

**2014 ANNUAL
REPORT**





02 COMPANY INFORMATION

03 VISION AND MISSION STATEMENT

04 CHAIRMAN MESSAGE

05 CEO MESSAGE

06 PROFILE OF DIRECTORS

10 OUR PERFORMANCE

12 HORIZONTAL AND VERTICAL ANALYSIS

13 KEY OPERATING & FINANCIAL DATA
FOR LAST SIX YEARS

14 DIRECTORS' REPORT

17 STATEMENT OF COMPLIANCE

20 REVIEW REPORT FROM AUDITORS

21 AUDITORS REPORT

22 FINANCIAL STATEMENTS

50 PATTERN OF SHAREHOLDING

53 STATEMENT PURSUANT TO SECTION 218

54 NOTICE OF ANNUAL GENERAL MEETING

FORM OF PROXY

COMPANY INFORMATION

Board of Directors

Mr. Abdul Jalil Jamil - Chairman
Mr. Zafar Mahmood - Chief Executive Officer
Mr. Khalid Mumtaz Qazi
Mr. Umar Iqbal
Mr. Muhammad Sarwar Khawaja
Sh. Amar Hameed
Mr. Saeed-uz-Zaman
Mr. Muhammad Yahya Khan
Mr. Khalid Siddiq Tirmizey
(Nominee, The Bank of Punjab)
Mr. Abdul Jaleel Shaikh
(Nominee, Pak Brunei Investment Co. Ltd.)

Chief Financial Officer

Mr. Aamir Jamil

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Internal Auditor

Mr. Arshad Mahmood

Audit Committee

Mr. Muhammad Sarwar Khawaja - Chairman
Mr. Saeed-uz-Zaman
Mr. Abdul Jaleel Shaikh

Human Resource & Remuneration Committee

Mr. Saeed-uz-Zaman - Chairman
Sh. Amar Hameed
Mr. Zafar Mahmood

Bankers

The Bank of Punjab
Standard Chartered Bank (Pakistan) Limited
National Bank of Pakistan
Samba Bank Limited
Pak Brunei Investment Company Limited
Al Baraka Bank (Pakistan) Limited
Fisrt National Bank Modaraba

Shares' Registrar

Corplink (Pvt.) Limited
Wings Arcade, 1-K (Commercial),
Model Town, Lahore.
Tel: +92 42 35916714 & 19
Fax: +92 42 35869037

Registered Office / Factory

14.8 km., Sheikhpura-Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.
Tel: +92 56 3883001-7
Fax: +92 56 3883010
Cell: +92 301-8483950

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

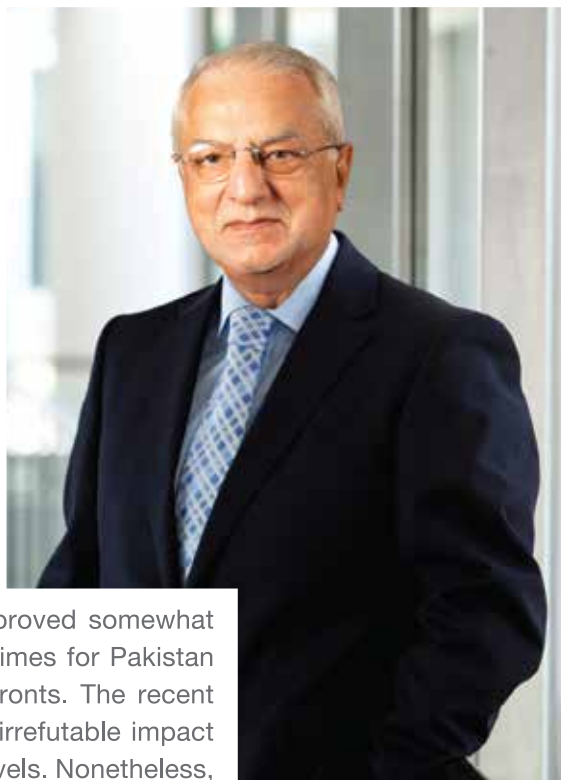
To become an industry leader through a persistent commitment to customer focus, technical innovation, managerial excellence, entrepreneurial spirit and social responsibility.



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



While the global economic outlook has improved somewhat from past years, these remain challenging times for Pakistan on both the socio-political and economic fronts. The recent political flux within the country has had an irrefutable impact on the economy on both macro and micro levels. Nonetheless, the overall economic mood remains buoyant, and opportunities remain for growth and economic and financial development.

For Nimir Industrial Chemicals Limited, we hope to continue building on our recent successes, and cement the Company's name as a major player in the Pakistani chemical industry. We have made several advancements in the past year; our product lines continue to attract the most conscientious and quality-focused companies to do business with us; and we are hopeful that this trend will continue through the future, as we continue to grow and innovate.

Nimir developed a market reputation for providing quality products at affordable prices. Our customers now know that the Nimir name is synonymous with premium quality and service. Insh-Allah, we are confident the Company will continue to make major strides and achieve our mission to provide unparalleled value to stakeholders, and exceed customer expectations by providing the market's most innovative chemical solutions.

Abdul Jalil Jamil
Chairman

CEO's MESSAGE



Despite a rollercoaster ride on the political front – with undeniable economic impacts on both micro and macro levels – these continue to be exciting times for Nimir Industrial Chemicals Limited. Having spent the past decade establishing the Company's credentials within the market place, and positioning Nimir as Pakistan's sole provider of international quality soap noodles and stearic acid, as well as being the leading producer of prime quality glycerin, caustic soda, sodium hypochloride and hydrochloric acid, the Company is now poised for the future.

In spite of various challenges, the Company's top line continued to grow, with sales revenue increasing to Rs. 3.3 billion – an 11% increase over the previous year. Moreover, we saw the Company's profit after tax increase from Rs.127 million in 2013 to Rs.195 million in 2014. The year also saw the Company complete the expansion of our fatty acid and soap noodles plant, thereby doubling the capacity of soap noodles. The expansion of the soap noodles plant is expected to have a considerable positive impact in overall sales, helping bring further improvement in both the top and bottom lines. The Company also commissioned and completed a new, state-of-the-art soap finishing facility, which will allow the Company to offer customers a one-stop end-to-end total solution to high-end soap manufacturers, especially within the MNC sector. With the energy crisis continuing to plague the country, the Company has invested in a solid fuel based boiler to reduce our dependency on depleting natural gas in the country.

Of course, we remain cognizant of the challenges as we move forward into fiscal year 2014-15. Despite increased output and sales, we expect at least some unfavorable impact from the change in duty structures. However, we believe that the Company has sufficiently mitigated any risk factors, and continue to hold a positive outlook for the coming year.

Zafar Mahmood
CEO

PROFILE OF DIRECTORS



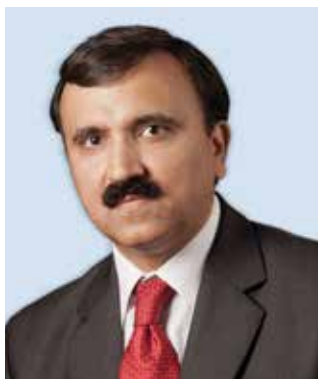
Abdul Jalil Jamil
Chairman

Abdul Jalil Jamil played an instrumental role in the establishment of Nimir group in Pakistan. He has thorough and in-depth knowledge of Pakistan's chemical market. He worked as CEO of Nimir's petrochemical unit and business heads of alkyd resin, oleo chemicals and chlor alkali business. Prior to Nimir, he worked as Director Operations for a global shipping company. He carries over forty years experience in commercial and management.



Zafar Mahmood
Chief Executive Officer

Zafar Mahmood is highly experienced professional engaged with Nimir since the Company started its operations. His track record suggests him as a result oriented professional with strong management, business and financial skills. Today, he stands with twenty five years of quality experience throughout in MNCs. He is a fellow of the Institute of Cost & Management Accountants of Pakistan since 1991. Zafar's association with Nimir group is well over 20 years old. He is serving as the Chief Executive Officer of the company since 2007. Since then, under his leadership, the Company's top line has been raised by five times with a healthier net profit.



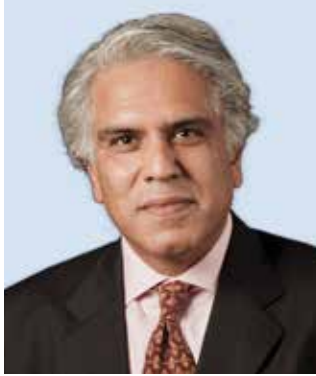
Khalid Mumtaz Qazi
Director Finance

Khalid Mumtaz Qazi is engaged with the Company since its inception. He holds master degree in Business Administration. During his over twenty years stay with the company, he worked in various areas of finance, supply chain and administration of the company. Khalid played pivotal role in the financial restructuring and turnaround of the company. He is also responsible for supply chain of the company. He is well-connected person and has strong relationships with international and local banks.



Umar Iqbal
Director Technical

Umar Iqbal is also engaged with the Company since its inception. He is a chemical engineer with master degree in business administration. He has vast techno commercial experience. During his stay with the group, Umar worked in different areas of operations including Chief Operation Officer of Nimir Industrial Chemicals Limited. As Technical Director he is responsible for overall plant operations, quality control, research and development of the company. He also worked as Global HSE Advisor for the Nimir group.



Imran Afzal
Working Director (Sales & Marketing)

Imran Afzal, a business graduate and a lateral thinker, joined Nimir group in 2006. He has over twenty five years of experience in the field of sales and marketing and has a considerable exposure of working with leading brands. Imran has held various senior management positions in ICI Pakistan Limited and Monsanto Pakistan prior to joining Nimir. As Director Marketing of the company, he is responsible for developing the marketing strategy, delivering profit and building the distribution network.



Aamir Jamil
Working Director / Chief Financial Officer

Aamir Jamil holds professional degree in Accountancy and Finance. He has diversified experience of working in various disciplines of accountancy, financial planning and budgeting, financial forecasting and analysis, taxation, corporate affairs and information technology. His stay with the group lasts over nineteen years. Aamir played an active role in his different assignments during association with group companies. Before joining Nimir Industrial Chemicals Limited, he worked for Siemens Pakistan.



Amar Hameed
Non-executive Director

Amar Hameed is pioneer in establishing Nimir group in Pakistan. He served as chief executive officer of all group companies in Pakistan before he was moved to group's head office. Based in Dubai Amar was leading the group chemicals business as group CEO. He left the group in 2011. Before joining Nimir group in 1989, he spent over ten years in banking, first with Fidelity Bank in London and then with National Commercial Bank in Saudi Arabia. After receiving a B.Sc. from the London school of economics he spent his early career with a Touché Ross and Whitbread London Ltd.



Saeed uz Zaman
Non-executive Director

Saeed-uz-Zaman holds a degree in Electrical Engineering from University of Engineering and Technology Lahore. He has extensive experience in senior management positions both in public and private sectors. Saeed served as CEO in different Nimir group companies for more than ten years. He retired from Nimir group in 2007. Before joining Nimir, he held various senior positions in SNGPL and his last position was Senior General Manager. He is well versed with chemical and energy sector.



Muhammad Sarwar Khawaja
Independed Director

Muhammad Sarwar Khawaja has over 45 years of accounting, law and tax administration experience. Sarwar has worked with Government of Pakistan in the revenue division for a period of thirty five years, during which he has held positions of acting chairman & member direct taxes FBR, member appellate tribunal (in-land revenue), director general inspection and audit FBR, regional / Chief commissioner in-land revenue and various other senior positions spanning from 1967 to 2001. He is presently working as consultant to various micro finance institutions and banks.



Muhammad Yahya Khan
Independed Director

Muhammad Yahya Khan is a businessman having sound experience of commodities trading and import/export. He has also experience of indenting. He is the Chief Executive of MYK (Pvt.) Limited, a Company engaged in the general commodities and other products trading, adding to his credentials is a hands on experience of the corporate agro farming and capital markets as investor. He is representing minority interest on the board of directors of the company.



Khalid Siddiq Tirmizey
Nominee Director

Khalid Siddiq Tirmizey is associated with The Bank of Punjab (BOP) since 2008 and working as Deputy Chief Executive Officer. He completed his MBA degree in 1972 from IBA Karachi. He also holds a Masters degree in Economics from the University of Punjab. Khalid worked for PICIC from 1973 till 1979. He held various managerial positions in Pakistan and abroad with ANZ Grindlays Bank. He remained with Faysal Bank Limited from 2000 till 2008. He is a Chairman of Board of Directors of First Punjab Modaraba and a regular member of all BOD meetings of BOP. He is representing BOP on the boards of Pak Elektron Limited and Gharibwal Cement Limited.



Abdul Jaleel Shaikh
Nominee Director

Abdul Jaleel Shaikh is Group Head with Pak Brunei Investment Company Karachi. He carries diversified experience in project management & civil engineering, corporate finance, credit administration, human resource management and general administration. Jaleel worked for ten years in Saudi Arabia before joining Saudi Pak Industrial & Agricultural Investment Company (SAPICO) where he remained twenty years and was a key member of the senior management team involved in all strategic business decisions. He represented SAPICO on the boards of Saudi Pak Commercial Bank, Saudi Pak Insurance Company, Fecto Cement Co. Ltd. and Japan Power Generation Co. Ltd.

ACCREDITATIONS



Sedex is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.



The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.



ISO 9001 Certification



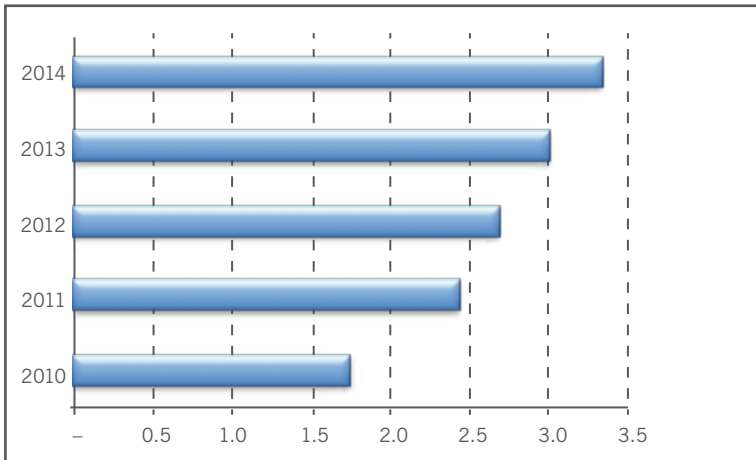
Good Manufacturing Practices (GMP) in accordance with ISO 22716 : 2007 - Guidelines for Cosmetics



Certificate of Halal Authentication
شهادة المصادقة الحلال
مجلس البحوث الحلال

OUR PERFORMANCE

Sales Turnover
(Rs in Billion)



Sales Turnover
Up by



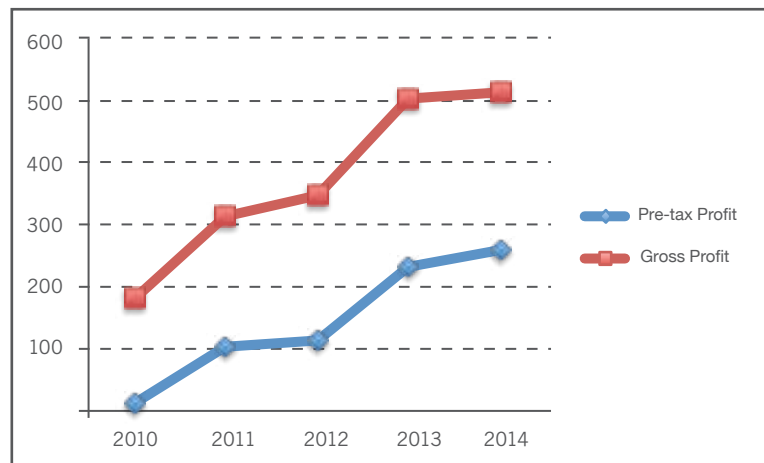
Pre Tax Profit
Up by



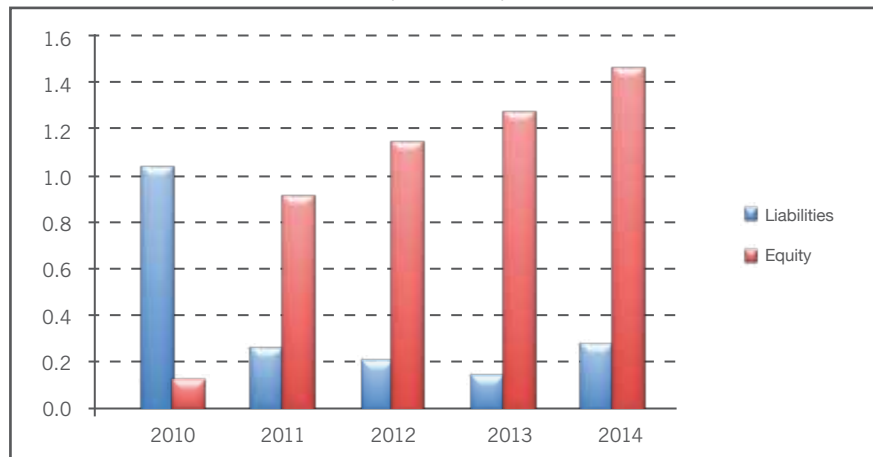
Net Profit
Up by



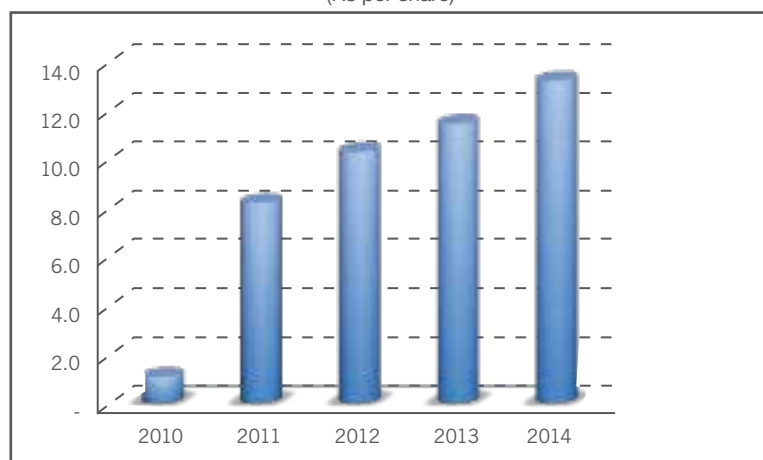
Profit
(Rs in Million)



Long Term Liabilities & Equity
(Rs in Billion)



Breakup Value
(Rs per share)



Breakup Value
Up by



YEAR AT A GLANCE

	2014	2013
	Rupees in Million	
Net Sales	3,332	3,002
Gross Profit	513	503
Operating Profit	368	366
Profit before Tax	259	233
Net Profit	194	126
Shareholders Equity	1,459	1,265
Long Term Loans & Leases	276	139
Total Assets	2,623	2,185
Breakup value per share - Rupees	13.19	11.44
Earnings per share - Rupees	1.76	1.14
Current Ratio	1.23 : 1	1.40 : 1
Long Term Debt to Equity Ratio	0.12 : 1	0.09 : 1
Total Debts to Equity Ratio	0.36 : 1	0.35 : 1
Interest Coverage Ratio	4.22	3.40

HORIZONTAL AND VERTICAL ANALYSIS

	Horizontal Analysis					Vertical Analysis				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
	Variance %age					Percentage				
BALANCE SHEET										
Non Current Assets										
Property, plant and equipment	(4.71)	(4.36)	(0.62)	1.28	43.29	65.43	59.63	53.63	48.84	58.31
Intangible assets	0.00	0.00	0.00	0.00	(23.51)	0.00	0.00	0.00	0.08	0.05
Long term deposits	50.15	(52.47)	5.85	22.38	54.77	1.61	0.73	0.70	0.77	0.99
Deffered tax asset	0.00	0.00	0.00	(60.86)	(53.85)	0.00	0.00	7.40	2.60	1.00
	(3.87)	(5.51)	13.00	(5.78)	38.52	67.03	60.36	61.72	52.30	60.36
Current Assets										
Stores and spares	52.70	37.06	2.83	4.28	20.37	1.82	2.37	2.21	2.07	2.08
Stock in trade	12.28	27.43	(36.72)	91.38	65.77	11.94	14.50	8.30	14.29	19.74
Trade debts	(5.67)	18.37	34.23	63.48	(52.91)	11.59	13.07	15.88	23.35	9.16
Loans & advances	29.47	(37.78)	4.49	62.87	48.12	1.03	0.61	0.58	0.85	1.04
Trade deposits & short term receivables	77.05	(44.37)	86.93	(18.17)	77.45	0.32	0.17	0.29	0.21	0.31
Short term investment	0.00	0.00	(100.00)	0.00	0.00	0.00	1.07	0.00	0.00	0.00
Other receivables	20.37	(37.11)	(33.41)	27.18	34.77	0.99	0.59	0.36	0.41	0.46
Tax receivable	67.05	17.06	38.13	(37.40)	35.72	5.05	5.63	7.04	3.96	4.48
Cash and bank balances	42.98	642.78	146.08	(21.09)	10.78	0.23	1.63	3.62	2.57	2.37
	13.31	26.20	6.68	38.61	(0.27)	32.97	39.64	38.28	47.70	39.64
Total Assets	1.19	4.95	10.49	11.21	20.01	100.00	100.00	100.00	100.00	100.00
Share Capital and Reserves										
Issued, subs. and paid up capital	0.00	0.00	0.00	0.00	0.00	65.26	62.18	56.28	50.60	42.17
Unappropriated profit/ loss	(0.46)	(79.73)	(115.73)	404.56	122.47	(58.24)	(11.25)	1.60	7.26	13.46
	4.00	661.79	25.55	11.19	15.37	7.02	50.94	57.88	57.87	55.63
Non Current Liabilities										
Subordinated loan	2.24	(100.00)	0.00	0.00	0.00	59.31	0.00	0.00	0.00	0.00
Long term loan	(100.00)	0.00	(25.00)	(33.33)	50.45	0.00	14.69	9.97	5.98	7.50
Finance lease	(46.65)	(96.59)	376.38	70.10	868.71	1.76	0.06	0.25	0.38	3.04
Deffered tax liability	25.92	17.83	2.62	16.25	18.12	1.46	1.64	1.53	1.60	1.57
	(6.20)	(72.48)	(20.83)	(24.72)	82.72	62.53	16.40	11.75	7.95	12.11
Current Liabilities										
Trade and other payables	(20.79)	63.91	(17.30)	25.95	42.05	5.80	9.05	6.77	7.67	9.08
Mark up accrued	(12.56)	(11.44)	(54.66)	13.33	120.33	0.75	0.63	0.26	0.26	0.49
Unclaimed dividend	(4.71)	0.00	0.00	0.00	(0.15)	0.04	0.04	0.04	0.03	0.03
Short term borrowings	44.16	7.93	(3.72)	34.97	(7.16)	20.49	21.07	18.36	22.28	17.24
C. Maturity long term loan	16.93	4.76	100.00	0.00	28.70	1.84	1.84	3.32	2.99	3.21
C. Maturity finance lease	9.00	(97.49)	455.81	13.51	298.21	1.54	0.04	0.18	0.19	0.63
Provision for taxation	0.00	0.00	0.00	(41.80)	156.25	0.00	0.00	1.43	0.75	1.60
	19.83	12.58	2.73	25.15	13.29	30.45	32.67	30.37	34.18	32.26
Total Equity and Liabilites	1.19	4.95	10.49	11.21	20.01	100.00	100.00	100.00	100.00	100.00
PROFIT & LOSS ACCOUNT										
Sales- Net	25.96	39.50	10.14	12.13	10.97	100.00	100.00	100.00	100.00	100.00
Cost of sales	21.78	35.66	9.96	7.26	12.79	89.63	87.16	87.02	83.24	84.61
Gross profit	79.13	72.68	11.35	44.78	1.94	10.37	12.84	12.98	16.76	15.39
Distribution cost	19.60	21.21	1.29	36.62	(12.24)	2.89	2.51	2.31	2.82	2.23
Administrative expenses	68.49	19.47	(11.40)	18.88	35.05	2.39	2.05	1.65	1.75	2.12
Operating profit	160.57	126.92	20.03	51.60	0.48	5.09	8.28	9.02	12.20	11.04
Other expenses	9.28	16.37	8.59	273.59	17.18	0.38	0.32	0.32	1.05	1.11
Other income	24.63	12.30	8.19	(33.81)	122.72	0.40	0.32	0.31	0.19	0.37
Finance cost	(41.24)	87.51	17.95	(15.31)	(16.82)	2.97	3.99	4.27	3.23	2.42
Foreign exchange loss	(74.22)	(90.41)	523.70	(24.59)	(68.55)	1.36	0.09	0.53	0.36	0.10
Remission of subordinated loan	0.00	0.00	(100.00)	0.00	0.00	0.00	29.25	0.00	0.00	0.00
Profit before taxation	(109.18)	5,941.37	(86.11)	105.92	11.50	0.77	33.44	4.22	7.75	7.78
Taxation	5,561.78	193.48	(554.50)	(188.64)	(38.48)	0.51	1.07	(4.43)	3.50	1.94
Profit after taxation	(103.11)	17,123.90	(70.58)	(44.95)	52.73	0.26	32.37	8.65	4.24	5.84
Other comprehensive loss	0.00	0.00	0.00	0.00	(76.83)	0.00	0.00	0.00	0.04	0.01
Net comprehensive income for the year	(103.11)	17,123.90	(70.58)	(45.40)	53.81	0.26	32.37	8.65	4.21	5.83

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

	2014	2013	2012	2011	2010	2009
	Rupees in million					
Net Sales	3,332	3,002	2,678	2,431	1,743	1,384
Gross Profit	513	503	348	312	181	101
Operating Profit	368	366	242	201	89	34
Profit / (Loss) before tax	259	233	113	813	13	(147)
Net Profit / (Loss) for the year	194	127	231	787	5	(147)
Paid-up Capital	1,106	1,106	1,106	1,106	1,106	1,106
Net Worth	1,459	1,264	1,137	906	119	114
Long Term Loans, Leases and Deferred Liabilities	318	174	231	292	1,060	1,130
Current Liabilities	846	747	597	607	516	431
Current Assets	1,040	1,043	752	731	559	493
Total Assets	2,623	2,185	1,965	1,778	1,695	1,675



DIRECTORS' REPORT

The Board of Directors of the Company is pleased to submit the 21st Annual Report along with the audited financial statements for the year ended June 30, 2014.

During the year 2014, the country's economic environment continued to remain challenging, with the escalation in power and gas outages further impacting the industry. In this difficult environment, your Company strengthened its position and posted double digit growth both at the top and bottom line. Increase in sale volumes, better product mix, improvement in plant efficiencies, and various cost control initiatives contributed significantly in offsetting the negative impact of escalating input cost.

The results for the year are summarised as follows:

	2014	2013	Increase
	PKR Million		
Sales Revenue	3,332	3,002	11%
Profit before Tax	259	233	11%
Profit after Tax	195	126	54%
Earnings per share in Rs.	1.76	1.14	54%
Breakup Value per share in Rs.	13.19	11.43	15%

With 11% growth in turnover, the Company posted gross profit of Rs. 512 million, operating profit of Rs. 368 million, and after tax profit of Rs. 195 million. This helped the Company to further strengthen the breakup value of its share to Rs. 13.19 against Rs. 11.43 during last year, representing an increase of 15% year-on-year.

Achieving and maintaining higher levels of quality standards across the Company is part of our corporate vision and sustainability. Due to this, majority of the sales rest with large FMCG multinational companies. This year, the Company successfully obtained ISO 22716 certification, a global quality standard for cosmetics. This is a valuable addition to the Company's existing accreditations, including ISO 9001, RSPO, SEDEX and HALAL certification.

We are pleased to announce that the expansion of the fatty acid and soap noodles plant has been completed. While the project was completed somewhat later than initially planned, given the

scope of the expansion, the management is pleased to commend our technical team on a great achievement. By the Grace of the Almighty, we have commenced commercial production of expanded soap noodles in the month of September 2014; following the expansion, production capacity of soap noodles has been doubled.

To provide a total one-stop solution to our customers and to add value to soap noodles, the Company has also installed a State-of-the-Art Toilet Soap Finishing facility. This is a fully GMP compliant finishing line, which has been specifically designed to meet the stringent international standards of multinational companies. The trial production of toilet soap on this machine has been successfully achieved, and we are currently in the process of getting the facility qualified by our customers. We expect to start commercial operation during the second quarter of the financial year 2015.

To reduce dependency on natural gas and ensure smooth production throughout the year, the Company has acquired a coal-fired boiler. The boiler is in the advanced stage of erection and will start generating steam in the second quarter of financial year 2015.

Future Outlook

The macro-economic outlook of the country, while it is improving at a slow pace, remains challenging. The energy crisis continues to deeply affect the industrial sector, and is causing both production losses and increases in the cost of production. In addition, changes in the duty structure in the current fiscal budget are expected to affect the margins.

However, with additional volumes from the expansion, the new toilet soap finishing business, and sustained energy, we are confident the Company will successfully mitigate these risks. We are confident the Company will achieve significant increase in its top line during the next financial year; and we expect to gradually improve the bottom line of the Company in the years to come, yielding the best possible returns. We assure our stakeholders that that management of the Company remains fully committed to creating sustainable value for all the Company stakeholders.

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 routine nature.

Gratuity Scheme

The Company operates an unfunded gratuity scheme for its employee as referred in Note 4.11 to the accounts.

Directors' Attendance

During the year 2014 four Board meeting, four Audit Committee and one Remuneration Committee meetings were held. Attendance by each director was as follow:

Name of Directors	Board of Directors	Audit Committee	HR & R Committee
Abdul Jalil Jamil	4		
Zafar Mahmood	4		1
Khalid Mumtaz Qazi	4		
Umar Iqbal	4		
Amar Hameed	3		1
Saeed-uz-Zaman	4	4	1
M. Sarwar Khawaja	4	4	
M. Yahya Khan	3		
Abdul Jaleel Shaikh	4	4	
Khalid SiddiqTirmizey	4		

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

Director's Training

In 2014 Mr. Umar Iqbal successfully completed his Corporate Governance leadership skill program. It is planned that another member of the Board will attend the director certification program in the coming year.

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 upon the Company ability to continue as a going concern.
- There has been no material departure from the best practices of the 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 to good corporate governance, and appropriate steps are taken to comply with best practices.

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 unbiased 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 internships 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 auditors M/s Ernst & Young Ford Rhodes Sidat Hyder 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 Ernst & Young Ford Rhodes Sidat Hyder and Company, Chartered Accountant as external auditor of the Company for the year ending June 30, 2015.

Dividend / Bonus Shares

The Company did not declare dividend or issue bonus shares during the financial year ended June 30, 2014. The cash flow generated from the business was used for plant expansion, repayment of long-term loans, essential capital expenditure and strengthening the liquidity position of the Company to meet the business exigencies.

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 Executive and their spouses and minor children during the year except those who are mentioned in the annexed statement required under code of Code of Corporate Governance (CCG)

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

Acknowledgment

The year 2014 surpassed all previous performance records due to dedicated efforts of the entire team. The Board thanks all staff members and workers for excellent performance during very difficult times and look forward to achieve further goals in future.

For and on behalf of the Board



Sheikhupura
September 22, 2014

Zafar Mahmood
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented to comply with the Code of Corporate Governance 2012 (CCG) contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange Limited and Lahore Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

Nimir Industrial Chemicals Limited (the “Company”) has applied the principles contained in the Code of Corporate Governance 2012 in the following manner:

1. The Company encourages representation of Independent directors, non-executive and director representing minority interests on its board of directors, at present the board includes:

Name	Category
Zafar Mahmood	Executive Director
Khalid Mumtaz Qazi	Executive Director
Umar Iqbal	Executive Director
Abdul Jalil Jamil	Non-Executive Director
Sh. Amar Hameed	Non-Executive Director
Saeed-uz-Zaman	Non-Executive Director
M. Sarwar Khawaja	Independent Director
M. Yahya Khan	Independent Director
Abdul Jaleel Shaikh	Nominee Director
Khalid Siddiq Trimizey	Nominee Director

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred during the year.
5. 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.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. No appointment of CFO, Company Secretary and Head of Internal Audit has been made during the year.
10. During the year, one Executive Director has completed his “Directors Training Program” in compliance with clause (xi) of the CCG.
11. The directors’ report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of 3 (Three) members, of whom 1 (One) Independent, 1 (One) non-executive director and 1 (One) Nominee director. The chairman of the committee is Independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of 3 (Three) members, of whom 2 (Two) are non-executive directors and 1 (One) executive director. The chairman of the committee is a non-executive director.
18. 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.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "Closed Period", prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that other material principles enshrined in the CCG have been complied.

For and on behalf of the Board



Sheikhupura
September 22, 2014

Zafar Mahmood
Chief Executive Officer

FINANCIAL STATEMENTS



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2014 prepared by the Board of Directors of Nimir Industrial Chemical Limited (the "Company") to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code in respect of the Company and report if it does not. 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 Code.

As part of our audit of 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's 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.

Further, Listing Regulations of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited requires the Company to place before the board of directors for their consideration and approval of related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing

mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Company for the year ended June 30, 2014.



Chartered Accountants

Audit Engagement Partner: Farooq Hameed

Lahore

September 22, 2014

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Nimir Industrial Chemicals Limited (the Company) as at June 30, 2014 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

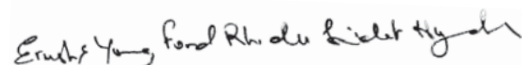
It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance,

1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied, except for changes referred to in note 2.2, with which we concur;

- ii. the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the 'year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Chartered Accountants
Audit Engagement Partner: Farooq Hameed

Lahore
September 22, 2014

BALANCE SHEET

	Note	2014 (Rupees)	2013 (Rupees) Restated
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 145,000,000 (2013: 290,000,000) Ordinary shares of Rs. 10 each (2013: Rs. 5 each)	6	1,450,000,000	1,450,000,000
Issued, subscribed and paid up capital	7	1,105,905,460	1,105,905,465
Unappropriated profit		353,121,555	158,730,698
		1,459,027,015	1,264,636,163
NON CURRENT LIABILITIES			
Long term loans	8	196,583,310	130,666,677
Liabilities against assets subject to finance lease	9	79,754,084	8,232,526
Deferred liabilities	10	41,194,711	34,877,824
		317,532,105	173,777,027
CURRENT LIABILITIES			
Trade and other payables	11	238,174,455	167,668,417
Mark up accrued		12,757,047	5,790,299
Unclaimed dividend		687,266	687,716
Short term borrowings	12	452,098,206	486,977,416
Current maturity of long term loans	8	84,083,340	65,333,328
Current maturity of liabilities against assets subject to finance lease	9	16,429,985	4,125,497
Provision for taxation		41,961,123	16,374,857
		846,191,422	746,957,530
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		2,622,750,542	2,185,370,720

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive Officer

AS AT JUNE 30, 2014

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u> <u>Restated</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	14	1,529,444,282	1,067,364,029
Intangible assets	15	1,408,462	1,841,525
Long term deposits	16	25,929,616	16,753,742
Deferred tax asset	17	26,259,196	56,896,348
		1,583,041,556	1,142,855,644
CURRENT ASSETS			
Stores, spares and loose tools	18	54,447,675	45,231,817
Stock in trade	19	517,668,865	312,288,492
Trade debts	20	240,294,157	510,238,708
Loans and advances	21	27,355,586	18,468,954
Trade deposits and short term prepayments	22	8,142,808	4,588,731
Other receivables	23	12,061,888	8,950,275
Tax refund due from government	24	117,551,082	86,612,226
Cash and bank balances	25	62,186,925	56,135,873
		1,039,708,986	1,042,515,076
TOTAL ASSETS		<u>2,622,750,542</u>	<u>2,185,370,720</u>



Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 (Rupees)	2013 (Rupees) Restated
Sales - Net	26	3,331,794,080	3,002,335,145
Cost of sales	27	(2,818,865,839)	(2,499,182,281)
Gross profit		512,928,241	503,152,864
Distribution costs	28	(74,197,305)	(84,544,369)
Administrative expenses	29	(70,783,975)	(52,411,633)
Operating profit		367,946,961	366,196,862
Other expenses	30	(37,113,381)	(31,672,600)
Other income	31	12,381,448	5,559,404
Finance costs	32	(80,566,752)	(96,854,212)
Foreign exchange loss	33	(3,364,029)	(10,696,630)
Profit before taxation		259,284,247	232,532,824
Taxation:			
Current	34	(34,012,248)	(17,084,616)
Deferred	34	(30,637,152)	(88,009,077)
		(64,649,400)	(105,093,693)
Profit after taxation		194,634,847	127,439,131
Other comprehensive loss			
Re-measurement losses on defined benefit plan	10	(243,995)	(1,053,002)
Total comprehensive income for the year		194,390,852	126,386,129
Earnings per share - basic and diluted	35	1.76	1.14

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive Officer



Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2014

	Issued, Subscribed and Paid up Share Capital	Unappropriated Profit	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as on July 1, 2012, as previously stated	1,105,905,465	31,458,603	1,137,364,068
Effect of retrospective application of change in accounting policy resulting from adoption of IAS-19 (Note 2.4)	–	885,966	885,966
Balance as on July 1, 2012 - restated	1,105,905,465	32,344,569	1,138,250,034
Total comprehensive income for the year	–	126,386,129	126,386,129
Balance as on June 30, 2013 - restated	1,105,905,465	158,730,698	1,264,636,163
Balance as on June 30, 2013 - as previously reported	1,105,905,465	158,539,714	1,264,445,179
Effect of retrospective application of change in accounting policy resulting from adoption of IAS-19 (Note 2.4)	–	190,984	190,984
Balance as on June 30, 2013 - as restated	1,105,905,465	158,730,698	1,264,636,163
Total comprehensive income for the year	–	194,390,852	194,390,852
Cancellation of one share arising due to consolidation	(5)	5	–
Balance as on June 30, 2014	1,105,905,460	353,121,555	1,459,027,015

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 (Rupees)	2013 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation		259,284,247	232,532,824
Adjustment for:			
Depreciation	14.5	114,684,857	78,862,852
Amortization	15	433,063	324,975
Finance cost	32	80,566,752	96,854,212
Provision for gratuity	10.1	7,407,514	7,064,186
Provision against packing materials	19	-	1,772,702
Provision against stock written down to net realizable value	19	36,546,995	-
Provision against advance	30	-	1,398,669
Provision against others	30	16,370,514	3,748,500
(Reversal) /charge of Impairment on property, plant and equipment	31	(9,302,449)	9,302,449
Loss/(gain) on disposal of property, plant and equipment	30	147,795	(895,590)
		246,855,041	198,432,955
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			
		506,139,288	430,965,779
(Increase) / decrease in current assets			
Stores, spares and loose tools		(9,215,858)	(1,854,734)
Stock in trade		(241,927,367)	(150,884,696)
Trade debts		269,944,551	(198,126,350)
Loans and advances		(8,886,632)	(8,528,114)
Trade deposits and short term prepayments		(2,637,877)	1,019,262
Other receivables		(3,111,613)	(1,912,997)
Tax refund due from government		(50,958,536)	(6,763,618)
		(46,793,332)	(367,051,247)
Increase in current liabilities			
Trade and other payables		70,506,038	33,973,720
		23,712,706	(333,077,527)
CASH GENERATED FROM OPERATIONS			
		529,851,994	97,888,252
Gratuity paid		(1,334,622)	(1,330,291)
Finance cost paid		(73,600,004)	(96,173,407)
Tax (paid)/refund		(4,776,816)	25,904,762
		(79,711,442)	(71,598,936)
Net cash generated from operating activities - carried forward		450,140,552	26,289,316

	2014 (Rupees)	2013 (Rupees)
Balance brought forward	450,140,552	26,289,316
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(571,427,011)	(104,661,496)
Purchase of Intangible asset	–	(2,166,500)
Sale proceeds from disposal of property, plant and equipment	3,816,554	3,880,800
Long term deposits	(10,092,074)	(3,063,542)
Net cash used in investing activities	(577,702,531)	(106,010,738)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	150,000,000	–
Long term loan repaid	(65,333,355)	(65,333,328)
Dividend paid	(450)	–
Repayment of liabilities against assets subject to finance lease	(5,731,049)	(4,932,930)
New leases acquired during the year	89,557,095	8,816,000
Short term borrowings	(34,879,210)	126,167,725
Net cash generated from financing activities	133,613,031	64,717,467
Net increase/(decrease) in cash and cash equivalents	6,051,052	(15,003,954)
Cash and cash equivalents at the beginning of the year	56,135,873	71,139,827
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	62,186,925	56,135,873

A

A Cash and cash equivalents include cash and bank balances as stated in Note 25.

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive Officer



Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

1. THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals Limited (“the Company”) was incorporated in Pakistan on February 6, 1994 as a public limited Company under the Companies Ordinance, 1984. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges. The Company started its commercial operation on January 1, 2000. The registered office of the Company is situated at 14.8 Km., Sheikhupura- Faisalabad Road, Mouza Bhikhi, District Sheikhupura, Pakistan. The Company is engaged in manufacturing and sale of industrial chemical products.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever, the requirement of the companies ordinance, 1984 or directive issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Standards, interpretations and amendments to published approved accounting standards effective in 2013.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IAS 19 – Employee Benefits – Revised

IFRS 7 – Financial Instruments : Disclosures
- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.

IFRIC 20 – Stripping Costs in the production phase of a surface mine.

IFAS 3 – Profit and Loss sharing on deposits.

Improvements to Accounting Standards Issued by the IASB.

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information.

IAS 16 – Property, Plant and Equipment – Clarification of servicing equipment.

IAS 32 – Financial Instruments: Presentation – Tax Effects of distribution to holders of equity instruments.

IAS 34 – Interim Financial Reporting – Interim financial reporting and segment information for total assets and liabilities.

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the financial statements except for as described in note 2.4.

2.3 Change in accounting estimates

During the year, the Company has changed its estimated economic useful lives of some items of plant and machinery. This change in accounting estimate has been accounted for as per the requirements of the International Accounting Standard (IAS) 8, “Accounting policies, change in accounting estimates and errors”. Had this change not been made the profit for the year and property, plant and equipment would have been higher by Rs.26,650,408.

2.4 Change in accounting policy

The Company has adopted IAS 19 - ' Employee Benefits ' (Revised 2011) retrospectively in the current year in accordance with the transitional provisions set out in the revised standard.

As per revised standard, actuarial gains and losses for defined benefit plans are recognized in the other comprehensive income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements and net interest income (expense). All other charges in the net defined benefit asset (liability) are recognized in the other comprehensive income with no subsequent recycling to profit and loss account.

The adoption of above revised standard has resulted in change in accounting policy of the Company related to recognition of actuarial gains and losses to recognize actuarial gains and losses in total in other comprehensive income in the period in which they occur. Previously, actuarial gains and losses over and above the corridor limit were amortized in the profit and loss account over the expected remaining working lives of the employees as allowed under the relevant provision of previous IAS 19.

Further, any past service cost (vested and non-vested) is now recognized immediately in the profit and loss account upon changes in the benefit plans. Previously, only vested past service cost was recognized immediately in profit and loss account and non-vested cost was amortized to profit and loss account over the vesting period.

The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

The impact of the said changes on these financial statements is as under:

	2013 (Rupees)	2012 (Rupees)
(Decrease)/ Increase in unappropriated profits	(694,982)	885,966
(Decrease)/ Increase in deferred taxation	(358,020)	456,407
(Decrease)/ Increase in employee benefits asset	(1,053,002)	1,342,373

The cumulative effect of the above change is not considered material accordingly third balance sheet as of July 1, 2012 has not been presented in these financial statements.

IAS 19 (Revised 2011) also requires more extensive disclosures. These have been provided in Note 10.1

Sensitivity disclosures for the defined benefit obligation for comparative period (year ended June 30, 2013) have not been provided as permitted by revised IAS-19.

This transition did not have impact on statement of cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

3.1 Defined benefit plans

The cost of defined benefit plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of this plan, such estimates are subject to significant uncertainty.

3.2 Provision for doubtful receivables

A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

3.3 Useful life and residual values of property, plant and equipment

Estimates with respect to residual values, depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Other areas where estimates and judgments involved are disclosed in respective notes to the financial statements.

3.4 Provision for taxation

In making the estimates for income tax payable, the Company takes into account the applicable laws and the decisions by appellate authorities on certain issues in the past.

A deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax liabilities and assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of presentation and measurement

These financial statements have been prepared under the historical cost convention, except for staff retirement and termination benefit plan which is stated at present value.

These financial statements are prepared in Pak Rupee which is the Company's functional currency.

4.2 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any except land which stated at cost. Cost of property, plant and equipment consists of historical cost and directly attributable cost of bringing the assets to their present location and condition.

Depreciation is calculated using the straight line method at rates disclosed in note 14.1 which are considered appropriate to write off the cost of the assets over their useful lives.

Depreciation on additions is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any 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 values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in the income currently. 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 for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense in the period it relates.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Capital work in progress

These are stated at cost less impairment loss, if any, including capitalization of borrowing costs. It consists of expenditures incurred and advances made in respect of fixed assets in the course of their construction and installation.

Leased Asset

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets.

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease as referred to in note 9. The liabilities are classified as current and non-current depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the

rental is charged to profit over the lease term. The financial charges are calculated at the interest rates implicit in the lease and are charged to the profit and loss account.

Assets held under finance lease are stated at cost less accumulated depreciation and impairment loss, if any, at the rates and basis applicable to the Company owned assets.

4.3 Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are measured to be finite. Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for an intangible asset with a finite life is reviewed at each financial period end. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

4.4 Stocks

Stock in trade, stores, spares and loose tools are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Basis of determining cost is as follows:

Raw and packing material	- Weighted Average
Material in transit	- Cost
Work in process	- Cost
Finished goods	- Weighted Average
Stores, spares and loose tools	- Weighted Average

Items considered obsolete are carried at nil value.

Provision for obsolete and slow moving inventory is based on management estimates.

Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

4.5 Trade debts

Trade debts are carried at invoice amount on transaction date less any estimate for doubtful receivable. Known bad debts are written off as and when identified.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

For the purpose of cash flow statement, cash and cash equivalents comprise of cheques in hand, cash and bank balances.

4.7 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the Company loses control of the contractual rights that comprise the financial asset or portion of financial asset. While a financial liability or part of financial liability is derecognized from the balance sheet when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

Financial assets are investments, trade deposits, trade debts, loans and advances, other receivables, cash and bank balances. These are stated at their nominal values as reduced by the appropriate allowances for estimating irrecoverable amount.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are long term loans, short term running finance utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities. Mark-up bearing finances are recorded at the gross proceeds received. Other liabilities are stated at their nominal value.

4.8 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and

the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

4.9 Taxation

Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is provided in full using the balance sheet liability method on all temporary differences arising at the balance sheet date, between the tax bases of the assets and liabilities and their carrying values. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying amounts of all deferred tax assets are reviewed at each balance sheet date and reduced to the extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantially enacted by the balance sheet date.

4.10 Revenue recognition

Sale of goods - Local

Revenue is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

Sale of goods - Export

Revenue from export of goods is recognized at the time of issuance of bill of lading.

Profit on bank deposit

Profit earned on saving and deposit accounts is accrued on time proportion basis by reference to the principal outstanding at the applicable rate of return.

4.11 Staff retirement and termination benefits

The Company operates an unfunded gratuity benefits plan for all its 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.

Projected unit credit method, based on the following significant assumptions, is used for valuation of the plan:

	2014	2013
Discount rate for interest cost in profit & loss charge	10.50%	13%
Discount rate for obligation	13.25%	10.5%
Expected rates of salary increase in future years	12.25%	9.5%
Retirement assumption	Age 60	Age 60

As more fully explained in note 2.4, effective from January 1, 2013 all actuarial gains and losses are recognized in 'Other Comprehensive Income' as they occur. Previously actuarial gains/ losses exceeding 10 percent of the higher of the present value of the defined benefit obligation and fair value of plan assets at the beginning of the year, were amortized over the average future service of the employees.

The date of latest actuarial valuation is June 30, 2014.

4.12 Foreign currency translation

Foreign currency transactions are converted into rupees at the rates prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the date of balance sheet.

Profits or losses arising on translation are recognized in the profit and loss account.

4.13 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily

take a substantial period of time to get ready for their intended use. Such borrowing costs are capitalized as part of the cost of the qualifying asset.

4.14 Pricing for related party transactions

All transactions with related parties and associated undertakings are entered into arm's length determined in accordance with comparable uncontrolled price method.

Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

4.15 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.16 Trade and other payables

Creditors relating to trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision. The management has determined that the Company has a single reportable segment as Board of Directors views the Company's operations as one reportable segment.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Standard or Interpretation	Effective date (Annual periods beginning or after)
IFRS 10 – Consolidated financial statements	January 1, 2015
IFRS 11 – Joint arrangements	January 1, 2015
IFRS 12 – Disclosure of interests in other entities	January 1, 2015
IFRS 13 – Fair value measurement	January 1, 2015
IAS 19 – Employee contributions	July 1, 2014
IAS 32 – Offsetting financial assets & financial liabilities – (Amendment)	January 1, 2014
IAS 36 – Recoverable amount for non-financial assets – (Amendment)	January 1, 2014
IAS 39 – Novation of derivatives and continuation of hedge accounting – (Amendment)	January 1, 2014
IFRIC 21 – Levies	January 1, 2014
IAS 16 & 38 – Clarification of acceptable method of depreciation and amortization	January 1, 2016
IAS 16 & 40 – Agriculture: bearer plants	January 1, 2016

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above standards and interpretations, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 1, 2014. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (Annual periods beginning on or after)
IFRS 9 – Financial instruments: classification and measurement	January 1, 2018
IFRS 14 – Regulatory deferral accounts	January 1, 2016
IFRS 15 – Revenue from contracts with customers	January 1, 2017

6. AUTHORISED CAPITAL

During the year, the Company consolidated its shares by increasing the face value from Rs. 5 per share to Rs.10 per share pursuant to special resolution passed by the members at Annual General Meeting held on October 29, 2013.

As a result of above consolidation, the number of shares in authorized capital reduced from 290,000,000 shares of Rs.5 per share as of June 30, 2014 (June 30, 2013: 290,000,000 shares) to 145,000,000 shares of Rs.10 per share.

7. ISSUED, SUBSCRIBED, AND PAID UP CAPITAL

The above consolidation also caused the reduction in number of shares issued, subscribed and paid-up capital from 221,181,093 shares of Rs. 5 per share as of June 30, 2014 (June 30, 2013: 221,181,093 shares) to 110,590,546 shares of Rs.10 per share. One remaining share arising from the overall consolidation of shares has been cancelled from the shareholding of Nimir Resources (Pvt) Limited, the parent company in accordance with the special resolution.

2014	2013		2014	2013
No. of shares			(Rupees)	(Rupees)
18,875,000	37,750,000	*Ordinary shares of Rs. 10 (2013: Rs. 5) each fully paid in cash	188,750,000	188,750,000
39,469,000	78,937,999	*Ordinary shares of Rs. 10 (2013: Rs. 5 each originally of Rs.10 at a discount of Rs. 6 per share) - paid in cash	394,689,990	394,689,995
12,433,950	24,867,900	*Ordinary shares of Rs. 10 (2013: Rs. 5 each originally of Rs.10 at a discount of Rs. 6 per share) issued to the leasing companies and a bank to convert part of their finances into fully paid up shares.	124,339,500	124,339,500
39,812,596	79,625,194	Right issue of shares of Rs. 10 (2013: Rs. 5) each offered at par	398,125,970	398,125,970
<u>110,590,546</u>	<u>221,181,093</u>		<u>1,105,905,460</u>	<u>1,105,905,465</u>

Nimir Resources (Private) Limited holds 62,670,647 ordinary shares of Rs.10 each, representing 56.7% (2013:125,341,294 ordinary shares of Rs. 5 each, representing 56.7%) of the issued capital.

8. LONG TERM LOANS

	Note	2014	2013
		(Rupees)	(Rupees)
Syndicated term finance - secured	8.1	130,666,650	196,000,005
Term finance - secured	8.2	150,000,000	—
Less: Current maturity shown under current liabilities		(84,083,340)	(65,333,328)
		<u>196,583,310</u>	<u>130,666,677</u>

8.1 This represents syndicated term finance facility obtained from financial institutions carrying mark-up at the rate of 6 months KIBOR plus 250 bps per annum with no floor and no cap (2013: 6 months KIBOR plus 350 bps per annum with no floor and cap). These facilities are secured against first pari - passu charge on the fixed assets of the Company for Rs. 268 million including land.

8.2 This represents term finance facility obtained from financial institution carrying mark-up at the rate of 3 months KIBOR plus 225 bps per annum, to finance the expansion of manufacturing plant. The loan is repayable in 48 equal monthly installments with grace period of one year. These facilities are secured against first pari - passu and mortgage charge over present & future moveable and immovable fixed assets of the Company with 25% margin. This loan is also secured against personal guarantees of sponsoring directors.

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The interest rates used as the discounting factor (i.e. implicit in the lease) is 3 months KIBOR plus 225 bps and 6 months KIBOR plus 285 bps (2013: 6 months KIBOR plus 275 bps and 6 months KIBOR plus 285 bps). The amount of future payments and the period during which they will become due are:

		2014 (Rupees)	2013 (Rupees)
Year ending 30 June	2014	–	5,040,793
	2015	25,928,425	3,826,145
	2016	23,953,471	2,003,531
	2017	25,066,422	3,087,079
	2018	22,398,543	–
	2019	24,914,290	–
		122,261,151	13,957,548
Less:	Future finance charges	(26,077,082)	(1,599,525)
		96,184,069	12,358,023
Less:	Current maturity shown under current liabilities	(16,429,985)	(4,125,497)
		79,754,084	8,232,526

9.1 The lease agreement has the option for purchase of asset at the end of the lease period. There are no financial restrictions in the lease agreement.

9.2 Minimum Lease Payments (MLP) and their Present Value (PV) are regrouped below :

	2014		2013	
	MLP (Rupees)	PV of MLP (Rupees)	MLP (Rupees)	PV of MLP (Rupees)
Due not later than 1 year	25,928,425	16,429,985	5,040,793	4,125,497
Due later than 1 year but not later than 5 years	96,332,726	79,754,084	8,916,755	8,232,526
	122,261,151	96,184,069	13,957,548	12,358,023

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u> <u>Restated</u>
10. DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	10.1	41,194,711	34,877,824
10.1	The amounts recognized in the balance sheet are as follows:		
	Present value of defined benefits obligation	40,994,681	34,877,824
	Add: Benefits due but not paid	200,030	-
		<u>41,194,711</u>	<u>34,877,824</u>
10.2	The amounts recognized in the profit & loss account are as follows:		
	Current service cost	3,745,342	3,412,365
	Interest cost on defined benefit obligation	3,662,172	3,651,821
	Expense recognized in the profit and loss account	<u>7,407,514</u>	<u>7,064,186</u>
10.3	The charge for the year has been allocated as follows:		
	Cost of sales	5,467,906	4,232,088
	Distribution costs	489,890	622,560
	Administrative expenses	1,449,718	2,209,538
		<u>7,407,514</u>	<u>7,064,186</u>
10.4	Movements in the net liability recognized in the balance sheet are as follows:		
	Net liabilities at the beginning of the year	34,877,824	28,090,927
	Expense recognized during the year	7,407,514	7,064,186
	Benefits paid	(1,334,622)	(1,330,291)
	Remeasurements charged to other comprehensive income	243,995	1,053,002
	Net liabilities at the end of the year	<u>41,194,711</u>	<u>34,877,824</u>
10.5	Movements in the present value of defined benefit obligation:		
	Present value of defined benefits obligation at the beginning of the year	34,877,824	28,090,927
	Current service cost	3,745,342	3,412,365
	Interest cost on defined benefit obligation	3,662,172	3,651,821
	Benefit due but not paid	(200,030)	-
	Benefits paid	(1,334,622)	(1,330,291)
	Remeasurement:		
	Experience adjustments	243,995	1,053,002
	Present value of defined benefits obligation as at 30 June	<u>40,994,681</u>	<u>34,877,824</u>

A quantitative sensitivity analysis for significant assumption as at June 30, 2014 on defined benefit obligation is as shown below:

<u>Sensitivity level</u>	<u>Assumption</u>	<u>Impact on defined benefit obligation</u>
+100 bps	Discount rate	37,862,511
- 100 bps	Discount rate	44,602,528
+100 bps	Expected increase in salary	44,652,908
- 100 bps	Expected increase in salary	37,764,895

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
11. TRADE AND OTHER PAYABLES			
Creditors		136,819,746	80,286,629
Accrued liabilities		54,823,903	61,614,920
Security deposits	11.1	400,000	600,000
Advances from customers		16,295,322	2,493,474
Workers profit participation fund	11.2	14,628,751	12,480,422
Workers welfare fund		14,439,832	9,148,317
Withholding tax payable		380,215	783,078
Others		386,686	261,577
		<u>238,174,455</u>	<u>167,668,417</u>

11.1 These represents security deposits from distributors and transporters which, by virtue of agreement, are interest free, repayable on demand and are used in the normal course of business.

	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
11.2 Balance as at 01 July	12,480,422	6,064,789
Add: Provision for the year	13,925,040	12,480,422
Less: Payments made during the year	(11,776,711)	(6,064,789)
Balance as at 30 June	<u>14,628,751</u>	<u>12,480,422</u>

12. SHORT TERM BORROWINGS - SECURED

The aggregate facility of short term finances from commercial bank available at year end is Rs. 1,695 million (2013: Rs. 990 million). The rate of mark up ranges from 1 month KIBOR plus 30 bps per annum to 3 months and 6 months KIBOR plus 175 bps per annum with no floor and no cap (2013: 1 months KIBOR plus 30 bps per annum to 3 months and 6 months KIBOR plus 250 bps per annum with no floor and no cap) recovered quarterly for utilized facility. The facilities are secured against 1st pari passu charge on the present and future, current and fixed assets of the Company, including land along with construction thereon and easements, amenities therewith.

The unutilized facility for opening letters of credit and bank guarantees as at June 30, 2014 amounts to Rs. 303 million (2013: Rs. 167 million) and Rs. 40.6 million (2013: Rs. 63 million), respectively.

13. CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

During the past years the income tax authorities had raised a tax demand of Rs.249 million by treating the remission of loan as taxable income of Rs. 711million. Income Tax Appellate Tribunal (ITAT) decided the case in favor of the Company. The Income Tax Department has filed the appeal in Honorable Lahore High Court against the decision. Pending the outcome of the department's appeal, no provision has been made in the financial statements for the demand raised by the Income Tax authorities, since the management of the Company based on the consultant opinion, is confident that the outcome of the appeal will be in the favor of the Company.

13.2 COMMITMENTS

Commitments in respect of letters of credit established for the import of plant and machinery, raw materials and spare parts amounting to Rs. 369 million (2013: Rs. 61 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs. 95.9 million (2013: Rs. 76.7 million) and letter of guarantees given to Customs amounting to Rs. 69.5 million (2013: 60 million).

14. PROPERTY, PLANT AND EQUIPMENT

	Note	2014 (Rupees)	2013 (Rupees)
Operating fixed assets	14.1	918,797,268	965,107,081
Capital work in progress	14.6	610,647,014	102,256,948
		<u>1,529,444,282</u>	<u>1,067,364,029</u>

14.3 No asset were sold to the Chief Executive, Directors, Executives or Shareholders holding more than 10% of total paid-up capital.

14.4 Plant and machinery includes storage tanks amounting to Rs. Nil (2013: Rs. 0.64 million) held by customers of the Company in normal course of business.

14.5 Depreciation for the year has been allocated as under:

	Note	2014 (Rupees)	2013 (Rupees)
Cost of sales	27	107,125,273	72,696,674
Distribution costs	28	2,872,470	1,741,064
Administrative expenses	29	4,687,114	4,425,114
		<u>114,684,857</u>	<u>78,862,852</u>

	Note	2014				2013	
		Owned			Leased		Total
		Building	Plant and machinery	Others	Plant and machinery	Total	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Opening balance		–	75,365,020	26,891,928	–	102,256,948	106,023,786
Adjustments during the year		4,178,426	21,765,345	(25,943,771)	–	–	–
Additions during the year	14.6.1	81,024,604	381,352,860	–	85,740,095	548,117,559	98,603,112
		<u>85,203,030</u>	<u>478,483,225</u>	<u>948,157</u>	<u>85,740,095</u>	<u>650,374,507</u>	<u>204,626,898</u>
Transferred to fixed assets		(13,291,044)	(34,790,742)	(948,157)	–	(49,029,943)	(93,067,500)
(Reversal)/charge of impairment	14.6.2	–	9,302,450	–	–	9,302,450	(9,302,450)
		<u>71,911,986</u>	<u>452,994,933</u>	<u>–</u>	<u>85,740,095</u>	<u>610,647,014</u>	<u>102,256,948</u>

14.6.1 Plant and machinery includes borrowing cost capitalized during the year amounts to Rs. 5,783,904 (2013: Nil). The Company is in the process of expansion which is expected to be completed in September 2014. The expansion has been financed by a term finance and lease facility from the financial institutions.

Plant and machinery also includes capital spare parts acquired with the new plants amounts to Rs. 36,960,016 (2013: Nil).

14.6.2 This represents reversal of impairment charged in prior year against expenditures incurred to acquire imported plant due to difficulties in obtaining legal clearance.

14.1 Operating fixed assets

Particulars	C O S T			Rate %	D E P R E C I A T I O N			Net Book value As at June 30, 2014 (Rupees)	
	As At July 1, 2013	Additions / (Disposals)	Transfer / Adjustment		As At June 30, 2014	Accumulated as at July 1, 2013	Charge for the year		(Disposals)
Owned		(Rupees)							
Free hold land	13,686,516	9,703,904	-	-	-	-	-	-	23,390,420
Building on free hold Land	109,898,107	13,291,044	-	123,189,151	4-5	5,357,246	-	-	49,609,470
Plant and machinery	1,512,314,532	34,790,742	-	1,539,431,428	4-50	97,012,688	(3,748,003)	-	755,908,106
		(7,673,846)							
Furniture and fittings	3,674,793	275,763	-	3,825,006	10-33	414,222	(119,746)	-	2,776,725
		(125,550)							
Office and factory equipment	26,994,699	6,835,088	-	33,001,464	10-50	5,713,119	(795,621)	-	17,190,473
		(828,323)							
Vehicles	15,617,797	3,625,852	3,259,060	20,992,451	20	2,268,130	(1,510,258)	3,259,059	12,534,831
		(1,510,258)							
	1,682,186,444	68,522,393	3,259,060	1,743,829,320		110,765,405	(6,173,628)	3,259,059	838,019,605
	(10,137,977)								
LEASED									
Vehicles	20,366,660	3,817,000	-	20,924,600	20	3,919,452	(3,259,059)	-	7,937,647
		(3,259,060)							
	20,366,660	3,817,000	-	20,924,600		3,919,452	(3,259,059)	-	7,937,647
		(3,259,060)							
2014	1,702,553,104	72,339,393	3,259,060	1,764,754,520		114,684,857	(9,432,687)	3,259,059	845,957,252
	(13,397,037)								

2013

Particulars	C O S T			Rate %	D E P R E C I A T I O N			Net Book value As at June 30, 2013 (Rupees)	
	As At July 1, 2012	Additions / (Disposals)	Adjustment		As At June 30, 2013	Accumulated as at July 1, 2012	Charge for the year		(Disposals)
Owned		(Rupees)							
Free hold land	10,661,483	3,025,033	-	13,686,516	-	-	-	-	13,686,516
Building on free hold Land	102,923,814	6,974,293	-	109,898,107	4-5	4,929,185	-	-	44,252,224
Plant and machinery	1,444,822,295	67,492,237	-	1,512,314,532	4-50	64,382,675	-	-	662,643,421
Furniture and fittings	3,003,376	671,417	-	3,674,793	10-33	346,857	-	-	2,482,249
Office and factory equipment	20,790,608	6,208,091	-	26,994,699	10-50	4,018,912	(3,999)	-	12,272,975
		(4,000)							
Vehicles	12,983,786	5,938,809	443,600	15,617,797	20	2,294,694	(1,930,130)	443,600	8,517,900
		(3,748,398)							
	1,595,185,362	90,309,880	443,600	1,682,186,444		75,972,323	(1,934,129)	443,600	730,168,769
		(3,752,398)							
Leased									
Vehicles	13,074,660	8,816,000	-	20,366,660	20	2,890,528	(357,059)	-	7,277,254
		(1,524,000)							
	13,074,660	8,816,000	-	20,366,660		2,890,528	(357,059)	-	7,277,254
		(1,524,000)							
2013	1,608,260,022	99,125,880	443,600	1,702,553,104		78,862,852	(2,291,188)	443,600	737,446,023
		(5,276,398)							

14.2 Disposal of operating fixed assets:

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Purchasers	
							(Rupees)	(Rupees)
Plant and machinery	7,673,846	3,748,003	3,925,843	2,654,238	(1,271,605)	Negotiation	Piya scrape dealer	
Furniture and fittings	125,550	119,746	5,804	5,804		Negotiation	Piya scrape dealer	
Office and factory equipment	828,621	795,621	32,702	50,512	17,810	Negotiation	Various	
Vehicles	1,510,258	1,510,258	-	1,106,000	1,106,000	Negotiation	Mr. Shahid and Mr. Ahmed (Dealers)	
Total	10,137,977	6,173,628	3,964,349	3,816,554	(147,795)			

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
15. INTANGIBLE ASSETS			
Software and licenses			
Cost:			
As at 1 July		2,166,500	–
Additions during the year		–	2,166,500
As at 30 June		<u>2,166,500</u>	<u>2,166,500</u>
Accumulated amortization:			
As at 1 July		(324,975)	–
Amortization during the year	29	(433,063)	(324,975)
As at 30 June		<u>(758,038)</u>	<u>(324,975)</u>
Net book value		<u>1,408,462</u>	<u>1,841,525</u>
Rate of amortization - %		<u>20</u>	<u>20</u>

16. LONG TERM DEPOSITS

Security deposits			
Leasing companies and banks		13,417,974	3,605,900
Others	16.1	13,427,842	13,147,842
		26,845,816	16,753,742
Less: Current maturity	22	(916,200)	–
		<u>25,929,616</u>	<u>16,753,742</u>

16.1 It includes deposit amounting to Rs. 12.24 million (2012: 12.24 million) given to WAPDA for dedicated line.

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u> Restated
17. DEFERRED TAX ASSET			
This comprises of:			
Deferred tax liabilities on taxable temporary differences			
Accelerated tax depreciation		(196,321,583)	(219,646,234)
Deferred tax assets on deductible temporary differences			
Trade debts - provision for doubtful debts		6,473,888	6,670,066
Provision against stock		12,645,500	–
Provision against advance		461,561	475,547
Provision against other		6,639,274	1,274,490
Deferred and unpaid liabilities		18,591,624	11,858,459
Tax losses and minimum tax credit carried forward		177,768,932	256,264,020
		<u>26,259,196</u>	<u>56,896,348</u>
18. STORES, SPARES AND LOOSE TOOLS			
Stores		7,309,647	7,305,661
Spares and loose tools		47,138,028	37,926,156
	18.1	<u>54,447,675</u>	<u>45,231,817</u>

18.1 Stores, spares and loose tools include in transit amounting Rs. 3,425,050 (2013: Rs.13,896)

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u> <u>Restated</u>
19. STOCK IN TRADE			
Raw and packing material			
In hand	19.1	154,129,062	88,621,725
In transit		276,275,049	170,598,765
		430,404,111	259,220,490
Finished goods		125,584,451	54,840,704
Provision for packing material		(1,772,702)	(1,772,702)
Provision against stock written down to net realizable value	19.2	(36,546,995)	-
		(38,319,697)	(1,772,702)
		<u>517,668,865</u>	<u>312,288,492</u>

19.1 This includes steel drums amounting to Rs.Nil (2013: Rs. 1.77 million) held by customers of the Company in normal course of business.

19.2 This represents provision against stock written down to net realizable value during the year.

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
20. TRADE DEBTS			
Unsecured- considered good		240,294,157	510,238,708
Considered doubtful		19,617,842	19,617,842
Provision for doubtful debtors	20.1	(19,617,842)	(19,617,842)
		-	-
		<u>240,294,157</u>	<u>510,238,708</u>

20.1 As at June 30, 2014 trade receivables amounting to Rs. 19.62 million (2013: Rs. 19.62 million) were impaired and fully provided for. The movement in the amount provided for is as follows:

	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
Provision for doubtful debts		
As at 1 July	19,617,842	19,617,842
Charge for the year	-	-
Reversal of provision during the year	-	-
	-	-
As at 30 June	<u>19,617,842</u>	<u>19,617,842</u>

	Note	2014 (Rupees)	2013 (Rupees)
21. LOANS AND ADVANCES			
Considered good - unsecured			
Suppliers	21.1	23,668,442	14,351,763
Employees against business expenses		850,511	1,352,065
Employees against salary	21.2	2,836,633	2,765,126
		<u>27,355,586</u>	<u>18,468,954</u>

21.1 The advance given to supplier amounting to Rs. Nil (2013: Rs. 1.3 million) has been provided for during the year.

21.2 This includes advance given to executives amounting to Rs. 1.97 million (2013 : Nil).

	Note	2014 (Rupees)	2013 (Rupees)
22. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Current maturity of security deposit	16	916,200	-
Security deposit		1,873,500	1,480,000
Prepayments		5,353,108	3,108,731
		<u>8,142,808</u>	<u>4,588,731</u>

23. OTHER RECEIVABLES			
Margin against bank guarantee		11,716,515	8,218,150
Margin against LC's		-	613,565
Markup receivable		345,373	118,560
		<u>12,061,888</u>	<u>8,950,275</u>

24. TAX REFUND DUE FROM GOVERNMENT			
Advance income tax		68,852,253	72,501,419
Sales tax	24.1	44,950,329	10,362,307
Federal excise duty refundable		3,748,500	3,748,500
		<u>117,551,082</u>	<u>86,612,226</u>

24.1 This has been netted off against provision of Rs.16.3 million in respect sales tax refundable.

	Note	2014 (Rupees)	2013 (Rupees)
25. CASH AND BANK BALANCES			
Cash in hand		598,503	1,720,681
Cash at bank:			
Current accounts	25.1	46,718,024	44,840,590
Savings account	25.2	5,706,398	410,602
Term Deposit Certificate	25.3	9,164,000	9,164,000
		<u>62,186,925</u>	<u>56,135,873</u>

25.1 This includes Rs. 32.6 million (2013 : Rs. 25.7million) carrying mark up at the rate of 7.1% (2013: 6.8%) per annum, under lien with Bank of Punjab against bank guarantees.

25.2 The balance in savings account bear mark-up at rate of 7% (2013: 5%) per annum.

25.3 This includes Rs. 9.16 million (2013: Rs. 9.16 million) under lien with National Bank of Pakistan against bank guarantees. These carry mark up of 7.6% (2013: 6.8%) per annum.

	Note	2014 (Rupees)	2013 (Rupees)
26. SALES			
Gross sales		3,917,516,701	3,503,988,032
Less: Sales tax and excise duty		(570,773,353)	(486,008,897)
		<u>3,346,743,348</u>	<u>3,017,979,135</u>
Less: Discount		(14,949,268)	(15,643,990)
Net sales		<u>3,331,794,080</u>	<u>3,002,335,145</u>
27. COST OF SALES			
Raw and packing material consumed	27.1	2,388,411,317	2,095,830,976
Salaries, wages and benefits	27.2	109,874,139	80,462,154
Depreciation	14.5	107,125,273	72,696,674
Fuel and power		143,677,931	133,245,703
Stores, spares and loose tools consumed		55,760,705	42,317,245
Repairs and maintenance		17,727,346	23,970,282
Traveling, conveyance and entertainment		16,555,186	14,961,249
Communications		845,155	602,926
Insurance		5,459,275	3,465,683
Printing and stationery		1,329,424	1,265,759
Provision against packing materials		-	1,772,702
Provision against stock written down to net realizable value		36,546,995	-
Other expenses		6,296,839	5,785,873
		<u>2,889,609,585</u>	<u>2,476,377,226</u>
Add: Opening stock-finished goods		54,840,705	77,645,760
Less: Closing stock-finished goods		(125,584,451)	(54,840,705)
		<u>2,818,865,839</u>	<u>2,499,182,281</u>
27.1 Raw and packing material consumed			
Opening Balance		257,447,788	85,530,738
Purchases		2,559,594,938	2,267,748,026
		<u>2,817,042,726</u>	<u>2,353,278,764</u>
Less: Closing Balance		(428,631,409)	(257,447,788)
Raw and packing material consumed		<u>2,388,411,317</u>	<u>2,095,830,976</u>
27.2 This includes Rs. 5.47 million (2013: Rs. 4.23 million) in respect of staff retirement benefits - gratuity scheme.			
28. DISTRIBUTION COSTS			
Salaries, wages and benefits	28.1	11,296,382	8,273,767
Repairs and maintenance		53,172	39,435
Traveling, conveyance and entertainment		2,187,750	2,367,118
Communications		269,291	168,266
Insurance		1,596,933	1,392,685
Freight outward		28,005,815	24,330,258
Distribution commission and reimbursement of expenses		27,338,135	42,280,998
Packing, carriage and forwarding		179,410	3,676,467
Printing and stationery		235,277	117,946
Depreciation	14.5	2,872,470	1,741,064
Other expenses		162,670	156,365
		<u>74,197,305</u>	<u>84,544,369</u>

28.1 This includes Rs. 0.49 million (2013: Rs. 0.62 million) in respect of staff retirement benefits - gratuity scheme.

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
29. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	29.1	39,490,697	28,203,891
Fuel and power		954,645	720,708
Repairs and maintenance		1,887,704	851,781
Traveling, conveyance and entertainment		7,387,855	6,638,504
Communications		2,550,776	1,949,694
Insurance		875,381	697,852
Rent, rates and taxes		1,123,664	829,088
Printing and stationery		1,260,601	720,999
Advertising and sale promotion		597,814	753,836
Legal, professional and consultancy charge		4,200,950	2,102,040
Auditors' remuneration	29.2	1,100,000	1,000,000
Depreciation	14.5	4,687,114	4,425,114
Amortization	15	433,063	324,975
Other expenses		4,233,711	3,193,151
		<u>70,783,975</u>	<u>52,411,633</u>

29.1 This includes Rs. 1.45 million (2013: Rs. 2.25 million) in respect of staff retirement benefits - gratuity scheme.

	<u>Note</u>	<u>2014</u> <u>(Rupees)</u>	<u>2013</u> <u>(Rupees)</u>
29.2 Auditors' remuneration			
Audit fee		650,000	600,000
Certifications and reviews		385,000	335,000
Out of pocket expenses		65,000	65,000
		<u>1,100,000</u>	<u>1,000,000</u>

30. OTHER EXPENSES

Workers profit participation fund	11.2	13,925,040	12,480,422
Workers welfare fund		5,291,515	4,742,560
Loss on disposal of property, plant and equipment	14.2	147,795	-
Loss on sale of damaged packing material		1,378,517	-
Impairment on property, plant and equipment		-	9,302,449
Provision against advance		-	1,398,669
Other provision	30.1	16,370,514	3,748,500
		<u>37,113,381</u>	<u>31,672,600</u>

30.1 This represents provision against sales tax refundable relating to prior years.

31. OTHER INCOME

Non financial assets			
Gain on disposal of property, plant and equipment		-	895,590
Scrap sale		-	1,403,060
Reversal of impairment on property, plant and equipment		9,302,449	-
Miscellaneous income		192,588	2,589,495
Financial assets			
Profit on savings account		2,197,022	552,699
Profit on term deposit receipt		689,389	118,560
		<u>12,381,448</u>	<u>5,559,404</u>

	Note	2014 (Rupees)	2013 (Rupees)
32. FINANCE COST			
Mark-up on			
Long term loans		20,512,874	32,811,443
Short term borrowings		52,342,620	58,867,594
Financial charges on lease		1,189,470	1,131,978
Bank charges, fee and commission		6,521,788	4,043,197
		80,566,752	96,854,212
33. FOREIGN EXCHANGE LOSS			
Foregin liabilities		3,364,029	10,696,630
This represents exchange loss on payment of liabilities in foreign currency.			
34. TAXATION			
Current tax:			
Current year	34.1	40,599,248	15,012,984
Prior year		(6,587,000)	2,071,632
		34,012,248	17,084,616
Deferred tax:			
Relating to the reversal and origination of temporary differences		28,963,730	83,716,035
Expense resulting from reduction in tax rate		1,673,422	4,293,042
		30,637,152	88,009,077
	34.2	64,649,400	105,093,693

34.1 Keeping in view the accumulated tax loses, tax provision for the year has been calculated as higher of corporate tax or 17% of the accounting income or 1% of minimum tax as required under Section 113C of Income Tax Ordinance, 2001. Accordingly, numerical reconciliation between effective tax rate and applicable tax rate is not reported for the year.

34.2 Deferred tax assets have not been recognized in respect of minimum tax for the year 2010, 2011 and 2012 of Rs. 59,813,875 due to uncertainty of taxable profits in future years against which these can be adjusted.

	2014 (Rupees)	2013 (Rupees) Restated
35. EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED		
35.1 Basic		
Profit attributable to ordinary shareholders (Rupees)	194,390,852	126,386,129
Weighted average number of ordinary shares	110,590,546	110,590,546
Earnings per ordinary share (Rupees)	1.76	1.14

The weighted average number of shares has been reduced as explained in note 7.

35.2 Diluted

No figure for diluted earning per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The management reviews and agrees policies for managing each of these risks which are summarized below.

36.1 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers.

The management monitors and limits the Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy.

The Company is exposed to credit risk on long-term deposits, trade debts, short term deposits, advances, other receivables and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Carrying values	
	2014 (Rupees)	2013 (Rupees)
Long-term deposits	25,929,616	16,753,742
Short-term deposits	2,789,700	1,480,000
Trade debts – unsecured	240,294,157	510,238,708
Advances	2,836,633	2,765,126
Other receivables	12,061,888	8,950,275
Bank balances	61,588,422	54,415,192

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

	2014 (Rupees)	2013 (Rupees)
36.1.1 Trade Debts		
Neither past due nor impaired	240,294,157	510,238,708
Past due but not impaired	–	–
	<u>240,294,157</u>	<u>510,238,708</u>

As at June 30, 2014 trade debts of Rs. 19.62 million (2013: Rs.19.62 million) were impaired and provided for.

	2014 (Rupees)	2013 (Rupees)
36.1.2 Bank		
A1+	50,836,719	54,389,196
A-1+	10,743,924	–
A1-	7,531	23,157
A2-	248	2,839
	<u>61,588,422</u>	<u>54,415,192</u>

The sale to one major customer amounts to Rs. 731,927,303 (2013: Rs. 701,093,550) which represents more than 10% of the total revenue.

36.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

Financial liabilities are analyzed below, with regard to their remaining contractual maturities.

For the year ended June 30, 2014

	Maturity Upto One Year	Maturity After One Year	Total
	(Rupees)		
Long term loans	114,713,386	229,524,859	344,238,245
Liabilities against assets subject to finance lease	25,928,425	96,332,726	122,261,151
Short term borrowings	452,098,206	–	452,098,206
Unclaimed dividend	687,266	–	687,266
Trade and other payables	192,430,335	–	192,430,335
Total financial liabilities	<u>785,857,618</u>	<u>325,857,585</u>	<u>1,111,715,203</u>

For the year ended June 30, 2013

	Maturity Upto One Year	Maturity After One Year	Total
	(Rupees)		
Long term loans	86,731,846	148,208,715	234,940,561
Liabilities against assets subject to finance lease	5,040,793	8,916,755	13,957,548
Short term borrowings	486,977,416	–	486,977,416
Unclaimed dividend	687,716	–	687,716
Trade and other payables	142,763,126	–	142,763,126
Total financial liabilities	<u>722,200,897</u>	<u>157,125,470</u>	<u>879,326,367</u>

36.3 Market Risk

36.3.1 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. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign trade payables. However at the year end, there are no material foreign currency balances.

36.3.2 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rate will affect the fair value or future cash flows of financial instruments. The Company is exposed to interest rate risk for loans obtained from the financial institutions and liabilities against assets subject to finance lease, which have been disclosed in the relevant note to the financial statements.

Sensitivity analysis

If interest rates at the year end, fluctuate by 1% higher/ lower, profit for the year would have been Rs. 8.30 million (2013: Rs. 6.95 million) higher/ lower. This analysis is prepared assuming that all other variables held constant and the amounts of liabilities outstanding at the balance sheet dates were outstanding for the whole year.

36.4 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital, reserves and subordinated loan. The gearing ratio of the Company is 19% (2013: 11%).

36.5 Fair value of financial assets and financial liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. As at the balance sheet date, carrying value of all the financial instruments in the financial statements approximates their fair value. Further, all financial assets and financial liabilities at balance sheet date are categorized into loans and advances.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2014	2013	2014	2013	2014	2013
Number of persons	1	1	2	2	15	11
			(R u p e e s)			
Remuneration	3,406,452	2,709,677	5,109,672	4,064,508	16,071,466	12,151,744
Housing	1,532,904	1,219,355	2,299,368	1,829,016	7,232,180	5,468,292
Driver allowance	–	–	–	–	–	–
Utilities	340,644	270,968	510,960	406,476	1,607,154	1,215,189
ICP / bonus	1,200,000	–	1,800,000	–	6,025,289	2,218,174
	6,480,000	4,200,000	9,720,000	6,300,000	30,936,089	21,053,399

37.1 The Chief Executive Officer, Directors and some executives have been provided with Company maintained cars and generator sets, further they are also entitled to club membership and reimbursement of medical and entertainment expenses.

37.2 An amount of Rs. 289,578 (2013: Rs. 330,000) was paid to directors on attending the board meetings.

38. NUMBER OF EMPLOYEES

	2014	2013
Number of employees as at 30 June	130	128
Average number of employees during the year	129	129

39. PRODUCTION CAPACITY IN METRIC TONS

	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
	Maximum Capacity	Actual Production	Maximum Capacity	Actual Production
Oleo Chemicals	25,000	24,770	24,000	22,038
Chlor Alkali Products	37,000	35,235	35,000	34,926

40. DATE OF AUTHORIZATION FOR ISSUE

40.1 These financial statements were authorized for issue on September 22, 2014 by the board of directors of the Company.

40.2 Figures in these financial statements have been rounded off to the nearest rupee.



Chief Executive Officer



Director

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2014

SHAREHOLDING			
No. of Shareholders	From	To	Total Shares Held
197	1	100	7,693
1,212	101	500	378,245
343	501	1,000	309,838
667	1,001	5,000	1,924,138
175	5,001	10,000	1,377,142
71	10,001	15,000	921,815
35	15,001	20,000	636,348
24	20,001	25,000	576,260
12	25,001	30,000	347,449
14	30,001	35,000	469,350
10	35,001	40,000	389,312
6	40,001	45,000	259,750
13	45,001	50,000	645,000
4	50,001	55,000	208,923
4	55,001	60,000	231,692
2	60,001	65,000	126,876
1	65,001	70,000	66,000
1	75,001	80,000	80,000
3	80,001	85,000	247,316
2	85,001	90,000	173,281
1	90,001	95,000	92,500
4	95,001	100,000	396,000
1	110,001	115,000	112,000
1	115,001	120,000	118,000
1	120,001	125,000	125,000
2	130,001	135,000	266,099
1	145,001	150,000	150,000
1	150,001	155,000	151,000
1	165,001	170,000	170,000
2	170,001	175,000	349,500
1	185,001	190,000	188,000
2	195,001	200,000	399,750
2	240,001	245,000	486,198
1	245,001	250,000	250,000
1	275,001	280,000	276,250
1	300,001	305,000	300,750
1	325,001	330,000	328,500
1	350,001	355,000	355,000
1	375,001	380,000	376,750
1	400,001	405,000	400,500
1	685,001	690,000	685,925
2	995,001	1,000,000	2,000,000
1	1,815,001	1,820,000	1,818,500
1	3,455,001	3,460,000	3,458,000
1	3,995,001	4,000,000	4,000,000
1	5,315,001	5,320,000	5,317,500
1	7,465,001	7,470,000	7,467,999
1	8,510,001	8,515,000	8,511,750
1	62,660,001	62,665,000	62,662,647
2,833			110,590,546

Categories of shareholders	Shares held	Percentage %
Directors, Chief Executive Officers, and their spouse and minor children	5,514,519	4.9864
Associated Companies, undertakings and related parties. (Parent Company)	62,670,647	56.6691
NIT and ICP	1,500	0.0014
Banks Development Financial Institutions, Non Banking Financial Institutions.	2,300	0.0021
Insurance Companies	0	0.0000
Modarabas and Mutual Funds	95,624	0.0865
General Public:		
i. Local	41,364,016	37.4028
ii. Foreign		
Others:		
i. Joint Stock Companies	540,568	0.4888
ii. Foreign Companies	32,100	0.0290
iii. Leasing Companies	24,010	0.0217
iv. Investment Companies	340,262	0.3077
v. Others	5,000	0.0045
Total	110,590,546	100.0000

Categories of shareholders	Shares held	Percentage %
Share holders holding 10% or more	<u>62,670,647</u>	<u>56.6691</u>

CATEGORIES OF SHAREHOLDERS (CCG)

Sr. No.	Name	No. of Shares held	Percentage %
Associated Companies, Undertakings and Related Parties:			
	Nimir Resources (Private) Limited (CDC)	62,670,647	56.6691
Mutual Funds:			
	CDC - Trustee AKD Opportunity Fund	2,124	0.0019
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	Mr. Abdul Jalil Jamil (CDC)	28,688	0.0259
2	Sh. Amar Hameed (CDC)	1,500	0.0014
3	Mr. Saeed Uz Zaman	250,781	0.2268
4	Mr. Zafar Mahmood (CDC)	145,125	0.1312
5	Mr. Umar Iqbal (CDC)	500	0.0005
6	Mr. Muhammad Sarwar Khawaja	750	0.0007
7	Mr. Muhammad Yahya Khan (CDC)	4,000,000	3.6169
8	Mr. Khalid Mumtaz Qazi (CDC)	750	0.0007
9	Mr. Abdul Jaleel Shaikh (Nominee of Pak Brunai)	–	0.0000
10	Mr. Khalid Siddiq Tirmizey (Nominee of BOP)	–	0.0000
11	Mrs. Nusrat Jamil W/o A. Jalil Jamil (CDC)	1,086,425	0.9824
Executives:		–	–
Public Sector Companies & Corporations:		–	–
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		119,810	0.0542
Shareholders holding five percent or more voting interest in the listed company:			
	Nimir Resources (Private) Limited (CDC)	62,670,647	56.6691

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale	Purchase
Detail of Trading of Shares of Face Value of Rs. 10/- each.			
1	Mr. Abdul Jalil Jamil (CDC)	5,000	–
2	Sh. Amar Hameed (CDC)	246,078	–
3	Mr. Muhammad Yahya Khan (CDC)	1,000,000	–
Detail of Trading of Shares of Face Value of Rs. 5/- each.			
1	Sh. Amar Hameed (CDC)	87,500	–
2	Mr. Zafar Mahmood (CDC)	–	263,500

STATEMENT PURSUANT TO SECTION 218 - COMPANIES ORDINANCE, 1984

TO ALL MEMBERS OF THE COMPANY

Dear Sir / Madam,

This is to inform you that the Board of Directors in their meeting held on September 22, 2014 has increased the remuneration of Chief Executive Officer (CEO) and working Directors of the Company. In pursuant of Section 218 of the Companies Ordinance, 1984, this is to inform you that the terms and conditions of Chief Executive Officer (CEO) and working Directors of the Company are in accordance with their terms of service with the Company.

The Board of Directors decided the remuneration of CEO and working directors for which the following resolutions were passed:

Resolved that “subject to approval of shareholder, the annual remuneration of each working Director of the Company be and is hereby increased to Rs. 4.80 million per annum exclusive of perquisites, bonus, company maintained cars, genset, reimbursement of actual medical expenses, travelling, entertainment and other incidentals relating to their office in accordance with the Company policy.”

The working Directors being interested did not participate in this resolution.

Further Resolved that “subject to the approval of shareholders, the annual remuneration of Chief Executive Officer of the Company be and is hereby increased to Rs. 6.30 million per annum exclusive of perquisites, bonus, company maintained cars, genset, reimbursement of actual medical expenses, travelling, entertainment and other incidentals relating to his office with the Company policy.”

The Chief Executive Officer, being interested did not participate in this resolution.

Yours faithfully,

**Sheikhupura
September 22, 2014**

**Muhammad Inam-ur-Rahim
Company Secretary**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of Nimir Industrial Chemicals Limited (the “Company”) shall be held on Thursday, October 30, 2014 at 11:00 a.m at Qasr-e-Sultan, Lahore-Faisalabad By pass, Near Housing Colony, Sheikhpura to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting of the Company held on October 29, 2013.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2014 together with the Reports of the Directors’ and Auditors’ thereon.
3. To appoint Auditors for the year ended June 30, 2015 and fix their remuneration. The retiring auditors M/s Ernst & Young Ford Rhodes Sidat Hyder–Chartered Accountants have offered themselves for re-appointment.
4. To consider and approve the remuneration of Chief Executive and working Directors.
5. To consider and approve a meeting fee for non-executive and independent directors for attending the meetings of Board of Directors and Audit Committee.

OTHER BUSINESS:

6. To transact any other business with the permission of the Chair.

By Order of the Board

**Sheikhpura
September 22, 2014**

**Muhammad Inam-ur-Rahim
(Company Secretary)**

Notes:

- i. The share transfer books of the Company shall remain closed from October 24, 2014 to October 30, 2014 (both days inclusive).
- ii. 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.
- iii. The corporate shareholders shall nominate someone to represent them at the Annual General Meeting. 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.

- iv. Any individual Beneficial Owner of 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, will bring Board resolution/power of attorney with specimen signature shall be submitted (unless it had been provided earlier) along with the proxy form to the Company.
- v. All shareholders who had 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 Central Depository Company of Pakistan Ltd. (CDC) are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services.
- vi. 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.

FORM OF PROXY 21st ANNUAL GENERAL MEETING

The Company Secretary,
Nimir Industrial Chemicals Limited,
14.8 Km., Sheikhpura-Faisalabad Road,
Mouza Bhikhi, District Sheikhpura.

Ledger Folio/CDC A/C No.

Shares Held

I / We of
..... being
member(s) of Nimir Industrial Chemicals Limited hereby appoint of
..... as my/our proxy to vote for me / us on my / our behalf at
the 21st Annual General Meeting of the Company to be held on the Thursday, 30th day of October, 2014 at 11:00 a.m and / or at any
adjournment thereof.

Signed this day of 2014.

Five Rupees
Revenue Stamp

Signature of Shareholder

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

Notes:

- i. The share transfer books of the Company shall remain closed from October 24, 2014 to October 30, 2014 (both days inclusive).
- ii. 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.
- iii. The corporate shareholders shall nominate someone to represent them at the Annual General Meeting. 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.
- iv. Any individual Beneficial Owner of 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, will bring Board resolution/power of attorney with specimen signature shall be submitted (unless it had been provided earlier) along with the proxy form to the Company.

- v. All shareholders who had 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 Central Depository Company of Pakistan Ltd. (CDC) are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services.
- vi. 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.

NIMIR INDUSTRIAL CHEMICALS LIMITED

14.8 Km., Sheikhpura-Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.

Ph: +92 56 3883001-7

Fax: +92 56 3883010

www.nimir.com.pk

Posted Stamp



NIMIR INDUSTRIAL CHEMICALS LIMITED

14.8 Km., Sheikhpura-Faisalabad Road,
Bhikhi, District Sheikhpura, Pakistan.

Ph: +92 56 3883001-7

Fax: +92 56 3883010

www.nimir.com.pk