

(Unaudited)

Quarterly  
REPORT  
March 2008

 Nimir Resins Limited

# BOOK POST



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**NIMIR RESINS LIMITED**

Akhavan House, 38-Sir Agha Khan - III Road, (Davis Road) Lahore.

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## Company Information

### BOARD OF DIRECTORS

Mr. A. Razak Dawood  
(Chairman)  
Mr. Zafar Mahmood  
(Alternate Sh. Amar Hameed)  
Syed Zamanat Abbas  
Mr. Muhammad Nabeel Arif  
Mr. Faisal Dawood  
Mr. Muhammad Sadiq  
Mr. Taimur Dawood  
(Chief Executive)

### AUDIT COMMITTEE

Mr. A. Razak Dawood  
(Chairman)  
Mr. Faisal Dawood  
Mr. Muhammad Sadiq

### COMPANY SECRETARY

Mr. Abdul Sohail

### AUDITORS

M. Hussain Chaudhury & Co.  
Chartered Accountants

### LEGAL ADVISOR

Hassan & Hassan  
Advocates

### BANKERS

Bank Al-Habib Limited  
Habib Bank Limited

### SHARES' REGISTRAR

Corplink (Pvt.) Limited  
Wings Arcade 1-K (Commercial),  
Model Town, Lahore.  
Ph : 92 42 5887262, 5839182  
Fax : 92 42 5869037

### REGISTERED OFFICE

DESCON Head Quarter  
18KM Ferozepur Road Lahore-  
53000 Pakistan.  
Ph : 92 42 5805134  
Fax : 92 42 5811135  
Email : info@nimirresins.com

### FACTORY

14.8 km., Sheikhpura-Faisalabad  
Road, Mouza Bhikki,  
District Sheikhpura.  
Ph : 056 3090955, 3091294  
Fax : 056 882189

### WEB SITE

[www.nimirresins.com](http://www.nimirresins.com)

## **DIRECTORS' REVIEW**

There is 67% growth in net sales, during the nine months ended on March 31, 2008 over the corresponding period of last year. Gross Profit in relation to Sales increased from 7.46% to 10.89%. Consequently, there is 145% increase in gross profits, which increased to Rs.80.421 million as against Rs. 32.853 million, during the same period of last year. Main reason for increased margin percentage is, bulk and effective buying of raw materials and increase in sale of new products.

Sales grew by 113%, during the third quarter as compared to the corresponding period of last year. Sales growth along with addition of new products has lead to an increase of 4.9 times in gross profits, which increased to Rs.29.742 million as against Rs.6.067 million, during the same period of last year. Net profit figure have also shown improved results as compare to loss in the previous year.

Nine month results indicate that management is taking all possible and necessary actions to improve efficiency and reduce cost to make the Company profitable. Better buying, improved market conditions and the introduction of new products resulted in better profitability, hence adding value to the stakeholders.

The management will continue its efforts to keep improving the profitability of the company in the coming years.

By Order of the Board

Lahore  
April 23, 2007

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Director

## BALANCE SHEET AS AT MARCH 31, 2008

	Note	March 31, 2008 (Un-audited) Rupees 000	June 30, 2007 (Audited) Rupees 000
<b>CAPITAL AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised capital: 130,000,000 (June 30, 2005: 130,000,000) ordinary shares of Rs.5 each		650,000	650,000
Issued, subscribed and paid up capital		315,670	315,670
Capital reserve - Share premium		1,281	1,281
Accumulated losses		(246,748)	(285,200)
Surplus on Revaluation of Property, Plant and Equipment	4	70,203 40,542	31,752 40,708
<b>Non Current Liabilities</b>			
Long term financing		62,495	70,305
Deferred liabilities		647	647
		63,142	70,952
<b>Current Liabilities</b>			
Trade and other payables		69,968	87,620
Interest accrued on long term financing and short term borrowing		16,884	7,978
Short term borrowings		168,485	148,912
Current portion of long term financing		7,812	7,810
		263,149	252,320
<b>Contingencies and Commitments</b>	5	-	-
		437,036	395,733
<hr/>			
	Note	March 31, 2008 (Un-audited) Rupees	June 30, 2007 (Audited) Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment		121,763	126,933
Capital work in progress	6	1,688	-
		123,451	126,933
Long term deposits		1,010	1,010
<b>Current Assets</b>			
Stores and spares		3,568	2,481
Stock in trade		113,041	106,149
Trade debts (Unsecured - considered good)		172,297	141,070
Loans and advances		19,459	11,586
Trade deposits, short term prepayments and other receivables		1,147	593
Tax refund due from government		888	2,860
Cash and bank balances		2,175	3,052
		312,575	267,790
		437,036	395,733

Chief Executive

Director

**PROFIT & LOSS ACCOUNT (UNAUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2008

	Note	9 months ended		3 months ended	
		March 31, 2008 (Un-audited) Rupees	March 31, 2007 (Un-audited) Rupees	March 31, 2008 (Un-audited) Rupees	March 31, 2007 (Un-audited) Rupees
Sales - net	7	738,378	440,358	241,552	113,434
Cost of sales	8	(657,957)	(407,505)	(211,810)	(107,367)
<b>Gross Profit</b>		<u>80,421</u>	<u>32,853</u>	<u>29,742</u>	<u>6,067</u>
Operating expenses:					
- Distribution costs		(12,082)	(4,859)	(5,546)	(1,784)
- Administrative expenses		(3,304)	(3,462)	(957)	(1,517)
		<u>(15,386)</u>	<u>(8,321)</u>	<u>(6,503)</u>	<u>(3,301)</u>
<b>Operating Profit</b>		<u>65,035</u>	<u>24,532</u>	<u>23,239</u>	<u>2,766</u>
Finance cost		(24,703)	(20,053)	(11,781)	(6,641)
Other income		2,000	-	455	
Other operating expenses		(353)	-	(105)	
		<u>41,979</u>	<u>4,479</u>	<u>11,808</u>	<u>(3,875)</u>
Amortization of deferred cost			(1,476)		
<b>Profit/(Loss) before Taxation</b>		<u>41,979</u>	<u>3,003</u>	<u>11,808</u>	<u>(3,875)</u>
Taxation		(3,692)	(2,375)	(1,208)	(702)
<b>Profit/(Loss) after Taxation</b>		<u>38,287</u>	<u>628</u>	<u>10,600</u>	<u>(4,577)</u>
<b>Incremental depreciation charged</b>		<u>165</u>	<u>113</u>	<u>55</u>	<u>113</u>
<b>Accumulated Loss Brought Forward</b>		<u>(285,200)</u>	<u>(293,264)</u>	<u>(257,403)</u>	<u>(291,059)</u>
<b>Accumulated Loss Carried to Balance Sheet</b>		<u>(246,748)</u>	<u>(292,523)</u>	<u>(246,748)</u>	<u>(295,523)</u>
<b>Earnings per Share - Basic</b>		<u>0.61</u>	<u>0.01</u>	<u>0.17</u>	<u>(0.07)</u>

Chief Executive

Director

## CASH FLOW STATEMENT (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2008

	<b>March 31, 2008</b>	<b>March 31, 2007</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	41,979	3,003
Adjustments for:		
- Depreciation	5,411	5,586
- Amortization of deferred cost		1,476
- Financial cost	24,703	20,053
	<u>30,114</u>	<u>27,115</u>
<b>Operating profit before working capital changes</b>	<b>72,093</b>	<b>30,118</b>
(Increase) / decrease in current assets:		
- Stores and spares	(1,087)	152
- Stock in trade	(6,892)	(32,190)
- Trade debts	(31,227)	(25,142)
- Loans and advances	(7,873)	(11,284)
- Trade deposits, short term prepayments and other receivables	(554)	(255)
- Tax refund due from Government	1,972	888
	<u>(17,652)</u>	<u>(15,004)</u>
Increase / (decrease) in current liabilities:		
- Trade and other payables	(63,313)	(82,835)
	<u>8,780</u>	<u>(52,717)</u>
<b>Cash generated from operations</b>		
Financial cost paid	(13,617)	(18,492)
Gratuity paid	-	(503)
Income tax paid	(5,874)	(1,564)
	<u>(19,491)</u>	<u>(20,559)</u>
<b>Net Cash from Operating Activities</b>	<b>(10,711)</b>	<b>(73,276)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(241)	(128)
Capital work in progress	(1,688)	
	<u>(1,929)</u>	<u>(128)</u>
<b>Net Cash used in Investing Activities</b>	<b>(1,929)</b>	<b>(128)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing	(7,810)	
Short term finances	19,573	73,254
	<u>11,763</u>	<u>73,254</u>
<b>Net Cash from / (used in) Financing Activities</b>	<b>11,763</b>	<b>73,254</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(877)</b>	<b>(150)</b>
Cash and cash equivalents at the beginning of the period	3,052	1,197
<b>Cash and Cash Equivalents at the End of the Period</b>	<b><u>2,175</u></b>	<b><u>1,047</u></b>

Chief Executive

Director

**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2008

Particulars	Share Capital	Reserves		Total
		Capital		
		Share Premium Reserve	Un-appropriated Losses	
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at June 30 , 2006</b>	315,670	1,281	(293,264)	23,687
Net Profit for the period	-	-	628	628
Incremental depreciation charged			113	113
<b>Balance as at March 31, 2007</b>	<u>315,670</u>	<u>1,281</u>	<u>(292,523)</u>	<u>24,428</u>
<b>Balance as at June 30 , 2007</b>	315,670	1,281	(285,200)	31,751
Net Profit for the period	-	-	38,287	38,287
Incremental depreciation charged			165	165
<b>Balance as at March 31, 2008</b>	<u>315,670</u>	<u>1,281</u>	<u>(246,748)</u>	<u>70,203</u>

\_\_\_\_\_  
Chief Executive

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Director



## NOTES TO THE ACCOUNTS

### FOR THE NINE MONTHS ENDED MARCH 31, 2008

Note 1.

The Company was incorporated in Pakistan on December 17, 1964 as a private limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) and was converted into a Public Limited Company on August 19, 1991. The shares of the Company are quoted on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at DESCON Head Quarter, 18 KM Ferozpur Road, Lahore-53000. Pakistan. The Company is engaged in the manufacturing of synthetic resins.

Note 2.

#### **Basis of Preparation**

- 2.1 These accounts have been prepared in accordance with the requirements of the Companies Ordinance, 1984 and International Accounting Standard, IAS 34 (Interim Financial Reporting).

Note 3.

#### **Significant Accounting Policies**

The accounting policies and methods of computation of the interim financial statements are the same as those followed in the preparation annual financial statements for the preceding nine months period ended June 30, 2007.

Note 4.

#### **Surplus on Revaluation of Property, Plant and Equipment**

	<b>March 31, 2008</b>	<b>June 30, 2007</b>
	<b>(Un-audited) RS'000'</b>	<b>(Un-audited) RS'000'</b>
Land	36,320	36,320
Building	4,387	4,500
	40,707	40,820
Incremental depreciation charged on revalued property plant and equipment transferred to retained earnings.	(165)	(112)
	40,542	40,708

Note 5.

#### **Contingencies and Commitments**

There are no material contingencies and commitments as at the period end.

Note 6.

#### **Property, Plant and Equipment**

	<b>March 31, 2008</b>	<b>June 30, 2007</b>
	<b>(Un-audited) RS'000'</b>	<b>(Audited) RS'000'</b>
Opening Written down value	126,933	92,366
Add: Additions during the period	241	1,165
Surplus on revaluation of property, plant and equipment (Note 4)	127,174	134,351
Less: Disposals during the period	(5,411)	(7,418)
	121,763	126,933

Note 7.

	9 months ended		3 months ended	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
	(Un-audited) RS'000'	(Un-audited) RS'000'	(Un-audited) RS'000'	(Un-audited) RS'000'
<b>Sales-Net</b>				
Gross sales	738,378	440,358	241,552	113,434
Less: Discount	-	-	-	-
	<u>738,378</u>	<u>440,358</u>	<u>241,552</u>	<u>113,434</u>

Note 8.

	9 months ended		3 months ended	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
	(Un-audited) RS'000'	(Un-audited) RS'000'	(Un-audited) RS'000'	(Un-audited) RS'000'
<b>Cost of Sales</b>				
Raw materials consumed	638,784	385,733	178,519	93,393
Salaries, wages and benefits	10,807	8,267	3,637	2,769
Stores consumed	1,727	1,707	963	821
Repairs and maintenance	717	271	75	150
Power and fuel	7,470	5,073	3,746	1,234
Vehicle running expenses	3,315	3,172	1,126	1,046
Miscellaneous	1,503	697	638	329
Insurance	636	600	235	209
Depreciation	5,411	5,586	1,978	1,942
	<u>670,370</u>	<u>411,106</u>	<u>190,917</u>	<u>101,893</u>
Finished goods				
- Opening	29,410	14,397	62,916	23,472
- Closing	(42,023)	(17,998)	(42,023)	(17,998)
	<u>(12,613)</u>	<u>(3,601)</u>	<u>20,893</u>	<u>5,474</u>
	<u>657,757</u>	<u>407,505</u>	<u>211,810</u>	<u>107,367</u>

Note 9.  
**Transactions with Related Parties**

The related parties and associated undertaking comprise related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Half Year Ended	
	March 31, 2008	March 31, 2007
	Rs. '000'	Rs. '000'
<b>Associates and related parties</b>		
Purchases of materials, goods and electricity	162,845	170,660
Sale of material and goods	28,107	115,731
Rent paid	105	105
Managerial services and expenses charge by/(charge to) associates-net	4,797	1,061
<b>Staff retirement fund</b>		
Company's contribution to Employee Provident Fund Trust	230	190

	<u>March</u> <u>31, 2008</u> Rs. '000'	<u>June</u> <u>30, 2007</u> Rs. '000'
<b>Associates and related parties</b>		
<b>Net funds obtained/(repaid)</b>	7,670	17,388

Note 10

**General**

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- 10.1** These financial statements were authorized for issue on 29rd April, 2008 by the Board of Directors of the Company.
- 10.2** Corresponding figures have been re-arranged wherever necessary to
- 10.3** The figures have been rounded off to the nearest thousand rupee;

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Chief Executive\_\_\_\_\_  
Director