NIMIR

NIMIR RESINS LIMITED

2020 Annual Report

NIMIR RESINS LTD.

BETTER LIFE THROUGH CHEMISTRY

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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. 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

OUR VISION & **MISSION**

Our Vision

To become an industry leader through a persistent commitment to customer focus, technical innovation, managerial excellence, entrepreneurial spirit and social responsibility.

Our Mission

To deliver unparalleled value to stakeholders and continually striving to exceed customer expectations by developing innovative industrial chemical solutions with special emphasis on workforce, health, safety, environment and contribution to the national economic development.

CHAIRMAN'S **MESSAGE**

This year has been plagued by an unfortunate pandemic which has caused havoc all over the World. Apart from the tragic loss of many valuable lives the economic losses of the World are being measured in the trillions of dollars. Many businesses have gone under resulting in millions of people becoming unemployed. Although the severity of the pandemic has been relatively less in Pakistan, our country has also suffered considerably.

In spite of these highly unfortunate circumstances, your company has been relatively unscathed. The fourth quarter was almost a write off, but your company had exceeded its forecast in the first three quarters. As a result our turnover declined by only 8% over the previous year. Efficient purchasing of raw materials meant that we were able to earn a slightly higher gross profit and operating profit as compared to last year. Tight cost control also yielded a 14% higher Net Profit Before Tax. Unfortunately the current tax increased from Rs. 21 million last year to Rs.73 million this year, as a result of which our net profit after tax declined.

We were able to borrow Rs. 26 million under the government's employee support program and were also able to secure a tax refund of Rs.144 million during this year. Consequently no employee was made redundant and all our employees received their full salaries including annual bonuses.

However, dividends cannot be paid this year again because your company needs to introduce new business lines and products for which further investment is required.

You will note from this year's balance sheet that a significant reserve has been created because of a revaluation of the company's fixed assets. This revaluation was a requirement under prevailing International Accounting Standard.

I wish to thank all stakeholders, for their untiring efforts in achieving very good results under difficult circumstances.
May Allah continue to bless us. Ameen.

Sheikh Amar Hameed
Chairman

CEO'S **MESSAGE**

Nimir Resins Limited has concluded its financial year of 2019-2020 with limited success. The unpredicted global circumstances that occurred this year gravely affected many businesses around the world. The situation was worse in Pakistan due to already struggling economy. However, despite the challenging times and three months of the nationwide lockdown, the Nimir team worked hard to minimize loses. The sales at Nimir Resins Limited reached PKR 4.5 billion; 8% lesser than last year. However, considering the national and international circumstances, Nimir Resins Limited performed fairly well.

Our company recorded pre-tax profit of PKR 187 million in the fiscal year of 2020, which is 14% more than the last year. Net profit, however, was lesser, mainly due to the absence of tax credit, which Nimir Resins Limited claimed previously.

Because of the consistent decrease in the number of COVID-19 cases in Pakistan, the government has lifted many nationwide restrictions, including those on businesses. Furthermore, the State Bank of Pakistan has offered incentives to the industry, including significant reduction in discount rates.

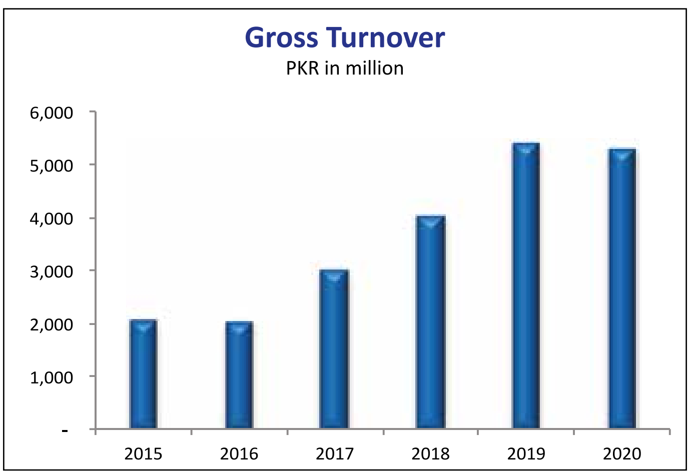
These are good developments for our business and we are committed to capitalize the available opportunities to grow the business and profitability. My team at Nimir Resins Limited and I are dedicated to fulfilling our duties and our promises made to the stakeholders with the primary aim to maximize the shareholders value.

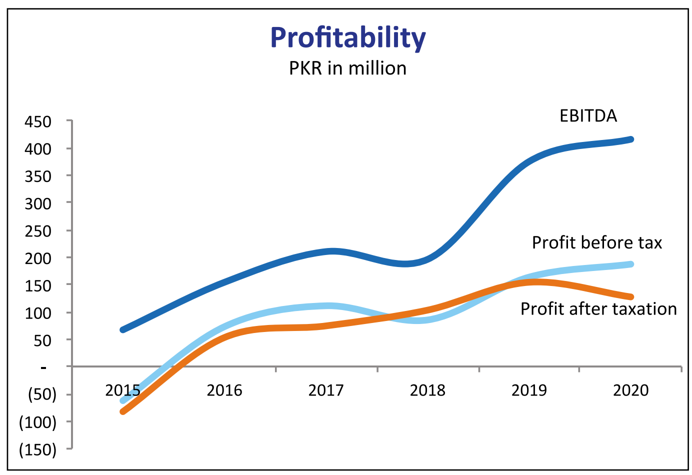
I would like to thank all our stakeholders for their incessant support and their consideration in these arduous times. With our plans for next year, we will strengthen our competitiveness in the market and secure our sustainability in the long-term, InSh'Allah

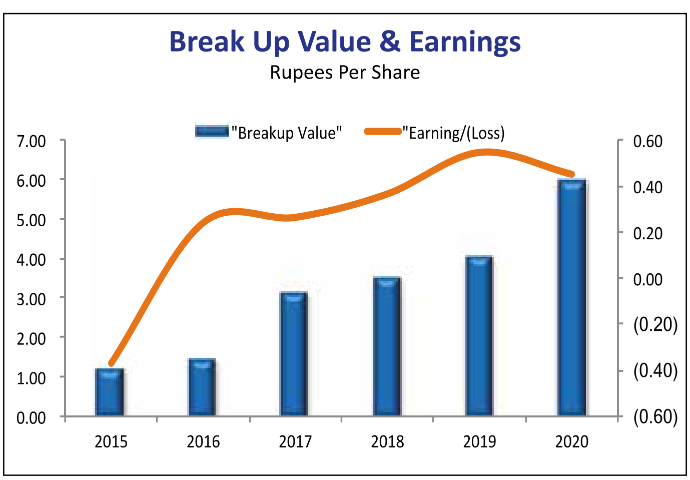
Zafar Mahmood
Chief Executive Officer

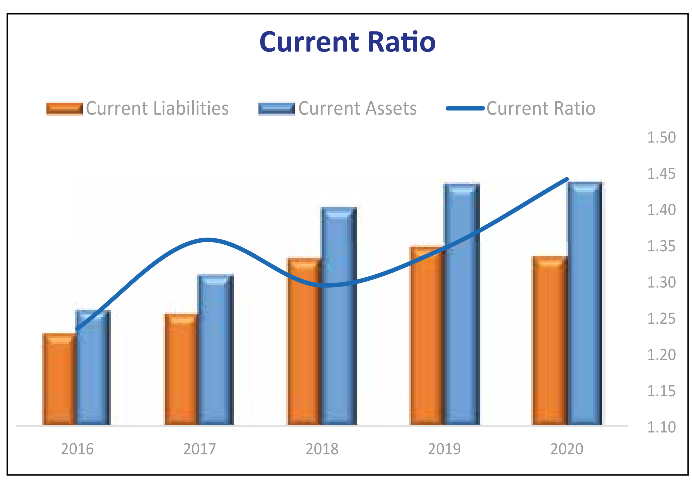
OUR PERFORMANCE

	2015	2016	2017	2018	2019	2020
			Rupees in millions			
Gross Turnover	2,089	2,055	3,041	4,067	5,424	5,298
Net Sales	1,806	1,778	2,669	3,580	4,883	4,499
Gross Profit	155	234	297	330	500	506
Operating Profit	38	136	219	236	389	394
Profit /(Loss) Before Tax	(62)	73	111	85	164	187
Profit /(Loss) After Tax	(82)	53	74	103	154	127
EBITDA	67	154	210	196	375	415
Long Term Borrowings	121	99	2	5	5	23
Net Worth	249	584	910	1,011	1,166	1,712
Current Assets	774	1,208	1,581	2,260	2,515	2,532
Current Liabilities	889	979	1,166	1,747	1,870	1,758
Current Ratio	0.87	1.23	1.36	1.29	1.34	1.44
Number of Shares (in Million)	200	200	277	283	283	283
Breakup value per share-Rupees	1.25	1.51	3.18	3.54	4.09	6.02
Earning/(loss) per share-Rupees	(0.37)	0.24	0.26	0.36	0.54	0.45



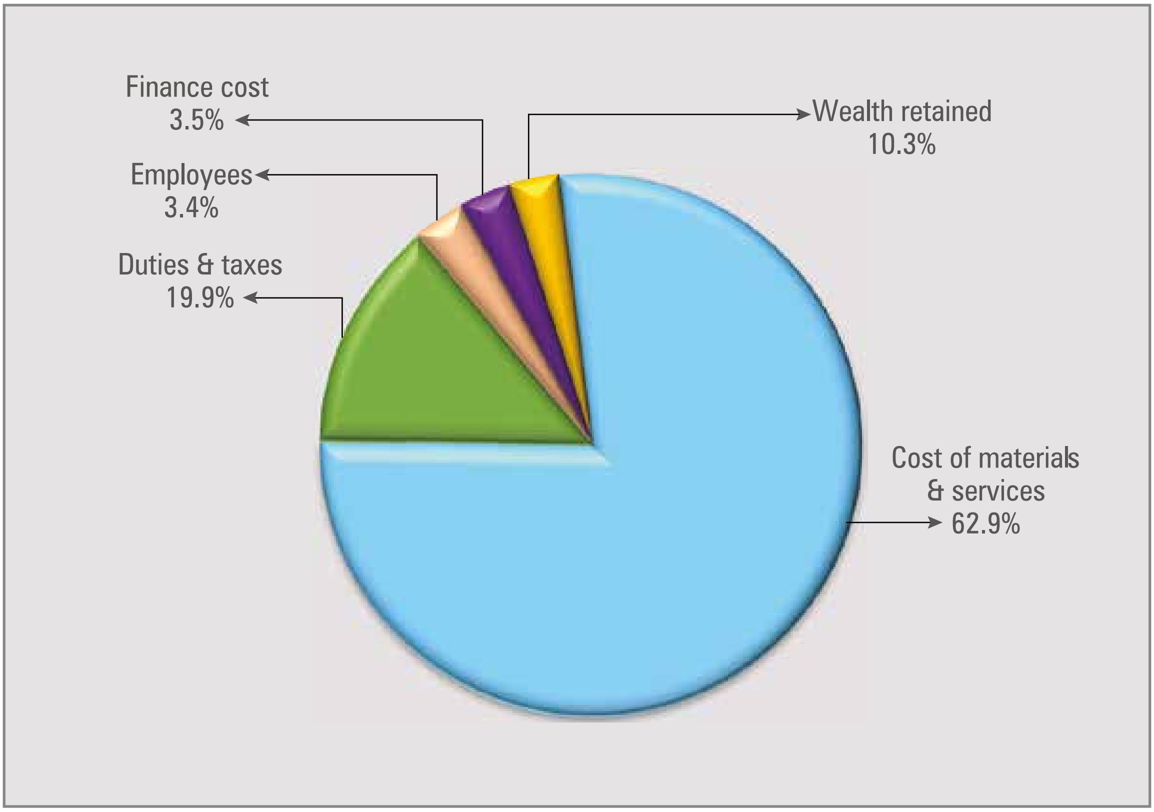






WEALTH GENERATED AND **DISTRIBUTED**
FOR THE YEAR ENDED JUNE 30, 2020

	2020	
	Rs in million	Percentage
Wealth Generated		
Sales with sales Tax	5,298	99.7%
Other operating profit	14	0.3%
	5,312	100.0%
Distribution of Wealth		
Cost of materials & services	3,344	62.9%
Duties & taxes	1,055	19.9%
Employees	182	3.4%
Finance cost	185	3.5%
Wealth retained	546	10.3%
	5,312	100.0%



YEAR AT A **GLANCE 2019-2020**

Performance Parameters	2019	2020
	Rupess in Million	
Sales	4,883	4,499
Gross Profit	500	506
Operating profit	389	394
Finance Cost	168	185
Profit before taxation	164	187
Profit after taxation	154	127
Current Ratio	1.34	1.44
Long term Borrowings to Equity Ratio	0.5 : 99.5	1.3 : 98.7
Earning per share-Rupees	0.54	0.45
Breakup value per share- Rupees	4.09	6.02

Financial Highlights 2019 - 2020

-7.9 %

Decrease in Gross Turnover

1.2 %

Increase in Gross Profit

1.3 %

Increase in Operating Profit

14.4 %

Increase in Profit Before Tax

-17.4 %

Decrease in Earning Per Share

10.8 %

Increase in EBITDA

Key Operating & **Financial Data for Last Six Years**

	2015	2016	2017	2018	2019	2020
			Rupess in Million			
Summary of Profit and Loss						
Net Sales	1,806	1,778	2,669	3,580	4,883	4,499
Gross Profit	155	234	297	330	500	506
Operating profit	38	136	219	236	389	394
Finance Cost	95	50	61	75	168	185
Profit / (loss) before taxation	(62)	73	111	85	164	187
Profit / (loss) after taxation	(82)	53	74	103	154	127
EBITDA	67	154	210	196	375	415
Financial Position						
Share Capital	998	998	1,383	1,413	1,413	1,413
Net Worth	249	584	910	1,011	1,166	1,712
Long term borrowings	121	99	2	5	5	23
Deferred Liabilities	29	31	28	15	11	36
Current Liabilities	889	979	1,166	1,747	1,870	1,758
Non Current Assets	515	485	526	518	537	997
Current Assets	774	1,208	1,581	2,260	2,515	2,532
Total Assets	1,289	1,693	2,106	2,778	3,052	3,529
Investor Information						
Gross profit margin	8.60%	13.17%	11.14%	9.21%	10.24%	11.24%
Pre tax margin	-3.45%	4.10%	4.16%	2.38%	3.35%	4.16%
Net profit margin	-4.56%	3.0%	2.79%	2.88%	3.15%	2.83%
Current Ratio	0.87	1.23	1.36	1.29	1.34	1.44
Long term Borrowing to Equity Ratio	33 : 67	15 : 85	0.2 : 99.8	0.5 : 99.5	0.5 : 99.5	1.3 : 98.7
Interest cover (Times)	0.34	2.46	2.82	2.13	1.98	2.01
Earnings / (loss) per share-Rupees	(0.37)	0.24	0.26	0.36	0.54	0.45
Breakup value per share-Rupees *	1.25	1.51	3.18	3.54	4.09	6.02

* Breakup value is calculated after excluding share deposit money from net worth.

CORE BUSINESS **AT A GLANCE**

Coatings, Emulsions & Polyester

Coatings & Emulsions

One of the Leading & Oldest manufacturer of Resins, Emulsions & Additives for the Coatings industry. Range include following products

- All types of Alkyd Resins & Modified Alkyds for Decorative, Refinish & OEM Paints.
- Amino Resins, Saturated Polyesters, Eposxy ester & Urethane Alkyds.
- Rosin modified Maleic & Phenolic Resins.
- Thermo plastic, Thermo setting & Acrylic Polyol Resins.
- Metal Driers (Cobalt, Zirconium & Calcium)
- Acrylic, Styrene Acrylic & PVA Emulsion binders.
- Weting Agent, Antifoam, Liquid polymeric Pigment & Emulsifiers.

Unsaturated Polyester Resins

A complete line of resin products for composites.

- General purpose & Gel Coat Resins for Tanks, Ducts, Pipes, sheets & Articals.
- Chemicals Resistant Resin.
- Fillament Winding Resin, Pigment dispersion Resin & Accelerator catalyst.
- Promoted & Non promoted Resins.

Textile, Paper & Adhesives

Textile Chemicals

A complete line of resin products for composites.

- General purpose & Gel Coat Resins for Tanks, Ducts, Pipes, sheets & Articals.
- Chemicals Resistant Resin.
- Fillament Winding Resin, Pigment dispersion Resin & Accelerator catalyst.
- Promoted & Non promoted Resins.

Pulp & Paper Chemicals

Complete range of specialility chemicals for pre-treatment and finishing for textile industry including

- Textile Auxiliaries.
- Optical Brightners.
- Binders and PVAs.

Adhesives

Manufacturing all sizing solutions for paper industry including Alkaline, Neutral and Acidic sizing

- Coating Chemicals
- Specialty Chemicals
- Optical Brightening Agent

- Food grade packaging
- Flexible packaging industry
- Laminate glue




okorder





Lay's
Wavy
Ruffles
ORIGINAL

DIRECTORS' **REPORT**

The Board of Directors of Nimir Resins Limited (NRL) is pleased to submit the 56th Annual Report along with the Audited financial statements for the year ended June 30, 2020.

The year 2020 is seen the worst year for the whole world. Covid-19, a pandemic that rapidly spread all around the planet has now taken 0.8 million lives besides affecting 24 million people and putting the growth rate of world economies in the negative, with Pakistan being no exception.

Prior to the pandemic, factors such as the devaluation of the Pakistani Rupee, inflation and high interest rates had already been deteriorating Pakistan's economy. The situation worsened in March 2020, when COVID-19 was declared a global pandemic, forcing the country's economy to collapse. However, NRL's diversified product range helped the company pass through this difficult time successfully. The company continued the supply of some essential products throughout lockdown and generated sales and profitability in the last quarter as well.

Operating Results

	2020	2019
	PKR Million	
Sales	4,499	4,883
Gross Profit	506	500
Operating Profit	394	389
Profit Before Taxation	187	164
Profit After Taxation	127	154
Earning Per Share (Rs.)	0.45	0.54

Your company has been successful in restricting the drop in sales to below 8%. The pre-tax profit remained 14% higher than the last year. The net profit of the year, however, is lower than last year due to company falling under normal taxation. Up to the last year, the company was availing minimum tax credits.

Future Outlook

While the world is still facing the surge in new cases of COVID-19, Pakistan has seen a significant drop in new cases and deaths. As result, the government has lifted the lockdown in August 2020. Furthermore, in order to support the ailing economy and businesses, State Bank of Pakistan reduced the policy rate down to 7% and introduced attractive financing schemes as well as policy to boost construction sector. These measures would help the economy to normalise.

We shall endeavour our best to take maximum benefit of available opportunities, while remaining vigilant about any risks associated with post Covid-19 situation and shall continue enhancing stakeholders' value, Insha'Allah.

Summary of Key Operating and financial data of last Six financial years

Summary of key operating and financial data of last six years is annexed.

Outstanding Statutory Payments

All outstanding payments are of nominal and of routine nature.

Retirement Benefit Schemes:

The Company operates a funded gratuity scheme for its employee as referred in Note-11 to the accounts.

Board of Directors

The election of directors was held in December 2019 to elect Seven (7) directors, in which the following directors were elected:

1. Sheikh Amar Hameed
2. Mr. Zafar Mahmood
3. Mr. Abdul Jalil Jamil
4. Mr. Muhammad Yahya Khan
5. Mr. Osman Hameed
6. Mr. Pervaiz Ahmad Khan
7. Mrs. Nazia Qureshi

Mr. Zafar Mahmood was re-appointed as the Chief Executive Officer.

Currently, the Board of Directors consists of seven members – six male and one female. Out of these directors, one is executive, four are non-executive, and two are independent.

During the year under review, Five (5) Board, Four (4) Audit Committee and One (1) Human Resource & Remuneration Committee meetings were held. Attendance by each director is as follow:

Name of Director	Board of Directors	Audit Committee	HR & R Committee
Sheikh Amar Hameed	5 / 5	-	1 / 1
Zafar Mahmood	5 / 5	-	1 / 1
Muhammad Yahya Khan	4 / 5	-	-
Abdul Jalil Jamil	3 / 5	3 / 4	-
Osman Hameed	5 / 5	4 / 4	-
Mrs. Nazia Qureshi	3 / 3	-	-
Pervaiz Ahmad Khan	5 / 5	4 / 4	1 / 1
Tahir Jahangir	2 / 2	-	-

Leaves of absence were granted to directors who could not attend some of the meetings.

The board has two sub committees: Audit Committee and Human Resource and Remuneration Committee, the composition of which are shown below:

Audit Committee:

1.	Mr. Pervaiz Ahmad Khan	(Independent)	Chairman
2.	Mr. Abdul Jalil Jamil	(Non-Executive)	Member
3.	Mr. Osman Hameed	(Non-Executive)	Member

Human Resource and Remuneration Committee:

1.	Mrs. Nazia Qureshi	(Independent)	Chairperson
2.	Sheikh Amar Hameed	(Non-Executive)	Member
3.	Mr. Zafar Mahmood	(Executive)	Member

Internal Financial Control

The system of internal control is sound in design and has been effectively implemented and monitored.

Board Evaluation

In accordance with the Code of Corporate Governance (CCG) and the Companies Act, 2017 the evaluation of the Board, its committees and individual directors was conducted. The Board is assisted by sub-committees, i.e. the Audit Committee and the HR&R Committee, and these sub-committees held meetings during the year as per the stipulations of the code of corporate governance. It is also important to praise the key role played by the sub-committees (Audit Committee & Human Resources and Remuneration Committee) in assisting Board of Directors in performing their duties.

Directors' Remuneration Policy

Executive Directors' remuneration is paid in line with a Company formal policy approved by the Board of Directors which is in accordance with the Companies Act, 2017 and the CCG. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Corporate Governance

As required under Code of Corporate Governance incorporated in the Listing Rules of the stock Exchanges in the country, the board of Directors are pleased to state as follows:

- The Financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt on the company's ability to continue as a going concern.
- There has been no material departure from best practices of Corporate Governance, as detailed in the listing regulations.
- Key operating and financial data for the last 6 years is annexed.
- Outstanding taxes and levis are given in the notes to the financial statements

The management of the Company is committed towards good corporate governance, and taking all appropriate measures to comply with best practices and also continuously reviewing the system of internal controls in the light of Companies Act 2017.

Corporate Social Responsibilities

The Company recognizes its social responsibilities as a key member of the community. It is committed to contribute its resources for the better environment with an unprejudiced approach. Its safety, health and environmental (SHE) policies are geared towards betterment of employees and community.

The Company ensures environment friendly operations, products and services and promotes environmental awareness among its employee and the community. It inducts employees from the surrounding community and offer internship and apprenticeship opportunities to technical institutes. It also encourages visits by the students of different educational institutions and support needy children of the employees for studies to promote education in the country.

External Auditors

The present auditor's M/s Crowe Hussain Chaudhury and Company, Chartered Accountant, retiring this year, being eligible, have offered themselves for re-appointment. The audit committee has recommended the re-appointment of M/s Crowe Hussain Chaudhury and Company, Chartered Accountant as external auditor of the Company for the year ending June 30, 2021.

Dividend / Bonus Shares

The Board after examining the financial position of the Company decided to keep the company liquid to the maximum possible level under the current economic situation. Hence it has recommended not to give any dividend for the year ended June 30, 2020.

Pattern of Shareholding

A pattern of shareholding of the Company is annexed. There was no trading in the shares of the Company by the Directors, Chief Executive, Chief Financial Officer, Company Secretary, Company Executives and their spouses and minor children during the year except those which are mentioned in the annexed statement required under the Code of Corporate Governance.

Necessary returns in this respect filed with the regulatory authorities besides informing the Board and the Stock Exchange of the said transactions as required under the Code of Corporate Governance.

Acknowledgment

We are thankful to our valued stakeholders including regulators, customers, banks, suppliers, contractors and shareholders, for their excellent support and confidence. We also thank our employees for their focussed dedication and hard work throughout this period.

For and on behalf of the Board

Zafar Mahmood Chief Executive Officer	Muhammad Yahya Khan Director

Lahore,
August 27, 2020

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

•1	محترمہ نازیہ قریشی	(آزاد)	چیئرمین
•2	شیخ عامر حمید	(نان ایگزیکٹو)	رکن
•3	ظفر محمود	(ایگزیکٹو)	رکن

داخلی مالیاتی کنٹرول

اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورننس (سی سی جی) اور کمپنیز ایکٹ 2017 کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی تشخیص کی گئی۔ بورڈ کی مدد ذیلی کمیٹیوں، یعنی آڈٹ کمیٹی اور ایچ آر اینڈ آر کمیٹی کے ذریعے کی جاتی ہے، اور ان ذیلی کمیٹیوں نے کارپوریٹ گورننس کے ضابطہ اخلاق کی شرائط کے مطابق سال کے دوران اجلاس منعقد کئے۔ بہتری کے شعبوں کو اجاگر کرنے اور عملی حل تجویز کرنے میں ذیلی کمیٹیوں (آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی) کے کلیدی کردار کی تعریف کرنا بھی ضروری ہے۔

ڈائریکٹرز کی معاوضہ پالیسی

ایگزیکٹو ڈائریکٹرز کا معاوضہ کمپنیز ایکٹ، 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق بورڈ کی طرف سے منظور شدہ رسمی پالیسی کے مطابق طے کیا گیا ہے۔ کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو اور آزاد ڈائریکٹرز کی فیس کا تعین وقتاً فوقتاً بورڈ کرتا ہے۔

کارپوریٹ گورننس

ملک میں اسٹاک ایکسچینجز کے فہرستی قوانین میں شامل کارپوریٹ گورننس کے ضابطہ کے مطابق، ڈائریکٹرز بخوشی بیان کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- فہرستی قواعد وضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- بقایا ٹیکسز اور لیویز کا مالی حسابات کے نوٹ میں انکشاف کیا گیا ہے۔

کمپنی کی انتظامیہ اچھے کارپوریٹ گورننس کے لئے پُرعزم ہے، اور بہترین طریقوں کے مطابق عمل کرنے کے لئے مناسب اقدامات کئے گئے ہیں۔ تاہم کمپنی کی انتظامیہ کمپنیز ایکٹ 2017 کی روشنی میں داخلی کنٹرول کے نظام کا مسلسل جائزہ لینے کے لئے پُرعزم ہے۔

کارپوریٹ سماجی ذمہ داریاں

کمپنی کمیونٹی کے ایک اہم رکن کے طور پر اپنی سماجی ذمہ داریوں کو تسلیم کرتی ہے۔ یہ غیر جانبدارانہ نقطہ نظر کے ساتھ بہتر ماحول کے لئے اپنے وسائل کو شریک کرنے میں مصروف ہے۔ اس کی حفاظتی، صحت اور ماحولیاتی (SHE) پالیسیاں ملازمین اور کمیونٹی کی بہتری کے لئے تیار کی گئی ہیں۔

کمپنی ماحول دوست، مصنوعات اور خدمات کو یقینی بناتی ہے اور اپنے ملازمین اور کمیونٹی کے درمیان ماحولیاتی شعور کو فروغ دیتی ہے۔ یہ اردگرد کی کمیونٹی سے ملازمین کو آگاہ اور تکنیکی اداروں کو انٹرنشپس اور اپرنٹس شپ کے مواقع پیش کرتی ہے۔ یہ مختلف تعلیمی اداروں کے طالب علموں کی طرف سے دوروں کی حوصلہ افزائی اور ملک میں تعلیم کو فروغ دینے کے لئے ملازمین کے ضرورت مند بچوں کی مدد کرتی ہے۔

بیرونی محاسب

موجودہ محاسب میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ، اس سال سبکدوش ہو رہے ہیں، نے اہل ہونے کی بناء پر، دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2021ء کو ختم ہونے والے سال کے لئے کمپنی کے بیرونی محاسب کے طور پر میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے۔

ڈیویڈینڈ/بونس شیئرز

بورڈ نے کمپنی کی مالی حیثیت کا جائزہ لینے کے بعد کمپنی لیکویڈ کو زیادہ سے زیادہ ممکنہ سطح تک برقرار رکھنے کا فیصلہ کیا ہے چنانچہ بورڈ نے 30 جون 2020 کے لئے کوئی ڈیویڈینڈ جاری نہ کرنے کی سفارش کی ہے۔

نمونہء حصص داری

کمپنی کا نمونہء حصص داری منسلک ہے۔ سال کے دوران کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، کمپنی ایگزیکٹو اوران کے زوج اور نابالغ بچوں کے ذریعے کمپنی کے حصص میں کوئی ٹریڈنگ نہیں کی گئی، ماسوائے جس کا ذکر کوڈ آف کارپوریٹ گورننس (سی سی جی) کے ضابطہ کے تحت درکار منسلکہ بیان میں کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت درکار، مذکورہ لین دین کا بورڈ اور اسٹاک ایکسچینجز کو مطلع کرنے کے علاوہ بابت ہذا میں ضروری ریٹرنز ریگولیٹری اتھارٹی کے ہاں داخل کی گئی ہیں۔

اظہار تشکر

ہم اپنے قابل قدر اسٹیک ہولڈرز سمیت ریگولیٹر، صارفین، بینکوں، سپلائرز، ٹھیکیداروں اور حصص داران کے شاندار تعاون اور اعتماد کے شکر گذار ہیں۔ ہم اس پوری مدت میں اپنے ملازمین کی مرکوز توجہ اور سخت محنت کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

ظفر محمود	**محمد یحییٰ خان**	**لاہور**
چیف ایگزیکٹو آفیسر	ڈائریکٹر	**27اگست 2020ء**

ڈائریکٹرز رپورٹ

نمر ریزنز لمیٹڈ (NRL) کا بورڈ آف ڈائریکٹرز 30 جون 2020ء کو ختم ہونے والے سال کے لئے 56 ویں سالانہ رپورٹ معہ نظرثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

سال 2020 پوری دنیا کے لئے بدترین سال رہا ہے۔ کووِڈ-19 ، ایک وبائی بیماری جو تیزی سے دینا میں چاروں طرف پھیل گئی جس نے اب تک 22 لاکھ افراد کو متاثر کرنے اور عالمی معیشتوں کی نمو کو منفی میں بدلنے کے علاوہ 0.8 ملین افراد کی جانیں لے لیں، اور پاکستان بھی اس سے مستثنیٰ نہیں ہے۔

اس وبا سے پہلے، پاکستانی روپے کی قدر میں کمی، افراطِ زر اور اعلیٰ شرح سود جیسے عوامل پہلے ہی پاکستان کی معیشت کو خراب کر رہے تھے۔ مارچ 2020 میں صورتحال مزید خراب ہوگئی، جب COVID-19 کو عالمی وبائی مرض قرار دے دیا گیا، جس سے ملک کی معیشت مزید تباہ ہوگئی۔ تاہم، NRL کی متنوع مصنوعات کی رینج نے کمپنی کو اس مشکل وقت کو کامیابی کے ساتھ گذارنے میں مدد فراہم کی۔ کمپنی نے پورے لاک ڈاؤن میں چند ضروری مصنوعات کی فراہمی جاری رکھی اور پچھلی سہ ماہی میں بھی فروخت اور منافع حاصل کیا۔

کاروباری نتائج

	روپے ملین	
	2020	2019
فروخت آمدنی	4,499	4,883
مجموعی منافع	506	500
آپریٹنگ منافع	394	389
ٹیکس سے قبل منافع	187	164
ٹیکس کے بعد منافع	127	154
فی شیئر آمدنی (روپے)	0.45	0.54

آپ کی کمپنی فروخت کی آمدنی میں کمی کو 8 فیصد سے نیچے تک محدود رکھنے میں کامیاب رہی ہے۔ ٹیکس سے پہلے کا منافع پچھلے سال کے مقابلے میں 14 فیصد زیادہ رہا۔ کمپنی کے عام ٹیکس کے تحت آنے کی وجہ سے اس سال کمپنی کا خالص منافع گذشتہ سال کے مقابلہ میں کم ہے۔ پچھلے سال تک، کمپنی کم از کم ٹیکس کریڈٹ حاصل کر رہی تھی۔

مستقبل کا نقطہ نظر

اگرچہ دنیا اب بھی کووڈ 19 کے نئے کیسز میں اضافے کا سامنا کر رہی ہے، پاکستان میں نئے کیسز اور اموات میں نمایاں کمی دیکھنے میں آئی ہے۔ اس کے نتیجے میں، حکومت نے اگست 2020 میں لاک ڈاؤن ختم کر دیا۔ مزید برآں، کمزور معیشت اور کاروبار کی سپورٹ کی خاطر، اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح کو 7 فیصد تک کم کیا اور تعمیراتی سیکٹر کو فروغ دینے کے لئے پرکشش فنانسنگ اسکیمیں اور پالیسی متعارف کرائی ہے۔ ان اقدامات سے معیشت کو معمول پر لانے میں مدد ملے گی۔

ہم دستیاب مواقع سے زیادہ سے زیادہ فائدہ اٹھانے کی کوشش کریں گے، جبکہ کووڈ 19 کے بعد کی صورتحال سے وابستہ کسی خطرات کے بارے میں چوکس رہیں گے اور اسٹیک ہولڈرز کی قدر میں مسلسل اضافہ کریں گے۔ انشاءاللہ

گزشتہ چھ مالی سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ

گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ منسلک ہے۔

بقایا قانونی ادائیگیاں

تمام بقایا ادائیگیاں برائے نام اور معمولی نوعیت کی ہیں۔

ریٹائرمنٹ کے فوائد کی سکیمیں:

کمپنی اپنے ملازمین کے لئے اکاؤنٹس کے نوٹ 11 پر درج، ایک فنڈ ڈ گریجوئٹی اسکیم چلاتی ہے۔

بورڈ آف ڈائریکٹرز

سات (7) ڈائریکٹرز کے انتخاب کے لئے ڈائریکٹرز کے انتخابات دسمبر 2019 میں منعقد ہوئے جس میں مندرجہ ذیل ڈائریکٹرز کا انتخاب کیا گیا:

1۔ جناب شیخ عامر حمید۔
2۔ جناب ظفر محمود۔
3۔ جناب عبدالجلیل جمیل
4۔ جناب محمد یحییٰ خان
5۔ جناب عثمان حمید
6۔ جناب پرویز احمد خان
7۔ محترمہ نازیہ قریشی

جناب ظفر محمود کو دوبارہ چیف ایگزیکٹو آفیسر مقرر کیا گیا۔

فی الحال بورڈ آف ڈائریکٹرز سات (7) ارکان، چھ مرد اور ایک خاتون ڈائریکٹر پر مشتمل ہے۔ ان سات ڈائریکٹرز میں سے ایک (1) ایگزیکٹو، چار (4) نان ایگزیکٹو اور دو (2) آزاد ڈائریکٹر ہیں۔

زیر جائزہ سال کے دوران پانچ (5) بورڈ، چار (4) آڈٹ کمیٹی اور ایک (1) ہیومن ریسورس اینڈ ریمنریشن کمیٹی کے اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر & ریمنریشن کمیٹی
شیخ عامر حمید	5/5	-	1/1
ظفر محمود	5/5	-	1/1
محمد یحییٰ خان	4/5	-	-
عبدالجلیل جمیل	3/5	3/4	-
عثمان حمید	5/5	4/4	-
محترمہ نازیہ قریشی	3/3	-	-
پرویز احمد خان	5/5	4/4	1/1
طاہر جہانگیر	2/2	-	-

ڈائریکٹرز جو چند اجلاسوں میں شرکت نہیں کر سکتے تھے، کو غیر حاضری کی چھٹی دی گئی۔

بورڈ کی دو ذیلی کمیٹیاں یعنی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی ہیں۔ ان دو کمیٹیوں کی ترتیب حسب ذیل ہے:

آڈٹ کمیٹی:

- 1 پرویز احمد خان (آزاد) — چیئرمین
- 2 عبدالجلیل جمیل (نان ایگزیکٹو) — رکن
- 3 عثمان حمید (نان ایگزیکٹو) — رکن

Statement of Compliance with the Listed Companies (Code of Corporate Governance) **Regulations, 2019** FOR THE YEAR ENDED JUNE 30, 2020

Nimir Resins Limited (the "Company") has complied the requirement of the Regulations in the following manner:

Note: The Board is reconstituted after the election in December 2019.

1. The total number of directors is 07 as detailed below:

a. Male : 06
b. Female : 01

2. The composition of the board is as follows:

S. No.	Categoary	Name
1	Independent Director	1. Mr. Pervaiz Ahmad Khan 2. Mrs. Nazia Qureshi
2	Executive Director	1. Mr. Zafar Mahmood - Chief Executive Officer
3	Non- Executive Director	1. Sheikh Amar Hameed - Chairman 2. Mr. Abdul Jalil Jamil 3. Mr. Muhammad Yahya Khan 4. Mr. Osman Hameed
4	Female Director	1. Mrs. Nazia Qureshi

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. During the year Mrs. Nazia Qureshi joined the board got trained under Directors' Training Program.

10. The board has approved appointment of CFO including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Company Secretary and Head of Internal Audit have remained unchanged during the year.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The Board has formed committees comprising of members given below:

I. Audit Committee:

i. Mr. Pervaiz Amad Khan – Chairman
ii. Mr. Abdul Jalil Jamil
iii. Mr. Osman Hameed

II. HR and Remuneration Committee:

i. Mrs. Nazia Qureshi – Chairperson
ii. Sheikh Amar Hameed
iii. Mr. Zafar Mahmood

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half-yearly/yearly) of the committees were as per following:

I. Audit Committee

Four quarterly meetings were held during the financial year ending June 30, 2020.

II. HR & Remuneration Committee

One meeting was held during the financial year ending June 30, 2020.

15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for noncompliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36, are below: Not Applicable.

Sheikh Amar Hameed
Chairman

Zafar Mahmood
Chief Executive Officer

Lahore
August 27, 2020

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS ON **STATEMENT OF COMPLIANCE WITH THE CCG**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nimir Resins Limited ("the Company") for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Crowe Hussain Ch. Co

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
August 27, 2020

INDEPENDENT AUDITORS' REPORT TO **THE MEMBERS**
FOR THE YEAR ENDED JUNE 30, 2020

Opinion

We have audited the annexed financial statements of Nimir Resins Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the Company's affairs as at June 30, 2020 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

S.No.	Key audit matters	How the matter was addressed in our audit
Stock in trade		
1.	Stock in trade of the Company has shown a significant increase as of June 30, 2020 as compared to last year as disclosed in note 20 of the financial statement. Inventories are stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in note 3.4 to the financial statements. This increased level of stock in trade was considered to be a key audit matter as these comprise a substantial portion of the current assets of the Company and require judgment based estimation for valuation and for possible provisioning of obsolescence of stock.	Our procedures comprised the following: • Observed physical inventory count procedures and compared, on a sample basis, physical count with valuations sheets; • Obtained the final valuation sheets of the inventories and on sample basis, recalculated / checked the cost of inventory. • On a sample basis, tested the net realizable value of inventory items to recent selling prices and re-assessed the valuation of inventory including possibility of write down, if any • Reviewed the ageing reports of inventory and assessed whether there are any slow moving items that need a write off or provisions. Also discussed the reasons with management. • Evaluated the presentation and disclosure of stock in trade in the financial statements as required by the applicable reporting framework.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2020, but does not include the financial statements and our auditors' report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors’ report is Muhammad Nasir Muneer.

Crowe Hussain Ch. Co

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
August 27, 2020

STATEMENT OF **FINANCIAL POSITION**
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 300,000,000 (2019: 300,000,000) Ordinary shares of Rs. 5 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up share capital	5	1,413,210,640	1,413,210,640
Share deposit money	6	11,391,005	11,391,005
Sponsors' interest free loans		107,000,000	107,000,000
Reserves	7	(321,055,880)	(450,086,731)
Surplus on revaluation of property, plant and equipment - net	8	501,575,832	84,357,351
		1,712,121,597	1,165,872,265
Non Current Liabilities			
Diminishing musharaka finance	9	1,653,414	3,252,972
Long term financing	10	21,096,259	2,103,450
Post employment benefits obligation	11	16,395,841	10,952,455
Deferred tax liability	12	19,698,724	-
		58,844,238	16,308,877
Current Liabilities			
Trade and other payables	13	601,269,186	288,834,895
Unclaimed dividends		292,819	292,819
Accrued mark up		23,397,432	34,837,595
Short term borrowings	14	1,056,652,751	1,484,828,855
Current portion of diminishing musharaka finance	9	1,747,115	1,575,105
Current portion of long term financing	10	7,249,300	682,200
Provision for taxation	15	67,616,275	59,114,825
		1,758,224,878	1,870,166,294
Contingencies and Commitments	16	-	-
Total Equity and Liabilities		3,529,190,713	3,052,347,436
ASSETS			
Non Current Assets			
Property, plant and equipment	17	983,942,611	523,723,347
Intangible assets	18	331,736	663,473
Long term deposits	19	12,857,387	9,335,693
Deferred tax asset	12	-	3,482,921
		997,131,734	537,205,434
Current Assets			
Stores and spares		15,484,713	15,957,850
Stock in trade	20	1,271,976,569	857,165,513
Short term investment	21	-	46,700,000
Trade debts	22	819,320,517	1,020,297,341
Loans and advances	23	40,486,704	33,064,755
Short term prepayments		894,777	327,235
Other receivables	24	1,309,000	12,571,616
Tax refunds due from the Government	25	368,134,107	505,285,833
Cash and bank balances	26	14,452,592	23,771,859
		2,532,058,979	2,515,142,002
Total Assets		3,529,190,713	3,052,347,436

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

STATEMENT OF **PROFIT OR LOSS ACCOUNT**
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees (Restated)
Revenue	27	4,499,104,712	4,883,237,414
Cost of sales	28	(3,993,379,722)	(4,383,297,157)
Gross Profit		505,724,990	499,940,257
Distribution cost	29	(56,994,912)	(64,383,203)
Administrative expenses	30	(54,704,812)	(46,675,297)
		(111,699,724)	(111,058,500)
Operating Profit		394,025,266	388,881,757
Other operating expenses	31	(36,061,190)	(70,445,579)
Finance cost	32	(185,128,264)	(167,591,727)
Other income	33	14,203,919	12,656,227
Profit before Taxation		187,039,731	163,500,678
Income tax expense	34		
Current tax		(73,709,509)	(20,951,285)
Deferred tax		13,884,779	11,468,025
		(59,824,730)	(9,483,260)
Net Profit for the Year		127,215,001	154,017,418
Earnings per Share - Basic and Diluted	35	0.45	0.54

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF **COMPREHENSIVE INCOME**
FOR THE YEAR ENDED JUNE 30, 2020

	2020 Rupees	2019 Rupees
Net Profit for the Year	127,215,001	154,017,418
Other comprehensive income		
Items that will not be re-classified subsequently to profit or loss		
Surplus arising on revaluation of property, plant and equipment	456,190,205	-
Related deferred tax impact	(37,092,364)	-
Re-measurement of post employment benefits asset / (liability)	(89,450)	1,275,232
Related deferred tax impact	25,940	(369,817)
Items that may be re-classified subsequently to profit or loss	-	-
Other comprehensive income for the year	419,034,331	905,415
Total Comprehensive Income for the Year	546,249,332	154,922,833

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF **CHANGES IN EQUITY**
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Share Capital	Share Deposit Money	Sponsors' Interest Free Loan	Capital Reserves Share Premium Reserve	Revenue Reserves Accumulated Loss	Surplus on Revaluation of Property, Plant and Equipment	Total
	Rupees						
Balance as at June 30, 2018	1,413,210,640	11,391,005	107,000,000	1,281,303	(606,677,725)	84,744,209	1,010,949,432
Net profit for the year	-	-	-	-	154,017,418	-	154,017,418
Other comprehensive income for the year	-	-	-	-	905,415	-	905,415
Total comprehensive income for the year	-	-	-	-	154,922,833	-	154,922,833
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	386,858	(386,858)	-
Balance as at June 30, 2019	1,413,210,640	11,391,005	107,000,000	1,281,303	(451,368,034)	84,357,351	1,165,872,265
Net profit for the year	-	-	-	-	127,215,001	-	127,215,001
Other comprehensive income for the year	-	-	-	-	(63,510)	419,097,841	419,034,331
Total comprehensive income for the year	-	-	-	-	127,151,491	419,097,841	546,249,332
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	1,879,360	(1,879,360)	-
Balance as at June 30, 2020	1,413,210,640	11,391,005	107,000,000	1,281,303	(322,337,183)	501,575,832	1,712,121,597

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

STATEMENT OF **CASH FLOWS**
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from /(Used in) Operations	36	618,750,155	(34,466,264)
Finance cost paid		(194,702,910)	(145,089,474)
Income tax paid		(11,801,083)	(41,661,506)
Gratuity paid		(2,626,041)	(2,126,463)
Workers' welfare fund paid		(3,343,953)	(3,081,189)
Workers' (profit) participation fund paid		(8,795,980)	(4,620,000)
		(221,269,967)	(196,578,632)
Net Cash Generated from /(Used in) Operating Activities		397,480,188	(231,044,896)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(8,167,959)	(11,801,202)
Proceeds from disposal of property, plant and equipment		750,000	1,040,000
Capital work in progress - property, plant and equipment		(38,516,059)	(48,987,526)
Long term deposits		(3,521,694)	1,404,263
Short term investments encashed		46,700,000	-
Net Cash Used in Investing Activities		(2,755,712)	(58,344,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		26,242,109	3,411,000
Payments against long term financing		(682,200)	(625,350)
Payments against diminishing musharaka finance		(1,427,548)	(1,445,876)
Short term borrowings - net		(428,176,104)	272,651,565
Net Cash (Used in) / Generated from Financing Activities	37	(404,043,743)	273,991,339
Net Decrease in Cash and Cash Equivalents		(9,319,267)	(15,398,022)
Cash and cash equivalents at the beginning of the year		23,771,859	39,169,881
Cash and Cash Equivalents at the End of the Year		14,452,592	23,771,859

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

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) 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 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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 from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 17	(stated at Revalued / Fair value)
Post employment benefits (Gratuity)	Note 11	(stated at Present value)

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These estimates and related assumptions are reviewed on an on-going basis. Significant management estimates in these financial statements are relating to the useful life and residual values of property, plant and equipment; provision for doubtful receivables; post empoyment provisions for defined benefit plans; slow moving and obsolete inventory; recovery, trade debts and taxation.

The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statement of the Company for the year ended June 30, 2020 have been consistent with previous year unless otherwise stated.

2.4.1 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the area that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

a) Useful lives and residual values of fixed assets - notes 3.1 and 17
b) Impairment of financial assets - note 3.16.1
c) Recognition of contingent liabilities - notes 3.11 and 16

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after July 1, 2019 and are considered to be relevant to the Company's financial statements:

IFRS 16 'Leases' (effective for annual periods beginning on or after 1 January 2019). IFRS 16 set out the principles for recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all the leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make the lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease , SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective Date (Period beginning on or after)
Conceptual Framework in IFRS Standards [Amendments]	January 1, 2020
IFRS 3 Business Combinations [Amendments]	January 1, 2020
IFRS 7 Financial Instruments: Disclosures [Amendments]	January 1, 2020
IFRS 9 Financial Instruments [Amendments]	January 1, 2020
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2022
IFRS 16 Leases [Amendments]	July 1, 2020
IFRS 17 Insurance Contracts	January 1, 2021
IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2020
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

Company will assess the impacts of these changes in the period of intial application once such changes become effective for the company.

3 Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented except for those as disclosed in Note 3.24.

3.1 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any, except freehold land and building on freehold land which are stated at revalued amount less accumulated depreciation on building and impairment loss if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing assets to their working condition.

Depreciation is charged to income on straight line method at the rates specified in Note 17. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on assets disposed off during the month. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life. Freehold land and buildings on freehold land are revalued every three years. Latest revaluation of land and buildings was carried out by an independent valuer as at April 02, 2020,

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Increases in the carrying amount arising on revaluation of assets are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. However, the increase is first recognized in statement of profit or loss account to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in statement of profit or loss account.

Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the statement of profit or loss) and depreciation based on the asset's original cost - incremental depreciation on revalued assets is transferred from surplus on revaluation of property, plant and equipment to retained earnings. All transfers from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment is impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss . The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.The company estimate of the residual value of its opearting fixed assets as at June 30,2020, has not required, any adjustment as its impact is considered insignificant.

Subsequent cost are included in the carrying amount of an asset or recognized as a seprate asset, as appropriate, only when it is probable that future ecnomics benefit associated with the item will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year's income.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specfic assets incurred during installation and construction period are carried under capital work in progress.These are transferred to operating fixed assets as and when these are available for use.

3.2 Intangible asset

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible asset. However, costs associated with the maintenance of software are recognized as an expense.

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant. ERP software is being amortized over 5 years based on estimated useful life.

3.3 Stores and spares

These are valued at lower of moving average cost and net realizable value; whilst items considered obsolete are carried at nil value. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.4 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw and packing materials	- Moving average cost
Materials in transit	-Invoice value plus incidental charges
Work in process	-Estimated manufacturing cost
Finished goods	-Average manufacturing cost

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.Wastes are carried at net realisable value.

3.5 Trade debts

Trade debts are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are classified as non-current assets. Trade debts are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose statement of cash flow, cash and cash equivalents comprise cash in hand and cash at banks in current and savings accounts.

3.7 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.8 Post employment benefits

Defined benefits plan

The Company operates an approved and funded defined benefit plan for all of its permanent employees. Under this plan, gratuity is paid to the retiring employees on the basis of their last drawn gross salary for each completed year of service.

Actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions for the defined benefits plan are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the statement of profit or loss account.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.9 Income tax expense

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss account except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

The charge for current tax is based on higher of minumum tax based on turnover of the company and alternate corporate tax and for the year determined in accordance with the prevailing laws of taxation. All tax credits and tax rebates are taken into account in calculating this charge. However, in case of taxable loss for the year, income tax expense is recognized on the basis of minimum tax liability on turnover of the Company in accordance with the provisions of the income tax law.

Deferred

Deferred tax is recognized using the reporting date liability method on all temporary differences between the carrying amount of assets, liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified for subsequent enactments at the reporting date.

3.10 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

3.11 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.12 Borrowing cost

Borrowing costs are charged to income as and when incurred except costs directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.13 Foreign currency transactions and translations

Transactions denominated in foreign currencies are initially recorded in Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the reporting date. Exchange differences are included in statement of profit or loss account.

3.14 Revenue recognition

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

i) Identify the contract with a customer.
ii) Identify the performance obligation in the contract.
iii) Determine the transaction price of the contract.
iv) Allocate the transaction price to each of the separate performance obligations in the contract.
v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

3.15 Related party transactions

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices determined in accordance with the Company's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.16.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

3.16.1.1 Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

Reclassification

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of the amortized cost measurement category to fair value through other comprehensive income measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

In case of reclassification out of fair value through other comprehensive income measurement category to the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.16.1.2 Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit or loss account when the Company's right to receive payments is established. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Company uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade date.

3.16.1.3 Subsequent measurement

For the purpose of measuring financial assets after initial recognition, these are classified into the following categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets carried at amortized cost are subsequently measured using the effective interest method. Gain or loss on financial assets not part of hedging relationship is recognized in profit or loss when the financial asset is derecognized, reclassified, through the amortization process or in order to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

3.16.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Company has transferred substantially all the risks and rewards of the asset; or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

3.16.1.5 Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost and through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

3.16.2 Financial liabilities

3.16.2.1 Initial recognition and measurement

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate and contingent consideration recognized in a business combination.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss account.

The Company's financial liabilities include trade and other payables, loans and borrowings including Company overdrafts, financial guarantee contracts and derivative financial instruments.

3.16.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel. The Company has not designated any financial liability as at fair value through profit or loss.

Financial guarantee contracts and commitments to provide a loan at a below-market interest rate

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts and commitments to provide a loan at a below-market interest rate are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

Contingent consideration recognized in a business combination

These are subsequently measured at fair value with changes recognized in profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

3.16.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

If the Company repurchases a part of a financial liability, the Company allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized is recognized in profit or loss.

3.16.3 Offsetting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17 Impairment

Carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value, the recoverable amount is determined to be the value in use. Impairment losses are recognized as expense in the statement of profit or loss.

3.17.1 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The company applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model

- Trade debts

- Loans and advances

- Bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction ofconditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

- actual or expected significant changes in the operating results of the counterparty;

- significant increase in credit risk on other financial instruments of the same counterparty; and

- significant changes in the value of the collateral supporting the obligation or in the quality of thirdparty guarantees, if applicable.

The company considers the following as constituting an event of default for internal credit riskmanagement purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collaterals held by the company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments
- Past-due status;
- Nature, size and industry of borrowers; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The company recognises an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company).

3.19 Dividend

Dividends are recognized as a liability in the period in which these are approved.

3.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.21 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

3.22 Contract asset and contract liability

A contract asset is recognised for the company's right to consideration in exchange for goods or services that it has transferred to a customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the company's obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

3.23 Earnings per Share

The Company presents basic and diluted earnings per share (EPS). Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.24 Change in Accounting Policy

The Company has adopted IFRS 16 'Leases' (effective for annual periods beginning on or after 1 January 2019) during the period that has replaced IAS 17 - Leases, IFRIC 4 - Determining whether an arrangement contains a lease, SIC-15 - Operating Leases - Incentives and SIC-27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 aims to set out the principles for recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for virtually all of the leases. IFRS 16 includes an optional exemptions for certain short-term leases and leases of low-value assets for lessees. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make the lease payments. Under the previous standard, IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17 'Leases'. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, as the IASB has updated the guidance on the definition of a lease as well as the guidance on the combination and separation of contracts, lessors will also be affected by the new standard. The adoption of IFRS 16 has necessitated change in accounting policy for the Company.

The application of IFRS 16 did not have a material impact on amounts in the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Company.

4 Impact of COVID-19 on the Financial Statements

The outbreak of COVID-19 pandemic and the lockdown situation in the country have impacted businesses to varying degrees, having implications on their operations, financial position, profitability, liquidity and in certain cases, the going concern status. The management has evaluated the impacts of COVID-19 on the Financial Statements of the Company and has concluded as follows:

- There are no material implications of COVID-19 on carrying amounts of assets and liabilities or items of income and expenses, as required under the relevant accounting and reporting standards, that require specific disclosure in the financial statements.

- As disclosed in note 27, the Company has recorded net sales of Rs. 4,499 million (2019 - Rs. 4,883 million). The most important contributing factor in decrease in sales for the year was the decreased demand of the products of the Company during the lockdown period. Further, as disclosed in note 43, the production output of the Company was 25,877 metric tons (2019 - 29,221 metric tons). The closure of plant due to COVID-19 pandemic contributed lesser volumes of production during the year.

- The management has evaluated the impacts of COVID-19 on going concern status of the Company and has concluded that the Company is not exposed to any going concern risks.

5 Issued, Subscribed and Paid up Share Capital

2020	2019		2020	2019
No. of Shares			Rupees	Rupees
100,825,648	100,825,648	Ordinary shares of Rs. 5 each fully paid in cash	504,128,240	504,128,240
33,550,588	33,550,588	Ordinary shares of Rs. 5 each issued at 60% discount	167,752,940	167,752,940
2,699,247	2,699,247	Ordinary shares of Rs. 5 each issued for consideration other than cash - land	13,496,235	13,496,235
9,142,867	9,142,867	Ordinary shares of Rs. 5 each issued as fully paid bonus shares	45,714,335	45,714,335
143,689,875	143,689,875	Ordinary shares of Rs. 5 each issued pursuant to the scheme of amalgamation	718,449,375	718,449,375
(7,266,097)	(7,266,097)	Ordinary shares of Rs. 5 each cancelled pursuant to the scheme of amalgamation	(36,330,485)	(36,330,485)
282,642,128	282,642,128		1,413,210,640	1,413,210,640

5.1 The Company has not issued / cancelled any shares during the year.

5.2 As at the reporting date, the shares of the Company as held by its holding company and associated companies are as under:

	2020	2019
	Number of shares	
Nimir Management (Private) Limited	144,147,485	144,147,485
Nimir Industrial Chemicals Limited	32,876,612	-
Nimir Holding (Private) Limited	-	32,876,612
Terranova (Private) Limited	12,892,775	12,892,775
	189,916,872	189,916,872

6 Share Deposit Money

The balance in share deposit money account represents the excess subscription money received from directors and related parties for issuance of right shares.

7 Reserves

	Note	2020 Rupees	2019 Rupees
Capital reserves			
Share premium reserve		1,281,303	1,281,303
Revenue reserves			
Accumulated loss		(322,337,183)	(451,368,034)
		(321,055,880)	(450,086,731)

8 Surplus on Revaluation of Property Plant and Equipment - net

	Note	2020 Rupees	2019 Rupees
Land - freehold			
Opening balance		80,069,703	80,069,703
Add: Surplus on revaluation arisen during the year		328,285,500	-
		408,355,203	80,069,703
Buildings on freehold land			
Opening balance		4,287,648	4,674,506
Add: Surplus on revaluation arisen during the year		127,904,705	-
Less: Related deferred taxation		(37,092,364)	-
		95,099,989	4,674,506
Transferred to retained earnings in respect of net incremental depreciation - net of deferred tax		(1,879,360)	(386,858)
Closing balance - net of tax	8.1	501,575,832	84,357,351

8.1 Latest revaluation was carried out by an approved, independent valuer as at April 02, 2020 using net replacement method. This resulted in revaluation surplus of Rs. 456.190 million. Incremental depreciation charged on revalued fixed assets is transferred to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between the depreciation charged on revalued amount of building and the equivalent depreciation based on the historical cost of building.

9 Diminishing Musharaka Finance

	2020 Rupees	2019 Rupees
Diminishing musharaka finance	3,400,529	4,828,077
Less: Current portion	(1,747,115)	(1,575,105)
	1,653,414	3,252,972

9.1 The Company acquired certain vehicles under the diminishing musharaka financing arrangements from 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 opening value. The effective rate is three months KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (2019: 8.55% - 8.66%).

10 Long Term Financing

	2020 Rupees	2019 Rupees
Long term financing	28,345,559	2,785,650
Less: Current portion	(7,249,300)	(682,200)
	21,096,259	2,103,450

10.1 The Company had obtained a loan of Rs. 3.411 million from Soneri Bank Limited for purchase of a vehicle. This loan is repayable in 60 equal monthly installments starting from August 01, 2018. Markup is charged at the rate of three months the KIBOR plus 1.5% p.a payable monthly in arrears. The vehicle is comprehensively insured in bank's favour with bank mortgage clause.

10.2 During the year, the Company has obtained a loan of Rs. 26.242 million from Bank of Punjab for disbursement of salaries of employees for three months i.e. April, May, and June 2020 under the State Bank of Pakistan Refinance Scheme. 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% p.a payable quarterly in arrears. This facility is secured against exclusive charge over fixed assets of the Company amounting to Rs 35.030 million registered with SECP.

11 Post Employment Benefits Obligation

	2020 Rupees	2019 Rupees
Post employment benefits obligation	16,395,841	10,952,455

11.1 As stated in note 3.8, the Company operates an approved funded gratuity scheme for its permanent employees. Actuarial valuation of the scheme is carried out annually by an independent actuary and the latest actuarial valuation was carried out as at June 30, 2020.

11.2 During the year, the number of eligible employees in gratuity scheme has decreased from 124 to 116

On the basis of the information included in the latest actuarial report, the actuarial valuation of the scheme has resulted in post employment benefits obligation in current year as presented in the following notes:

	2020	2019
11.3 Actuarial assumptions		
Discount rate (per annum)	9.00%	13.25%
Expected rate of salary increase in future years	8.00%	12.25%
Average duration of liability	9.6 years	9.3 years
Actuarial valuation method	Projected Unit Credit Method	
Mortality rate	SLIC 2001-2005 setback 1 year	

	Note	2020 Rupees	2019 Rupees
11.3.1 Reconciliation of the funded status			
Present value of defined benefit obligation	11.3.2	26,506,113	20,779,813
Fair value of plan assets	11.3.3	(10,110,272)	(9,827,358)
		16,395,841	10,952,455
11.3.2 Movement in present value of defined benefit obligation			
Opening balance		20,779,813	15,031,194
Current service cost for the year		6,702,752	6,228,637
Interest on defined benefit liability		2,579,350	1,082,517
Benefits paid		(2,626,041)	(2,126,463)
Actuarial losses		(929,761)	563,928
Closing balance		26,506,113	20,779,813
11.3.3 Movement in fair value of plan assets			
Opening balance		9,827,358	7,413,641
Total contribution made during the year		2,626,041	2,126,463
Interest income for the year		1,302,125	574,557
Benefits paid		(2,626,041)	(2,126,463)
(Deficit) / Return on plan assets excluding interest income		(1,019,211)	1,839,160
Closing balance	11.3.6	10,110,272	9,827,358
11.3.4 Company's liability			
Opening balance of net defined benefit obligation		10,952,455	7,617,553
Remeasurements chargeable in other comprehensive income		89,450	(1,275,232)
Expense chargeable to profit or loss	11.3.7	7,979,977	6,736,597
Contribution paid during the year		(2,626,041)	(2,126,463)
Closing balance - net defined benefit liability		16,395,841	10,952,455
11.3.5 Remeasurements chargeable in other comprehensive income			
Actuarial gain due to experience adjustments		(929,761)	563,928
Return on plan assets		1,019,211	(1,839,160)
		89,450	(1,275,232)
11.3.6 Composition of Plan Assets			
Investment in treasury bills		7,148,434	3,314,824
Investment in listed securities		1,871,160	6,223,088
Cash at bank		1,090,678	289,446
		10,110,272	9,827,358
11.3.7 Charge for the year			
Current service cost		6,702,752	6,228,637
Interest on defined benefit liability		2,579,350	1,082,517
Interest income for the year		(1,302,125)	(574,557)
		7,979,977	6,736,597

	2021 Rupees

11.3.8 Estimated Charge for the year 2020-2021

Current service cost	6,904,787
Interest on defined benefit liability	2,385,550
Interest income for the year	(909,924)
	8,380,413

11.3.9 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes as at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in defined benefit obligation as stated below:

	2020 Rupees
Discount rate + 100 bps	23,914,373
Discount rate - 100 bps	29,559,258
Salary increase + 100 bps	29,559,258
Salary increase - 100 bps	23,869,765

11.3.10 Comparison of last five years

	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
Present value of defined benefit obligation	26,506,113	20,779,813	15,031,194	9,319,363	8,080,671
Fair value of plan assets	(10,110,272)	(9,827,358)	(7,413,641)	(10,494,362)	(9,465,014)
Retirement benefit liability / (asset)	16,395,841	10,952,455	7,617,553	(1,174,999)	(1,384,343)

12 Deferred Tax Liability / (Asset)

	2020 Rupees	2019 Rupees
Taxable temporary differences		
- Accelerated tax depreciation	47,599,129	54,043,904
- Surplus on revaluation of property, plant and equipment	38,076,032	1,401,431
	85,675,161	55,445,335
Deductible temporary differences		
- Provisions and others	(47,586,891)	(46,662,782)
- Minimum tax	(18,389,546)	(12,265,474)
	19,698,724	(3,482,921)

12.1 Reconciliation of deferred tax liabilities / (assets), net

	2020 Rupees	2019 Rupees
Opening balance	(3,482,921)	7,615,287
Deferred tax income during the year recognised in profit or loss	(13,884,779)	(11,468,025)
Deferred tax income / (expense) during the year recognised in other comprehensive income	37,066,424	369,817
Closing balance	19,698,724	(3,482,921)

13 Trade and Other Payables

	Note	2020 Rupees	2019 Rupees
Creditors:			
- Unsecured	13.1	172,365,980	203,149,852
- Secured	13.2	350,872,162	32,996,819
		523,238,142	236,146,671
Accrued liabilities		48,281,397	31,325,532
Contract liabilities		14,752,067	8,841,123
Workers' (profit) participation fund	13.3	10,082,577	8,795,773
Workers' welfare fund	13.4	4,915,003	3,725,796
		601,269,186	288,834,895

13.1 This includes Rs. 16,146,000 (2019: Rs. 26,583,629) payable to Nimir Industrial Chemicals Limited on account of purchase of raw material.

13.2 These are secured against letter of credit issued by several banks on the behalf of the Company for import of raw materials.

		2020 Rupees	2019 Rupees
13.3	Opening balance	8,795,773	4,619,793
	Add: Provision for the year	10,082,784	8,795,980
	Less: Payments made during the year	(8,795,980)	(4,620,000)
	Closing balance	10,082,577	8,795,773
13.4	Opening balance	3,725,796	3,184,044
	Add: Provision for the year	4,533,160	3,622,941
	Less: Payments made during the year	(3,343,953)	(3,081,189)
	Closing balance	4,915,003	3,725,796

14 Short Term Borrowings

	2020 Rupees	2019 Rupees
Banking companies - Secured		
Running finance	393,338,021	563,694,505
Borrowings / finance against trust receipts	663,314,730	921,134,350
	1,056,652,751	1,484,828,855

14.1 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. 3,140 million (2019: Rs. 3,165 million) including running finance facilities amounting to Rs. 900 million (2019: Rs. 900 million), towards 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% (2019: 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. Furthermore, some limits carry opening commission against foreign and local LCs at 0.05% to 0.10% (2019: 0.05% to 0.1%) per quarter.

Securities

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.

15 Provision for Taxation

	2020 Rupees	2019 Rupees
Opening balance	59,114,825	42,421,133
Add: Charge for the year	67,616,275	59,114,825
	126,731,100	101,535,958
Less: Payment / adjustments	(59,114,825)	(42,421,133)
	67,616,275	59,114,825

15.1 The provision for current year tax represents minimum tax on revenue at the rate of 1.5%.

15.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2019 as tax returns were filed under the self assessment scheme.

16 Contingencies and Commitments

16.1 Contingencies

16.1.1 In respect of tax year 2011, the Company was confronted for audit through random computer balloting. On production of records, the concerned Assistant Commissioner of Inland Revenue (ACIR) made additions of Rs. 61.7 million vide order dated October 30, 2017, whereas the Company had declared a tax loss of Rs. 147.994 million in its tax return. Against this order, the Company has initiated preferred appeal on January 11, 2018 with CIR (appeals). After hearing the arguments, CIR (appeals) reduced the additions of ACIR to Rs. 54.934 million vide order No. 14 dated June 15, 2020. Being aggrieved by the decision of CIR (appeals), the Company preferred appeal before the Appellate Tribunal Inland Revenue (ATIR) and such appeal is pending adjudication.

16.1.2 The Company has filed a suit in Civil Court, Lahore against M/s Chitral Ghee and Oil Mills Company for the recovery of balance of advance given to said vendor party, calculated at Rs. 22.17 million. In another suit before the Civil Court, Lahore the same party has demanded an amount of Rs. 5.860 million allegedly receivable from the Company on account of supplies of various products made to the Company. Both the matters are pending adjudication.

16.2 Guarantees

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

	Note	2020 Rupees	2019 Rupees
Sui Northern Gas Pipelines Limited		3,090,000	3,090,000
Pakistan State Oil Company Limited		3,000,000	3,000,000
Total Parco Pakistan Limited		7,000,000	7,000,000
		13,090,000	13,090,000
16.3 Commitments			
Letters of credit		391,732,112	367,272,828
17 Property, Plant and Equipment			
Operating fixed assets	17.1	940,280,986	507,861,187
Capital work in progress	17.7	43,661,625	15,862,160
		983,942,611	523,723,347

17.1 Operating fixed assets

Year Ended June 30, 2020

Description	Freehold Land	Buildings on Freehold Land	Plant and Machinery	Office Equipment, Furniture and Fixtures	IT Equipment	Laboratory Equipment	Vehicles and Carriers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost/Revalued Amount								
Balance as at July 01, 2019	222,114,500	111,964,066	593,750,559	9,508,782	21,868,278	19,562,546	23,487,562	1,002,256,293
Additions	-	2,261,070	7,090,331	446,220	777,621	8,107,311	202,000	18,884,553
Disposals during the year	-	-	-	(546,471)	-	-	(1,263,000)	(1,809,471
Revaluation adjustment	-	(22,095,352)						(22,095,352)
Revaluation surplus	328,285,500	127,904,705						456,190,205
Balance as at June 30, 2020	550,400,000	220,034,489	600,840,890	9,408,531	22,645,899	27,669,857	22,426,562	1,453,426,228
Accumulated depreciation								
Balance as at July 01, 2019	-	15,921,795	427,607,882	5,684,216	20,437,024	14,324,805	10,419,384	494,395,106
Charge for the year	-	11,100,042	22,483,273	1,916,271	1,103,803	2,346,048	3,705,522	42,654,959
Disposals during the year	-	-	-	(546,471)	-	-	(1,263,000)	(1,809,471
Revaluation adjustment	-	(22,095,352)	-	-	-	-	-	(22,095,352
Balance as at June 30, 2020	-	4,926,485	450,091,155	7,054,016	21,540,827	16,670,853	12,861,906	513,145,242
Balance as at June 30, 2020	550,400,000	215,108,004	150,749,735	2,354,515	1,105,072	10,999,004	9,564,656	940,280,986
Depreciation rates	-	7% to 10%	7% to 33%	20% to 50%	20% to 50%	13% to 50%	20%	

Year Ended June 30, 2019

Description	Freehold Land	Buildings on Freehold Land	Plant and Machinery	Office Equipment, Furniture and Fixtures	IT Equipment	Laboratory Equipment	Vehicles and Carriers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost/Revalued Amount								
Balance as at July 01, 2018	222,114,500	109,065,252	564,117,168	21,999,166	38,369,135	19,644,988	21,412,213	996,722,422
Additions	-	2,898,814	41,636,013	1,610,517	652,785	1,151,300	5,317,395	53,266,824
Disposals during the year	-	-	-	-	-	-	(1,541,671)	(1,541,671)
Write off / scrapped during the year	-	-	(12,002,622)	(14,100,901)	(17,153,642)	(1,233,742)	(1,700,375)	(46,191,282
Balance as at June 30, 2019	222,114,500	111,964,066	593,750,559	9,508,782	21,868,278	19,562,546	23,487,562	1,002,256,293
Accumulated depreciation								
Balance as at July 01, 2018	-	8,024,509	415,886,133	15,201,270	34,429,948	14,236,422	10,919,718	498,698,000
Charge for the year	-	7,897,286	23,627,147	4,536,255	3,160,359	1,322,094	2,741,709	43,284,850
Disposals during the year	-	-	-	-	-	-	(1,541,671)	(1,541,671)
Write off / scrapped during the year	-	-	(11,905,398)	(14,053,309)	(17,153,283)	(1,233,711)	(1,700,372)	(46,046,073)
Balance as at June 30, 2019	-	15,921,795	427,607,882	5,684,216	20,437,024	14,324,805	10,419,384	494,395,106
Balance as at June 30, 2019	222,114,500	96,042,271	166,142,677	3,824,566	1,431,254	5,237,741	13,068,178	507,861,187
Depreciation rates	-	7% to 10%	7% to 33%	20% to 50%	20% to 50%	13% to 50%	20%	

17.2 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
14.5 Km Lahore Sheikhupura Road	Production and warehouse	476,111	192,698
14.8 km Sheikhupura Faisalabad Road	Warehouse	375,435	76,589

17.3 Apportionment of depreciation charge for the year

	Note	2020 Rupees	2019 Rupees
Depreciation charge for the year has been apportioned as follows:			
Cost of sales	28	40,353,823	38,665,879
Distribution cost	29	1,285,384	1,351,502
Administrative expenses	30	1,015,752	3,267,469
		42,654,959	43,284,850

17.4 As per the valuation report of independent valuer as of April 02, 2020, the forced sales value of freehold land and building is Rs. 467,840,000 and Rs. 187,029,315 respectively. The management believes that these values approximate to the values as on June 30, 2020.

17.5 Cost, accumulated depreciation and book value of revalued assets

Latest revaluation of land and buildings was carried out by an independent valuer as at April 02, 2020. Had there been no revaluation, the cost, accumulated depreciation and book values of revalued assets would have been as follows:

	As at June 30, 2020		
	Cost Rupees	Accumulated depreciation Rupees	Written Down Value Rupees
Freehold land	142,044,797	-	142,044,797
Factory buildings on freehold land	172,424,452	(88,613,109)	83,811,343
	314,469,249	(88,613,109)	225,856,140

17.6 The following methods and assumptions were used to estimate the fair values:

The significant inputs used in the fair value measurements categorized within Level 2 of the fair value hierarchy, together with a quantitative sensitivity analysis as at June 30, 2020 are as shown below:

Description	Valuation Technique	Significant Observable Inputs	Quantitative Date / Range (weighted average)
Land and building	Sales value comparison approach	Market enquiries and survey as per kanal/marla for land rates and per square foot rates for building	Nil

17.6.1 There are no movement between level 1, level 2 and level 3 assets.

17.7 Capital Work in Progress

	2020 Rupees	2019 Rupees
Plant and machinery:		
- Opening balance	15,862,160	8,340,256
- Additions during the year	38,516,059	47,473,329
	54,378,219	55,813,585
- Transferred to operating fixed assets	(10,716,594)	(39,951,425)
	43,661,625	15,862,160
Buildings on freehold land:		
- Opening balance	-	-
- Additions during the year	-	1,514,197
	-	1,514,197
- Transferred to operating fixed assets	-	(1,514,197)
	-	-
	43,661,625	15,862,160

17.8 Property, plant and equipment contains fully depreciated assets, having cost of Rs. 44.903 million (2019: Rs. 43.423 million) that are still in use as at the reporting date.

17.9 Owned vehicles include vehicles having cost of Rs. 9.095 million (2019: Rs. 9.095 million) which have been obtained through Diminishing Musharaka Financing (Note 9).

18 Intangible Assets

	Note	2020 Rupees	2019 Rupees
Net Carrying Value			
Net carrying value - opening balance		663,473	995,210
Additions during the year		-	-
		663,473	995,210
Amortization during the year	18.1	(331,737)	(331,737)
Net carrying value as at June 30,		331,736	663,473
Gross Carrying Value			
Cost		1,658,684	1,658,684
Accumulated amortization		(1,326,948)	(995,211)
Net book value		331,736	663,473
Amortization rate		20%	20%

18.1 Intangible assets represent the cost of ERP.

18.2 Amortization charge for the year has been allocated to administrative expenses (Note 30).

19 Long Term Deposits

	Note	2020 Rupees	2019 Rupees
Deposits with:			
- Utility companies		10,757,387	7,235,693
- Others		2,100,000	2,100,000
		12,857,387	9,335,693

20 Stock in Trade

	Note	2020 Rupees	2019 Rupees
Raw and packing materials		798,691,550	535,694,991
Raw materials in transit		177,591,015	144,903,248
Finished goods		311,476,252	203,752,542
		1,287,758,817	884,350,781
Less: Provision for obsolescence of stock	20.1	(15,782,248)	(27,185,268)
		1,271,976,569	857,165,513

20.1 Provision for obsolescence of stock

	Note	2020 Rupees	2019 Rupees
Opening balance		27,185,268	33,830,854
Provision for the year		-	10,035,974
		27,185,268	43,866,828
Less: Obsolete stocks written off		(11,403,020)	(16,681,560)
		15,782,248	27,185,268

20.2 As mentioned in Note 14, short term borrowings of the Company are secured by way of hypothecation charge on present and future current assets of the Company (including stock in trade).

21 Short Term Investment

	Note	2020 Rupees	2019 Rupees
Sales tax refund bonds	21.1	-	46,700,000

21.1 This represented the Government Bonds issued to the Company through Central Depository Company of Pakistan Limited (CDC) against sales tax refund of Rs. 138.245 million. During the current year, fresh bonds amounting to Rs. 61.60 million were further received against the sales tax refund. These bonds carried mark-up @ 10% per anum and maturing after three years. During the year, the Company encashed these bonds of Rs. 108.30 million through Central Depository Company of Pakistan Limited (CDC).

22 Trade Debts

	Note	2020 Rupees	2019 Rupees
Local - Unsecured			
Considered good		819,320,517	1,020,297,341
Considered doubtful		131,158,111	122,222,716
		950,478,628	1,142,520,057
Less: Loss allowance	22.3	(131,158,111)	(122,222,716)
		819,320,517	1,020,297,341

22.1 Trade debts include an amount of Rs. 5,773,947 due from related party (2019: Rs. 683,973), as at June 30, 2020

22.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 5,773,947 (2019: Rs 683,973).

23.3 Loss allowance

	2020 Rupees	2019 Rupees
Opening balance	122,222,716	128,407,714
Loss allowance for the year	9,681,948	16,278,572
	131,904,664	144,686,286
Less: Bad debts written off	(746,553)	(22,463,570)
	131,158,111	122,222,716

22.4 Aging of outstanding balance of related party as at June 30, 2020, is as under:

Related party	2020			2019		
	1 to 30 days	31 to 180 days	Total	1 to 30 days	31 to 180 days	Total
	------------ Rupees -------------			----------- Rupees ------------		
Nimir Industrial Chemicals Limited	5,773,947	-	5,773,947	683,973	-	683,973

23 Loans and Advances

	Note	2020 Rupees	2019 Rupees
Advances (Unsecured - Considered good):			
- Suppliers and contractors	23.1	39,662,816	32,576,727
- Employees	23.2	173,500	87,200
Short term loans to employees (Unsecured - Considered good)	23.3	650,388	400,828
		40,486,704	33,064,755

23.1 This includes an amount of Rs. 31.495 million (2019: Rs. 14.399 million) advanced to clearing agent for clearing the shipment of imported raw materials.

23.2 Advances to employees do not include any amount given to directors or executives of the Company.

23.3 This represents interest-free loans given to employees as per the Company's policy. These loans are recoverable from salary in monthly installments.

24 Other Receivables

	2020 Rupees	2019 Rupees
Margin against letters of guarantees	1,309,000	1,309,000
Margin against letter of credit	-	11,262,616
	1,309,000	12,571,616

25 Tax Refunds Due from the Government

	2020 Rupees	2019 Rupees
Tax deducted at source and advance tax	214,564,946	267,971,922
Sales tax refundable - Net	153,569,161	237,313,911
	368,134,107	505,285,833

26 Cash and Bank Balances

	2020 Rupees	2019 Rupees
Cash in hand	1,264,654	11,688
Cash at banks in:		
- Current accounts	13,187,938	23,760,171
	14,452,592	23,771,859

27 Revenue

	2020 Rupees	2019 Rupees
Revenue from sales:		(Restated)
Local sales	5,298,206,112	5,423,909,160
Less:		
Sales tax	(796,256,503)	(536,766,912)
Commission	(2,844,897)	(3,904,834)
Net sales	4,499,104,712	4,883,237,414

27.1 All the revenue is recognised at a point in time.

27.2 The Company's net revenue disaggregated by operating segment are as follows:

	2020 Rupees	2019 Rupees
Coating, Emulsion and Blending	2,992,352,987	3,479,631,282
Textile, Paper and Others	1,506,751,725	1,403,606,132
	4,499,104,712	4,883,237,414

28 Cost of Sales

	Note	2020 Rupees	2019 Rupees
Raw materials consumed	28.1	3,779,704,837	4,121,123,115
Stores and spares consumed		16,778,229	17,574,202
Fuel and power		120,254,587	88,895,324
Salaries, wages and benefits	28.2	123,283,303	114,882,992
Printing and stationery		1,020,491	911,851
Repairs and maintenance		4,128,874	3,561,590
Travelling, conveyance and entertainment		9,271,976	9,177,734
Insurance		3,933,434	4,051,652
Rent, rates and taxes		240,000	231,000
Product development charges		-	2,370,350
Communication		484,202	576,920
Fees and consultancy charges		1,244,184	4,564,707
Miscellaneous		405,492	341,944
Depreciation	17.3	40,353,823	38,665,879
		4,101,103,432	4,406,929,260
Finished goods:			
Opening finished goods		203,752,542	180,120,439
Closing finished goods		(311,476,252)	(203,752,542)
		(107,723,710)	(23,632,103)
		3,993,379,722	4,383,297,157

28.1 Raw materials consumed:

	2020 Rupees	2019 Rupees
Opening stock	535,694,991	441,136,363
Purchases	4,042,701,396	4,215,681,743
	4,578,396,387	4,656,818,106
Closing stock	(798,691,550)	(535,694,991)
	3,779,704,837	4,121,123,115

28.2 This includes Rs. 4,657,753 (2019: Rs. 3,741,699) in respect of employee benefits.

29 Distribution Cost

	Note	2020 Rupees	2019 Rupees (Restated)
Salaries, wages and benefits	29.1	28,650,670	30,431,583
Packing, carriage and forwarding		20,772,052	26,534,652
Travelling, conveyance and entertainment		3,396,719	3,045,577
Printing and stationery		430,087	282,925
Sales promotion expenses		507,037	17,247
Insurance		944,066	1,660,889
Communication		354,594	340,035
Utilities		506,310	411,690
Repairs and maintenance		137,277	300,410
Depreciation	17.3	1,285,384	1,351,502
Miscellaneous		10,716	6,693
		56,994,912	64,383,203

29.1 This includes Rs. 1,956,948 (2019: Rs. 1,885,606) in respect of employee benefits.

30 Administrative Expenses

	Note	2020 Rupees	2019 Rupees
Salaries, wages and benefits	30.1	35,272,522	28,620,617
Travelling, conveyance and entertainment		3,334,453	3,028,481
Repairs and maintenance		676,462	420,177
Printing and stationery		378,332	1,672,133
Insurance		111,168	-
Communication		2,497,342	2,516,508
Fees and subscription		5,819,497	3,859,200
Advertisement		381,547	296,070
Legal and professional charges		2,890,190	885,215
Auditors' remuneration	30.2	1,489,500	1,361,000
Utilities		506,310	411,690
Amortization	18.2	331,737	331,737
Depreciation	17.3	1,015,752	3,267,469
Miscellaneous		-	5,000
		54,704,812	46,675,297

30.1 This includes Rs. 1,365,276 (2019: Rs. 1,109,292) in respect of employee benefits.

30.2 Auditors' remuneration:

	2020 Rupees	2019 Rupees
- Audit fee	900,000	800,000
- Half yearly review	413,500	385,000
- Other certifications	100,000	100,000
- Out of pocket expenses	76,000	76,000
	1,489,500	1,361,000

31 Other Operating Expenses

	Note	2020 Rupees	2019 Rupees
Loss allowance	22.3	9,681,948	16,278,572
Provision for obsolescence of stock	20.1	-	10,035,974
Foreign exchange loss - net		11,763,298	31,566,903
Workers' (profit) participation fund		10,082,784	8,795,980
Workers' welfare fund		4,533,160	3,622,941
Asset written off / scrapped		-	145,209
		36,061,190	70,445,579

32 Finance Cost

	2020 Rupees	2019 Rupees
Markup on :		
- Short term borrowings	177,983,815	158,765,826
- Diminishing musharaka finance	845,400	483,300
- Long term finance	356,786	291,967
LC discounting charges	4,076,746	6,161,631
Bank and other charges	1,865,517	1,889,003
	185,128,264	167,591,727

33 Other Income

Balance written back	98,802	-
Sale of waste material / scrap	8,646,935	8,587,827
Fee for technical services	3,044,983	1,546,400
Rental income	1,663,199	1,482,000
Gain on disposal of property, plant and equipment	750,000	1,040,000
	14,203,919	12,656,227

34 Taxation

Current tax:		
- Current year	67,616,275	59,114,825
- Adjustment for prior years	6,093,234	(38,163,540)
	73,709,509	20,951,285
Deferred tax	(13,884,779)	(11,468,025)
	59,824,730	9,483,260

34.1 The relationship between income tax expense and accounting profit has not been presented in these financial statements as the provision for taxation for the current year is based on minimum tax under the Income Tax Ordinance, 2001.

35 Earnings per Share

		2020	2019
Profit for the year attributable to ordinary shareholders	Rupees	127,215,001	154,017,418
Weighted average number of ordinary shares outstanding during the year	Numbers	282,642,128	282,642,128
Earning per share - basic	Rupees	0.45	0.54

Diluted earnings per share

35.1 There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitment that would result in dilution of earnings of the Company.

36 Cash Used in Operations

	2020 Rupees	2019 Rupees
Profit before taxation	187,039,731	163,500,678
Adjustments for:		
- Depreciation	42,654,959	43,284,850
- Amortization of intangible asset	331,737	331,737
- Post employment benefit	7,979,977	6,736,597
- Provision for obsolescence of stock	-	10,035,974
- Loss allowance	9,681,948	16,278,572
- Workers' (profit) participation fund	10,082,784	8,795,980
- Workers' welfare fund	4,533,160	3,622,941
- Exchange loss - net	11,763,298	31,566,903
- Finance cost	183,262,747	165,702,724
- Gain on disposal of property, plant and equipment	(750,000)	(1,040,000)
- Property, plant and equipment written off / scrapped	-	145,209
	269,540,610	285,461,487
Operating profit before working capital changes	456,580,341	448,962,165
(Increase) / decrease in current assets		
- Stores and spares	473,137	(2,273,485)
- Stock in trade	(414,811,056)	116,799,589
- Trade debts	191,294,876	(267,064,828)
- Loans and advances	(7,421,949)	36,814,588
- Trade deposits and short term prepayments	(567,542)	3,263,101
- Other receivables	11,262,616	(11,462,616)
- Sales tax refundable - Net	83,744,750	(135,199,196)
(Decrease) / Increase in current liabilities		
- Trade and other payables	298,194,982	(224,305,582)
	162,169,814	(483,428,429)
Cash Generated from /(Used in) Operations	618,750,155	(34,466,264)

37 Liabilities Arising from Financing Activities

	As at June 30, 2019	Non-cash changes	Cash flows (Net)	As at June 30, 2020
	----------------------------	Rupees	----------------------------	
Long term financing	2,785,650	-	25,559,909	28,345,559
Diminishing musharaka finance	4,828,077	-	(1,427,548)	3,400,529
Short term borrowings	1,484,828,855	-	(428,176,104)	1,056,652,751
Total liabilities from financing activities	1,492,442,582	-	(404,043,743)	1,088,398,839

	As at June 30, 2018	Non-cash changes	Cash flows (Net)	As at June 30, 2019
	----------------------------	Rupees	----------------------------	
Long term financing	-	-	2,785,650	2,785,650
Diminishing musharaka finance	6,273,953	-	(1,445,876)	4,828,077
Short term borrowings	1,212,177,290	-	272,651,565	1,484,828,855
Total liabilities from financing activities	1,218,451,243	-	273,991,339	1,492,442,582

38 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements for the year as remuneration and benefits to the chief executive, directors and executives of the Company are as follows:

	Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019	2020	2019
			---------------- Rupees in (000) ----------------					
Managerial remuneration	1,935	1,548	-	-	-	-	19,519	11,734
Housing and other allowances	871	697	-	-	-	-	8,783	5,280
Utilities	194	155	-	-	-	-	1,952	1,173
Bonus	516	500	-	-	-	-	5,451	2,610
Retirement benefits	-	-	-	-	-	-	2,521	1,513
Meeting fee	-	-	-	-	2,460	480	-	-
	3,516	2,900	-	-	2,460	480	38,226	22,310
Number of persons	1	1	-	-	6	6	11	7

38.1 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.

38.2 No director were provided company maintained car (2019: no - executive director).

39 Balances and Transaction with Related Parties

Related parties comprise related group companies, associated companies, 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. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Significant balances and transactions with related parties are as follows:

Related party	Relationship	Nature of Transaction		June 30, 2020	June 30, 2019
				Rupees in (000)	
Nimir Industrial Chemicals Limited	Ultimate Parent Company	Purchase of goods		139,214,700	131,908,050
		Sale of goods		6,302,121	806,732
		Services provided		3,193,200	2,928,000
		Services received/acquired		4,300,056	3,906,900
		Other expenses reimbursed		555,964	3,163,856
Balances outstanding as at June 30,					
Due to holding company / related parties - unsecured					
Directors		Sponsors' interest free loans		107,000,000	107,000,000
Nimir Management (Private) Limited		Share deposit money	Note - 6	11,391,005	11,391,005
Nimir Industrial Chemicals Limited		Trade creditors	Note - 13	16,146,000	26,583,629
Due from related party - unsecured					
Nimir Industrial Chemicals Limited		Trade debts	Note - 22	5,773,947	683,987

39.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S. No.	Related Party Name	Basis of Relationship	Aggregate % of Shareholding
1	Nimir Management (Private) Limited	Holding company	51%
2	Nimir Industrial Chemicals Limited	Ultimate parent company	11.63%
3	Terranova (Private) Limited	Associate	4.56%
4	Mr. Amir Hameed	Directorship	0.0005%
5	Mr. Zafar Mahmood	Directorship	0.0005%
6	Mr. Abdul Jalil Jamil	Directorship	0.0145%
7	Mr. Muhammad Yahya Khan	Directorship	4.3335%
8	Mr. Osman Hameed	Directorship	0.0005%
9	Mr. Pervaiz Ahmed Khan	Directorship	0.0004%
10	Mr. Tahir Jahangir	Directorship	0.0007%

40 Segment Reporting

40.1 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 three operating segments:

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

The Chief Operating Decision Maker 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.

40.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2020 is as follows.

	Coating, Emulsion and Blending	Textile, Paper and others	Total
	Rupees in (000)		
Segment Results for the year ended June 30, 2020			
Revenue	2,992,353	1,506,752	4,499,105
Segment results	167,911	226,114	394,025
Other operating expenses			(36,061)
Finance costs			(185,128)
Other income			14,204
Profit before taxation			187,040
Segment Results for the year ended June 30, 2019			
Revenue	3,479,631	1,403,606	4,883,237
Segment results	202,843	186,039	388,882
Other operating expenses			(70,446)
Finance costs			(167,592)
Other income			12,656
Profit before taxation			163,500

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

- **Information about major customers**

One customer of the Company accounts for 14.58% (2019: 21.49%) of total sales for the year. Revenue from such customer was Rs. 656.18 million (2019: Rs. 1,050.03 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. (2019: 2.720 million).

41 Financial Risk Management

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will effect the Company's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to foreign payables. Currently, the Company's foreign exchange risk exposure is restricted to:

	2020 Rupees	2019 Rupees
Creditors (Secured)	350,872,162	32,996,819
Letters of credit commitments	391,732,112	367,272,828
	742,604,274	400,269,647
The following exchange rates were applied during the year:		
Rupees per foreign currency rate		
Average rate - Rupees per US Dollar	164.53	160.25
Reporting date rate - Rupees per US Dollar	168.05	161.00

If the functional currency, at reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 7.426 million (2019: Rs. 4.003 million) lower / higher, respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant interest-bearing asset except for profit bearing bank accounts. The Company has long term financing, diminishing musharika finance and short term borrowings as interest bearing liabilities.

As at the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2020 Rupees	2019 Rupees
Floating rate instruments		
Financial liabilities		
Diminishing musharaka finance	3,400,529	4,828,077
Long term financing	28,345,559	2,785,650
Short term borrowings	1,056,652,751	1,484,828,855

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 10.884 million (2019: Rs. 14.924 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming that amounts of assets and liabilities outstanding as at the reporting date have been outstanding for the entire year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2020 Rupees	2019 Rupees
Long term deposits	12,857,387	9,335,693
Trade debts	819,320,517	1,020,297,341
Short term loans to employees	650,388	400,828
Short term investment	-	46,700,000
Other receivables	1,309,000	12,571,616
Bank balances	13,187,938	23,760,171
The aging of trade debts as at reporting date is as follows:		
1 - 30 days	372,989,828	924,746,560
31 - 60 days	109,054,382	66,322,311
61 - 120 days	179,760,231	22,768,444
More than 120 days	157,516,076	6,460,026
	819,320,517	1,020,297,341

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of parties and trade debts are subject to specific credit ceilings based on customer credit history.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating Short term	Long term	Rating Agency	2020 Rupees	2019 Rupees
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	20,065	20,065
Bank Al-Habib Limited	A1+	AA+	PACRA	15,569,338	2,765,247
Habib Bank Limited	A-1+	AAA	JCR-VIS	1,170,345	653,539
The Bank of Punjab	A1+	AA	PACRA	1,590,446	1,222,805
AL Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	463,702	1,281,503
Meezan Bank Limited	A-1+	AA+	JCR-VIS	(6,115,318)	14,754,918
National Bank of Pakistan	A-1+	AAA	JCR-VIS	489,360	2,662,094
Bank Alfalah limited	A-1+	AA+	JCR-VIS	-	400,000
				13,187,938	23,760,171

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the reporting date, the Company had Rs. 1,057.49 million (2019: Rs. 1,249.777 million) worth unutilized funded and unfunded short term financing limits available from financial institutions and Rs. 14.452 million (2019: Rs. 23.760 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Contractual maturities of financial liabilities as at June 30, 2020:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	--------------------	Rupees	--------------------			
Diminishing musharaka finance	3,400,529	3,921,704	2,131,871	1,563,995	225,838	-
Long term financing	28,345,559	29,126,615	7,726,835	14,064,840	7,334,940	-
Trade and other payables	571,519,539	571,519,539	571,519,539	-	-	-
Accrued mark up	23,397,432	23,397,432	23,397,432	-	-	-
Short term borrowings	1,056,652,751	1,144,988,921	1,144,988,921	-	-	-
	1,683,315,810	1,772,954,211	1,749,764,598	15,628,835	7,560,778	-

Contractual maturities of financial liabilities as at June 30, 2019:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	--------------------	Rupees	--------------------			
Diminishing musharaka finance	4,828,077	5,468,610	1,929,178	1,929,175	1,610,257	-
Long term financing	2,785,650	3,289,493	905,449	831,471	1,552,573	-
Trade and other payables	267,472,203	267,472,203	267,472,203	-	-	-
Accrued mark up	34,837,595	34,837,595	34,837,595	-	-	-
Short term borrowings	1,484,828,855	1,602,130,335	1,602,130,335	-	-	-
	1,794,752,380	1,913,198,236	1,907,274,760	2,760,646	3,162,830	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at June 30, 2020. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at June 30, 2020 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1 Quoted market prices
Level 2 Valuation techniques (market observable)
Level 3 Valuation techniques (non market observable)

41.2 Financial instruments by categories

	2020 Rupees	2019 Rupees
Financial asset as at amortized cost		
Long term deposits	12,857,387	9,335,693
Trade debts	819,320,517	1,020,297,341
Short term loans to employees	650,388	400,828
Short term investment	-	46,700,000
Other receivables	1,309,000	12,571,616
Cash and bank balances	14,452,592	23,771,859
	848,589,884	1,113,077,337

The company did not possess any finanacial assets designated as fair value through or loss or fair value through other comprehensive income categories.

	2020 Rupees	2019 Rupees
Financial liabilities at amortized cost		
Diminishing musharaka finance	3,400,529	4,828,077
Trade and other payables	571,519,539	267,472,203
Accrued mark up	23,397,432	34,837,595
Short term borrowings	1,056,652,751	1,484,828,855
Long term financing	28,345,559	3,935,172
	1,683,315,810	1,795,901,902

41.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Management believes that there is no indication / triggering event that may lead to impairment of financial assets.

42 Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2020 Rupees	2019 Rupees
Total borrowings	1,088,398,839	1,492,442,582
Cash and bank balances	(14,452,592)	(23,771,859)
Net debt	1,073,946,247	1,468,670,723
Equity	1,712,121,597	1,165,872,265
Total capital employed	2,786,067,844	2,634,542,988
Gearing ratio	38.55%	55.75%

43 Plant Capacity and Production

	2020 Metric Ton	2019 Metric Ton
Actual production	25,877	29,221
Total Capacity	42,000	42,000

The Company operates in a diverse and volatile market where demands and relative proportion of different product lines rapidly change as per market dynamics. The production capacity has been stated considering a standard mix of different product lines, therefore the actual production varies from the total capacity. The closure of plant due to COVID-19 pandemic contributed lesser volumes of production during the year.

44 Number of Employees

	2020 Number	2019 Number
Employees as at June 30,		
- Permanent	120	124
- Contractual	7	9
Average employees during the year		
- Permanent	122	126
- Contractual	8	9

45 Authorization of Financial Statements

These financial statements were approved and authorized for issue on August 27, 2020 by the Board of Directors of the Company. Subsequent to the approval of financial statements by the Board, the Securities and Exchange Commission of Pakistan (SECP) issued Circular 26 of 2020 dated August 31, 2020 that required a separate disclosure in financial statements related to impact of COVID-19 pandemic on the Company. Accordingly, the required disclosure was incorporated as Note 4 in the Financial Statements and the disclosure of this note has been approved by the Board on September 02, 2020.

46 General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following material re-arrangements / reclassifications have been made in these financial statements for better presentation of financial statement:

Nature	From	To	Amount
Commission	Distribution Cost (Note 29)	Sales (Note 27)	3,904,834

Chief Executive Officer | Director | Chief Financial Officer

PATTERN OF **SHAREHOLDING**
AS AT JUNE 30, 2020

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
945	1	100	29,756
819	101	500	244,639
795	501	1,000	645,978
1,548	1,001	5,000	4,041,676
523	5,001	10,000	3,938,065
246	10,001	15,000	3,032,200
130	15,001	20,000	2,317,560
120	20,001	25,000	2,816,613
77	25,001	30,000	2,165,555
42	30,001	35,000	1,383,719
39	35,001	40,000	1,498,844
24	40,001	45,000	1,024,239
63	45,001	50,000	3,125,343
36	50,001	55,000	1,863,595
10	55,001	60,000	579,679
19	60,001	65,000	1,202,838
8	65,001	70,000	550,216
11	70,001	75,000	806,742
12	75,001	80,000	939,496
8	80,001	85,000	658,101
3	85,001	90,000	260,155
3	90,001	95,000	282,000
32	95,001	100,000	3,180,418
7	100,001	105,000	721,033
7	105,001	110,000	756,500
6	110,001	115,000	671,739
5	115,001	120,000	593,131
3	120,001	125,000	370,136
1	125,001	130,000	125,060
1	130,001	135,000	135,000
7	135,001	140,000	967,267
10	140,001	145,000	1,423,578
10	145,001	150,000	1,496,051
4	150,001	155,000	611,717
2	155,001	160,000	315,289
2	160,001	165,000	325,333
4	165,001	170,000	670,168
3	175,001	180,000	530,680
2	190,001	195,000	386,904
8	195,001	200,000	1,600,000
3	200,001	205,000	611,308
2	205,001	210,000	420,000
2	215,001	220,000	437,104
2	230,001	235,000	466,481
2	235,001	240,000	480,000
5	245,001	250,000	1,246,500
4	255,001	260,000	1,030,318
1	270,001	275,000	275,000
3	275,001	280,000	835,659
1	285,001	290,000	285,791
4	295,001	300,000	1,200,000
1	310,001	315,000	314,536
1	320,001	325,000	320,590
1	330,001	335,000	333,253
2	335,001	340,000	676,485
1	350,001	355,000	355,000
1	385,001	390,000	385,500
2	395,001	400,000	800,000
1	410,001	415,000	414,022
1	425,001	430,000	429,006
1	445,001	450,000	447,525
1	465,001	470,000	466,500
2	470,001	475,000	949,000
1	495,001	500,000	500,000
1	505,001	510,000	509,500
1	550,001	555,000	551,286
1	570,001	575,000	575,000
1	655,001	660,000	656,578
1	710,001	715,000	713,200

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
1	905,001	910,000	910,000
1	1,285,001	1,290,000	1,289,559
1	1,290,001	1,295,000	1,290,417
1	1,995,001	2,000,000	2,000,000
1	4,860,001	4,865,000	4,862,000
1	5,150,001	5,155,000	5,152,968
1	12,245,001	12,250,000	12,248,157
1	12,890,001	12,895,000	12,892,775
1	32,875,001	32,880,000	32,876,612
1	144,145,001	144,150,000	144,147,485
5,655			**282,642,128**

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2020

Sr. No.	Categories of shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor childern	13,587,393	4.8073
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	189,916,872	67.1934
2.3.3	NIT and ICP	9,718	0.0034
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	2,553	0.0009
2.3.5	Insurance Companies	0	0.0000
2.3.6	Modarabas and Mutual Funds	276,414	0.0978
2.3.7	Share holders holding 10% or more	177,024,097	62.6319
2.3.8	General Public		
	1 - Local	74,318,055	26.2940
	2 - Foreign	16,824	0.0060
2.3.9	Others (to be specified)		
	1 - Joint Stock Companies	4,088,971	1.4467
	2 - Government Holding	71,927	0.0254
	3 - Investment Companies	812	0.0003
	4 - Pension Funds	49,098	0.0174
	5 - Foreign Companies	0	0.0000
	6 - Others	303,491	0.1074

CATEGORIES OF **SHAREHOLDERS (CCG)**
AS AT JUNE 30, 2020

Sr. No.	Name		No. of Shares held	Percentage
1.	**Associated Companies, Undertakings and Related Parties:**			
	1 Nimir Management (Pvt) Limited	(CDC)	144,147,485	51.0000
	2 Nimir Industrial Chemicals Limited	(CDC)	32,876,612	11.6319
	3 Terranova Limited	(CDC)	12,892,775	4.5615
2.	**Mutual Funds:**			
	1 Prodential Stocks Fund Limited		59	0.0000
	2 MCB FSL - Trustee JS Growth Fund	(CDC)	200,000	0.0708
3.	**Directors And Their Spouse And Minor Children:**			
	1 Sh. Amar Hameed	(CDC)	1,413	0.0005
	2 Mr. Zafar Mahmood	(CDC)	1,413	0.0005
	3 Mr. Abdul Jalil Jamil	(CDC & Physical)	40,914	0.0145
	4 Mr. Muhammad Yahya Khan	(CDC)	12,248,157	4.3335
	5 Mr. Osman Hameed	(CDC)	1,413	0.0005
	6 Mr. Pervaiz Ahmed Khan	(CDC)	1,020	0.0004
	7 Mrs. Nazia Qureshi	(CDC)	1,000	0.0004
	8 Mrs. Nusrat Jamil	(CDC & Physical)	1,292,063	0.0046
4.	**Executives:**		342,709	0.0012
5.	**Public Sector Companies & Corporations:**		-	0.0000
6.	**Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:**		128,006	0.0453
7.	**Shareholders Holding Five Percent or More Voting Intrest in the Listed Company:**			

Name		No. of Shares held	Percentage
1 Nimir Management (Pvt.) Limited	(CDC)	144,147,485	51.0000
2 Nimir Industrial Chemicals Limited	(CDC)	32,876,612	11.6319

8. All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children:

Name	Sale	Purchase
-	-	-

NOTICE OF 56th ANNUAL GENERAL MEETING
FOR THE YEAR ENDED JUNE 30, 2020

Notice is hereby given that the 56th Annual General Meeting of Nimir Resins Limited (the "Company") shall be held on Wednesday, October 21, 2020 at 10:00 a.m. at 12-B, New Muslim Town, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020 together with Chairman's review, the reports of the Directors', Statement of Compliance (CCG) and Independent Auditors' reports thereon.

2. To appoint Auditors for the year ending June 30, 2021 and fix their remuneration. The members are hereby given the notice that the Audit Committee and the Board of Directors have recommended the re-appointment of retiring auditors M/s Crowe Hussain Chaudhury & Co. – Chartered Accountants as auditors of the Company.

SPECIAL BUSINESS:

3. To consider and approve meeting fee for the non-executive and independent members of the Board, Audit and Human Resource and Remuneration Committees and in this regard to pass the proposed resolution as an Ordinary Resolution, with or without modification.

Attached to this Notice is a statement of material facts and proposed resolution(s) pertaining to the Special business to be transacted at the AGM.

By Order of the Board

Lahore
September 30, 2020

Muhammad Inam-ur-Rahim
(Company Secretary)

Notes:

I. Due to COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No. 5 issued on March 17, 2020 and Pakistan Stock Exchange Limited (PSX) through it notice Ref. PSX/N-372 dated March 19, 2020 had advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at AGM through proxies.

Shareholders interested to participate in the AGM are requested to share below information at contact@nimir.com.pk for their appointment and proxy's verification by or before 05:00 p.m. on October 15, 2020.

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	Cell No.	Email Address

Shareholders who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will be open from 09:50 am at the date of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of AGM at contact@nimir.com.pk by or before October 15, 2020 by 05:00 p.m.

II. The share transfer books of the Company shall remain closed from October 15, 2020 to October 21, 2020 (both days inclusive). Transfers(Physical Shares) received in order at the office of the Company's shares registrar at the close of business on Wednesday, October 14, 2020 will be treated in time for purpose of determine the entitlements attend and vote at the AGM.

III. A member eligible to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company and shall produce his/her original Computerized National Identity Card (CNIC) or passport at the time of meeting. Proxies in order to be effective must be received at the registered office of the Company not later than forty eight (48) hours before the time of holding the meeting.

IV. The corporate shareholders shall nominate someone to represent them at the AGM. The nominations, in order to be effective must be received by the Company not later than forty eight (48) hours before time of holding the meeting.

V. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants' I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.

VI. All shareholders who have not yet submitted the valid copies of CNIC and NTN Certificate(s) are requested to send the copies of the same to the Shares Registrar. Shareholders of the Company who holds shares in scrip-less form on CDC are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services.

VII. Shareholders are requested to immediately notify change in address, if any, to the Company's Share Registrar, at the following address :

M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K (Commercial), Model Town, Lahore.
Tel : 042 35916714, 35916719, 35839182. Fax: 042 35869037.
www.corplink.com.pk

Submission of CNIC - (Mandatory)

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(I)/2011, dated August 18, 2011, the Members/Shareholders who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company are required to send the same at the earliest directly of the Company's Share Registrar, M/s Corplink (Pvt.) Limited.

Kindly comply with the request, in case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold dividends in the future.

Shareholders are requested to promptly notify any change of address to the Company's Share Register (for Physical shares) or to their respective participant / broker (for CDS shares) as the case may be.

Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in other cities and holding at least 10% of the total paid up capital may demand the Company to provide the facility of video link for participation in the meeting. The demand for video-link facility shall be received at Shares Registrar address given hereinabove at least 7 days prior to the date of AGM.

Deposit of Physical Shares in to CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

Availability of Audited Financial Statements on Company's Website

In accordance to Section 223 and 237 of the Company Act, 2017, the audited financial statements of the Company for the year ended June 30, 2020 have been made available on the Company's website www.nimir.com.pk/nrl/financial_reports.html, in addition to annual and quarterly financial statements for the prior years.

The statement of material facts under section 134 (3) of the Companies Act, 2017 concerning the special business contained in item No. 3 of the Notice of Annual General Meeting (AGM).

Meeting Fee for Non-Executive directors

Resolved that, "consent & approval of the members of Nimir Resins Limited (the "Company") be and is hereby accorded to fix the meeting fee for the non-executive and independent members of the Board, Audit and Human Resource & Remuneration Committees for attending meetings at Rs. 40,000/- , Rs. 25,000/- and Rs. 25,000/- per meeting respectively."

FORM OF PROXY 56th **ANNUAL GENERAL MEETING**

The Company Secretary
NIMIR RESINS LIMIETD
14.5 K.M. Lahore – Sheikhupura Road,
Lahore, Pakistan.

Ledger Folio/CDC A/C No.

Shares Held

I / We ……………………………………………………………………………………………………… of

………………...……………...…………………………...…………………………………………………..………………... being member(s) of

Nimir Resins Limited hereby appoint ………........................…………………………………….……... of …………………...……… as my/our

proxy to vote for me / us …………………………………………….... on my / our behalf at the Annual General Meeting of the Company held on

Wednesday, October 21, 2020 at 10:00 a.m. and / or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this ………..………………….. day of ……………………………..… 2020 .

____

Signature of Shareholder

(The signature should agree with the specimen registered with the Company)

WITNESSES:

1. ____________________ 2. ____________________

Name : ____________________ ____________________

CNIC : ____________________ ____________________

Address: ____________________ ____________________

Date: ____________________ ____________________

Five Rupees Revenue Stamp

Notes:

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Tel : 042 35916714, 35916719, 35839182. Fax : 042 35869037.
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NIMIR RESINS LIMIETD

Posted Stamp

14.5 K.M. Lahore – Sheikhupura Road,
Lahore, Pakistan.
Tel: 042 37971512-14
www.nimir.com.pk

NIMIR

NIMIR RESINS LIMITED

NIMIR RESINS LIMIETD

14.5 K.M. Lahore – Sheikhupura Road,
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