

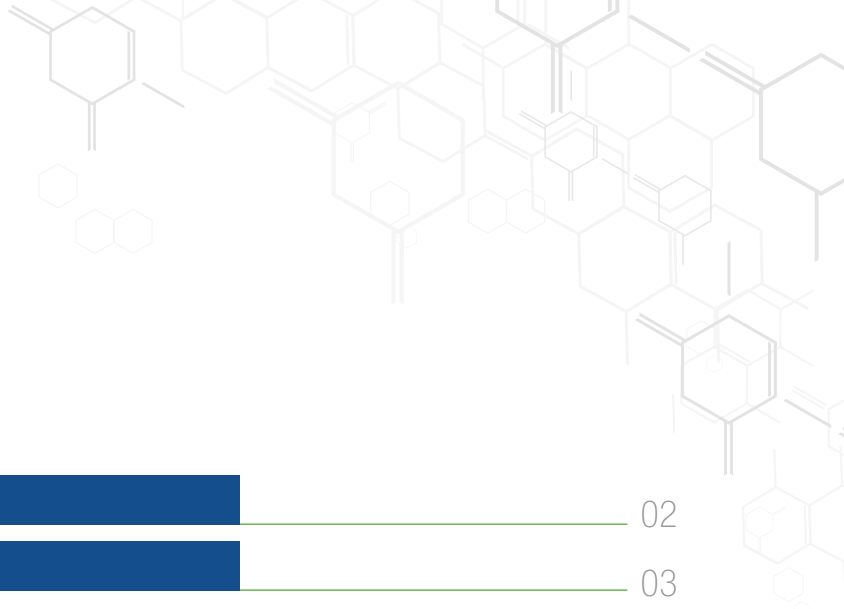


NIMIR
NIMIR RESINS LIMITED

2017

Annual Report 2017

| BETTER LIFE THROUGH CHEMISTRY |



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COMPANY INFORMATION

Board of Directors

Sh. Amar Hameed	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. Muhammad Yahya Khan	
Mr. Abdul Jalil Jamil	
Mr. Osman Hameed	
Mr. Tahir Jahangir	
Mr. Pervaiz Ahmad Khan	

Working Directors

Mr. Zafar Mahmood
Mr. Khalid Mumtaz Qazi
Mr. Imran Afzal
Mr. Umar Iqbal
Mr. Aamir Jamil
Mr. Muhammad Yahya Khan

Chief Financial Officer

Mr. Aamir Jamil

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Auditors

Horwath Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Mr. Pervaiz Ahmad Khan	- Chairman
Mr. Abdul Jalil Jamil	- Member
Mr. Osman Hameed	- Member

Human Resources & Remuneration Committee

Sh. Amar Hameed	- Chairman
Mr. Abdul Jalil Jamil	- Member
Mr. Zafar Mahmood	- Member

Bankers

The Bank of Punjab
Al Baraka Bank (Pakistan) Limited
Soneri Bank Limited
J.S. Bank Limited
MCB Bank Limited
Pak Brunei Investment Company Limited

Legal Advisors

M/s Hassan & Hassan
Advocates

Share Registrar

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

Registered Office / Plant - 1

14.5 Km, Lahore-Sheikhupura Road,
Lahore, Pakistan.
Tel : +92 42 37971512-14
Fax: +92 42 37970229

Plant – 2

14.8 Km, Sheikhupura-Faisalabad Road,
Bhikhi, Dist. Sheikhupura. Pakistan.
Tel : +92 56 3883001 – 7
Fax: +92 56 3883010

Lahore Office

12-B, New Muslim Town,
Lahore, Pakistan.
Tel : +92 42 35926090-93
Fax: +92 42 35926099

Web Site

www.nimir.com.pk

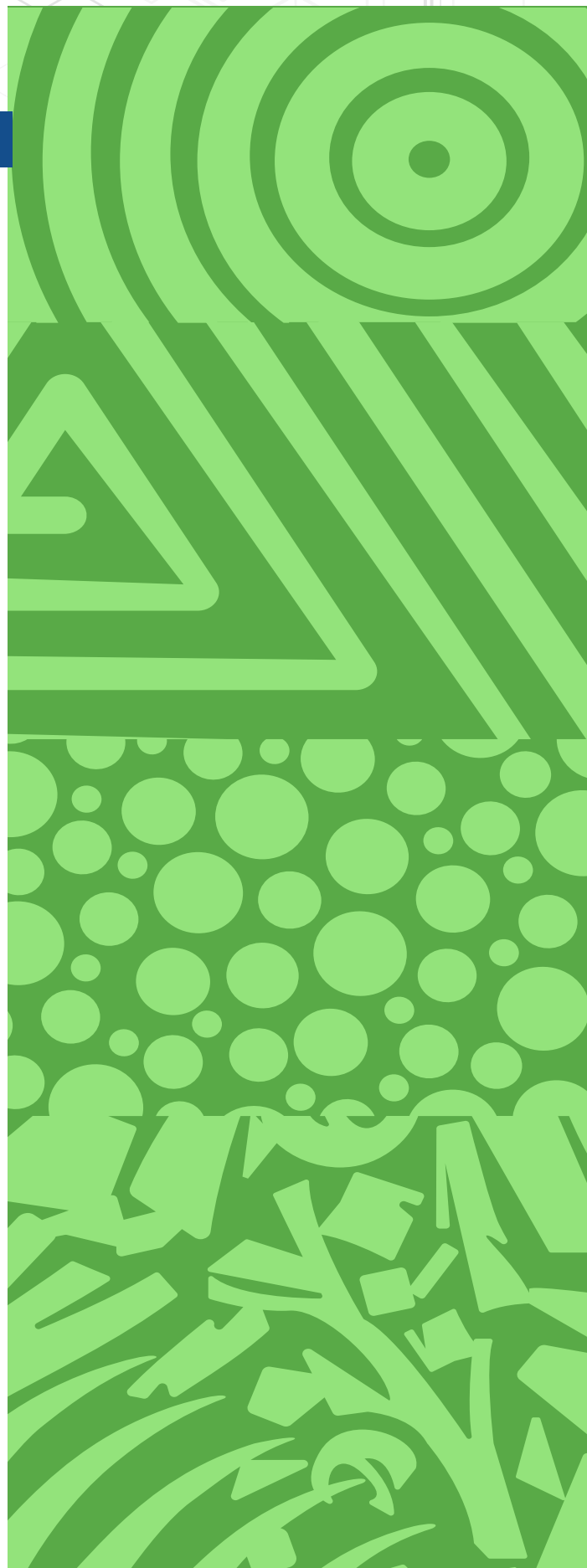
OUR VISION & MISSION

Our Vision

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

Our Mission

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



CHAIRMAN'S MESSAGE



Once again I am pleased to announce the operating results of NRL for the year ending 30th June 2017. This is the second year of continuous improvement. From a net profit of Rs.53 million last year the company increased its net profit by nearly 40% to Rs. 74 million.

The management and all other stakeholders can be proud of this performance. All employees of the company have put in a tremendous effort. Senior management in particular have been innovative and have introduced new products. We are committed to constant and continuous Research and Development in order to stay ahead of all our competitors.

Next years forecast is an ambitious one and will require focus and hard work to achieve. Steadily growing turnover needs to be funded and, preferably, without significantly increasing the financial burden on the company. To this end the company's profits need to be reinvested and cash flow is also subject to other constraints such as the payment of advance income tax which, at 30th June stands at Rs 269 million.

The board has, therefore, decided to issue bonus shares instead of a cash dividend this year.

Finally I would like to thank the board, the management and all other stakeholders for making this company a success. May Allah continue to bless us. Amen.

Sheikh Amar Hameed
Chairman



CEO'S MESSAGE

It is indeed a moment of great pleasure and pride that after many years of downturn, Nimir Resins Limited regained its market share and achieved sales turnover of Rs.2.7 billion for the year ended June 30, 2017; a level last achieved in 2009. After taking control of the company in January 2016, the new management focused on top line growth and achieved this milestone in a period of only one and half year. Resultantly, the company posted net profit of Rs.74 million during the year; up by 40% over last year.

The management continued its focus on the upgradation of plant and equipment, advancement in its product range and quality with enhanced research and development. This helped the Company making growth in all sectors of our business during the year under review.

The right issue process of the company was also completed during the year. Resultantly major portion of long term loans from sponsors were converted in to equity. As a result, the financial burden of loans on the company reduced to a great extent.

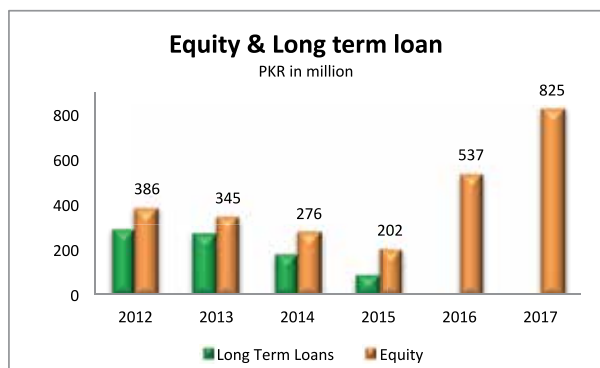
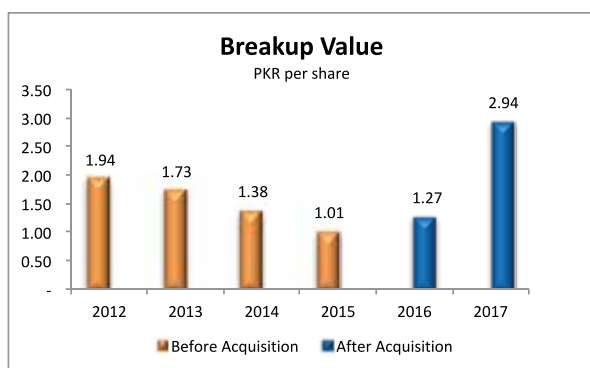
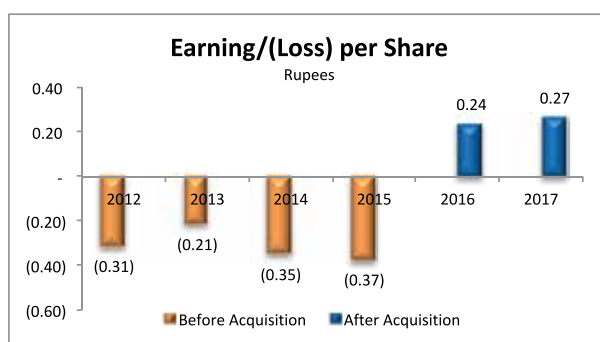
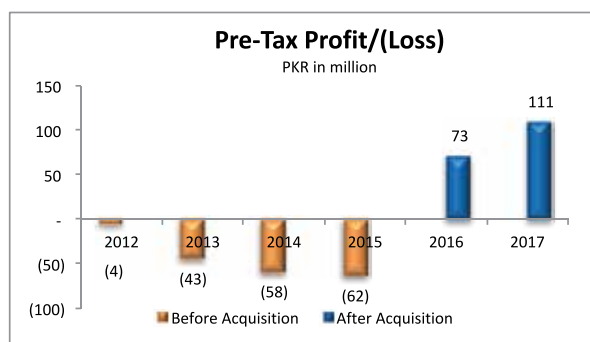
The Company issued 2.2% bonus shares for the year ended June 30, 2017. With an aggressive sales target for the next year, we expect further improvement in the bottom line, Insha Allah.

Once again, I would like to thank my staff and management team for their tireless efforts, without which none of this success would be possible.

Zafar Mahmood
Chief Executive Officer

OUR PERFORMANCE

	2012	2013	2014	2015	2016	2017
	Rupees in millions					
Sales	2,561	2,402	2,200	1,806	1,778	2,669
Gross Profit	219	216	185	155	234	297
Pre-Tax (Loss) / Profit	(4)	(43)	(58)	(62)	73	111
Long term loan - Banks	287	269	179	90	-	-
Equity	386	345	276	202	537	825
Number of Shares	200	200	200	200	200	277
Breakup value per share - Rupees	1.94	1.73	1.38	1.01	1.27	2.94
(Loss) / Earnings per share - Rupees	(0.31)	(0.21)	(0.35)	(0.37)	0.24	0.27



WEALTH GENERATED AND DISTRIBUTED

FOR THE YEAR ENDED JUNE 30, 2017

Rs million	Percentage
3,041	99.8%
7	0.2%
3,048	100.0%

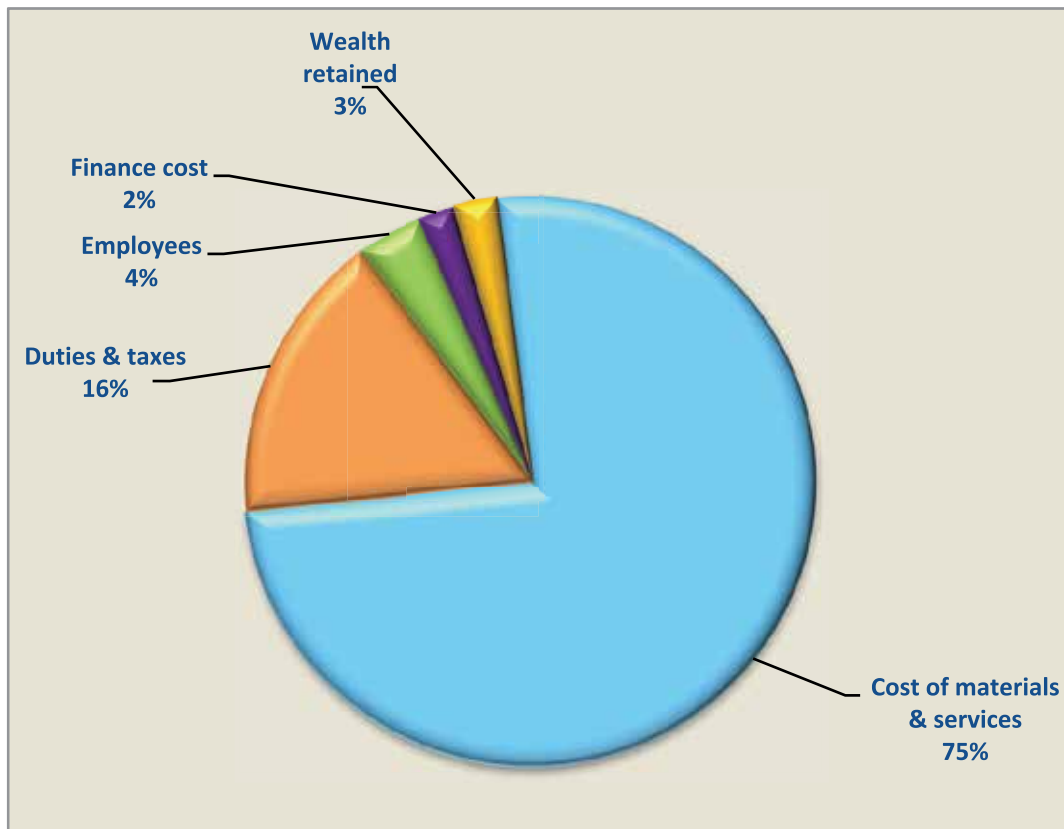
Wealth Generated

Sales with sales Tax
Other operating profit

Distribution of Wealth

Cost of materials & services
Duties & taxes
Employees
Finance cost
Wealth retained

2,296	75.3%
501	16.4%
115	3.8%
61	2.0%
75	2.4%
3,048	100.0%



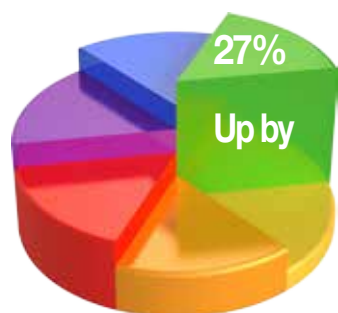
YEAR AT GLANCE 2016 - 2017

Performance Parameters

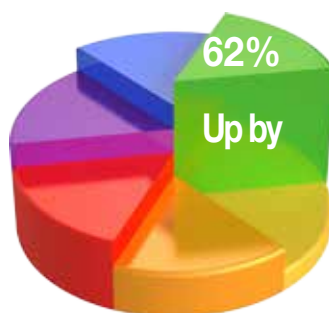
Sales	
Gross Profit	
Operating profit	
Finance Cost	
Profit before tax	
Profit after tax	
Current Ratio	
LT Debt to Equity Ratio	
Interest cover (Times)	
Earnings per share - Rupees	
Breakup value per share - Rupees	

2017	2016
(Rs.in Million)	
2,669	1,778
297	234
220	136
61	50
111	73
74	53
1.36	1.23
0 : 100	0 : 100
2.82	2.46
0.27	0.24
2.94	1.27

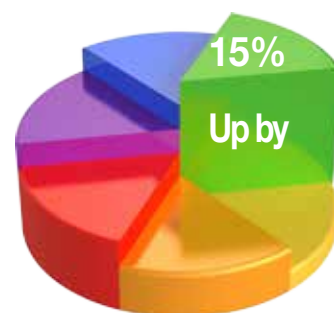
Financial Highlights



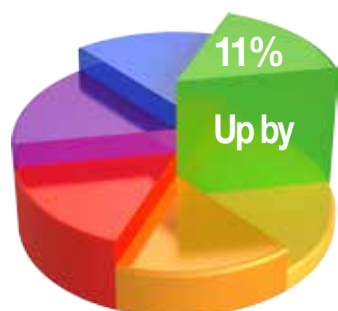
Gross Profit



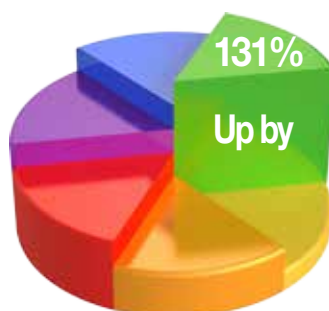
Operating Profit



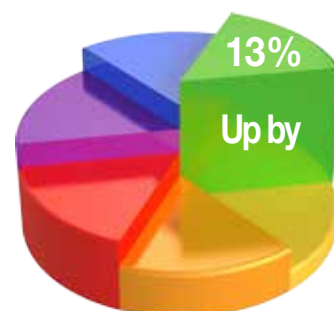
Interest Cover



Current Ratio



Break-up Value Per Share



Earning Per Share

Key Operating & Financial Data for Last Six Years

	2017	2016	2015	2014	2013	2012
	(Rs.in Million)					
Summary of Profit and Loss						
Sales	2,669	1,778	1,806	2,200	2,402	2,561
Gross Profit	297	234	155	185	216	219
Operating profit	220	136	38	59	107	118
Finance Cost	61	50	95	112	110	126
Profit / (loss) before tax	111	73	(62)	(58)	(43)	(4)
Profit / (loss) after tax	74	53	(82)	(69)	(42)	(62)
Financial Position						
Share Capital	1,383	998	998	998	998	998
Net Worth	825	537	202	276	345	386
Long term borrowings from Banks	–	–	90	179	269	287
Current Assets	1,581	1,208	774	886	903	928
Current Liabilities	1,166	979	889	962	847	819
Total Assets	2,106	1,693	1,289	1,491	1,537	1,581
Investor Information						
Gross profit margin	11.14%	13.17%	8.60%	8.39%	9.01%	8.56%
Pre tax margin	4.16%	4.10%	-3.45%	-2.63%	-1.80%	-0.17%
Net profit margin	2.79%	3.0%	-4.56%	-3.14%	-1.75%	-2.41%
Current Ratio	1.36	1.23	0.87	0.92	1.07	1.13
LT Bank Debt to Equity Ratio	0 : 100	0 : 100	31 : 69	39 : 61	44 : 56	43 : 57
Interest cover (Times)	2.82	2.46	0.34	0.48	0.61	0.97
Earnings / (loss) per share - Rupees	0.27	0.24	(0.37)	(0.35)	(0.21)	(0.31)
Breakup value per share - Rupees	2.94	1.27	1.01	1.38	1.73	1.94

Core Business At A Glance

Coatings, Emulsions & Polyester	<h2>Coatings & Emulsions</h2>	<p>One of the Leading & Oldest manufacturer of Resins, Emulsions & Additives for the Coatings industry. Range include following products</p> <ul style="list-style-type: none">• All types of Alkyd Resins & Modified Alkyds for Decorative, Refinish & OEM Paints.• Amino Resins, Saturated Polyesters, Eposxy ester & Urethane Alkyds.• Rosin modified Maleic & Phenolic Resins.• Thermo plastic, Thermo setting & Acrylic Polyol Resins.• Metal Driers (Cobalt, Zirconium & Calcium)• Acrylic, Styrene Acrylic & PVA Emulsion binders.• Weting Agent, Antifoam, Liquid polymeric Pigment & Emulsifiers.
	<h2>Unsaturated Polyester Resins</h2>	<p>A complete line of resin products for composites.</p> <ul style="list-style-type: none">• General purpose & Gel Coat Resins for Tanks, Ducts, Pipes, sheets & Articals.• Chemicals Resistant Resin.• Fillament Winding Resin, Pigment dispersion Resin & Accelerator catalystr.• Promoted & Non promoted Resins.
Textile, Paper & Adhesives	<h2>Textile Chemicals</h2>	<p>Complete range of specialility chemicals for pre-treatment and finishing for textile industry including</p> <ul style="list-style-type: none">. Textile Auxiliaries.. Obtical Brightners.. Binders and PVAs.
	<h2>Pulp & Paper Chemicals</h2>	<p>Manufacturing all sizing solutions for paper industry including Alkaline, Neutral and Acidic sizing</p> <ul style="list-style-type: none">• Coating Chemicals• Specialty Chemicals• Optical Brightening Agent
	<h2>Adhesives</h2>	<ul style="list-style-type: none">• Food grade packaging• Flexible packaging industry• Laminate glue
Others	<h2>Exports</h2>	<p>Export is another area of interest where we stress more and we currently exporting our products to Middle East and South Asian regions.</p>



DIRECTORS' REPORT

The Board of directors of the Company is pleased to submit the annual report along with the audited financial statements for the year ended June 30, 2017.

Despite challenges from the unorganised sector, your company continued to perform well and posted a sales revenue of Rs. 2,669 million; 50% higher than the last year. The increase in turnover was mainly due to higher sales volumes and improved international prices. With this growth in sales, the company posted gross profit of Rs. 297 million, operating profit of Rs. 220 million and profit after tax of Rs. 74 million; showing an year on year increase of 27%, 61% and 40% respectively.

The distribution cost remained at the same level of previous year, despite a 50% increase in sales value. Administrative expenses reduced, while financial cost increased mainly on account of increased business operations. The current taxation increased substantially due to the fact that the Company came in corporate tax regime during the current financial year. The accumulated tax losses were fully utilized in the last financial year.

Future Outlook

The Company is cognizant of the challenges from the unorganized sector and is taking steps to mitigate the effects through enhanced focus on research and development and up-gradation of technology. These measures would stimulate new product development, market expansion and offering customised solutions to its customers.

During the year the Company successfully completed its right share issue of Rs.385 million. This amount is primarily utilized for repayment and / or adjustment of sponsors loans and BMR (Balancing, Modernization and Replacement) of the plant.

With the above measures supplemented with the efforts of our human resource, we expect better results in the coming years, Insha Allah.

Summary of Key operating and financial data of last six financial years

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

Outstanding statutory payments

All outstanding payments are of nominal and of routine nature.

Retirement Benefit Schemes:

The Company operates a funded provident and gratuity scheme for its employee as referred in Note-7 to the accounts.

Board of Directors

During the year Mr. M. Saeed-uz-Zaman, Mr. Muhammad Sajid, Mr. Abdul Jaleel Shaikh and Mr. Khalid Siddiq Tirmizey resigned from the Board of the Company and Mr. Pervaiz Ahmad Khan and Mr. Tahir Jahangir were appointed in place of outgoing directors. The Borad recorded their appreciation of the valuable services rendered by the retiring directors during the tenure of their office.

After the resignation of Mr. Muhammad Saeed-uz-Zaman and Mr. Muhammad Sajid the Borad reconstituted the audit committee as follows:

Audit Committee:

- Pervaiz Ahmad Khan (Independent) Chairman
- Abdul Jalil Jamil (Non Executive) Member
- Osman Hameed (Non Executive) Member

During the year 2017, five (05) board, four (04) Audit Committee and one (01) Remuneration Committee meetings were held. Attendance by each director was as follow:

Name of Director	Board of Directors	Audit Committee	HR & R Committee
Sh. Amar Hameed	3		1
Zafar Mahmood	5		1
Abdul Jalil Jamil	4		1
M. Saeed-uz-Zaman	5	2	
Muhammad Yahya Khan	5		
Osman Hameed	4		
Muhammad Sajid	3	2	
Abdul Jaleel Shaikh	2		
Khalid Siddiq Tirmizey	1		
Khalid Mumtaz Qazi (Alternate Amar Hameed)	1		

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

Remuneration of CEO & Executive Director

On the recommendations of Human Resource and Remuneration Committee the board of directors in their meeting held on September 20, 2017 has approved the increase in remuneration of Chief Executive Officer (CEO) is subject to the approval of shareholders. The revised annual remuneration of the CEO shall be Rs. 3.0 million exclusive of existing perquisites as per the Company policy.

Corporate Governance

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

- The Financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt on the company's ability to continue as a going concern.
- There has been no material departure from best practices of corporate governance, as detailed in the listing regulations and Companies Act 2017.
- Key operating and financial data for the last 6 years is annexed.
- Outstanding taxes and levies 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, however management of the Company is committed to continuously review the system of internal controls in the light of Companies Act 2017.

Internal Financial Control:

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

Corporate Social Responsibilities

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

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

External Auditors

The present auditors M/s Horwath Hussain Chaudhury and Company, Chartered Accountant, retiring this year, being eligible, have offered themselves for re-appointment. The audit committee has recommended the re-appointment of M/s Horwath Hussain Chaudhury and Company, Chartered Accountant as external auditor of the Company for the year ending June 30, 2018.

Dividend / Bonus Shares

The Board has recommended a full and final bonus shares at the rate of 2.2% i.e. 2.2 shares for every 100 shares for the year ended June 30, 2017.

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 which are mentioned in the annexed statement required under 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

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

For and on behalf of the Board



Zafar Mahmood
Chief Executive Officer

Lahore,
September 20, 2017

کارپوریٹ گورننس

بیرونی محاسب

موجودہ محاسب میسرز ہاروتھ حسین چوہدری، چارٹرڈ اکاؤنٹنٹ، اس سال سبکدوش ہو رہے ہیں، نے اہل ہونے کی بناء پر، دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2018ء کو ختم ہونے والے سال کے لئے کمپنی کے بیرونی محاسب کے طور پر میسرز ہاروتھ حسین چوہدری، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے۔

ڈیویڈنڈ/بونس شیئرز

بورڈ نے 30 جون 2017ء کو ختم ہونے والے سال کے لئے 2.2% شرح پر کل حتمی نقد بونس شیئر یعنی ہر ایک 100 حصص کے لئے 2.2 شیئرز کی سفارش کی ہے۔

نمونہ حصص داری

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

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

اعتراف

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

منجانب بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

20 ستمبر 2017ء

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

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتے جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے۔

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

- کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔

• گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

• بقایا ٹیکسز اور لیویز کا مالی حسابات کے نوٹ میں انکشاف کیا گیا ہے۔

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

کارپوریٹ سماجی ذمہ داریاں

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

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

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز

سال کے دوران جناب ایم سعید الزمان اور جناب محمد ساجد نے کمپنی کے بورڈ سے استعفی دے دیا اور جناب پرویز احمد خان اور جناب طاہر جہانگیر کو ان کی جگہ پر مقرر کیا گیا۔ بورڈ نے ان کے دفتر کی مدت کے دوران ریٹائرڈ ڈائریکٹروں کی طرف سے فراہم کردہ قابل قدر خدمات کو سراہا ہے۔

جناب ایم سعید الزمان اور جناب محمد ساجد کے استعفی کے بعد بورڈ نے حسب ذیل کے مطابق آڈٹ کمیٹی کو دوبارہ تشکیل دیا گیا:

آڈٹ کمیٹی:

- پرویز احمد خان (آزاد) چیئر مین
- عبدالجلیل جمیل (نان ایگزیکٹو) رکن
- عثمان حمید (نان ایگزیکٹو) رکن

سال 2017 کے دوران، پانچ (05) بورڈ، چار (4) آڈٹ کمیٹی اور ایک (1) ریٹائرمنٹ کمیٹی کے اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل تھی:

نام ڈائریکٹر	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ریٹائرمنٹ کمیٹی & HR
شیخ عامر حمید	3		1
ظفر محمود	5		1
عبدالجلیل جمیل	4		1
محمد سعید الزمان	5	4	
محمد تنجی خان	5		
عثمان حمید	4	4	
محمد ساجد	4	4	
عبدالجلیل شیخ	2		
خالد صدیق ترمذی	1		
خالد ممتاز قاضی (متبادل عامر حمید)	1		

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

سی ای او اور ایگزیکٹو ڈائریکٹر کی ریٹائرمنٹ

بورڈ آف ڈائریکٹرز نے 20 ستمبر 2017 کو منعقدہ اپنے اجلاس میں حصص داران کی منظوری کے حوالہ سے ہیومن ریسورس اینڈ ریٹائرمنٹ کمیٹی کی سفارشات پر چیف ایگزیکٹو آفیسر کے مشاہرہ میں اضافہ کی منظوری دی ہے۔ سی ای او کا نظر ثانی شدہ مشاہرہ 3.0 ملین روپے کمپنی پالیسی کے مطابق موجودہ خصوصی مراعات کے ساتھ ہوگا۔

کمپنی کا بورڈ آف ڈائریکٹرز 30 جون 2017ء کو ختم ہونے والے سال کے لئے سالانہ رپورٹ معہ متنتج شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

غیر منظم شعبے سے چیلنجوں کے باوجود کمپنی نے اچھی کارکردگی کا مظاہرہ کیا اور 2,669 ملین روپے کی فروخت کی آمدنی، پچھلے سال سے 50 فیصد زیادہ درج کی۔ آمدنی میں اضافہ بنیادی طور پر فروخت کے اعلیٰ حجم اور بہتر بین الاقوامی قیمتوں کی وجہ سے تھا۔ فروخت میں اس فروغ کے ساتھ، کمپنی نے 297 ملین روپے کا مجموعی منافع، 220 ملین روپے کا آپریٹنگ منافع اور 74 ملین روپے کا ٹیکس کے بعد منافع درج کیا، جو بالترتیب سال بہ سال 27 فیصد، 61 فیصد اور 40 فیصد اضافہ ہر کر رہا ہے۔

فروخت کی قیمت میں 50 فیصد اضافے کے باوجود، ڈسٹری بیوشن کی لاگت گزشتہ سال اسی سطح پر رہی۔ انتظامی اخراجات کم ہوئے، جبکہ مالیاتی لاگت بنیادی طور پر اضافی کاروباری کارروائیوں کے باعث بڑھ گئی۔ موجودہ ٹیکس میں مسلسل اضافہ اس حقیقت کی وجہ سے ہوا ہے کہ کمپنی موجودہ مالی سال کے دوران کارپوریٹ ٹیکس کے نظام میں آئی۔ گزشتہ مالی سال میں مجموعی ٹیکس کے نقصانات کو مکمل طور پر استعمال کیا گیا۔

مستقبل کا نقطہ نظر

کمپنی غیر منظم شعبے کے چیلنجوں سے واقف ہے اور تحقیق پر بہتر توجہ اور ٹیکنالوجی کی بہتری اور اپ گریڈیشن کے ذریعے اثرات کو کم کرنے کے اقدامات کر رہی ہے۔ یہ اقدامات نئی مصنوعات کی ترقی، مارکیٹ کی توسیع کو تحریک اور اپنے صارفین کو انکی مرضی کے مطابق حل پیش کریں گے۔

سال کے دوران کمپنی نے 385 ملین روپے کے اپنے رائٹ شیئر اجراء کو کامیابی سے مکمل کیا۔ اس رقم کو بنیادی طور پر قرضے کی واپسی اور/یا اسپانسرز کے قرضوں اور پلانٹ کی بی ایم آر (توازن، جدت اور تبدیلی) کے ایڈجسٹمنٹ کے لئے استعمال کیا گیا ہے۔

ہمارے ہیومن ریسورس کی کوششوں سے بالا اضافی اقدامات کے ساتھ، ہم آنے والے سالوں میں انشاء اللہ، بہتر نتائج کی امید کرتے ہیں۔

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

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

بقایا قانونی ادائیگیاں

تمام بقایا ادائیگیاں برائے نام اور معمولی نوعیت کی ہیں۔

ریٹائرمنٹ کے فوائد کی سکییمیں:

کمپنی اپنے ملازمین کے لئے اکاؤنٹس کے نوٹ 7 پر درج، ایک فنڈڈ پراویڈنٹ اور گریجویٹ اسکیم چلاتی ہے۔

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.24 of listing regulations of Pakistan Stock Exchange 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 Resins Limited (the "Company") has applied the principles contained in the Code of Corporate Governance in the following manner:

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

Name	Category
Zafar Mahmood	Executive Director
Muhammad Yahya Khan	Executive Director
Sh. Amar Hameed	Non- Executive Director
Abdul Jalil Jamil	Non- Executive Director
Osman Hameed	Non- Executive Director
Pervaiz Ahmed Khan	Independent Director
Tahir Jahangir	Independent Director

The independent directors meets the criteria of independence under clause 5.19.1 (b) of the CCG.

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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurring on the board during the year due to the resignations of Mr. Muhammad Sajid and Mr. Muhammad Saeed uz Zaman, were filled up within 90 days with the appointments of Mr. Pervaiz Ahmed Khan and Mr. Tahir Jahangir.
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. The company intends to complete the requirements of CCG in respect of Training Program of Directors within extension period ending June 2018, as allowed by SECP. During the year, One (1) director has completed "Directors Training Program" in compliance with the CCG.
10. The board has approved the appointment of Head Internal Audit, including his remuneration and terms and conditions of employment.
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 three (03) members, one (01) of whom is independent director and two (02) are non-executive directors. The chairman of the committee is an 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 a Human Resource and Remuneration Committee. It comprises of three (03) members, two (02) of whom are non-executive directors and one (01) is 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. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion of names of persons from the said list.
24. We confirm that other material principles enshrined in the CCG have been complied.

For Nimir Resins Limited



Zafar Mahmood
Chief Executive Officer

Lahore
September 20, 2017

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CCG

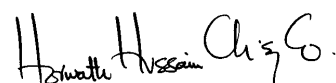
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of Nimir Resins Limited for the year ended June 30, 2017 to comply with the requirements of Listing Regulations of Pakistan Stock 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 of Compliance reflects the status of the Company’s compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 a 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 of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. 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 of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.



HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
(Engagement Partner: Amin Ali)

Lahore
September 20, 2017

AUDITORS' REPORT TO THE MEMBERS

FOR THE YEAR ENDED JUNE 30, 2017

We have audited the annexed balance sheet of NIMIR RESINS LIMITED as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, 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 accounts 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 account and are further in accordance with the accounting policies consistently applied;

- (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, statement of comprehensive income, 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, 2017 and of the profit, total comprehensive income, 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).



HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
(Engagement Partner: Amin Ali)

Lahore
September 20, 2017

BALANCE SHEET AS AT JUNE 30, 2017

ASSETS

Non Current Assets

Property, plant and equipment	4	512,479,796	474,446,524
Intangible assets	5	1,326,947	1,658,684
Long term deposits	6	10,739,956	7,649,956
Retirement benefit asset - prepayments	7	1,174,999	1,384,343

Current Assets

Stores and spares		12,645,776	11,111,654
Stock in trade	8	621,164,130	489,991,718
Trade debts	9	601,680,409	404,114,867
Loans and advances	10	56,423,663	48,468,740
Trade deposits and short term prepayments	11	1,993,553	2,307,595
Other receivables	12	1,218,000	30,022,651
Tax refunds due from government	13	269,366,440	150,815,008
Cash and bank balances	14	16,135,788	70,965,604

Total Assets

		2,106,349,457	1,692,937,344
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EQUITY AND LIABILITIES

Share Capital and Reserves

Authorized share capital
300,000,000 (2016: 300,000,000) Ordinary shares of Rs. 5 each

		1,500,000,000	1,500,000,000
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Issued, subscribed and paid up share capital

15	1,382,789,280	997,789,280
----	---------------	-------------

Share deposit money

16	11,391,005	283,000,000
----	------------	-------------

Sponsors' interest free loans

19	107,000,000	7,751,322
----	-------------	-----------

Reserves

17	(676,549,072)	(751,332,372)
----	---------------	---------------

	824,631,213	537,208,230
--	-------------	-------------

Surplus on Revaluation of Property, Plant and Equipment

18	85,131,067	46,940,630
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Non Current Liabilities

Long term financing from sponsors

19	-	99,248,678
----	---	------------

Diminishing musharaka finance

20	2,007,412	-
----	-----------	---

Deferred tax liability

21	28,436,577	30,701,004
----	------------	------------

	30,443,989	129,949,682
--	------------	-------------

Current Liabilities

Trade and other payables

22	298,523,394	179,668,385
----	-------------	-------------

Accrued mark up

	10,511,545	9,806,364
--	------------	-----------

Short term borrowings

23	816,278,698	771,366,069
----	-------------	-------------

Current portion of diminishing musharaka finance

20	485,211	-
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Provision for taxation

24	40,344,340	17,997,984
----	------------	------------

	1,166,143,188	978,838,802
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Contingencies and Commitments

25	-	-
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Total Equity and Liabilities

	2,106,349,457	1,692,937,344
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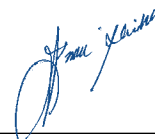
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales	26	2,668,804,664	1,778,018,742
Cost of sales	27	(2,371,467,054)	(1,543,831,444)
Gross Profit		297,337,610	234,187,298
Distribution cost	28	(45,437,159)	(45,675,999)
Administrative expenses	29	(31,407,570)	(52,121,218)
		(76,844,729)	(97,797,217)
Operating Profit		220,492,881	136,390,081
Other operating expenses	30	(55,661,267)	(36,284,159)
Finance cost	31	(60,992,853)	(49,972,239)
Other income	32	7,236,751	22,744,813
Profit before Taxation		111,075,512	72,878,496
Taxation	33		
Current tax		(39,712,826)	(17,997,984)
Deferred tax		2,973,964	(1,798,361)
		(36,738,862)	(19,796,345)
Net Profit for the Year		74,336,650	53,082,151
Earning per Share - Basic and Diluted	34	0.27	0.24

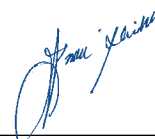
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

Net Profit for the Year

Other comprehensive income

Items that will not be re-classified subsequently to the profit or loss

Re-measurement of retirement benefits asset / (liability)

Less: Related tax impact

Items that may be re-classified subsequently to the profit or loss

Other comprehensive income / (loss) for the year

Total Comprehensive Income for the Year

Note	2017 Rupees	2016 Rupees
	74,336,650	53,082,151
	237,836	(863,006)
	(71,351)	258,902
	-	-
	166,485	(604,104)
	74,503,135	52,478,047

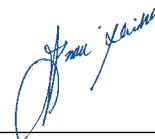
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

Note	2017 Rupees	2016 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from / (Used in) operations	35	23,204,292	(286,674,843)
Finance cost paid	(60,155,760)	(54,284,612)	
Income tax paid	(135,917,902)	(50,484,543)	
Workers' Profit Participation Fund	(3,050,617)	-	
	(199,124,279)	(104,769,155)	
Net Cash Used in Operating Activities	(175,919,987)	(391,443,998)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased	(14,351,626)	(8,863,525)	
Capital work in progress - Property, plant and equipment	(19,469,535)	(9,217,640)	
Capital work in progress - Intangible asset	-	(1,658,684)	
Long term deposits	(3,090,000)	-	
Proceeds from disposal of property, plant and equipment	-	2,605,354	
Interest income received	94,136	135,346	
Net Cash Used in Investing Activities	(36,817,025)	(16,999,149)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing from banking companies repaid	-	(179,333,333)	
Long term financing from sponsors	-	365,000,000	
Subscription against right issue	113,391,005	-	
Payments against diminishing musharaka finance	(396,438)	-	
Short term borrowings - net	44,912,629	291,794,899	
Net Cash Generated from Financing Activities	157,907,196	477,461,566	
Net (Decrease) / Increase in Cash and Cash Equivalents	(54,829,816)	69,018,419	
Cash and cash equivalents at the beginning of the year	70,965,604	1,947,185	
Cash and Cash Equivalents at the End of the Year	16,135,788	70,965,604	

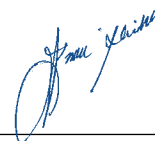
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Share Capital	Share Deposit Money	Sponsors' Interest Free Loan	Reserves			Total
				Share Premium Reserve	Revaluation Reserve	Accumulated Loss	
				Rupees			
Balance as at June 30, 2015	997,789,280	-	8,389,442	1,281,303	928,314	(806,228,437)	202,159,902
Net profit for the year	-	-	-	-	-	53,082,151	53,082,151
Other comprehensive loss for the year	-	-	-	-	-	(604,104)	(604,104)
Total comprehensive income for the year						52,478,047	52,478,047
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	208,401	-	208,401
Transactions with owners of the Company							
Equity portion of sponsors' loan	-	-	(8,389,442)	-	-	-	(8,389,442)
Less: un-winding of discount	-	-	7,751,322	-	-	-	7,751,322
Share deposit money	283,000,000	-	-	-	-	-	283,000,000
	283,000,000	(638,120)	-	-	-	-	282,361,880
Balance as at June 30, 2016	997,789,280	283,000,000	7,751,322	1,281,303	1,136,715	(753,750,390)	537,208,230
Net profit for the year	-	-	-	-	-	74,336,650	74,336,650
Other comprehensive income for the year	-	-	-	-	-	166,485	166,485
Total comprehensive income for the year	-	-	-	-	-	74,503,135	74,503,135
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	280,165	-	280,165
Transactions with owners of the Company							
Sponsors' interest free loans reinstated to equity (note 19)	-	-	99,248,678	-	-	-	99,248,678
Issue of right shares	385,000,000	(271,608,995)	-	-	-	-	113,391,005
	385,000,000	(271,608,995)	99,248,678	-	-	-	212,639,683
Balance as at June 30, 2017	1,382,789,280	11,391,005	107,000,000	1,281,303	1,416,880	(679,247,255)	824,631,213

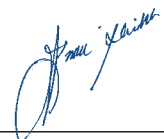
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1 The Company and its Operations

- 1.1** Nimir Resins Limited (the Company) was initially incorporated in Pakistan on December 17, 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on August 19, 1991 with the name of Nimir Resins Limited. The name of the Company was changed to Descon Chemicals Limited on April 01, 2010 when the Company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited.
- 1.2** Subsequent to the change of management, the Board of Directors was reconstituted on January 05, 2016. The new Board changed the name of the Company to Nimir Resins Limited. The change was made effective on April 18, 2016. The Company is subsidiary of Nimir Management (Private) Limited whereas Nimir Industrial Chemicals Limited is ultimate parent company of Nimir Resins Limited.
- 1.3** The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore. The principal activity of the Company is to manufacture surface coating resins, polyesters for paint industry, optical brightener and textile auxiliaries for textile industry.

2 Basis of Preparation

2.1 Statement of compliance

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 (IFRS) 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. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

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

Certain property, plant and equipment	Note 4	Revalued / Fair value
Employee retirement benefits (Gratuity)	Note 7	Present value

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an on going basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate to the useful life and residual values of property, plant and equipment, provisions for doubtful receivables, provisions for defined benefit plans, slow moving and obsolete inventory and taxation.

The accounting estimates and associated assumptions used in the preparation of annual financial statement of Nimir Resins Limited as at June 30, 2016 are consistently applied except for the change in depreciation method from Reducing Balance method to Straight Line Method and the reassessment of useful lives of assets. The depreciation method was changed since the straight line method more closely reflects the expected use of asset by the Company. The said change in accounting estimate has been applied prospectively with effect from July 01, 2016. Had there been no change, the depreciation expense for the year ended June 30, 2017 would have been lower and profit before tax and equity would have been higher by Rs. 11.37 million.

2.5 Changes in accounting standards, interpretations and pronouncements

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

The following amendments to standards are relevant that became effective during the year. These amendments are not likely to have any impact on the Company's financial statements.

	Effective Date (Period beginning on or after)
IFRS 7 - Financial Instruments: Disclosures [Amendments]	January 01, 2016
IAS 1 - Presentation of Financial Statements [Amendments]	January 01, 2016
IAS 16 - Property, Plant and Equipment [Amendments]	January 01, 2016
IAS 19 - Employee Benefits [Amendments]	January 01, 2016
IAS 38 - Intangible Assets [Amendments]	January 01, 2016

2.5.2 Standards, interpretations and amendments to approved accounting standards which became effective during the year but are not relevant

There were certain amendments to the approved accounting standards which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.5.3 Standards, interpretations and amendments to approved accounting standards that are relevant but not yet effective

i) IAS 7 'Cash flow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided.

ii) IFRS 15, 'Revenue from contracts with customers' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

2.5.4 Standards, interpretations and amendments to approved accounting standards that are neither relevant and nor yet effective

Revision / improvements / amendments to IFRS and interpretations

	Effective Date (Period beginning on or after)
-Amendments to IAS 12 'Income Taxes' (Unrealised losses on debt instruments)	January 1, 2017
-Amendments to IFRS 2 - 'Share-based Payment'	January 1, 2018
-Amendments to IAS 40 'Investment Property'	January 1, 2018
-IFRS 12 'Disclosure of Interests in Other Entities'	January 1, 2017
-Amendments to IAS 28 'Investment in Associates and Joint Ventures'	January 1, 2018

3 Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless stated otherwise.

3.1 Property, plant and equipment

Owned

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

Depreciation is charged to income on straight line method at the rates specified in Note 4. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on assets disposed off during the month. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life. Freehold land and buildings on freehold land are revalued every three years. Latest revaluation of land and buildings was carried out by an independent valuer as at June 19, 2017.

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

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment is impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year's income.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss.

3.2 Intangible asset

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

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

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

At each balance sheet date, the management reviews the functionality and legal permissions issues relating to the ERP software. Adjustments to the carrying value are incorporated as may be required under the circumstances.

3.3 Stores and spares

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

3.4 Stock in trade

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

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

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

3.5 Trade debts

Trade debts are recognized at fair value less provision for impairment. A provision for impairment of trade debts 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 the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments are considered indicators that the trade receivable has been impaired. Debts, considered irrecoverable, are written off, as and when identified.

3.6 Cash and cash equivalents

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

3.7 Provisions

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

3.8 Staff retirement benefits

Defined benefits plan

The Company operates a funded gratuity scheme for employees whose period of service is seven years or more. Under this scheme, gratuity is paid to retiring employees on the basis of their last drawn basic salary for each completed year of service by applying the following factor:

Service period in the Company	Factor
Less than 7 years	Nil
07 years or more but less than 10 years	50%
10 years or more but less than 15 years	60%
15 years or more but less than 20 years	72%
20 years or more but less than 25 years	85%
25 years or more (Maximum of 25 basic salaries)	100%

A recognized fund for gratuity scheme of employees was established during the year 2012 and related liabilities and assets were transferred to that fund.

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

Defined contribution plan

The Company operates an approved provident fund scheme for all its permanent employees. The Company and employees make equal monthly contributions to the fund at the rate of 10% of basic salary.

3.9 Taxation

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

Current

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

Deferred

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

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

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

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

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

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

3.10 Trade and other payables

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

3.11 Contingent liabilities

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

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

3.12 Borrowing cost

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

3.13 Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded at Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the balance sheet date. Exchange differences are included in current income.

3.14 Revenue recognition

- Local sales are recorded on dispatch of goods to customers.
- Export sales are recorded on the receipt of bills of lading.
- Profit on bank deposits is recognized on a time proportion basis that takes into account the effective yield on deposits.

3.15 Related party transactions

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

3.16 Financial instruments

3.16.1 Financial assets

The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition. The Company classifies its financial assets in the following categories:

At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, deposits and other receivables in the balance sheet.

Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity, management has the intention and ability to hold till maturity are carried at amortized cost.

Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless the management intends to dispose off the investments within twelve months from the balance sheet date, in which case these financial assets are classified as short term investments in the balance sheet.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized directly in equity are included in the profit and loss account as gains / losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account. Dividends on available-for sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

Measurement criteria

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

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and their transaction costs are expensed in the profit and loss account.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortized cost using the effective interest rate method.

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

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

3.16.2 Financial liabilities

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

Financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognized in the profit and loss account.

3.16.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17 Impairment

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

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

3.19 Dividend

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

4. Property, Plant and Equipment

Note	2017 Rupees	2016 Rupees
4.1	495,330,425	469,964,789
4.7	17,149,371	4,481,735
	<u>512,479,796</u>	<u>474,446,524</u>

4.1 Operating fixed assets

Description	Freehold land	Buildings on freehold land	Plant and machinery	Office equipment, furniture and fixtures	IT equipment	Laboratory equipment	Vehicles and carriers	Total
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Rupees

Year Ended June 30, 2017

Owned assets

Cost

Balance as at July 01, 2016	185,133,000	172,805,694	538,138,507	17,849,606	35,209,305	7,902,296	8,276,879	965,315,287
Additions	-	501,887	12,349,504	1,612,947	1,837,553	1,281,904	6,326,879	23,910,674
Transferred (out) / in	-	-	(9,085,618)	-	-	-	9,085,618	-
Revaluation adjustment	-	(69,591,050)	-	-	-	-	-	(69,591,050)
Revaluation surplus (Note 18)	36,981,500	2,127,288	-	-	-	-	-	39,108,788
Balance as at June 30, 2017	<u>222,114,500</u>	<u>105,843,819</u>	<u>541,402,393</u>	<u>19,462,553</u>	<u>37,046,858</u>	<u>18,269,818</u>	<u>14,603,758</u>	<u>958,743,699</u>

Accumulated depreciation

Balance as at July 01, 2016	-	62,386,725	379,649,715	11,558,956	27,846,240	6,030,303	7,878,559	495,350,498
Charge for the year	-	7,432,676	23,791,322	1,461,496	3,075,694	722,969	1,169,669	37,653,826
Transferred (out) / in	-	-	(6,416,080)	-	-	-	6,416,080	-
Revaluation adjustment	-	(69,591,050)	-	-	-	-	-	(69,591,050)
Balance as at June 30, 2017	<u>-</u>	<u>228,351</u>	<u>397,024,957</u>	<u>13,020,452</u>	<u>30,921,934</u>	<u>13,169,352</u>	<u>9,048,228</u>	<u>463,413,274</u>
Total as at June 30, 2017	<u>222,114,500</u>	<u>105,615,468</u>	<u>144,377,436</u>	<u>6,442,101</u>	<u>6,124,924</u>	<u>5,100,466</u>	<u>5,555,530</u>	<u>495,330,425</u>
Depreciation rates	-	7% to 20%	10% to 33%	20% to 50%	20% to 50%	20% to 33%	12% to 15%	

4.2 As stated in Note 2.4, the Company has changed the depreciation method from Reducing Balance Method to Straight Line Method. This has resulted in the change of estimates relating to depreciation charge and useful lives of assets. Accordingly, depreciation rates have changed between 2016 and 2017. Had there been no change, the depreciation expense for the year ended June 30, 2017 would have been lower and profit before tax and equity would have been higher by Rs. 11.37 million.

4.3 Owned vehicles include a vehicle amounting to Rs. 3.071 million, which has been obtained through Diminishing Musharaka Financing (Note 20).

Year Ended June 30, 2016

Owned assets

Cost

Balance as at July 01, 2015	185,133,000	167,687,819	533,334,959	20,233,856	37,585,483	7,108,370	9,264,179	960,347,666
Additions	-	5,117,875	4,803,548	648,863	2,281,657	845,764	-	13,697,707
Disposals	-	-	-	(3,033,113)	(4,657,835)	(51,838)	(987,300)	(8,730,086)
Balance as at June 30, 2016	<u>185,133,000</u>	<u>172,805,694</u>	<u>538,138,507</u>	<u>17,849,606</u>	<u>35,209,305</u>	<u>7,902,296</u>	<u>8,276,879</u>	<u>965,315,287</u>

Accumulated depreciation

Balance as at July 01, 2015	-	56,779,567	362,474,238	12,729,775	28,535,884	5,848,696	7,976,021	474,344,181
Charge for the year	-	5,607,158	17,175,477	636,717	2,368,049	231,178	889,838	26,908,417
Disposals	-	-	-	(1,807,536)	(3,057,693)	(49,571)	(987,300)	(5,902,100)
Balance as at June 30, 2016	<u>-</u>	<u>62,386,725</u>	<u>379,649,715</u>	<u>11,558,956</u>	<u>27,846,240</u>	<u>6,030,303</u>	<u>7,878,559</u>	<u>495,350,498</u>
Total as at June 30, 2016	<u>185,133,000</u>	<u>110,418,969</u>	<u>158,488,792</u>	<u>6,290,650</u>	<u>7,363,065</u>	<u>1,871,993</u>	<u>398,320</u>	<u>469,964,789</u>
Depreciation rates	-	5%	10%	10%	25%	15%	20% to 25%	

4.4 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:

Note	2017 Rupees	2016 Rupees
Cost of sales	27	35,136,357
Administrative expenses	29	2,517,469
		<u>37,653,826</u>
		<u>26,908,417</u>

4.5 Disposal of property, plant and equipment

There have been no disposal of property, plant and equipment during the year. However during the year ended June 30, 2016, assets having cost of Rs.8,730,086 and book value of Rs. 2,827,986 were disposed off for Rs. 2,605,354.

4.6 Cost, accumulated depreciation and book value of revalued assets

Latest revaluation of land and buildings was carried out by an independent valuer as at June 19, 2017. Had there been no revaluation, the cost, accumulate depreciation and book values of revalued assets would have been as follows:

	As at June 30, 2017		
	Cost	Accumulated Depreciation	Written Down Value
	Rupees		
Freehold land	142,044,797	-	142,044,797
Factory buildings on freehold land	164,043,135	65,822,910	98,220,225
	<u>306,087,932</u>	<u>65,822,910</u>	<u>240,265,022</u>

4.7 Capital Work in Progress

Plant and machinery

	2017 Rupees	2016 Rupees
- Opening balance	4,481,735	98,277
- Additions during the year	17,969,648	4,481,735
	22,451,383	4,580,012
- Transferred to operating fixed assets	(6,801,899)	(98,277)
	<u>15,649,484</u>	<u>4,481,735</u>

Buildings on freehold land:

- Opening balance	-	-
- Additions during the year	1,333,087	4,735,905
	1,333,087	4,735,905
- Transferred to operating fixed assets	-	(4,735,905)
	<u>1,333,087</u>	<u>-</u>

Advance for vehicle against diminishing musharaka

	166,800	-
	<u>17,149,371</u>	<u>4,481,735</u>

4.8 There are fully depreciated assets, having cost of Rs. 22.664 million (2016: Rs. 4.956 million) that are still in use as at the balance sheet date.

5. Intangible Assets

Net Carrying Value

	Note	2017 Rupees	2016 Rupees
Net carrying value - opening balance		-	18,482,976
Additions during the year	5.1	1,658,684	-
		1,658,684	18,482,976
Amortization during the year		(331,737)	(4,235,681)
Intangibles written off	5.2	-	(14,247,295)
Net carrying value as at June 30, 2017		<u>1,326,947</u>	<u>-</u>

Gross Carrying Value

Cost		1,658,684	46,207,435
Accumulated amortization		(331,737)	(31,960,140)
Intangibles written off	5.2	-	(14,247,295)
Net book value		<u>1,326,947</u>	<u>-</u>

Amortization rate		<u>20%</u>	<u>10%</u>
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Capital work in progress - Intangible asset

Additions during the year	5.1	<u>-</u>	<u>1,658,684</u>
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5.1 This represents implementation cost of the new ERP.

5.2 For the year ended June 30, 2016, the Company was supposed to make its own arrangement for ERP related activities / services in accordance with "Book keeping and IT Services Agreement". Hence, the Company discontinued to use the existing ERP and implemented new ERP.

5.3 Amortization charge for the year has been allocated to administrative expenses.

6. Long Term Deposits

Deposits with:

- Utility companies
- Others

7. Retirement Benefit Asset - Prepayments

Retirement benefit asset

	2017	2016
	Rupees	Rupees
	8,639,956	5,549,956
	2,100,000	2,100,000
	<u>10,739,956</u>	<u>7,649,956</u>
	<u>1,174,999</u>	<u>1,384,343</u>

7.1 As stated in note 3.8, the Company operates an approved funded gratuity scheme for its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year by an independent actuary and the latest actuarial valuation was carried out as at June 30, 2017. The disclosures made in the following notes are based on the information included in that actuarial report. Actuarial valuation of the scheme resulted in retirement benefit asset in current year as presented in the following notes:

7.2 Actuarial assumptions

Note

	2017	2016
Discount rate (per annum)	7.25%	7.25%
Expected rate of salary increase in future years	6.25%	6.25%
Average duration of liability	9.1 years	9.8 years
Actuarial valuation method	Projected Unit Credit Method	
Mortality rate	SLIC 2001-2005 setback 1 year	

7.2.1 Reconciliation of the funded status

Present value of defined benefit obligation	7.2.2	9,319,363	8,080,671
Fair value of plan assets	7.2.3	<u>(10,494,362)</u>	<u>(9,465,014)</u>
		<u>(1,174,999)</u>	<u>(1,384,343)</u>

7.2.2 Movement in present value of defined benefit obligation

Opening balance		8,080,671	6,435,881
Current service cost for the year		552,850	446,746
Interest on defined benefit liability		580,544	675,760
Benefits paid		(146,325)	-
Actuarial (gains) / losses		251,623	522,284
Closing balance		<u>9,319,363</u>	<u>8,080,671</u>

7.2.3 Movement in fair value of plan assets

Opening balance		9,465,014	8,873,969
Interest income for the period		686,214	931,767
Benefits paid		(146,325)	-
Return on plan assets excluding interest income		489,459	(340,722)
Closing balance	7.2.6	<u>10,494,362</u>	<u>9,465,014</u>

7.2.4 Company's asset

Opening balance of net defined benefit obligation		(1,384,343)	(2,438,088)
Remeasurements chargeable in other comprehensive income		(237,836)	863,006
Expense chargeable to profit and loss account	7.2.7	447,180	190,739
Closing balance		<u>(1,174,999)</u>	<u>(1,384,343)</u>

7.2.5 Remeasurements chargeable in the other comprehensive income

Actuarial losses due to experience adjustments		251,623	522,284
Return on plan assets		(489,459)	340,722
		<u>(237,836)</u>	<u>863,006</u>

7.2.6 Plan assets composition

Investment in treasury bills		6,474,954	6,199,584
Investment in listed securities		4,019,299	2,394,649
Cash at bank		109	870,781
		<u>10,494,362</u>	<u>9,465,014</u>

7.2.7 Charge for the year

Current service cost		552,850	446,746
Interest on defined benefit liability		580,545	675,760
Interest income for the period		(686,214)	(931,767)
		<u>447,181</u>	<u>190,739</u>

7.2.8 Estimated Charge for the year 2017-2018

	<u>2018</u> <u>Rupees</u>
Current service cost	619,439
Interest on defined benefit liability	675,654
Interest income for the period	(760,841)
	<u>534,252</u>

7.2.9 Year end sensitivity analysis on defined benefit obligation

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

	<u>2017</u> <u>Rupees</u>
Discount rate + 100 bps	8,508,159
Discount rate - 100 bps	10,266,194
Salary increase + 100 bps	10,266,194
Salary increase - 100 bps	8,493,900

7.2.10 Comparison of last five years

	<u>2017</u> <u>Rupees</u>	<u>2016</u> <u>Rupees</u>	<u>2015</u> <u>Rupees</u>	<u>2014</u> <u>Rupees</u>	<u>2013</u> <u>Rupees</u>
Present value of defined benefit obligation	9,319,363	8,080,671	6,435,881	5,851,596	4,609,720
Fair value of plan assets	(10,494,362)	(9,465,014)	(8,873,969)	(7,914,395)	(8,011,562)
Retirement benefit asset	<u>(1,174,999)</u>	<u>(1,384,343)</u>	<u>(2,438,088)</u>	<u>(2,062,799)</u>	<u>(3,401,842)</u>

8. Stock in Trade

	<u>2017</u> <u>Rupees</u>	<u>2016</u> <u>Rupees</u>
Raw and packing materials	270,465,376	180,668,858
Raw materials in transit	187,826,098	199,103,345
Finished goods	185,673,911	113,363,724
	643,965,385	493,135,927
Less: Provision for obsolescence of stock	(22,801,255)	(3,144,209)
	<u>621,164,130</u>	<u>489,991,718</u>
8.1 Provision for obsolescence of stock		
Opening balance	3,144,209	3,783,940
Provision for the year	19,657,046	5,473,438
	22,801,255	9,257,378
Less: Obsolete stocks written off	-	(6,113,169)
	<u>22,801,255</u>	<u>3,144,209</u>

8.2 Short term borrowings availed by the Company are secured by way of hypothecation charge on present and future current assets of the Company (including stock in trade) as per detail given in Note 23 to these financial statements.

9. Trade Debts

	<u>2017</u> <u>Rupees</u>	<u>2016</u> <u>Rupees</u>
Local - Unsecured		
Considered good	601,680,409	404,114,867
Considered doubtful	92,164,556	70,517,382
	693,844,965	474,632,249
Less: Provision for doubtful debts	(92,164,556)	(70,517,382)
	<u>601,680,409</u>	<u>404,114,867</u>

9.1 Trade debts do not include any amount due from related parties.

9.2 Provision for doubtful debts

Opening balance
Provision for the year

Less: Bad debts written off

Note

2017 Rupees	2016 Rupees
70,517,382	58,745,446
21,647,174	12,033,136
92,164,556	70,778,582
-	(261,200)
92,164,556	70,517,382

10. Loans and Advances

Advances (Unsecured - Considered good):

- Suppliers and contractors
- Employees

Short term loans to employees (Secured - Considered good)

10.1
10.2
10.3

54,365,539	47,314,943
1,632,695	263,389
425,429	890,408
56,423,663	48,468,740

10.1 This includes an amount of Rs. 40.746 million (2016: Rs. 25.269 million) advanced to clearing agents for clearing the shipment of the imported raw material.

10.2 Advances to employees do not include any amount given to directors and executives of the Company.

10.3 This represents interest-free loans given to employees as per the Company's policy. These loans are recoverable from salary in monthly installments and are secured against provident fund balances of employees.

11. Trade Deposits and Short Term Prepayments

Note

Prepayments
Security deposit
Due from holding company / related parties

11.1

2017 Rupees	2016 Rupees
1,483,553	1,670,190
510,000	-
-	637,405
1,993,553	2,307,595

11.1 This represents amounts due from holding company / related parties as under:

Nimir Industrial Chemicals Limited
Nimir Management (Private) Limited

-	102,848
-	534,557
-	637,405

12. Other Receivables

Margin against letters of guarantees
Margin against letters of credit
Others

12.1

1,218,000	12,386,050
-	7,484,978
-	10,151,623
1,218,000	30,022,651

12.1 Pursuant to the change in management in the year ended June 30, 2016, the balances that were due from associated and related companies of previous management were reclassified as other receivables.

13. Tax Refunds Due From Government

Note

Tax deducted at source and advance tax
Sales tax refundable - Net

2017 Rupees	2016 Rupees
185,839,316	132,795,519
83,527,124	18,019,489
269,366,440	150,815,008

14. Cash and Bank Balances

Cash in hand
Cash at banks in:
- Current accounts
- Savings accounts

14.1

38,789	239,717
14,740,172	69,413,543
1,356,827	1,312,344
16,135,788	70,965,604

14.1 These balances yield interest at the rates ranging from 3.5% to 4% (2016: 4.5% to 8.0%) per annum.

15. Issued, Subscribed and Paid up Capital

2017	2016		2017	2016
No. of Shares			Rupees	
100,825,648	23,825,648	Ordinary shares of Rs. 5 each fully paid in cash	504,128,240	119,128,240
33,550,588	33,550,588	Ordinary shares of Rs. 5 each issued at 60 % discount	167,752,940	167,752,940
2,699,247	2,699,247	Ordinary shares of Rs. 5 each issued for consideration other than cash	13,496,235	13,496,235
3,058,595	3,058,595	Ordinary shares of Rs. 5 each issued as fully paid bonus shares	15,292,975	15,292,975
143,689,875	143,689,875	Ordinary shares of Rs. 5 each issued pursuant to the scheme of amalgamation	718,449,375	718,449,375
(7,266,097)	(7,266,097)	Ordinary shares of Rs. 5 each cancelled pursuant to the scheme of amalgamation	(36,330,485)	(36,330,485)
<u>276,557,856</u>	<u>199,557,856</u>		<u>1,382,789,280</u>	<u>997,789,280</u>

15.1 Reconciliation of the number of shares outstanding as at the beginning and at the end of the year is as under:

Opening balance	199,557,856	199,557,856
Issued during the year	77,000,000	-
Closing balance	<u>276,557,856</u>	<u>199,557,856</u>

15.2 As at the balance sheet date the shares of the Company as held by its holding company and associated Companies are as under:

Nimir Management (Private) Limited	141,046,506	101,744,507
Nimir Holding (Private) Limited	32,168,897	22,810,993
Terranova Limited	12,615,240	8,945,479
	<u>185,830,643</u>	<u>133,500,979</u>

15.3 During the year, the Company has issued 77,000,000 ordinary shares through right issue at Rs. 5 per share to existing shareholders in proportion of 38.5 right shares for every 100 ordinary shares held. This issue of right shares was fully subscribed and the shares were allotted on October 14, 2016.

16. Share Deposit Money

The balance in share deposit money account represents the excess subscription money received from directors and related parties for issuance of right shares, as given below:

	Note	2017	2016
		Rupees	
Opening balance		283,000,000	-
Share deposit money received from directors and related parties		-	283,000,000
Further subscription by directors and related parties		16,479,485	-
Subscription by general public		96,911,520	-
Shares issued		(385,000,000)	-
Closing balance		<u>11,391,005</u>	<u>283,000,000</u>

17. Reserves

Capital reserves

Share premium reserve		1,281,303	1,281,303
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Revenue reserves

Revaluation reserve	17.1	1,416,880	1,136,715
Accumulated loss		(679,247,255)	(753,750,390)
		<u>(677,830,375)</u>	<u>(752,613,675)</u>
		<u>(676,549,072)</u>	<u>(751,332,372)</u>

17.1 Revaluation reserve arises on the revaluation of land and buildings. When revalued land and/or buildings are sold, or recovered through use / depreciation the relevant portion of the revaluation reserve that relates to that asset is transferred directly to retained earnings.

18. Surplus on Revaluation of Property, Plant and Equipment

Land - freehold

Opening balance
Add: Surplus on revaluation arisen during the year

Buildings on freehold land

Opening balance
Add: Surplus on revaluation arisen during the year
Less: Related deferred taxation

Less: Incremental depreciation charged on revalued property, plant and equipment in current year - net of deferred tax

	2017 Rupees	2016 Rupees
	43,088,203	43,088,203
	36,981,500	-
	80,069,703	43,088,203
	3,852,427	4,060,828
	2,127,288	-
	(638,186)	-
	5,341,529	4,060,828
	(280,165)	(208,401)
	<u>85,131,067</u>	<u>46,940,630</u>

18.1 Latest revaluation of property, plant and equipment was carried out as on June 19, 2017 by an approved, independent valuer using the replacement value method that resulted in net revaluation surplus of Rs. 39,108,788. Previous revaluations of land and buildings were carried out from time to time by approved independent valuers using the replacement value method that resulted in overall revaluation surplus of Rs. 55,407,952.

18.2 Incremental depreciation charged on revalued building has been transferred to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation.

19. Long Term Financing from Sponsors

Opening balance
Interest free loans received from director
Reinstatement adjustment for change in loan terms

Loan waived off by lenders

Less: Present value adjustment at reporting date
Closing balance of sponsors' loans - at amortized cost

Note

	2017 Rupees	2016 Rupees
	99,248,678	31,610,558
	-	82,000,000
	(99,248,678)	8,389,442
	-	122,000,000
	-	(15,000,000)
	-	107,000,000
	-	(7,751,322)
	<u>-</u>	<u>99,248,678</u>

19.1 As a result of understanding reached between sponsors and the Company during the year, and superseding all previous agreed terms of repayment, these loans are now payable at discretion of the Company. Thus, the entire balance has been reinstated to equity.

19.2 For the year 2016, the loans were repayable to sponsors at their option after an agreed fixed period. Thus, these loans were shown at amortised cost for such period by using market based interest rates applicable on similar loans, and the resulting adjustment was shown as Equity Portion of Sponsors' Loan.

20. Diminishing Musharaka Finance

Diminishing musharaka finance
Less: Current portion

Note

	2017 Rupees	2016 Rupees
	2,492,623	-
	(485,211)	-
	<u>2,007,412</u>	<u>-</u>

20.1 During the year, the Company acquired a vehicle under the diminishing musharaka financing arrangements entered into with First Punjab Modaraba, for a period of 60 months. The financing is secured against specific charge on this asset to the extent of diminishing musharaka value. The effective rate of rent per unit is three month KIBOR plus 2.5% with floor rate of 8.53% per annum.

21. Deferred Tax Liability	Note	2017 Rupees	2016 Rupees
Taxable temporary differences			
- Accelerated tax depreciation and amortization		60,237,377	66,835,386
- Surplus on revaluation of property, plant and equipment		2,336,443	1,798,796
		<u>62,573,820</u>	<u>68,634,182</u>
Deductible temporary differences			
- Provisions and others		(34,137,243)	(21,683,174)
- Minimum tax		-	(16,250,004)
		<u>(34,137,243)</u>	<u>(37,933,178)</u>
		<u>28,436,577</u>	<u>30,701,004</u>

22. Trade and Other Payables

Creditors	22.1	120,679,613	108,006,450
Letter of credit payable		136,142,140	31,688,311
Accrued liabilities		17,244,189	12,873,544
Advances from customers		5,215,256	18,014,556
Unclaimed dividends		292,819	292,819
Workers' profit participation fund	22.2	6,048,669	3,050,617
Workers' welfare fund	22.3	3,932,426	83,221
Due to related party	22.4	8,968,282	-
Other payables	22.5	-	5,658,867
		<u>298,523,394</u>	<u>179,668,385</u>

22.1 Creditors do not include any amount due to related parties (2016: Rs. Nil).

22.2 Opening balance	3,050,617	-
Add: Provision for the year	6,048,669	3,050,617
Less: Payments made during the year	(3,050,617)	-
Closing balance	<u>6,048,669</u>	<u>3,050,617</u>

22.3 Opening balance	83,221	-
Add: Provision for the year	3,849,205	83,221
Less: Payments made during the year	-	-
Closing balance	<u>3,932,426</u>	<u>83,221</u>

22.4 This represents amount due to Nimir Industrial Chemicals Limited.

22.5 This represents balance payable to associated / related parties of previous management.

23. Short Term Borrowings

Banking companies - Secured

Running finance	438,744,078	417,466,196
Borrowings / FATRs	377,534,620	353,899,873
	<u>816,278,698</u>	<u>771,366,069</u>

23.1 Terms and conditions of borrowings

Purpose

This represents utilized portion of various facilities that have been obtained from certain banking companies with sanctioned limit, funded and unfunded, of Rs. 1,815 million (2016: Rs. 1,215 million) for working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables and loan against trust receipts etc.

Mark-up

Mark-up on short term borrowings is charged using 1 to 6 Months KIBOR+ 0.5% to 1.75% (2016: 3 to 6 Months KIBOR + 1.25% to 1.75%) per annum. Mark up is payable monthly or on quarterly basis in arrears or at the time of adjustment of liability whichever is earlier. Furthermore, some limits carry opening commission against foreign and local LCs at 0.10% to 0.20% (2016: 0.10% to 0.25%) per quarter and at 0.1% as acceptance commission for the entire acceptance period.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, fixed and current assets of the Company, personal guarantees of sponsoring directors of the Company and lien over title of imported goods.

24. Provision for Taxation

	2017	2016
	Rupees	Rupees
Opening balance	17,997,984	18,189,322
Add: Charge for the year	40,344,340	17,997,984
Less: Adjustment for prior years	(631,514)	-
	57,710,810	36,187,306
Less: Payment / adjustments	(17,366,470)	(18,189,322)
	40,344,340	17,997,984

24.1 Income tax assessments are deemed finalized by the management up to the Tax Year 2016 as tax returns were filed under the self assessment scheme.

25. Contingencies and Commitments

25.1 Contingencies

25.1.1 The return for Tax Year 2011 and 2014 have been selected for audit u/s 177 of the Income Tax Ordinance, 2001; proceedings in this respect have been initiated by the Income Tax Department that have not been completed yet. The Company has filed a writ petition before the Honorable Lahore High Court against the selection of Company's tax return for tax year 2014.

25.1.2 The Company have filed suits against material supplier and certain customers for the recovery of advance and trade debts amounting to Rs. 35.653 million. The Company expects a favorable outcome of these suits; therefore, no provision has been made in these financial statements.

25.2 Guarantees

The Company has given Counter-guarantees for guarantees issued by various banks on behalf of the Company outstanding as at the balance sheet date are as under:

	2017	2016
	Rupees in (000)	Rupees in (000)
Sui Northern Gas Pipelines Limited	6,180,000	3,090,000
Pakistan State Oil Company Limited	3,000,000	3,000,000
Total Parco Pakistan Limited	3,000,000	2,000,000
	12,180,000	8,090,000

25.3 Commitments

25.3.1 Diminishing musharaka finance

1,850,160

-

25.3.2 Letters of credit

176,767,775

123,324,000

23.3.3 Commitments for capital expenditures as at June 30, 2017 amounted to Rs. 13.192 million (2016: 0.075 million).

26. Sales	Note	2017 Rupees	2016 Rupees
Local sales		3,040,525,611	2,054,809,590
Less: Sales tax		(371,720,947)	(276,790,848)
		<u>2,668,804,664</u>	<u>1,778,018,742</u>
27. Cost of Sales			
Raw materials consumed	27.1	2,241,809,877	1,369,867,600
Stores and spares consumed		16,049,716	10,195,131
Fuel and power		51,234,729	46,364,635
Salaries, wages and benefits	27.2	81,576,607	66,661,168
Printing and stationery		420,291	1,001,641
Repairs and maintenance		6,696,576	3,771,411
Travelling, conveyance and entertainment		5,735,184	5,954,468
Insurance		4,072,999	4,444,861
Rent, rates and taxes		340,300	105,000
Communication		489,558	192,670
Miscellaneous		215,047	663,257
Depreciation	4.4	35,136,357	23,911,456
		<u>2,443,777,241</u>	<u>1,533,133,298</u>
Finished goods:			
Opening finished goods		113,363,724	124,061,870
Closing finished goods		(185,673,911)	(113,363,724)
		<u>(72,310,187)</u>	<u>10,698,146</u>
		<u>2,371,467,054</u>	<u>1,543,831,444</u>
27.1 Raw materials consumed:			
Opening stock		180,668,858	160,351,383
Purchases		2,331,606,395	1,390,185,075
		<u>2,512,275,253</u>	<u>1,550,536,458</u>
Closing stock		(270,465,376)	(180,668,858)
		<u>2,241,809,877</u>	<u>1,369,867,600</u>
27.2 This includes Rs. 1,813,076 (2016: Rs. 1,330,118) in respect of employee benefits.			
28. Distribution Cost			
Salaries, wages and benefits	28.1	19,116,199	16,779,408
Packing, carriage and forwarding		21,738,932	16,475,556
Commission and discount		-	6,514,828
Travelling, conveyance and entertainment		1,668,207	2,228,374
Printing and stationery		98,388	434,248
Sales promotion expenses		1,411,509	1,186,176
Insurance and license fee		495,206	934,004
Communication		232,668	280,697
Rent, rates and taxes		-	431,251
Utilities		251,225	161,236
Repairs and maintenance		381,724	210,006
Miscellaneous		43,101	40,215
		<u>45,437,159</u>	<u>45,675,999</u>
28.1 This includes Rs. 592,730 (2016: Rs. 504,646) in respect of employee benefits.			

29. Administrative Expenses

	Note	2017 Rupees	2016 Rupees
Salaries, wages and benefits	29.1	17,523,175	24,803,064
Travelling, conveyance and entertainment		2,228,872	3,159,779
Repairs and maintenance		742,257	922,051
Insurance		137,611	163,757
Printing and stationery		606,781	2,881,042
Communication		2,385,222	1,315,526
Fees and subscription	29.2	2,652,549	10,728,913
Advertisement		474,150	697,840
Legal and professional charges	29.2	1,373,834	4,345,042
Utilities		251,225	168,889
Miscellaneous		182,688	498,134
Amortization	5.3	331,737	4,235,681
Depreciation	4.4	2,517,469	2,996,961
		<u>31,407,570</u>	<u>56,916,679</u>
Less: charged to associates		-	(4,795,461)
		<u>31,407,570</u>	<u>52,121,218</u>

29.1 This includes Rs. 565,822 (2016: Rs. 824,947) in respect of employee benefits.

29.2 This includes Rs. Nil (2016: Rs. 7.385) in respect of cost incurred on proposed right issue.

30. Other Operating Expenses

Auditors' remuneration:			
-Audit fee		730,000	695,740
-Half yearly review and other certifications		440,000	424,950
-Out of pocket expenses		126,000	53,130
		<u>1,296,000</u>	<u>1,173,820</u>
Provision for doubtful debts	9.2	21,647,174	12,033,136
Provision for obsolescence of stock	8.1	19,657,046	5,473,438
Workers' profit participation fund		6,048,669	3,050,617
Workers' welfare fund		3,849,205	83,221
Loss on disposal of property, plant and equipment		-	222,632
Exchange loss- net		3,163,173	-
Intangible assets written off		-	14,247,295
		<u>55,661,267</u>	<u>36,284,159</u>

31. Finance Cost

Long term financing		-	7,588,603
Short term borrowings		54,433,752	39,290,225
Diminishing musharaka finance		131,912	-
Bank and other charges		6,427,189	3,093,411
		<u>60,992,853</u>	<u>49,972,239</u>

32. Other Income

Income from financial assets

Profit on bank accounts		94,136	135,346
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Income from non - financial assets

Sale of waste material / scrap		5,323,215	2,307,775
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Others

Indenting commission		-	4,355,933
Director's loan waived off		-	15,000,000
Rental income		1,080,000	600,000
Liabilities written back		-	345,759
Bad debts recovered		739,400	-
		<u>1,819,400</u>	<u>20,301,692</u>
		<u>7,236,751</u>	<u>22,744,813</u>

33. Taxation

Current tax:

- Current year
- Adjustment for prior years

Deferred tax

	2017 Rupees	2016 Rupees
	40,344,340	17,997,984
	(631,514)	-
	39,712,826	17,997,984
	(2,973,964)	1,798,361
	<u>36,738,862</u>	<u>19,796,345</u>

33.1 Reconciliation of tax charge for the year

Profit before taxation	111,075,512	72,878,496
Tax @ 31% (2016: 32%) on profit before taxation	34,433,409	23,321,119
Tax effect of income under NTR	5,910,931	(5,323,135)
Adjustment for prior years	(631,514)	-
Deferred taxation	(2,973,964)	1,798,361
	<u>36,738,862</u>	<u>19,796,345</u>

34. Earning Per Share

Profit for the year	Rupees	74,336,650	53,082,151
Weighted average number of ordinary shares outstanding during the year	Numbers	276,557,856	224,241,647
Earning per share - basic	Rupees	0.27	0.24

Diluted earnings per share

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

35. Cash Generated from Operations

Profit before taxation

Adjustments for:

	2017 Rupees	2016 Rupees
Profit before taxation	111,075,512	72,878,496
Depreciation	37,653,826	26,908,417
Amortization of intangible asset	331,737	4,235,681
Provision for gratuity	447,180	190,739
Provision for obsolescence of stock	19,657,046	5,473,438
Provision for doubtful debts	21,647,174	12,033,136
Workers' profit participation fund	6,048,669	3,050,617
Workers' welfare fund	3,849,205	83,221
Liabilities written back	-	(345,759)
Bad debts recovered	(739,400)	-
Sponsors' loan waived off	-	(15,000,000)
Loss on disposal of property, plant and equipment	-	222,632
Intangible asset written off	-	14,247,295
Exchange loss-net	3,163,173	-
Finance cost	60,992,853	49,605,099
Interest income	(94,136)	(135,346)
	<u>152,957,327</u>	<u>100,569,170</u>

Operating profit before working capital changes

	<u>264,032,839</u>	<u>173,447,666</u>
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(Increase) / decrease in current assets

- Stores and spares
- Stock in trade
- Trade debts
- Loans and advances
- Trade deposits and short term prepayments
- Other receivables

Increase / (decrease) in current liabilities

- Trade and other payables

Cash generated from/(used in) operations

2017 Rupees	2016 Rupees
(1,534,122)	1,512,060
(153,992,631)	(184,502,903)
(218,473,316)	(94,186,424)
(7,954,923)	(70,864,024)
314,042	(596,357)
28,804,651	(1,015,424)
112,007,752	(110,469,437)
(240,828,547)	(460,122,509)
23,204,292	(286,674,843)

36. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2017	2016	2017	2016	2017	2016	2017	2016
	Rupees in (000)							
Managerial remuneration	-	3,341	2,323	1,500	-	-	18,203	10,200
Housing	-	-	1,045	-	-	-	8,191	-
Utilities	-	-	232	-	-	-	1,820	-
Meeting fee	-	-	-	-	450	90	-	-
Car and other allowances	-	-	1,277	250	-	-	10,011	1,669
Staff retirement benefits	-	-	-	-	-	-	-	285
Bonus	-	-	-	-	-	-	895	-
	-	3,341	3,600	1,750	450	90	29,109	12,154
Number of persons	1	1	1	1	5	5	18	11

36.1 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 500,000 in a financial year.

36.2 The reimbursement of shared expenses to Nimir Industrial Chemicals Limited as part of group arrangements includes Rs. 1,140,000 and Rs. 3,456,000 on account of remuneration of chief executive officer and certain executive and working directors respectively. The respective amounts have been included in related party transactions (note 37).

37. Balances and Transaction with Related Parties

Related parties comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Related party	Relationship	Nature of Transaction	June 2017	From January 06, 2016 to June 30, 2016
			Rupees in (000)	
Nimir Industrial Chemicals Limited	Ultimate parent company	Services provided, and rental income charge	2,520	431
		Services received, rent and reimbursement of expenses	8,071	679
		Purchase of goods	80,116	36,169

<u>Related party</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>June 2017</u>	<u>From January 06, 2016 to June 30, 2016</u>
			Rupees in (000)	
Nimir Management (Private) Limited	Holding company	Sale of goods, services provided and reimbursement of expenses	-	534
		Loan obtained	-	297,297
		Loan waived off	-	11,011
		Right Issue	196,350	-
Nimir Holding (Private) Limited	Associate	Loan obtained	-	54,928
		Loan waived off	-	2,034
		Right Issue	46,790	-
Terranova Limited	Associate	Loan obtained	-	21,541
		Loan waived off	-	798
		Right Issue	18,349	-
Directors	Director	Loan obtained	-	31,234
		Loan waived off	-	1,157
		Right Issue	26,600	-
			<u>378,796</u>	<u>457,813</u>
Balances outstanding			June 2017	June 2016
			Rupees in (000)	
(Due to) /due from holding company / related parties				
Nimir Industrial Chemicals Limited			(8,968,282)	102,848
Nimir Management Private Limited			-	534,557
			<u>(8,968,282)</u>	<u>637,405</u>
Contribution to staff retirement benefits				
Descon Chemicals Limited Employees' Provident Fund			2,524	2,469

There were no transactions with key management personnel other than those undertaken as per terms of their employment as disclosed in Note 36.

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

38. Segment Reporting

38.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into the following four operating segments:

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

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

38.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2017 is as follows.

	Coating and Emulsion	Textile and Paper	Others	Total
Rupees in (000)				
Segment Results for the year ended June 30, 2017				
Revenue	1,664,385	629,985	374,435	2,668,805
Segment results	98,328	102,873	19,292	220,493
Other operating expenses				(55,661)
Finance costs				(60,993)
Other income				7,237
Profit before taxation				111,076

Segment Results for the year ended June 30, 2016

Revenue	1,086,649	434,982	256,388	1,778,019
Segment results	58,541	69,550	7,931	136,022
Other operating expenses				(36,284)
Finance costs				(49,605)
Other income				22,745
Profit before taxation				72,878

Segment asset and liabilities as at June 30, 2017

Segment assets	1,029,497	317,752	214,415	1,561,664
Segment liabilities	173,326	52,461	40,003	265,790

Segment asset and liabilities as at June 30, 2016

Segment assets	665,961	257,136	225,224	1,148,321
Segment liabilities	92,698	22,163	30,493	145,354

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

	2017	2016
Rupees in (000)		
Segment assets for reportable segments	1,561,664	1,148,321
Corporate assets unallocated	302,599	308,322
Cash and bank balances	16,136	70,966
Others	225,950	165,329
Total assets as per the balance sheet	2,106,349	1,692,938

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

Segment liabilities for reportable segments	265,790	145,354
Corporate liabilities unallocated	937,162	870,615
Trade and other payables	71,682	82,573
Taxation - net	40,344	17,998
Total liabilities as per the balance sheet	1,314,978	1,116,540

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

- Information about products

One product of the Company comprises 8.14% (2016: 14.24%) of total sales for the year.

- Information about major customers

One customer of the Company accounts for 14.29% (2016: 16.45%) of total sales for the year. Revenue from such customer was Rs. 381.466 million (2016: Rs. 292.42 million).

- Information about geographical area

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

39. Financial Risk Management

39.1 Financial risk factors

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

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

(a) Market risk

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

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to foreign receivables and payables. Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to foreign entities. The Company is not exposed to currency risk (2016: Nil).

(ii) Other price risk

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

(iii) Interest rate risk

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

The Company has no significant long-term interest-bearing asset. The Company's interest rate risk arises from short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

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

	2017 Rupees	2016 Rupees
Floating rate instruments		
Financial liabilities		
Long term financing from director	-	99,248,678
Diminishing musharaka finance	2,492,623	-
Short term borrowings	816,278,698	771,366,069
Financial assets		
Bank balances - saving accounts	1,356,827	1,312,344

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 8.174 million (2016: Rs. 7.701 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming that amounts of assets and liabilities outstanding as at the balance sheet date are outstanding for the whole year.

(b) Credit risk

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

	2017 Rupees in (000)	2016 Rupees in (000)
Long term deposits	10,739,956	7,649,956
Trade debts	601,680,409	404,114,867
Other receivables	1,218,000	30,022,651
Bank balances	16,096,999	70,725,887
The aging of trade debts as at balance sheet date is as follows:		
Past due 1 - 30 days	199,032,797	134,913,341
Past due 31 - 60 days	193,771,987	119,650,249
Past due 61 - 120 days	137,300,474	46,280,566
More than 120 days	71,575,151	103,270,711
	<u>601,680,409</u>	<u>404,114,867</u>

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

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

	Rating Short term	Rating Long term	Rating Agency	2017 Rupees	2016 Rupees
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	667,330	18,994,962
Bank Al-Habib Limited	A1+	AA+	PACRA	5,183,823	22,776,717
Habib Bank Limited	A-1+	AAA	JCR-VIS	308,659	5,000
The Bank of Punjab	A1+	AA	PACRA	2,502,895	3,173,479
Albaraka Bank (Pakistan) Limited	A1	A	PACRA	703,024	2,989,388
Meezan Bank Limited	A-1+	AA	JCR-VIS	6,339,955	22,786,341
National Bank of Pakistan	A1+	AAA	PACRA	391,313	-
				<u>16,096,999</u>	<u>70,725,887</u>

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs. 998.72 million (2016: Rs. 444 million) worth unutilized funded and unfunded short term financing limits available from financial institutions and Rs. 16.096 (2016: Rs. 70.726 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Contractual maturities of financial liabilities as at June 30, 2017:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
Rupees						
Diminishing musharaka finance	2,492,623	3,001,602	679,608	679,608	1,642,386	-
Trade and other payables	293,308,138	293,308,138	293,308,138	-	-	-
Accrued mark up	10,511,545	10,511,545	10,511,545	-	-	-
Short term borrowings	816,278,698	880,764,715	880,764,715	-	-	-
	<u>1,122,591,004</u>	<u>1,187,586,000</u>	<u>1,185,264,006</u>	<u>679,608</u>	<u>1,642,386</u>	<u>-</u>

Contractual maturities of financial liabilities as at June 30, 2016:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
Rupees						
Long term financing from director	99,248,678	-	-	99,248,678	-	-
Trade and other payables	161,653,829	158,227,172	158,227,172	-	-	-
Accrued mark up	9,806,364	9,806,364	9,806,364	-	-	-
Short term borrowings	771,366,069	832,876,788	832,876,788	-	-	-
	<u>1,042,074,940</u>	<u>1,000,910,324</u>	<u>1,000,910,324</u>	<u>99,248,678</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at June 30, 2017. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

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

As at June 30, 2017 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

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

The Company classifies the financial instruments measured in the balance sheet at fair value in accordance with the following fair value measurement hierarchy:

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

39.2 Financial instruments by categories

Financial assets as at June 30, 2017

	Cash and Cash Equivalents	Loans and advances	Available-for-sale	Total
----- Rupees -----				
Long term deposits	-	10,739,956	-	10,739,956
Trade debts	-	601,680,409	-	601,680,409
Other receivables	-	1,218,000	-	1,218,000
Bank balances	16,096,999	-	-	16,096,999
	<u>16,096,999</u>	<u>613,638,365</u>	<u>-</u>	<u>629,735,364</u>

Financial assets as at June 30, 2016

	Cash and Cash Equivalents	Loans and advances	Available-for-sale	Total
----- Rupees -----				
Long term deposits	-	7,649,956	-	7,649,956
Trade debts	-	404,114,867	-	404,114,867
Other receivables	-	30,022,651	-	30,022,651
Bank balances	70,725,887	-	-	70,725,887
	<u>70,725,887</u>	<u>441,787,474</u>	<u>-</u>	<u>512,513,361</u>

Financial liabilities at amortized cost

	2017 Rupees	2016 Rupees
Long term financing from director	-	99,248,678
Diminishing musharaka finance	2,492,623	-
Trade and other payables	293,308,138	158,227,172
Accrued mark up	10,511,545	9,806,364
Short term borrowings	816,278,698	771,366,069
	<u>1,122,591,004</u>	<u>1,038,648,283</u>

39.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

40. Capital Risk Management

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

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

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

	2017 Rupees	2016 Rupees
Total borrowings	818,771,321	870,614,747
Cash and bank balances	(16,135,788)	(70,965,604)
Net debt	802,635,533	799,649,143
Equity	824,631,213	537,208,230
Total capital employed	<u>1,627,266,746</u>	<u>1,336,857,373</u>
Gearing ratio	49.32%	59.82%

41. Plant Capacity and Production

	2017 Metric Ton	2016 Metric Ton
Actual production	22,227	18,861

The plant production capacity is indeterminable because it is a multi-product plant involving varying processes of manufacturing.

42. Provident Fund Related Disclosures

The Company runs a recognized provident fund (Descon Chemicals Limited Staff Provident Fund Trust) established on April 30, 1987 in which equal contributions are made by the Company and employees. The fund has been formed to accumulate certain sums to the benefit of employees of Nimir Resins Limited and their families in the event of employees' termination of service, retirement or death as provided by the fund rules. Following information is based on un-audited financials of the Fund:

	Note	2017 Rupees	2016 Rupees
Total assets of the fund		38,113,685	40,140,147
Fair value of the investments	42.2	27,318,140	28,086,020
Investments as a percentage of total assets		71.68%	69.97%

42.1 The cost of above investments amount to Rs.25.686 (2016: Rs. 24.686 million).

42.2 The break-up of fair value of investments is as follows:

	2017 Percentage	2016 Percentage	2017 Rupees	2016 Rupees
- Listed securities	23.11%	23.83%	8,809,905	9,569,810
- GOP Treasury Bills	0.00%	24.91%	-	10,000,000
- National Saving Certificates	12.40%	11.77%	4,725,000	4,725,000
- UBL Stock Fund	27.77%	0.29%	10,583,235	115,756
- GOP - PIBs	8.40%	9.17%	3,200,000	3,675,454
	71.68%	69.97%	27,318,140	28,086,020

42.2.1 These investments have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for that purpose.

43. Number of Employees

	2017 Number	2016 Number
Employees as at June 30,		
- Permanent	115	104
- Contractual	7	10
Average employees during the year		
- Permanent	108	125
- Contractual	8	15

44. Subsequent Event

The Board of Directors of the Company in their meeting held on Wednesday, September 20, 2017 has recommended a full and final issuance of bonus shares at the rate of 2.2 shares for every 100 shares (2.2%) for the year ended June 30, 2017.

45. Authorization of Financial Statements

These financial statements were authorized for issue on Wednesday, September 20, 2017 by the Board of Directors of the Company.

46. **General**

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

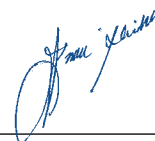
Nature	From	To	Amount (Rupees)
Printing and stationery	Administrative expenses (Note 29)	Cost of sales (Note 27)	1,001,641
Printing and stationery	Administrative expenses (Note 29)	Distribution cost (Note 28)	434,248
Services through contract	Cost of sales (Note 27) Services through contract	Cost of sales (Note 27) Salaries, wages and benefits	15,582,720
Transportation	Cost of sales (Note 27) Transportation	Cost of sales (Note 27) Travelling, conveyance and entertainment	3,790,299
Rent, rates and taxes	Cost of sales (Note 27) Miscellaneous	Cost of sales (Note 27) Rent, rates and taxes	105,000
Sales promotion expenses	Distribution cost (Note 28) Sampling	Distribution cost (Note 28) Sales promotion expenses	113,179
Sales promotion expenses	Distribution cost (Note 28) Public relations	Distribution cost (Note 28) Sales promotion expenses	112,537
Bank charges	Distribution cost (Note 28) Miscellaneous	Finance cost (Note 31)	367,140
Margin against letters of guarantees	Loans and advances (Note 10)	Other receivables (Note 12)	12,386,050
Margin against letters of credit	Loans and advances (Note 10)	Other receivables (Note 12)	7,484,978
Income tax deducted at source and advance tax	Loans and advances (Note 10)	Tax refunds due from government (Note 13)	132,795,519
Sales tax refundable	Loans and advances (Note 10)	Tax refunds due from government (Note 13)	18,019,489
Other receivables	Trade deposits and short term prepayments (Note 11)	Other receivables (Note 12)	10,151,623
Depreciation	Distribution cost (Note 28)	Cost of sales (Note 27)	914,637
Utilities	Cost of sales (Note 27)	Administrative expenses (Note 29)	168,889



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2017

-----Shareholding-----

No. of Shareholders	From	To	Total Shares Held
813	1	100	27,913
829	101	500	284,442
845	501	1,000	768,517
1,442	1,001	5,000	4,271,509
511	5,001	10,000	4,291,093
181	10,001	15,000	2,365,719
144	15,001	20,000	2,668,463
107	20,001	25,000	2,540,239
51	25,001	30,000	1,442,037
32	30,001	35,000	1,060,353
30	35,001	40,000	1,160,693
22	40,001	45,000	948,845
66	45,001	50,000	3,257,899
9	50,001	55,000	483,287
15	55,001	60,000	888,028
7	60,001	65,000	441,492
12	65,001	70,000	829,639
8	70,001	75,000	597,000
8	75,001	80,000	627,993
7	80,001	85,000	587,448
3	85,001	90,000	268,331
3	90,001	95,000	282,500
32	95,001	100,000	3,199,000
6	100,001	105,000	612,866
4	105,001	110,000	430,377
6	110,001	115,000	674,837
2	115,001	120,000	235,499
7	120,001	125,000	866,605
4	125,001	130,000	517,000
3	130,001	135,000	401,500
11	135,001	140,000	1,526,601
8	145,001	150,000	1,189,514
1	150,001	155,000	152,443
4	155,001	160,000	633,500
2	160,001	165,000	330,000
3	170,001	175,000	517,241
2	175,001	180,000	356,726
2	185,001	190,000	378,662
1	205,001	210,000	210,000
3	220,001	225,000	671,500
4	245,001	250,000	997,500
1	255,001	260,000	257,000
1	275,001	280,000	279,941
6	295,001	300,000	1,799,000
2	305,001	310,000	614,097
1	325,001	330,000	327,000
1	335,001	340,000	336,000
2	340,001	345,000	686,500
2	345,001	350,000	696,463
1	380,001	385,000	381,000
1	385,001	390,000	387,000
3	395,001	400,000	1,200,000
1	465,001	470,000	468,895
3	495,001	500,000	1,500,000
1	510,001	515,000	515,000
2	515,001	520,000	1,036,000
1	535,001	540,000	540,000
1	540,001	545,000	542,665
1	585,001	590,000	585,500
1	595,001	600,000	600,000
1	615,001	620,000	619,500
1	675,001	680,000	680,000
1	1,135,001	1,140,000	1,135,500
2	1,260,001	1,265,000	2,525,800
1	1,470,001	1,475,000	1,472,500
1	1,575,001	1,580,000	1,579,500
2	1,595,001	1,600,000	3,200,000
1	2,200,001	2,205,000	2,205,000
1	955,001	960,000	960,000

-----Shareholding-----

No. of Shareholders	From	To	Total Shares Held
1	975,001	980,000	978,000
1	5,040,001	5,045,000	5,042,043
1	11,980,001	11,985,000	11,984,498
1	12,615,001	12,620,000	12,615,240
1	32,165,001	32,170,000	32,168,897
1	141,040,001	141,045,000	141,044,506
5,307			276,557,856

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2017

Sr. No.	Categories of shareholders	Shares held	Percentage
1	Directors, Chief Executive Officers and their spouse and minor children	13,292,981	4.8066
2	Associated Companies, undertakings and related parties. (Parent Company)	185,828,643	67.1934
3	NIT and ICP	9,813	0.0035
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	2,210	0.0008
5	Insurance Companies	3,700,000	1.3379
6	Modarabas and Mutual Funds	1,535,953	0.5554
7	Share holders holding 10% or more	173,213,403	62.6319
8	General Public		
	1. Local	68,442,306	24.7479
	2. Foreign	5,000	0.0018
9	Others (to be specified)		
	1- Joint Stock Companies	3,582,342	1.2953
	2- Leasing Companies	5,000	0.0018
	3- Investment Companies	796	0.0003
	4- Pension Funds	47,604	0.0172
	5- Foreign Companies	25,000	0.0090
	6- Others	80,208	0.0290

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CATEGORIES OF SHAREHOLDERS (CCG)

AS AT JUNE 30, 2017

Sr. No.	Name	No. of Shares held	Percentage
1.	Associated Companies, Undertakings and Related Parties:		
	1 Nimir Management (Pvt) Limited (CDC)	141,044,506	51.0000
	2 Nimir Holding (Pvt) Limited (CDC)	32,168,897	11.6319
	3 Terranova Limited (CDC)	12,615,240	4.5615
2.	Mutual Funds:		
	1 Prodentia Stocks Fund Ltd.	58	0.0000
	2 Cdc - Trustee National Investment (Unit) Trust (CDC)	468,895	0.1695
	3 Trustee Pak Qatar Family Takaful Limited Aggressive Fund (CDC)	500,000	0.1808
	4 Trustee Pak Qatar Family Takaful Limited Balanced Fund Bf (CDC)	500,000	0.1808
3.	Directors And Their Spouse And Minor Children:		
	1 Sh. Amar Hameed (CDC)	1,385	0.0005
	2 Mr. Zafar Mahmood (CDC)	1,385	0.0005
	3 Mr. Abdul Jalil Jamil	40,078	0.0145
	4 Mr. Muhammad Yahya Khan (CDC)	11,984,498	4.3335
	5 Mr. Osman Hameed (CDC)	1,385	0.0005
	6 Mrs. Nusrat Jamil (CDC)	1,264,250	0.4571
4.	Executives:	188,662	0.0000
5.	Public Sector Companies & Corporations:	-	0.0000
6.	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	3,774,210	1.3647
7.	Shareholders Holding Five Percent or More Voting Intrest in the Listed Company:		

S. No.	Name	Holding	Percentage
	1 Nimir Management (Pvt) Limited (CDC)	141,044,506	51.0000
	2 Nimir Holding (Pvt) Limited (CDC)	32,168,897	11.6319
8.	All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children :		

S. No.	Name	Sale	Purchase
	1 Sh. Amar Hameed (CDC)	-	385
	2 Mr. Zafar Mahmood (CDC)	-	385
	3 Mr. Abdul Jalil Jamil	-	10,773
	4 Mr. Abdul Jalil Jamil (CDC)	-	385
	5 Mr. Muhammad Yahya Khan (CDC)	-	3,486,279
	6 Mr. Osman Hameed (CDC)	-	385
	7 Mrs. Nusrat Jamil	-	682
	8 Mrs. Nusrat Jamil (CDC)	-	366,978

NOTICE OF 53rd ANNUAL GENERAL MEETING

FOR THE YEAR ENDED JUNE 30, 2017

Notice is hereby given that the 53rd Annual General Meeting of Nimir Resins Limited (the "Company") will be held on Thursday, October 26, 2017 at 11:00 a.m. at LDA Community Centre, 239-A, New Muslim Town, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2017 together with the reports of the Directors', Auditors' and Chairmans' review thereon.
2. To approve the full and final bonus shares at the rate of 2.2% i.e. 2.2 shares for every 100 shares for the year ended June 30, 2017.
3. To appoint Auditors for the year ended June 30, 2018 and fix their remuneration. The retiring auditors M/s Horwath Hussain Chaudury & Co. – Chartered Accountants have offered themselves for re-appointment.

SPECIAL BUSINESS:

4. To consider and approve the remuneration of Chief Executive Officer.

OTHER BUSINESS:

5. To transact any other business with the permission of the chair.

By Order of the Board

Lahore
October 6, 2017

Muhammad Inam-ur-Rahim
(Company Secretary)

Notes:

- i. The share transfer books of the Company shall remain closed from October 20, 2017 to October 26, 2017 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Thursday, October 19, 2017 will be treated in time for purpose of determine the entitlements attend and vote at the AGM.
- 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 AGM. The nominations, in order to be effective must be received by the Company not later than forty eight (48) hours before time of holding the meeting.
- iv. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants' I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.

- 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 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.
www.corplink.com.pk

Submission of CNIC - (Mandatory)

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

Kindly comply with the request, as the CNIC number would be printed on all future dividend warrants. In case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold dispatch of dividend warrant in the future.

Video Conference Facility

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

The statement of material facts under section 134 (3) of the Companies Act, 2017 concerning the special business contained in item No. 4 of the Notice of Annual General Meeting.

ITEM No. 4

- To consider and approve the increase in the annual remuneration of Chief Executive Officer of the Company to Rs. 3.0 million per annum, as approved by the board in addition to the existing, travelling, entertainment and other incidentals relating to his office in accordance with the Company policy.



FORM OF PROXY 53rd ANNUAL GENERAL MEETING

The Company Secretary
 NIMIR RESINS LIMIED
 14.5 K.M. Lahore – Sheikhpura Road,
 Lahore, Pakistan.

Ledger Folio/CDC A/C No.

Shares Held

I / We of
 being member(s) of
 Nimir Resins Limited hereby appoint of as my/our
 proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company held on
 Thursday, October 26, 2017 at 11:00 a.m. and / or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this day of 2017 .

WITNESSES:

1. _____ 2. _____
 Name : _____
 CNIC : _____
 Address: _____
 Date: _____

Signature of Shareholder

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

Five Rupees
 Revenue Stamp

Notes:

- i. The share transfer books of the Company shall remain closed from October 20, 2017 to October 26, 2017 (both days inclusive). Transfers received in order at the office of the Company’s shares registrar at the close of business on Thursday, October 19, 2017 will be treated in time for purpose of determine the entitlements attend and vote at the AGM.
- 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 AGM. The nominations, in order to be effective must be received by the Company not later than forty eight (48) hours before time of holding the meeting.
- iv. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants’ I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.
- 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 CDC are requested to submit/send

same to the Shares Registrar. Shareholders of the Company who holds shares in scrip-less form on CDC are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services.

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Lahore, Pakistan.
Tel: 042 379715-12-14
www.nimir.com.pk

Posted Stamp



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