

NIMIR



2021
Quarterly Report
March (Unaudited)
NIMIR RESINS LTD.

| BETTER LIFE THROUGH CHEMISTRY |

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. Pervaiz Ahmad Khan
Mrs. Nazia Qureshi

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

Syed Sajid Nasim

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Nabeel Ahmad Khan

Auditors

Crowe 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

Mrs. Nazia Qureshi - Chairperson
Sheikh Amar Hameed - 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. Sheikhpura. 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' REVIEW REPORT

The Directors are pleased to present their review report on the un-audited interim financial results of Nimir Resins Limited (NRSL) for the nine months ended March 31, 2021. The synopsis of the results for the period is as under:

	Nine Months Ended	
	March 31, 2021	March 30, 2020
	Rupees in million	
Sales	4,624	3,794
Gross Profit	560	418
Operating Profit	458	330
Profit after Tax	243	97

The sales revenue, driven by both volume and price witnessed a growth of 22% during the reporting period. The gross and operating profit also grew substantially by 34% and 39%. This resulted the after-tax profit grow to PKR 243 million from PKR 97 million in the corresponding period.

The recovery shown in the Pakistani economic activities in the first half of the current financial year continued in the third quarter as well and is expected to continue the trend, although due to the intense effect of the third COVID wave, there is a fear of another lock down which may adversely affect the economic recovery. Pakistan GDP, which is in the recovery phase, is expected to witness growth by only 3.0 percent in the year 2020-2021. It is expected that due to the recovery shown by almost all sectors. Pakistan's economic growth is expected to accelerate up to 4.2 percent in the next fiscal year. The actual performance, however depends upon number of factors including intensity & duration of the third wave of COVID-19 and current account deficit.

We are committed to continued improvement in the financial results in the final quarter of the year, with emphases on safety and well-being of all the stakeholders while ensuring business continuity and increasing stakeholders value. Insha Allah.

On behalf of the Board, we would like to thank all its stakeholders for their trust and support.

For and on the behalf of the Board



Muhammed Yahya Khan
Director



Zafar Mahmood
Chief Executive Officer

Lahore
April 22, 2021

ڈائریکٹرز رپورٹ

ہم ڈائریکٹران 31 مارچ 2021 کو ختم ہونے والی نو ماہی کے لئے نمر ریزن انٹرمیڈیٹ (NRSL) کے غیر نظر ثانی شدہ مالی حسابات پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مختتمہ مدت کے لئے نتائج کا خلاصہ حسب ذیل ہے:

مختتمہ نو ماہی		
مارچ 31, 2020	مارچ 31, 2021	
پاکستانی روپے ملین میں		
3,794	4,624	فروخت کی آمدنی
418	560	مجموعی منافع
330	458	آپریٹنگ منافع
97	243	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران فروخت کی آمدنی میں اضافے کی وجہ، حجم اور قیمت دونوں میں اضافہ کا فرما رہا جو کہ جس میں 22 فیصد کا اضافہ ہوا ہے۔ مجموعی منافع اور آپریٹنگ منافع میں بھی 34 فیصد اور 39 فیصد کا نمایاں اضافہ ہوا ہے۔ اس کے نتیجے میں منافع بعد از ٹیکس جو کہ پچھلے سال اسی مدت میں 97 ملین روپے تھا بڑھ کے 243 ملین روپے تک پہنچ گیا ہے۔

رواں مالی سال کی پہلی ششماہی میں پاکستانی معاشی سرگرمیوں میں دکھائی دینے والی بحالی تیسری سہ ماہی میں بھی جاری رہی اور پیر رجحان جاری رہنے کی توقع کی جا رہی ہے، حالانکہ کوویڈ کی تیسری لہر کے شدید اثر کی وجہ سے، ایک اور لاک ڈاؤن کا خدشہ ہے جو معاشی بحالی پر منفی اثر ڈال سکتا ہے۔ توقع کی جا رہی ہے کہ پاکستان کا تہی ڈی پی، جو بحالی کے مرحلے میں ہے، سال 2020-2021 میں معاشی نمو صرف 3.0 فیصد تک رہنے کا امکان ہے۔ یہ توقع کی جاتی ہے کہ تقریباً تمام شعبوں کی طرف سے ظاہر کردہ بحالی کی وجہ سے اگلے مالی سال میں پاکستان کی معاشی نمو میں نمایاں بہتری متوقع ہے جو کہ 4.2 فیصد تک رہنے کی امید ہے۔ اصل کارکردگی کا انحصار COVID-19 کی تیسری لہر کی شدت اور مدت اور کرنٹ اکاؤنٹ خسارے سمیت متعدد عوامل پر ہے۔

ہم کاروبار کے تسلسل کو یقینی بنانے اور اسٹیک ہولڈرز کی قدر میں اضافہ کرتے ہوئے تمام اسٹیک ہولڈرز کی حفاظت اور فلاح و بہبود پر زور دینے کے ساتھ ساتھ سال کی آخری سہ ماہی کے مالی نتائج میں مسلسل بہتری کے لئے پرعزم ہیں۔ انشاء اللہ

بورڈ کی جانب سے، ہم اپنے تمام اسٹیک ہولڈرز کے اعتماد اور تعاون کے لئے ان کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر



محمد نجفی خان

ڈائریکٹر

لاہور

22 اپریل 2021ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021 (UNAUDITED)

	Note	March 31, 2021 (Un-audited) Rs '000'	June 30, 2020 (Audited) Rs '000'
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 300,000,000 (June 30, 2020: 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
Surplus on revaluation of property, plant and equipment		496,518	501,576
Reserves		(72,734)	(321,056)
		1,955,386	1,712,122
Non Current Liabilities			
Diminishing musharaka finance		453	1,653
Long term financing	5	106,417	21,096
Deferred income – Government grant		1,890	-
Lease liabilities		4,208	-
Post employment benefits obligation		21,582	16,396
Deferred tax liability		11,099	19,699
		145,649	58,844
Current Liabilities			
Trade and other payables		466,136	601,269
Unclaimed dividends		293	293
Accrued mark up		21,816	23,398
Short term borrowings	6	979,292	1,056,653
Current portion of long term liabilities	7	68,252	8,996
Provision for taxation		113,389	67,616
		1,649,178	1,758,225
Contingencies and Commitments	8	-	-
Total Equity and Liabilities		3,750,213	3,529,191
ASSETS			
Non Current Assets			
Property, plant and equipment	9	1,040,489	983,943
Intangible assets		83	332
Long term deposits		15,974	12,857
		1,056,546	997,132
Current Assets			
Stores and spares		17,188	15,485
Stock in trade		1,067,919	1,271,976
Trade debts		1,280,132	819,320
Loans and advances		43,225	40,487
Short term prepayments		4,437	895
Other receivables		5,360	1,309
Tax refunds due from government		240,647	368,134
Cash and bank balances		34,759	14,453
		2,693,667	2,532,059
Total Assets		3,750,213	3,529,191

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021 (UNAUDITED)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Rs '000'	Rs '000'	Rs '000'	Rs '000'
Sales		4,624,755	3,793,985	1,847,444	1,253,061
Cost of sales	10	(4,064,451)	(3,375,665)	(1,592,638)	(1,123,204)
Gross Profit		560,304	418,320	254,806	129,857
Operating expenses:					
- Distribution costs		(55,042)	(46,422)	(20,691)	(15,209)
- Administrative expenses		(47,321)	(41,512)	(15,331)	(13,132)
		(102,363)	(87,934)	(36,022)	(28,341)
Operating Profit		457,941	330,386	218,784	101,516
Other operating expenses		(36,989)	(44,706)	(19,191)	(30,662)
Finance cost		(84,947)	(150,409)	(28,168)	(40,441)
Other income		12,091	13,542	3,325	5,313
		(109,845)	(181,573)	(44,034)	(65,790)
Profit before Taxation		348,096	148,813	174,750	35,726
Taxation					
- Current		(113,431)	(66,624)	(58,270)	(18,873)
- Deferred		8,599	15,284	4,525	6,425
		(104,832)	(51,340)	(53,745)	(12,448)
Net profit for the Period		243,264	97,473	121,005	23,278
Earnings per Share - Basic and Diluted		0.86	0.34	0.43	0.08

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021 (UNAUDITED)

	Nine Months Ended		Quarter Ended	
	March 31, 2021 Rs '000'	March 31, 2020 Rs '000'	March 31, 2021 Rs '000'	March 31, 2020 Rs '000'
Net Profit for the Period	243,264	97,473	121,005	23,278
Other comprehensive income				
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
Items that may be re-classified subsequently to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	<u>243,264</u>	<u>97,473</u>	<u>121,005</u>	<u>23,278</u>

The annexed notes from 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2021 (UNAUDITED)

	Share Capital	Share Deposit Money	Sponsors' Interest Free Loan	Revaluation Surplus on Property, Plant and Equipment	Capital Reserves		Revenue Reserves		Total
					Rs. '000'	Rs. '000'	Share Premium	Accumulated Loss	
Balance as at June 30, 2019	1,413,211	11,391	107,000	84,357	1,281		(451,368)	1,165,872	
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	-	-	-	97,473	97,473	
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	(290)	-	-	290	-	
Balance as at March 31, 2020	1,413,211	11,391	107,000	84,067	1,281		(353,605)	1,263,345	
Balance as at June 30, 2020	1,413,211	11,391	107,000	501,576	1,281		(322,337)	1,712,122	
Total comprehensive income for the nine months ended March 31, 2021	-	-	-	-	-	-	243,264	243,264	
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	(5,058)	-	-	5,058	-	
Balance as at March 31, 2021	1,413,211	11,391	107,000	496,518	1,281		(74,015)	1,955,386	

The annexed notes from 1 to 14 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 ENDED MARCH 31, 2021 (UNAUDITED)

	Nine Months Ended	
	March 31, 2021 Rs '000'	March 31, 2020 Rs '000'
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	348,096	148,813
Adjustments:		
Depreciation	40,367	29,521
Amortization of intangible asset	249	248
Provision for gratuity	6,480	6,480
Provision for obsolescence of stock	3,467	-
Loss allowance	7,163	5,463
Workers' (profit) participation fund	18,723	7,702
Workers' welfare fund	7,636	3,145
Exchange loss - net	(4,790)	28,397
Finance cost	84,000	150,409
Gain on disposal of property, plant and equipment	-	(750)
	163,295	230,615
Operating profit before working capital changes	511,391	379,428
(Increase) / decrease in current assets:		
Stores and spares	(1,703)	537
Stock in trade	200,590	(10,007)
Short term investment	-	46,700
Trade debts	(467,975)	(21,731)
Loans and advances	(2,738)	(58,136)
Short term prepayments	(3,542)	(1,850)
Other receivables	(4,051)	4,956
Sales tax refundable - Net	65,010	88,407
(Decrease) / increase in current liabilities:		
Trade and other payables	(142,330)	278,866
	(356,739)	327,742
Cash Generated from Operations	154,652	707,170
Finance cost paid	(85,582)	(149,523)
Income tax refunded	54,659	-
Income tax paid	(59,841)	(22,157)
Gratuity paid	(1,294)	(2,626)
Workers' welfare fund paid	(4,289)	(3,344)
Workers' (profit) participation fund paid	(10,083)	(8,797)
Net Cash Generated from Operating Activities	48,222	520,723
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(10,039)	(7,831)
Proceeds from disposal of property, plant and equipment	-	750
Capital work in progress - property, plant and equipment	(86,874)	(36,221)
Long term deposits	(3,117)	(3,521)
Net Cash Used in Investing Activities	(100,030)	(46,823)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing obtained	181,203	-
Payments against long term financing	(30,443)	(511)
Payments against diminishing musharaka finance	(1,285)	(1,861)
Short term borrowings - net	(77,361)	(472,873)
Net Cash Generated from / (Used in) Financing Activities	72,114	(475,245)
Net Increase / (Decrease) in Cash and Cash Equivalents	20,306	(1,345)
Cash and cash equivalents at the beginning of the period	14,453	23,772
Cash and Cash Equivalents at the End of the Period	34,759	22,427

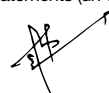
The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 2021 (UNAUDITED)

1 The Company and its Operations

- 1.1 Nimir Resins Limited (the Company) was 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.
- 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 plant and warehouse of the Company are located at 14.5 KM, Lahore-Sheikhupura Road, Lahore and 14.8 KM, Sheikhupura Faisalabad Road, Sheikhupura respectively.

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 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, 2020.

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, 2020.

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, 2020.

5 Long Term Financing

	Note	December 31, 2020 (Un-audited) Rs '000'	June 30, 2020 (Audited) Rs '000'
Soneri Bank Limited	5.1	1,705	2,103
Bank of Punjab	5.2	85,714	-
Bank Alfalah Limited	5.3	47,500	-
Refinance for salaries	5.4	40,116	26,242
Less: deferred income - Government grant		(2,719)	-
		37,397	26,242
		172,316	28,345
Less: current portion of loans			
- Soneri Bank Limited		(796)	(682)
- Bank of Punjab		(35,714)	-
- Bank Alfalah Limited		(10,000)	-
- Refinance for salaries		(19,389)	(6,567)
		65,899	(7,249)
		106,417	21,096

- 5.1** This represents the balance payable on account of loan of Rs. 3.411 million obtained by the Company from Soneri Bank Limited for purchase of a vehicle. This loan is repayable in 60 equal monthly instalments starting from August 01, 2018. Markup is charged at the rate of three months KIBOR plus 1.5% p.a payable monthly in arrears. The vehicle is comprehensively insured in bank's favour with bank mortgage clause.
- 5.2** During the period, the Company obtained a loan of Rs. 100 million from Bank of Punjab to facilitate capital expenditure requirements pertaining to procurement, installation and augmentation of new and existing machinery, equipment related auxiliaries and civil works. This loan is repayable in 14 equal quarterly instalments payable in arrears starting from September 30, 2020. Mark-up is charged at the rate 3 months KIBOR plus 1.5%. This facility is secured against exclusive charge registered with SECP over fixed assets of the Company amounting to Rs 134 million.
- 5.3** During the period, the Company has obtained a loan of Rs. 50 million from Bank Alfalah Limited for Solar Energy unit of 450KW. This loan is repayable in 20 equal installments payable quarterly in arrears starting from March 31, 2021. Markup is charged at 3 Months Kibor plus 2% p.a payable quarterly in arrears till the approval from the State Bank of Pakistan (SBP) and as soon as SBP gives approval, mark up will be charged at 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.
- 5.4** This represents the loan obtained by the Company of Rs. 52.382 million (June 30, 2020: Rs. 26.242 million) from Bank of Punjab for disbursement of salaries of employees under the State Bank of Pakistan Refinance Scheme for payment of wages and salaries. This loan is repayable in 8 equal quarterly installments payable in arrears starting from January 01, 2021. Markup is charged at the rate of SBP rate plus 1% - 1.5% p.a payable quarterly in arrears. This facility is secured against exclusive charge over fixed assets of the Company amounting to Rs 70.06 million registered with SECP.

6 Short Term Borrowings

	March 31, 2021	June 30, 2020
	(Un-audited) Rs '000'	(Audited) Rs '000'
Banking companies - Secured		
Running finance	246,289	393,338
Borrowings / FATRs	733,003	663,315
	<u>979,292</u>	<u>1,056,653</u>

- 6.1** The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period ended is Rs. 3140 million (June 30, 2020: Rs. 3,140 million) which includes running finance facilities amounting to Rs. 900 million (June 30, 2020: 900 million). The rate of mark up ranges from 1 to 6 months KIBOR + spread of upto 1.25% per annum (June 30, 2020: 1 to 6 Month KIBOR + spread of upto 1.25% per annum). These facilities are secured by way of joint pari passu charge over present and future, current assets of the Company and lien over title of imported goods.

7 Current Portion of Long Term Liabilities

	March 31, 2021	June 30, 2020
	(Un-audited) Rs '000'	(Audited) Rs '000'
Diminishing musharaka arrangements	1,662	1,747
Liabilities against assets subject to finance lease	691	-
Long term financing	78,881	7,249
	<u>81,234</u>	<u>8,996</u>

8 Contingencies and Commitments

8.1 Contingencies

- 8.1.1** 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, 2020.

8.2 Guarantees

The Company has given counter-guarantees to different banks for their guarantees in favour of the following parties for amounts given hereunder:

	Note	March 31, 2021 (Un-audited) Rs '000'	June 30, 2020 (Audited) Rs '000'
Sui Northern Gas Pipelines Limited		3,090	3,090
Pakistan State Oil Company Limited		3,000	3,000
Total Parco Pakistan Limited		7,000	7,000
		13,090	13,090
8.3 Commitments			
Letters of credit		593,337	391,732
9 Property, Plant and Equipment			
Operating fixed assets	9.1	960,628	940,281
Capital work in progress	9.2	79,861	43,662
		1,040,489	983,943
9.1 Operating fixed assets			
Opening written down value		940,281	507,861
Additions during the period / year		60,714	18,885
Disposals during the period / year		-	(1,809)
Revaluation adjustment		-	(22,095)
Revaluation surplus		-	456,190
		1,000,995	959,032
Depreciation charge for the period / year		(40,367)	(42,655)
Disposals during the year		-	1,809
Revaluation adjustment		-	22,095
		(40,367)	(18,751)
		960,628	940,281
9.2 Capital Work in Progress			
Opening balance		43,662	15,862
Additions during the period / year		86,874	38,516
		130,536	54,378
Transferred to property, plant and equipment		(50,675)	(10,716)
		79,861	43,662

10 Cost of Sales

	Nine Months Ended		Quarter Ended	
	March 31, 2021 (Un-audited) Rs '000'	March 31, 2020 (Un-audited) Rs '000'	March 31, 2021 (Un-audited) Rs '000'	March 31, 2020 (Un-audited) Rs '000'
Opening stock of finished goods	311,476	203,753	294,962	311,642
Cost of goods manufactured	3,929,968	3,405,422	1,474,669	1,045,072
	4,241,444	3,609,175	1,769,631	1,356,714
Closing stock of finished goods	(176,993)	(233,510)	(176,993)	(233,510)
Cost of goods sold	4,064,451	3,375,665	1,592,638	1,123,204

11 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	Nine Months Ended	
			March 31, 2021 (Un-audited) Rs '000'	March 31, 2020 (Un-audited) Rs '000'
Nimir Industrial Chemicals Limited	Ultimate parent Company	Purchase of goods	142,720	115,115
		Sale of goods	231	1,700
		Services provided	3,172	2,395
		Services received	4,094	3,225
		Other expenses reimbursed	1,725	626
Nimir Chemcoats Limited	Associated Company	Sale of goods	4,108	-
		Rent charged	240	-
Contribution to staff retirement benefits				
Contribution to gratuity fund			6,480	6,480
Key Management Personnel				
Remuneration			28,273	24,968
Other benefits			5,236	4,749

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

12 Segment Reporting

12.1 Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

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

12.2 Segment analysis

The segment information for the reportable segments is as follows.

	Coating, Emulsion & Blending Rs '000'	Textile, Paper & others Rs '000'	Total Rs '000'
Segment Results for the nine months ended March 31, 2021 (Un-audited)			
Revenue	2,940,755	1,684,000	4,624,755
Segment results	232,488	225,453	457,941
Other operating expenses			(36,989)
Finance cost			(84,947)
Other income			12,091
Profit before taxation			348,096
Segment Results for the nine months ended March 31, 2020 (Un-audited)			
Revenue	2,448,832	1,345,153	3,793,985
Segment results	140,673	189,713	330,386
Other operating expenses			(44,706)
Finance cost			(150,409)
Other income			13,542
Profit before taxation			148,813

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

- Information about major customers

One customer of the Company accounts for 9.60% (2020: 15.83%) of total sales for the period. Revenue from such customer was Rs. 444.028 million (2020: Rs. 600.679 million).

- Information about geographical area

- All non-current assets of the Company are located in Pakistan as at the reporting date.
- Revenue from export sale is 2.088 million (2020: Nil).

13 Authorization of Financial Statements


These condensed interim financial statements (un-audited) are approved and authorized for issuance on Thursday April 22, 2021 by the Board of Directors of the Company.

14 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



CHIEF FINANCIAL OFFICER



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