو کہ مجموعی طور پر %38 رہا ہے۔ تاہم، ٹیڈ لائن میں اضافہ، مالی لاگت میں بے حد اضافہ کی بدولت بنیادی طور پر %19.4 تک محدود رہا۔

نئی حکومت معیشت کو مستحکم کرنے میں کوشاں ہے لیکن افراط زر کے دباؤ، لیکویڈیٹی کرچ، اعلیٰ شرح سود، روپے کی قدر میں کمی اور اشیاء کی قیمتوں میں اضافہ کے کنٹرول ہونے کی فی الفور کوئی امید نہیں ہے، جو انڈسٹری کو درپیش اہم مشکلات ہیں۔ انتظامیہ ان مشکلات پر قابو پانے اور بورڈ کی طرف سے قائم کردہ اہداف کو حاصل کرنے کے مقصد کے لئے کوشاں ہے اور موجودہ مالی سال کو بہتر اعداد و شمار کے ساتھ مکمل کرنے کے لئے تمام ممکنہ اقدامات کر رہی ہے، انشاء اللہ۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



عبدالجلیل جمیل

ڈائریکٹر

لاہور

19 اپریل 2019ء

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019 (UNAUDITED)

	Note	March 31, 2019 (Un-audited ) Rupees '000'	June 30, 2018 (Audited) Rupees '000'
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
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		1,413,211	1,413,211
Share deposit money		11,391	11,391
Sponsors' interest free loans		107,000	107,000
Reserves		(520,442)	(605,396)
Revaluation surplus on property, plant and equipment		84,336	84,744
		1,095,496	1,010,950
<b>Non Current Liabilities</b>			
Long term financing	5	2,274	-
Diminishing musharaka finance	6	3,659	4,828
Retirement benefit liability		11,866	7,618
Deferred tax liability		-	7,615
		17,799	20,061
<b>Current Liabilities</b>			
Trade and other payables		285,066	476,856
Unclaimed dividends		293	293
Accrued mark up		31,353	14,224
Short term borrowings	7	1,379,516	1,212,177
Current portion of long term financing	5	682	-
Current portion of diminishing musharaka finance	6	1,542	1,446
Provision for taxation		41,349	42,421
		1,739,801	1,747,417
<b>Contingencies and Commitments</b>			
	8	-	-
<b>Total Equity and Liabilities</b>		<b>2,853,096</b>	<b>2,778,428</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	9	502,169	506,365
Intangible assets		751	995
Long term deposits		8,524	10,740
Deferred tax asset		15,250	-
		526,694	518,100
<b>Current Assets</b>			
Stores and spares		15,806	13,684
Stock in trade		849,154	984,001
Trade debts		841,105	769,511
Loans and advances		92,059	69,880
Trade deposits and short term prepayments		1,980	3,590
Other receivables		11,301	1,109
Tax refunds due from government		499,615	379,383
Cash and bank balances		15,382	39,170
		2,326,402	2,260,328
<b>Total Assets</b>		<b>2,853,096</b>	<b>2,778,428</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019 (UNAUDITED)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rs '000'	Rs '000'	Rs '000'	Rs '000'
Sales		3,402,379	2,498,243	1,251,198	968,002
Cost of sales	9	(3,103,227)	(2,279,029)	(1,127,497)	(870,611)
<b>Gross Profit</b>		299,152	219,214	123,701	97,391
Operating expenses:					
Distribution costs		(50,737)	(33,587)	(16,288)	(14,635)
Administrative expenses		(30,745)	(28,046)	(10,343)	(7,033)
		(81,482)	(61,633)	(26,631)	(21,668)
<b>Operating Profit</b>		217,670	157,581	97,070	75,723
Other operating charges		(37,425)	(71,019)	(3,462)	(19,726)
Finance cost		(123,152)	(52,242)	(47,431)	(17,774)
Other income		7,772	7,255	3,605	2,958
		(152,805)	(116,006)	(47,288)	(34,542)
<b>Profit before Taxation</b>		64,865	41,575	49,782	41,181
Taxation	10				
Current		(3,185)	11,771	(15,461)	(13,271)
Deferred		22,866	17,444	1,874	1,836
		19,681	29,215	(13,587)	(11,435)
<b>Net profit for the Period</b>		84,546	70,790	36,195	29,746
Earnings per Share - Basic and Diluted		0.30	0.25	0.13	0.11

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019 (UNAUDITED)

	Nine Months Ended		Quarter Ended	
	March 31, 2019 Rs '000'	March 31, 2018 Rs '000'	March 31, 2019 Rs '000'	March 31, 2018 Rs '000'
<b>Net Profit for the Period</b>	84,546	70,790	36,195	29,746
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<u>84,546</u>	<u>70,790</u>	<u>36,195</u>	<u>29,746</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF CASH FLOW

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019 (UNAUDITED)

	Nine Months Ended	
	March 31, 2019	March 31, 2018
	Rupees '000'	Rupees '000'
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	64,865	41,575
Adjustments:		
Depreciation	28,574	25,879
Amortization of intangible asset	244	249
Provision for gratuity	5,400	4,219
Provision for obsolescence of stock	10,036	11,030
Provision for doubtful debts	7,717	36,243
Workers' (profit) participation fund	3,306	2,219
Workers' welfare fund	1,530	840
Gain in disposal of property, plant and equipment	(1,040)	-
Exchange loss - net	14,837	19,452
Finance cost	123,152	52,242
	193,756	152,373
<b>Operating profit before working capital changes</b>	258,621	193,948
(Increase) / decrease in current assets:		
Stores and spares	(2,122)	97
Stock in trade	124,811	(52,601)
Trade debts	(79,311)	(112,697)
Loans and advances	(22,179)	(36,995)
Trade deposits and short term prepayments	1,610	(1,264)
Other receivables	(10,192)	309
Sales tax refundable - Net	(90,468)	(22,666)
(Decrease) / increase in current liabilities:		
Trade and other payables	(203,761)	136,662
	(281,612)	(89,155)
<b>Cash (Used in) / Generated from Operations</b>	(22,991)	104,793
Finance cost paid	(105,447)	(53,186)
Income tax paid	(34,021)	(26,841)
Workers' welfare fund	(3,081)	(3,372)
Workers' (profit) participation fund	(4,620)	(6,049)
Gratuity paid	(1,152)	(1,143)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	(171,312)	14,202
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(5,050)	(5,148)
Capital work in progress - property, plant and equipment	(19,328)	(15,848)
Proceed from disposal of property, plant and equipment	1,040	-
Long term deposit	2,216	-
<b>Net Cash Used in Investing Activities</b>	(21,122)	(20,996)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing obtained	3,411	-
Long term financing repaid	(455)	-
Payments against diminishing musharaka finance	(1,649)	(1,369)
Short term borrowings - net	167,339	31,918
<b>Net Cash Generated from Financing Activities</b>	168,646	30,549
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	(23,788)	23,755
Cash and cash equivalents at the beginning of the period	39,170	16,136
<b>Cash and Cash Equivalents at the End of the Period</b>	15,382	39,891

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2019 (UNAUDITED)

	Share Capital	Share Deposit Money	Sponsors' Interest Free Loan	Share Premium	Reserves		Revaluation Surplus on Property, Plant and Equipment	Total
					Revaluation Reserve	Accumulated Loss		
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
<b>Balance as at June 30, 2017 as previously reported</b>	1,382,789	11,391	107,000	1,281	1,417	(679,247)	-	824,631
Impact of restatement	-	-	-	-	(1,417)	1,417	85,131	85,131
<b>Balance as at June 30, 2017 as restated</b>	1,382,789	11,391	107,000	1,281	-	(677,830)	85,131	909,762
Total comprehensive income for the nine month ended March 31, 2018	-	-	-	-	-	70,790	-	70,790
Issuance of bonus shares @ 2.2% of ordinary shares	30,422	-	-	-	-	(30,422)	-	-
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	286	(286)	-
<b>Balance as at March 31, 2018 as restated</b>	1,413,211	11,391	107,000	1,281	-	(637,176)	84,845	980,552
<b>Balance as at June 30, 2018</b>	1,413,211	11,391	107,000	1,281	-	(606,677)	84,744	1,010,950
Total comprehensive income for the nine months ended March 31, 2019	-	-	-	-	-	84,546	-	84,546
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	408	(408)	-
<b>Balance as at March 31, 2019</b>	1,413,211	11,391	107,000	1,281	-	(521,723)	84,336	1,095,496

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 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 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.

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 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 of:

- 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 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, 2018.

## 3 Significant Accounting Policies

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, 2018.

## 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 year ended June 30, 2018.

## 5 Long Term Financing

		<b>March 31, 2019 (Un-audited) Rupees '000'</b>	<b>June 30, 2018 (Audited) Rupees '000'</b>
Long term loan	5.1	2,956	-
Less: Current portion		(682)	-
		<u>2,274</u>	<u>-</u>

5.1 During the period, the Company has obtained a loan of Rs. 3.411 million from Soneri Bank Limited for the purchase of a vehicle. This loan is repayable in 60 equal monthly installment starting from August 01, 2018. Markup is charged at the rate of three months KIBOR plus 1.5% payable monthly in arrear. The loan is secured through joint ownership of vehicle with Bank's name till repayment of the loan.

## 6 Diminishing Musharika Arrangements

		<b>March 31, 2019 (Un-audited) Rupees '000'</b>	<b>June 30, 2018 (Audited) Rupees '000'</b>
Diminishing musharika facility	6.1	5,201	6,274
Less: Current portion		(1,542)	(1,446)
		<u>3,659</u>	<u>4,828</u>

6.1 The Company acquired vehicles under the diminishing musharaka financing arrangements entered with First Punjab Modaraba, for a period of 60 months. The financing is secured against specific charge on this asset to the extent of diminishing musharaka value. The effective rate of rent per unit is three months KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (2018: 8.55% - 8.66% per annum).

## 7 Short Term Borrowings

		<b>March 31, 2019 (Un-audited) Rupees '000'</b>	<b>June 30, 2018 (Audited) Rupees '000'</b>
Banking companies - Secured			
Running finance		545,748	565,873
Borrowings / FATRs		833,768	646,304
		<u>1,379,516</u>	<u>1,212,177</u>

### 7.1 Terms and conditions of borrowings

The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period ended is Rs. 2,915 million (June 30, 2018: Rs. 2,415 million) which includes running finance facilities amounting to Rs. 800 million (June 30, 2018: 700 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 125 bps with no floor and no cap (June 30, 2018: 1 month KIBOR to 6 month KIBOR + 0 to 175 bps with no floor and no cap). 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. 409 million (2018: Rs. 804 million) from its unfunded facilities.

## 8 Contingencies and Commitments

### 8.1 Contingencies

There is no material change in the status of contingencies as reported in financial statements of the Company for the year ended June 30, 2018.

	<b>March 31, 2019</b>	<b>June 30, 2018</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Rupees '000'</b>	<b>Rupees '000'</b>
<b>8.2 Guarantees</b>		
Sui Northern Gas Pipelines Limited	3,090	3,090
Pakistan State Oil Company Limited	3,000	3,000
Total Parco Pakistan Limited	7,000	5,000
	<u>13,090</u>	<u>11,090</u>
<b>8.3 Commitments</b>		
Letters of credit	<u>396,212</u>	<u>511,919</u>

## 9 Property, Plant and Equipment

Operating fixed assets	9.1	482,311	498,025
Capital work in progress	9.2	19,858	8,340
		<u>502,169</u>	<u>506,365</u>
<b>9.1 Operating fixed assets</b>			
Opening written down value		498,025	495,330
Additions during the period / year		12,860	37,980
Disposals during the period / year	9.3	-	-
		<u>510,885</u>	<u>533,310</u>
Depreciation charge for the period / year		<u>(28,574)</u>	<u>(35,285)</u>
		<u>482,311</u>	<u>498,025</u>
<b>9.2 Capital Work in Progress</b>			
Opening balance		8,340	17,149
Additions during the period / year		19,328	16,840
		<u>27,668</u>	<u>33,989</u>
Transferred to property, plant and equipment		<u>(7,810)</u>	<u>(25,649)</u>
		<u>19,858</u>	<u>8,340</u>
		<u>502,169</u>	<u>506,365</u>

9.3 During the period vehicles sold for Rs. 1.04 million. Net book value of vehicles on the date of disposal is Rs. Nil.

## 10. Cost of Sales

	<b>Nine Months Ended</b>		<b>Quarter Ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>Rs '000'</b>	<b>Rs '000'</b>	<b>Rs '000'</b>	<b>Rs '000'</b>
Opening stock of finished goods	180,120	185,674	227,533	153,355
Cost of goods manufactured	3,143,199	2,220,973	1,120,056	844,874
	<u>3,323,319</u>	<u>2,406,647</u>	<u>1,347,589</u>	<u>998,229</u>
Closing stock of finished goods	(220,092)	(127,618)	(220,092)	(127,618)
Cost of goods sold	<u>3,103,227</u>	<u>2,279,029</u>	<u>1,127,497</u>	<u>870,611</u>

## 11. Taxation

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Un-audited) Rs '000'	(Un-audited) Rs '000'	(Un-audited) Rs '000'	(Un-audited) Rs '000'
Current tax:				
- Current period	41,349	28,573	15,461	13,271
- Tax credit related to prior years	(38,164)	(40,344)	-	-
	3,185	(11,771)	15,461	13,271
Deferred tax	(22,866)	(17,444)	(1,874)	(1,836)
	(19,681)	(29,215)	13,587	11,435

## 12. Transactions with Related Parties

Related parties comprise related group companies, associated companies, staff retirement funds, directors and executives. 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 Parties	Relationship	Nature of Transaction	Note	Nine Months Ended	
				March 31, 2019 (Un-audited) Rs '000'	March 31, 2018 (Un-audited) Rs '000'
Nimir Industrial Chemicals Limited	Ultimate parent Company	Purchase of goods Services provided Services received Other expenses reimbursed		85,108 2,196 2,930 3,226	66,357 2,048 2,763 333
Nimir Management (Private) Limited	Holding company	Bonus issued		-	15,515
Nimir Holding (Private) Limited	Associate	Bonus issued		-	3,539
Terranova Limited	Associate	Bonus issued		-	1,388
Directors	Director	Bonus issued		-	2,017
<b>Contribution to staff retirement benefits</b>					
		Gratuity fund charge		5,400	4,219
<b>Key Management Personnel</b>					
		Remuneration	12.1	21,393	27,554
		Other benefits	12.1	5,050	2,820

**12.1** An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. Comparative figures of remuneration and other benefits of key management personnel have been restated to reflect changes in the definition of executive as per the Companies Act, 2017 (previously basic salary limit for executive was Rs. 0.5 million).

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

### 13. Segment Reporting

**13.1** 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 Executive Officer 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
- Others

The management 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. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

#### 13.2 Segment analysis

The segment information for the reportable segments for the period ended March 31, 2019 is as follows:

	<b>Coating, Emulsion &amp; Polyester</b>	<b>Textile and Paper</b>	<b>Others</b>	<b>Total</b>
	<b>Rs '000'</b>	<b>Rs '000'</b>	<b>Rs '000'</b>	<b>Rs '000'</b>
<b>Segment Results for the nine months ended March 31, 2019</b>				
Revenue	1,945,613	1,029,116	427,650	3,402,379
Segment results	96,549	104,697	16,424	217,670
Other operating expenses				(37,425)
Finance cost				(123,152)
Other income				7,772
Profit before taxation				64,865
<b>Segment Results for the nine months ended March 31, 2018</b>				
Revenue	1,532,015	592,855	373,373	2,498,243
Segment results	64,256	80,379	12,946	157,581
Other operating expenses				(71,019)
Finance cost				(52,242)
Other income				7,255
Profit before taxation				41,575
<b>Segment asset and liabilities as at March 31, 2019</b>				
Segment assets	920,870	549,555	414,756	1,885,181
Segment liabilities	157,617	76,754	34,886	269,257
<b>Segment asset and liabilities as at June 30, 2018</b>				
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:

	<b>March 31, 2019 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Rs '000'</b>	<b>Rs '000'</b>
Segment assets for reportable segments	1,885,181	1,936,722
Corporate assets unallocated	341,776	337,835
Cash and bank balances	15,382	39,170
Others	610,757	464,701
<b>Total assets as per the reporting date</b>	<b>2,853,096</b>	<b>2,778,428</b>

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

	<b>March 31, 2019 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Rs '000'</b>	<b>Rs '000'</b>
Segment liabilities for reportable segments	269,257	491,373
Corporate liabilities unallocated	1,414,107	1,233,685
Other payables	287,847	118,391
Taxation - net	41,349	42,421
<b>Total liabilities as per the reporting date</b>	<b>2,012,560</b>	<b>1,885,870</b>

**13.3** Entity-wide disclosures regarding reportable segment are as follows:

**Information about major customers**

One customer of the Company accounts for 8.37% (2018: 10.70%) of total sales for the period. Revenue from such customer was Rs. 284.944 million (2018: Rs. 267.319 million).

**Information about geographical area**

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

Revenue from external customers attributed to foreign countries in aggregate is not material.

**14. Authorization of Financial Statements**

These condensed interim financial statements (un-audited) are approved and authorized for issuance on Friday, April 19, 2019 by the Board of Directors of the Company.

**15. 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), except that the surplus on revaluation of property, plant and equipment has been included in the equity and comparative information for the nine months period ended March 31, 2018 has been restated in statement of changes in equity. The basis of such restatement has been explained in Note 5 of annual financial statements for the year ended June 30, 2018.



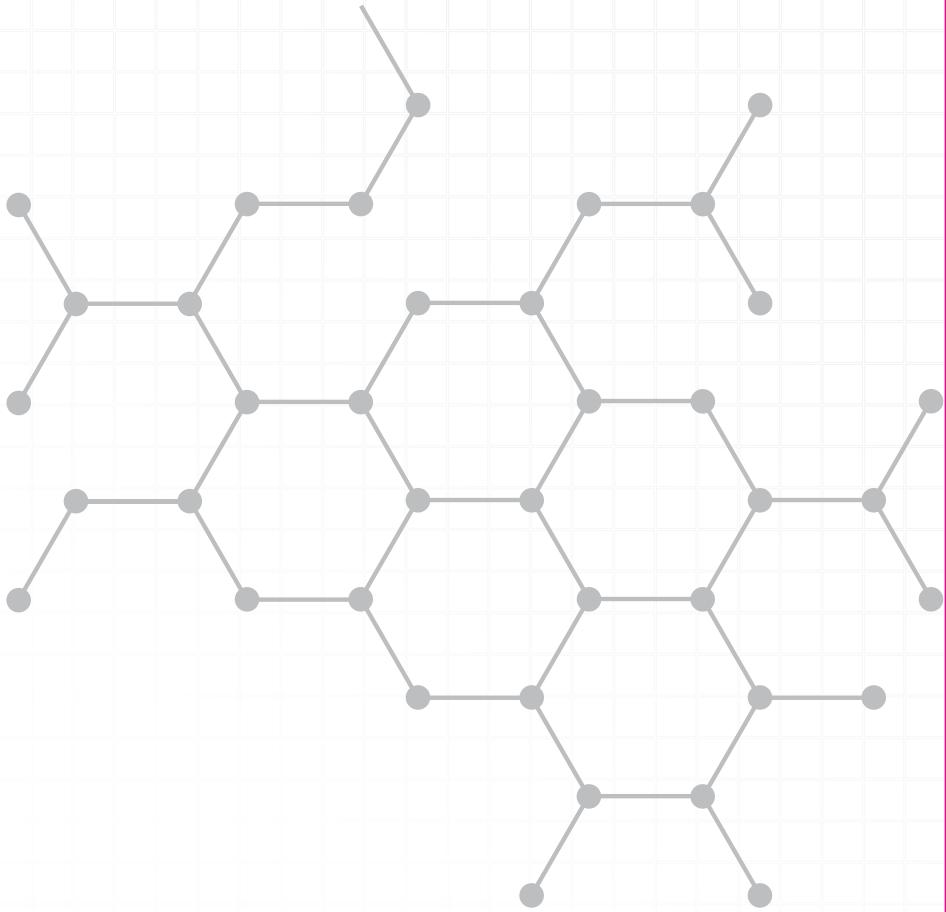
**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



**NIMIR**  
NIMIR RESINS LIMITED

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