Annual Report 2018

NIMIR

NIMIR INDUSTRIAL CHEMICALS LTD.

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COMPANY INFORMATION

Board of Directors

Mr. Abdul Jalil Jamil	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. M. Saeed-uz-Zaman	
Mr. Imran Afzal	
Mr. Aamir Jamil	
Mr. Javed Saleem Arif	
Mr. Muhammad Yahya Khan	
Mr. Mohsin Tariq	
Mr. Saqib Raza	
Mr. Abdul Jaleel Shaikh	

(Nominee - Pak Brunei Investment Company Limited)

Executive Management

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

Chief Financial Officer

Mr. Aamir Jamil

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Head of Internal Audit

Mr. Nabeel Ahmad Khan

Audit Committee

Mr. Javed Saleem Arif	- Chairman
Mr. M. Saeed-uz-Zaman	- Member
Mr. Abdul Jaleel Shaikh	- Member

Human Resource & Remuneration Committee

Mr. M. Saeed-uz-Zaman	- Chairman
Mr. Muhammad Yahya Khan	- Member
Mr. Zafar Mahmood	- Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

Shares' Registrar

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

Bankers

The Bank of Punjab
Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Samba Bank Limited
Pak Brunei Investment Company Limited
Soneri Bank Limited
Askari Bank Limited
National Bank of Pakistan
MCB Bank Limited

Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited

Registered Office / Factory

14.8 km., Sheikhupura-Faisalabad Road,
Bhikhi, District Sheikhupura, Pakistan.
Tel: +92 56 3883001-7
Fax: +92 56 3883010
Cell: +92 301-8221151, 301-8483950

Lahore Office

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

Web Site

www.nimir.com.pk

Our Vision

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

Our Mission

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

CHAIRMAN'S MESSAGE

Through FY2017-2018, the GDP growth rate has been 5.8% (0.4% higher than last year), witnessed due to a significant growth of the manufacturing industry and other sectors, which have been fuelled by massive CPEC investments, improvement in security and increased power supply. However, FY2017-2018 has also been a year of challenges for the manufacturing sector. Devaluation of PKR, increase in interest rates and high trade deficit have resulted in a higher cost of production, which has negatively impacted the growth of various industries nationwide.

The new Government is forming strategies and policies to curb imports, boost exports to immediately improve the balance of payment and is focused on bringing financial discipline to the nation. This will also have a positive impact on the local industry.

The FMCG industry showed significant improvement as a result of continued national economic growth. Your company, taking advantage of this economic and industrial growth exceeded the sales and profitability of all previous years. The consolidated sales turnover grew by 57% and crossed the Rupees Fifteen Billion mark.

In other developments, the company enhanced its production capacities and improved its efficiencies after achieving international economies of scale.

It is the constant dedication of the management team and staff at Nimir Industrial Chemicals Limited that has led the company to becoming one of the fastest growing companies in Pakistan's Chemicals Sector.

I wish them all the success and Allah's blessings in meeting new challenges.

Abdul Jalil Jamil
Chairman

CEO'S MESSAGE

It is with great pleasure and pride that I report, FY 2018 has been completed with a series of milestones for the company. We crossed the Rs.15 billion mark in consolidated sales turnover and earned consolidated net profit of Rs. 0.8 billion during the year. Overall we have been successful to post a robust 57% growth in the company's consolidated top and bottom line.

With incessant efforts of our team, the plant up-gradation and expansion has been successfully commissioned, which contributed towards higher production and improvement in efficiencies. As a result, the standalone sale revenue of the company grew to over Rs.12 billion (up by 65%) and net profit of the company grew to Rs.695 million (up by 48%). Consequently, the company declared 30% cash dividend to its shareholders for the FY 2018.

In our quest to advance and improve our services for our customers, we left no stone unturned. We set up a soap finishing facility a few years back. Upon receiving an overwhelmingly favorable feedback from our customers, we have decided to expand this facility. Furthermore, we have been a small player in chlor alkali (caustic soda) business. Currently we are consuming caustic soda in-house and selling by-products in the market. Having gauged the untapped potential in the market, we wish to engage in the ambitious task of selling additional volumes. Taking advantage of the basic available infrastructure, we have initiated the process of expanding the capacity of our chlor alkali plant. Since we are self-reliant in energy, additional power required for the expanded chlor alkali plant will be arranged through increasing the power generation capacity.

Besides these achievements, the company will continue to strive to improve its quality assurance and compliance capabilities. The Company will also continue its trend of investing in innovative and sustainable technologies, enabling it to cement its reputation as a market leader.

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

Zafar Mahmood
Chief Executive Officer

ACCREDITATIONS

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

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

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

ISO 9001:2008 Certification
(Quality Management System)

Certificate of Halal Authentication
شهادة المصادقة الحلال
Halal Research Council مجلس البحوث الحلال

CORE BUSINESS AT A GLANCE

Distilled Fatty Acid / Oleo Chemicals

- Soap noodles
- Stearic Acid
- Glycerine

Soap Noodles (Palm Bright)

- Toilet soap

Stearic Acid (Double & Triple Press)

- Tyre and Rubber
- Textile Softener
- Metal Polishing
- Plastic
- Cosmetics
- Soap

Glycerine

- Pharmaceutical
- Alkyd Resin
- Tobacco
- Cosmetics

Caustic Soda

Sodium Hypochlorite

Hydrochloric Acid

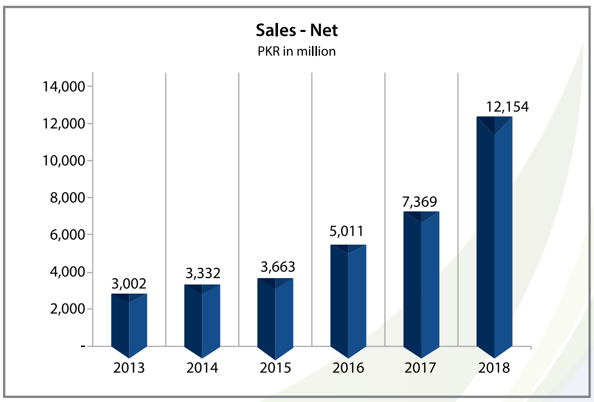
- Textile Sector
- Cleaning & Bleaching
- Steel

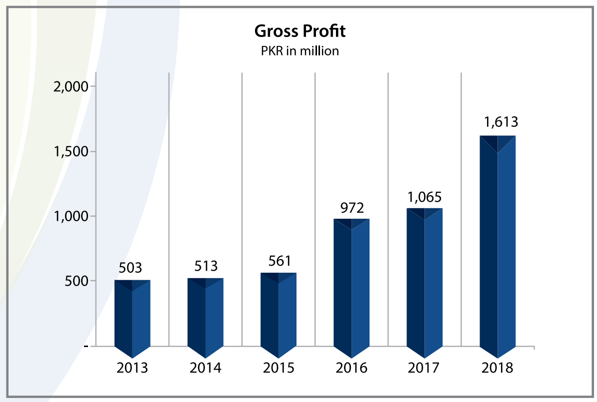
Soap Bars

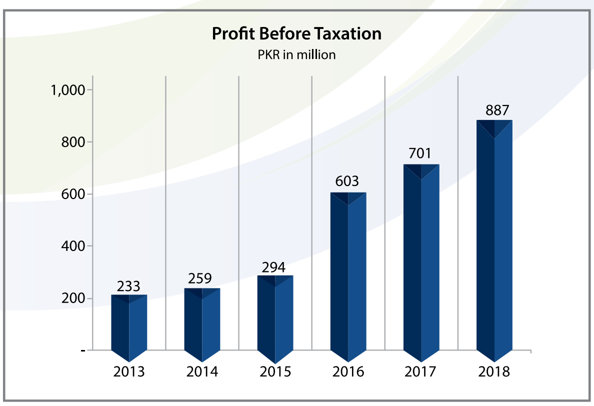
- Third party toilet soap finishing and packing facility

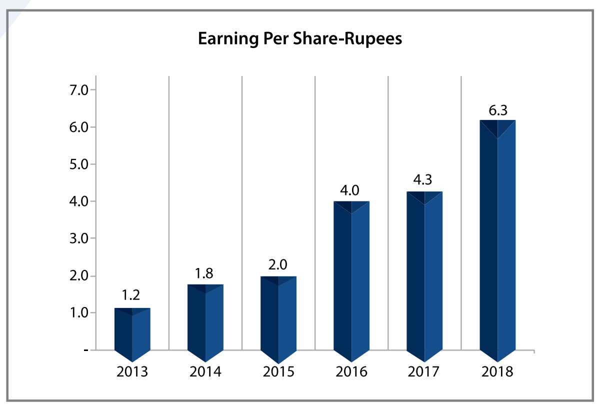
OUR PERFORMANCE

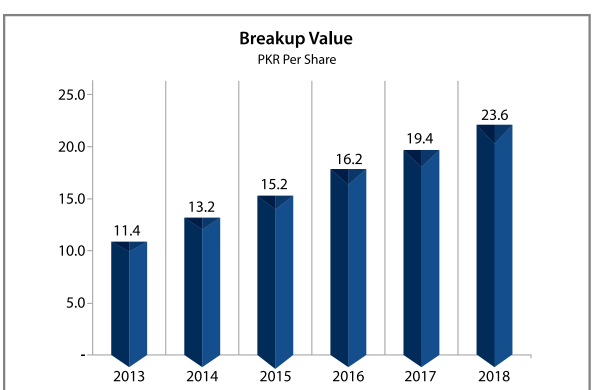
	2013	2014	2015	2016	2017	2018
			Rupees in million			
Sales - net	3,002	3,332	3,663	5,011	7,369	12,154
Gross Profit	503	513	561	972	1,065	1,613
Profit before taxation	233	259	294	603	701	887
Long term loans and leases	139	276	166	348	354	480
Equity	1,264	1,459	1,681	1,788	2,144	2,615
Number of Shares (in Million)	111	111	111	111	111	111
Breakup value per share - Rupee	11.4	13.2	15.2	16.2	19.4	23.6
Earning per share - Rupee	1.2	1.8	2.0	4.0	4.3	6.3

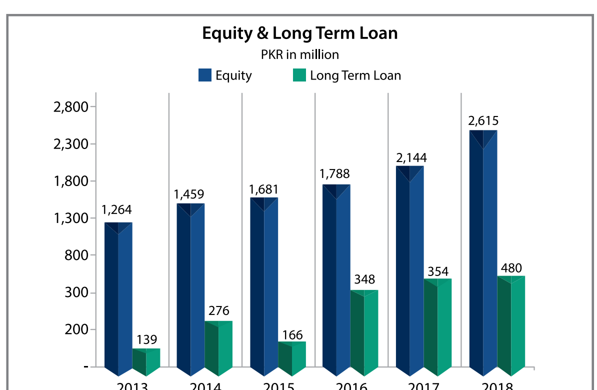








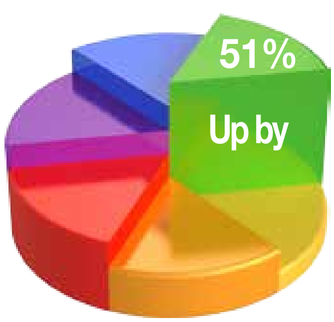




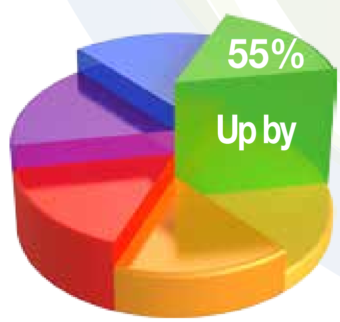
YEAR AT A GLANCE 2018

	2018	2017
	Rupees in million	
Performance Parameters		
Net Sales	12,154	7,369
Gross Profit	1,613	1,065
Operating Profit	1,295	835
Profit before taxation	887	701
Net Profit for the year	696	471
Net Worth	2,615	2,144
Long Term Loans and Leases	480	354
Total Assets	7,588	5,474
Breakup value per share - Rupee	23.6	19.4
Earning per share - Rupee	6.3	4.3

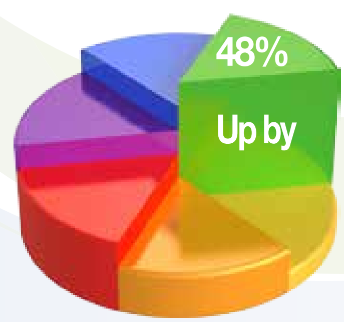
Financial Highlights



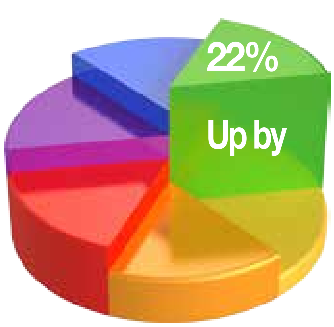
Gross Profit



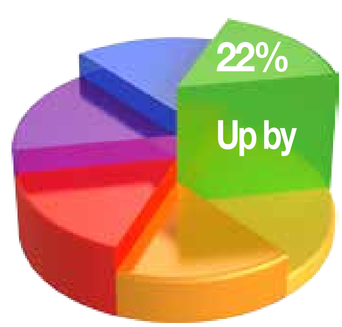
Opertaing Profit



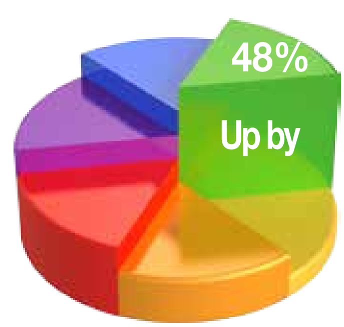
Net Profit



Net Worth



Break-up Value Per Share



Earning Per Share

HORIZONTAL & VERTICAL ANALYSIS

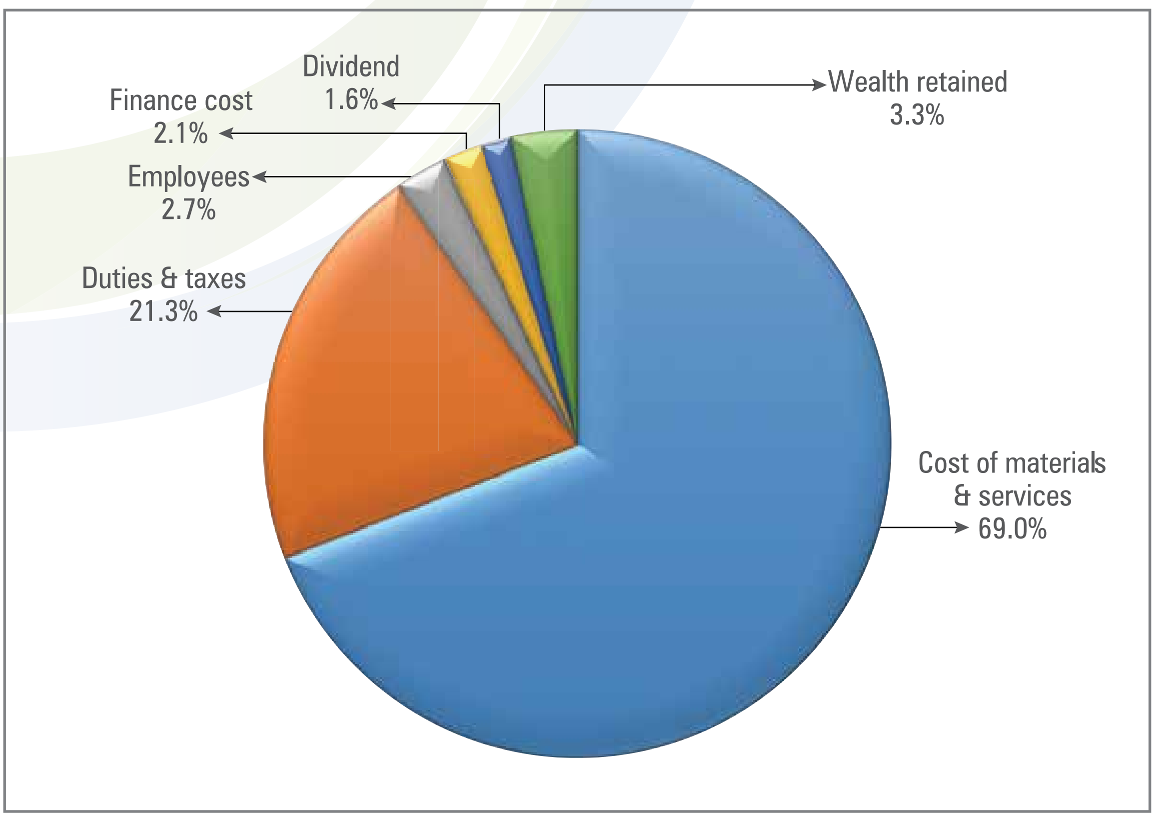
	2013	2014	2015	2016	2017	2018
			Rupees in million			
STATEMENT OF FINANCIAL POSITION						
Non Current Assets	1,143	1,583	1,659	2,063	2,548	2,862
Current Assets	1,043	1,040	1,494	1,966	2,926	4,726
TOTAL ASSETS	2,185	2,623	3,153	4,029	5,474	7,588
Share Capital and Reserves	1,265	1,459	1,681	1,788	2,144	2,615
Non Current Liabilities	174	318	273	458	567	699
Current Liabilities	747	846	1,199	1,784	2,763	4,274
TOTAL EQUITY AND LIABILITIES	2,185	2,623	3,153	4,029	5,474	7,588
PROFIT OR LOSS ACCOUNT						
Sales- Net	3,002	3,332	3,663	5,011	7,369	12,154
Cost of Sales	2,499	2,819	3,103	4,039	6,304	10,542
Gross Profit	503	513	561	972	1,065	1,613
Distribution & Administration Cost	137	145	149	207	230	317
Operating Profit	366	368	412	765	835	1,295
Other Expenses/ (Income)	26	25	4	47	(11)	115
Finance Cost	97	81	106	91	135	204
Foreign Exchange Loss	11	3	8	24	10	89
Profit before Taxation	233	259	294	603	701	887
Taxation	105	65	72	163	229	192
Other Comprehensive Loss	1	0.2	0.2	2	4	4
Net Comprehensive income for the Year	126	194	222	439	467	692

Horizontal Analysis						Vertical Analysis					
2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
percentage change from last year						percentage					
(5.78)	38.52	4.79	24.35	23.52	12.34	52.30	60.36	52.61	51.19	46.54	37.72
38.61	(0.27)	43.69	31.62	48.82	61.50	47.70	39.64	47.39	48.81	53.46	62.28
11.21	20.01	20.21	27.79	35.87	38.62	100.00	100.00	100.00	100.00	100.00	100.00
11.19	15.37	15.19	6.38	19.94	21.94	57.87	55.63	53.31	44.37	39.17	34.46
(24.72)	82.72	(13.88)	67.37	23.88	23.30	7.95	12.11	8.67	11.36	10.36	9.21
25.15	13.29	41.66	48.79	54.92	54.70	34.18	32.26	38.02	44.27	50.47	56.33
11.21	20.01	20.21	27.79	35.87	38.62	100.00	100.00	100.00	100.00	100.00	100.00
12.13	10.97	9.96	36.78	47.06	64.94	100.00	100.00	100.00	100.00	100.00	100.00
7.26	12.79	10.07	30.18	56.08	67.22	83.24	84.61	84.69	80.60	85.55	86.73
44.78	1.94	9.35	73.30	9.58	51.40	16.76	15.39	15.31	19.40	14.45	13.27
29.24	5.86	2.65	39.22	11.23	37.67	4.56	4.35	4.06	4.13	3.13	2.61
51.60	0.48	11.99	85.61	9.13	55.19	12.20	11.04	11.25	15.26	11.33	10.66
32,542.5	(5.29)	(85.11)	1,170.9	(124.4)	(1,108.4)	0.87	0.74	0.10	0.93	(0.16)	0.95
(15.31)	(16.82)	31.98	(14.87)	49.61	50.82	3.23	2.42	2.90	1.81	1.84	1.68
(24.59)	(68.55)	131.24	210.31	(59.42)	805.14	0.36	0.10	0.21	0.48	0.13	0.73
105.92	11.50	13.49	105.04	16.15	26.58	7.75	7.78	8.03	12.04	9.51	7.30
(188.64)	(38.48)	12.13	124.52	40.94	(16.48)	3.50	1.94	1.98	3.25	3.11	1.58
-	(76.83)	(22.54)	782.01	162.33	(12.63)	0.04	0.01	0.01	0.03	0.06	0.03
(45.40)	53.81	13.99	98.09	6.41	48.10	4.21	5.83	6.05	8.76	6.34	5.69

WEALTH GENERATED AND DISTRIBUTED

FOR THE YEAR ENDED JUNE 2018

	2018	
	Rupees in million	Percentage
Wealth Generated		
Sales with sales Tax	14,222	99.9%
Other income	17	0.1%
	14,239	100.0%
Distribution of Wealth		
Cost of materials & services	9,837	69.0%
Duties & taxes	3,037	21.3%
Employees	380	2.7%
Finance cost	293	2.1%
Dividend	221	1.6%
Wealth retained	471	3.3%
	14,239	100.0%



KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

	2013	2014	2015	2016	2017	2018
			Rupees in million			
Net Sales	3,002	3,332	3,663	5,011	7,369	12,154
Gross Profit	503	513	561	972	1,065	1,613
Operating Profit	366	368	412	765	835	1,295
Profit before taxation	233	259	294	603	701	887
Profit after taxation	127	195	222	441	471	696
Paid-up Capital	1,106	1,106	1,106	1,106	1,106	1,106
Net Worth	1,265	1,459	1,681	1,788	2,144	2,615
Long Term Loans and Leases	139	276	166	348	354	480
Current Liabilities	747	846	1,199	1,784	2,763	4,274
Current Assets	1,043	1,040	1,494	1,966	2,926	4,726
Total Assets	2,185	2,623	3,153	4,029	5,474	7,588
Breakup value per share - Rupee	11.4	13.2	15.2	16.2	19.4	23.6
Earning per share - Rupee	1.2	1.8	2.0	4.0	4.3	6.3
Current Ratio	1.4 : 1	1.23 : 1	1.25 : 1	1.1 : 1	1.06 : 1	1.11 : 1
Lont Terms Debt to Equity Ratio	10 : 90	16 : 84	9 : 91	16 : 84	14 : 86	16 : 84
Interest Coverage Ratio	3.40	4.22	3.77	7.67	6.17	5.34

DIRECTORS' REPORT

The Board of Directors of the company takes pleasure in presenting its 25th Annual Report along with the audited financial statements for the year ended June 30, 2018.

Performance of the Company's Business:

By the grace of Almighty, the reported year was another successful year for the Company with sales and profitability surpassing all previous years. The operating results of the FY 2018 are summarized as follows:

	2018	2017	Increase
	PKR Million		% age
Sales Revenue	12,154	7,369	65%
Gross Profit	1,613	1,065	51%
Operating Profit	1,295	835	55%
Profit after Tax	696	471	48%
Earnings per share (Rs.)	6.29	4.26	48%

The Company's sales revenue crossed Rs. 12 billion mark, predominantly due to increased sales volume. Owing to this increase, the Company earned gross profit of Rs. 1,613 million and operating profit of Rs. 1,295 million showing an increase of 51% and 55% respectively, year on year.

Other income has gone down substantially this year mainly due to elimination of interest income on the loans advanced to wholly owned subsidiary, which was converted into equity later last year.

Foreign Exchange loss of Rs. 89 million is mainly on account of depreciation of Pak Rupee during last quarter of the current financial year. Finance cost increased by Rs. 69 million year on year, on account of long term borrowing for capital investments as well as increased short term borrowing for enhanced business and increased bank interest rates.

After fully adjusting the available tax losses, the Company is under normal corporate tax regime from the last year. Current year taxation is lower from last year mainly on account of tax rebate on BMR on new capital investments under section 65(b) of the Income Tax Ordinance.

With increased operating profit, the Company posted net profit of Rs. 696 million (Rs. 471 million in year 2017) showing an increase of 47.54% year on year. The Earning Per Share also increased to Rs.6.29 per share against Rs.4.26 per share earned during last year.

Credit Rating:

During the year under review the company was assigned entity credit rating of A and A1 for long term and short term respectively by Pakistan Credit Rating Agency (PACRA).

Future Outlook

The continued decline of Pak Rupee to US Dollar in the second half of the financial year manifested a pile of exchange losses to various industries adversely impacting these industries to slide towards the bottom line of their financial performance, as this addition of adverse exchange parities has resulted in higher cost of production. The high trade deficit is exerting a lot of pressure on the Pakistani currency. Expected political stability as a result of recent parliamentary and presidential election is posing a positive outlook for the economy. However increase in cost of utilities and discount rate will exert pressure on the Companies probability.

The up-gradation and advancement of the oleo chemicals plant, which was started last year has been successfully completed during financial ended June 30, 2018. As a result, overall capacity of the oleo chemicals plant has been increased more than the current country's demand.

The Board of Directors of the Company approved capital investment of Rs. 2.0 billion for the expansion of caustic soda plant, soap finishing plant and power generation. These additional investments will be financed through a combination of self cash generation as well as long term bank borrowings.

With the above positive developments, we are confident to achieve sustainable growth through achieving international economies of scale, better plant efficiencies and customer focused approach, 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 routine nature.

Gratuity Scheme

The company operates a funded gratuity scheme for its employees as referred in Note 11 to the accounts.

Board of Directors

During the year Mr. Javed Saleem Arif was appointed as independent director as well as Chairman of Audit Committee on the Board of Directors after the sad demise of Mr. Muhammad Sajid. The Board recorded its appreciation of the valuable services rendered by Mr. Muhammad Sajid during the tenure of his office.

Currently the Board is comprising of ten (10) male directors. There is no female director on the Board. Out of these ten directors, six are non executive, three executive and one independent.

During the year under review, Four (4) Board, Four (4) Audit Committee and Two (2) Human Resource & Remuneration Committee meetings were held. Names of persons who, at any time during the financial year were directors of the company along with their attendance are as follow:

Name of Director	Board of Directors	Audit Committee	HR & R Committee
Abdul Jalil Jamil	3		
Zafar Mahmood	4		2
Imran Afzal	3		
Aamir Jamil	4		
Muhammad Yahya Khan	4		2
Muhammad Saeed-uz-Zaman	4	4	2
Muhammad Sajid	3	3	
Javed Saleem Arif	1		
Mohsin Tariq	4		
Saqib Raza	4		
Abdul Jaleel Shaikh	4	4	

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

The Board has two sub committees namely Audit Committee and Human Resource and Remuneration Committee. The Board reconstituted the audit committee in their meeting held on April 24, 2018. The composition of these two committees are as under:

Audit committee:

1.	Javed Saleem Arif	(Independent)	Chairman
2.	M. Saeed-uz-Zaman	(Non Executive)	Member
3.	Abdul Jaleel Shaikh	(Non Executive)	Member

Human Resource and Remuneration committee:

1.	M. Saeed-uz-Zaman	(Non Executive)	Chairman
2.	M. Yahya Khan	(Non Executive)	Member
3.	Zafar Mahmood	(Executive)	Member

Remuneration of Non Executive and Independent Directors

Non-executive and Independent directors are entitled only for fee for attending the meetings.

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 is pleased to state as follows:

- The Financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

- Proper books of accounts of the Company have been maintained.

- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.

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

- There is no significant doubt upon the company ability to continue as a going concern.
- There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.

- Key operating and financial data for the last 6 years is annexed.

- Outstanding taxes and levis are given in the notes to the financial statements

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

Internal Financial Controls

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 unbiased betterment of employees and community.

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

During the year under review the Company had donated Image Intensifier machine worth Rs. 1.2 million to DHQ Hospital – Sheikhupura and Rs. 0.4 million to The Pakistan Society for Rehabilitation of the Disabled - Lahore.

Parent Company

Subsequent to the year end the parent Company (Nimir Resources Private Limited) has filed an application with Securities and Exchange Commission of Pakistan of voluntary winding up after the withdrawal of waiver of group tax relief under sec 59B of Income Tax Ordinance 2001.

External Auditors

The present auditors M/s EY Ford Rhodes, Chartered Accountant, retiring this year, being eligible, have offered themselves for re-appointment. The audit committee has recommended the re-appointment of M/s EY Ford Rhodes, Chartered Accountant as external auditor of the Company for the year ending June 30, 2019.

Dividend / Bonus Shares

The Board has recommended a 20% final cash dividend for the year ended June 30, 2018. The Board had earlier declared and paid interim cash dividends totaling Rs. 1 per share (i.e. 10%). The total cash dividend for the year amounted to Rs. 3 per share (i.e. 30%).

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 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, contractors and shareholders, regulators 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	Aamir Jamil Director

Lahore
September 25, 2018.

ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2018ء کو ختم ہونے والے سال کے لئے آپکی کمپنی کی 25 ویں سالانہ رپورٹ معہ تنقیح شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کے کاروبار کی کارکردگی

پاکستان کی اقتصادی ترقی اس سال بھی جاری رہی۔ ملک کی جی ڈی پی نمو کی شرح گزشتہ سال کی 5.4% کے مقابلے 5.8% تک پہنچ گئی۔ مینوفیکچرنگ انڈسٹری نے بھی سیکورٹی اور بجلی کی فراہمی میں نمایاں بہتری، سی پیک پر بھاری سرمایہ کاری پر دیگر سیکٹرز کے ساتھ اس سال کے دوران متاثر کن نمو ظاہر کی ہے۔

قومی اقتصادی نمو کے رجحان کے پیشِ نظر، کمپنی نے گزشتہ تمام سالوں سے زیادہ فروخت اور منافع یابی کے ساتھ ایک اور قابل ذکر سال درج کیا ہے۔

مالی سال 2018 کے آپریٹنگ نتائج کا خلاصہ مندرجہ ذیل ہے:

	2018	2017	اضافہ
	روپے ملین		اوسط فیصد
فروخت آمدنی	12,154	7,369	65%
مجموعی منافع	1,613	1,065	51%
آپریٹنگ منافع	1,295	835	55%
ٹیکس کے بعد منافع	696	471	48%
فی شیئر آمدنی (روپے)	6.29	4.26	48%

کمپنی کی فروخت کی آمدنی بنیادی طور پر فروختی حجم بڑھ جانے کی وجہ سے 12 بلین روپے کے نشان سے تجاوز کر گئی۔ اس اضافہ کی وجہ سے، کمپنی نے 1,613 ملین روپے کا مجموعی منافع اور 1,295 ملین روپے کا آپریٹنگ منافع کمایا، جو سال بہ سال بالترتیب 51 فیصد اور 55 فیصد اضافہ ظاہر کر رہا ہے۔

دیگر آمدنی میں کمی کی بنیادی وجہ مکمل ملکیتی ذیلی کمپنی کو دیئے گئے پیشگی قرضوں پر سود کی آمدنی میں کمی ہے جو کہ گزشتہ سال ایکوئٹی میں تبدیلی ہو گئی ہے۔

موجودہ مالی سال کی آخری سہ ماہی کے دوران پاکستانی روپے کی قدر میں کمی کے لحاظ سے 89 ملین روپے کا غیر ملکی زرِ مبادلہ کا نقصان ہوا ہے۔ فنانس لاگت کیپٹل سرمایہ کاری کے لئے طویل مدتی قرضوں اور کاروبار کی وسعت کے لئے مختصر مدتی قرضوں میں اضافہ اور بینک کے سود کی شرحوں میں اضافہ کے لحاظ سے 69 ملین روپے سالانہ تک بڑھ گئی۔

دستیاب ٹیکس نقصانات کی کلی ایڈجسٹنگ کے بعد، کمپنی گزشتہ سال سے معمول کے کارپوریٹ ٹیکس نظام میں آ گئی ہے۔ انکم ٹیکس آرڈیننس کی دفعہ 65(b) کے تحت بی ایم آر کے لئے نئی کیپٹل سرمایہ کاری پر ٹیکس چھوٹ کی بابت موجودہ سال کا ٹیکس گزشتہ سال سے کم ہوا ہے۔

آپریٹنگ منافع بڑھنے کے ساتھ، کمپنی نے 696 ملین روپے کا خالص منافع درج کیا (سال 2017 میں 471 ملین روپے) جو سال بہ سال 48 فیصد کا اضافہ ظاہر کر رہا ہے۔ گزشتہ سال کے دوران 4.26 روپے فی شیئر آمدنی کے مقابلے اس سال فی شیئر آمدنی بھی 6.29 روپے تک بڑھ گئی۔

کریڈٹ ریٹنگ:

زیرِ جائزہ سال کے دوران، کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی طرف سے بالترتیب طویل مدت اور مختصر مدت کے لئے A اور A1 کی اینٹٹی کریڈٹ ریٹنگ تفویض کی گئی۔

مستقبل کا نقطہ نظر

مالیاتی سال کے دوسرے نصف میں امریکی ڈالر سے پاکستانی روپیہ کی مسلسل کمی نے مختلف صنعتوں کو بدترین ایکسچینج نقصانات پہنچائے ہیں جو ان کی مالیاتی کارکردگی کو نچلی لائن کی طرف لے جانے کے لئے ان صنعتوں کو بُری طرح متاثر کر رہی ہے، کیونکہ متضاد ایکسچینج کی نابرابری کے اس اضافہ کے نتیجہ میں پیداوار کے اخراجات میں اضافہ ہوا ہے۔ اعلیٰ تجارتی خسارہ پاکستانی کرنسی پر بہت دباؤ بڑھا رہا ہے۔ حالیہ پارلیمانی اور صدارتی انتخابات کے نتیجے میں متوقع سیاسی استحکام معیشت کے لئے مثبت نقطہ نظر پیش کر رہا ہے۔ تاہم افادیت اور رعایتی شرح کی قیمتوں میں اضافہ کمپنیوں کی منافع یابی پر دباؤ ڈالے گا۔

Oleo کیمیکلز پلانٹ کی اپ گریڈیشن اور ایڈوانسمنٹ جو گزشتہ سال شروع کی گئی تھی، 30 جون 2018 کو ختم ہونے والے موجودہ مالی سال کے دوران کامیابی سے مکمل ہو گئی ہے۔ نتیجے میں، Oleo کیمیکلز پلانٹ کی مجموعی صلاحیت ملک کی موجودہ طلب سے زیادہ بڑھ گئی ہے۔

کمپنی کے بورڈ آف ڈائریکٹر نے کاسٹک سوڈا پلانٹ، سوپ فنشنگ پلانٹ اور پاور جنریشن کی وسعت کے لئے 2.0 بلین روپے کی کیپٹل سرمایہ کاری کی منظوری دے دی ہے۔ یہ اضافی سرمایہ کاری سیلف کیش جنریشن اور طویل مدتی بینک قرضہ کے مجموعہ کے ذریعے فنانس ہوگی۔

مذکورہ بالا مثبت پیش رفتوں کے ساتھ، ہم انشاء اللہ، بین الاقوامی معیشت کے معیار، پلانٹ کی بہتر صلاحیتوں اور گاہکوں پر مرکوز توجہ کے ذریعے پائیدار ترقی حاصل کرنے کے لئے پُر اعتماد 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۔

گریجویٹی سکیم

کمپنی نے اپنے ملازمین کے لئے اکاؤنٹس کے نوٹ 11 پر درج، فنڈڈ گریجوئٹی سکیم چلاتی ہے۔

بورڈ آف ڈائریکٹرز

سال کے دوران، جناب محمد ساجد کے انتقال کے بعد جناب جاوید سلیم عارف کو بورڈ آف ڈائریکٹرز پر بحیثیت آزاد ڈائریکٹر اور آڈٹ کمیٹی کا چیئرمین مقرر کیا گیا۔ بورڈ نے جناب محمد ساجد کی طرف سے ان کے دفتر کی مدت کے دوران دی گئی قابل قدر خدمات کو سراہا ہے۔

فی الحال بورڈ دس (10) مرد اور نل (0) خاتون ڈائریکٹر پر مشتمل ہے۔ ان دس ڈائریکٹرز میں سے چھ نان ایگزیکٹو، تین ایگزیکٹو اور ایک آزاد ڈائریکٹر ہیں۔

زیرِ جائزہ سال کے دوران چار (4) بورڈ، چار (4) آڈٹ کمیٹی اور دو (2) ریمنریشن کمیٹی کے اجلاس منعقد ہوئے۔ اشخاص کے نام جو مالی سال کے دوران کسی وقت میں کمپنی کے ڈائریکٹرز تھے معہ ان کی حاضری حسب ذیل ہیں:

نام ڈائریکٹر	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	HR & ریمنریشن کمیٹی
عبدالجلیل جمیل	3		
ظفر محمود	4		2
عمران افضل	3		
عامر جمیل	4		
محمد یحییٰ خان	4		2
محمد سعید الزمان	4	4	2
محمد ساجد	3	3	
جاوید سلیم عارف	1		
محسن طارق	4		
ثاقب رضا	4		
عبدالجلیل شیخ	4	4	

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

بورڈ کی دو ذیلی کمیٹیاں یعنی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی ہیں۔ بورڈ نے 24 اپریل 2018 کو منعقدہ اپنے اجلاس میں آڈٹ کمیٹی کی دوبارہ تشکیل کی۔ ان دو کمیٹیوں کی ترتیب حسبِ ذیل ہے:

آڈٹ کمیٹی:

1۔ جاوید سلیم عارف	(آزاد)	چیئرمین
2۔ محمد سعید الزمان	(نان ایگزیکٹو)	رکن
3۔ عبدالجلیل شیخ	(نان ایگزیکٹو)	رکن

ہیومن ریسورس اینڈ ریمنریشن کمیٹی:

1۔ محمد سعید الزمان	(نان ایگزیکٹو)	چیئرمین
2۔ محمد یحییٰ خان	(نان ایگزیکٹو)	رکن
3۔ ظفر محمود	(ایگزیکٹو)	رکن

نان ایگزیکٹو، آزاد اور نامزد ڈائریکٹرز کا مشاہرہ

نان ایگزیکٹو، آزاد اور نامزد ڈائریکٹرز صرف اجلاس میں شرکت کی فیس کے اہل ہیں۔

کارپوریٹ گورننس

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

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

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

داخلی مالیاتی کنٹرول

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

کارپوریٹ سماجی ذمہ داریاں

کمپنی کمیونٹی کے ایک اہم رکن کے طور پر اپنی سماجی ذمہ داریوں کو تسلیم کرتی ہے۔ یہ غیر جانبدار 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 آپریشنز، مصنوعات اور خدمات کو یقینی بناتی ہے اور اپنے ملازمین اور کمیونٹی کے درمیان ماحولیاتی شعور کو فروغ دیتی ہے۔ یہ اردگرد کی کمیونٹی سے ملازمین کو شامل اور تکنیکی اداروں کو انٹرن شپ 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 ضرورت مند ملازمین کے بچوں کی مدد کرتی ہے۔

زیرِ جائزہ سال کے دوران کمپنی نے DHQ ہسپتال شیخوپورہ کو 1.2 ملین روپے مالیت کی امیج انٹینسیفائر مشین اور پاکستان سوسائٹی برائے بحالی معذوراں لاہور کو 0.4 ملین روپے عطیہ دیئے ہیں۔

پیرنٹ کمپنی

سال کے اختتام کے بعد پیرنٹ کمپنی (نمر ریسورسز پرائیویٹ لمیٹڈ) نے انکم ٹیکس آرڈیننس 2001 کی دفعہ 59B کے تحت گروپ ٹیکس ریلیف کی رعائت واپس لے لئے جانے کے بعد سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ہاں رضاکارانہ وائنڈنگ اپ کی درخواست جمع کرائی ہے۔

بیرونی محاسب

اس سال سبکدوش ہونے والے موجودہ محاسب میسرز ای وائی فورڈ رہوڈس، چارٹرڈ اکاؤنٹنٹ نے اہل ہونے کی بناء پر، دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2019ء کو ختم ہونے والے سال کے لئے کمپنی کے بیرونی محاسب کے طور پر میسرز فورڈ رہوڈس، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے۔

ڈیویڈینڈ/ بونس شیئرز

بورڈ نے 30 جون 2018ء کو ختم ہونے والے سال کے لئے 2 روپے فی شیئر (یعنی 20 %) حتمی نقد منافع کی سفارش کی ہے۔ بورڈ پہلے ہی عبوری نقد ڈیویڈینڈ کل -/1 روپے فی شیئر (یعنی 10%) کا اعلان اور ادا کر چکا ہے۔ سال کے لئے کل نقد ڈیویڈینڈ -/3 روپے فی شیئر (یعنی 30 %) رہا۔

نمونہء حصص داری

کمپنی کا نمونہء حصص داری منسلک ہے۔ سال کے دوران کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، کمپنی ایگزیکٹو 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 منسلکہ بیان میں کیا گیا ہے۔

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

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 مرکوز توجہ اور سخت محنت کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

ظفر محمود	**عامر جمیل**	**25 ستمبر 2018ء**
چیف ایگزیکٹو آفیسر	ڈائریکٹر	لاہور

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2018

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

1. The total number of directors are 10 as per the following:

   a. Male : 10
   b. Female : Nil

2. The composition of the board is as follows:

   a. Independent Director : 01
   b. Other Non-Executive Directors : 06
   c. Executive Directors : 03

Name	Category
Zafar Mahmood	Chief Executive Officer
Imran Afzal	Executive Director
Aamir Jamil	Executive Director
Abdul Jalil Jamil	Non- Executive Director
Muhammad Saeed uz Zaman	Non- Executive Director
Muhammad Yahya Khan	Non- Executive Director
Mohsin Tariq	Non- Executive Director
Saqib Raza	Non- Executive Director
Javed Saleem Arif	Independent Director
Abdul Jaleel Shaikh	Nominee Director-PBIC

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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

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

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

9. The following Directors got trained under Directos Training Program:

   i. Mr. Saqib Raza
   ii. Mr. Abdul Jaleel Shaikh

10. No appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit has been made during the year.

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

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

    I. Audit Committee:
       i. Mr. Javed Saleem Arif – Chairman
       ii. Mr. Muhammad Saeed uz Zaman
       iii. Mr. Abdul Jaleel Shaikh

    II. HR and Remuneration Committee:
       i. Mr. Muhammad Saeed uz Zaman – Chairman
       ii. Mr. Muhammad Yahya Khan
       iii. Mr. Zafar Mahmood

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

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

S. No.	Members Name	No. of Meetings
Audit Committee		
1	Mr. Javed Saleem Arif – Chairman	0/4
2	Mr. Muhammad Saeed uz Zaman	4/4
3	Mr. Abdul Jaleel Shaikh	4/4
4	Mr. Muhammad Sajid (Late)	3/4
HR and Remuneration Committee:		
1	Mr. Muhammad Saeed uz Zaman	2/2
2	Mr. Muhammad Yahya Khan	2/2
3	Mr. Zafar Mahmood	2/2

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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.

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

18. We confirm that all other requirements of the Regulations have been complied with.

For Nimir Industrial Chemicals Limited

Abdul Jalil Jamil
Chairman

Zafar Mahmood
Chief Executive Officer

Lahore
September 25, 2018

FINANCIAL STATEMENTS - SEPARATE

FOR THE YEAR ENDED JUNE 30, 2018

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Nimir Industrial Chemicals Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner : Abdullah Fahad Masood

Lahore
October 02, 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Opinion

We have audited the annexed financial statements of Nimir Industrial Chemicals Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. Tax Contingencies	
As disclosed in note 13 to the financial statements, certain tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. The aggregate amounts involved in such contingencies is Rs. 373 million as of 30 June 2018. The tax contingencies require the management to make judgements and estimates in relation to the interpretation of tax laws and regulations that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgements and estimates in relation to such contingencies may be complex.	We assessed key technical tax issues and legislative developments and focused on the judgements made by management in assessing the quantification and likelihood of significant exposures and the level of liability required for specific cases. In particular, we focused on the impact of recent tax rulings and the status of on-going inspections by local tax authorities. We obtained explanations from management and corroborative evidence including communication with local tax authorities and confirmations of external tax advisors. We gained an understanding of the current status of tax assessments and investigations to monitor developments in on-going disputes. We analyzed and challenged management's key assumptions, in particular on cases where there had been significant developments with local tax authorities, based on our knowledge and experience of the application of the tax legislation by the relevant authorities and courts. We also evaluated whether the liabilities and exposures for uncertain tax positions were appropriately disclosed in the financial statements. We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in note 13 to the financial statements.

2. Financial Reporting Framework	
As referred in note 2 to the accompanying financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 2 to the financial statements. These changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.	We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Abdullah Fahad Masood.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Lahore
October 02, 2018

STATEMENT OF FINANCIAL POSITION

	Note	2018 (Rupees)	2017 (Rupees)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
145,000,000 (2017: 145,000,000) Ordinary shares of Rs.10 each		1,450,000,000	1,450,000,000
Issued, subscribed and paid up capital	6	1,105,905,460	1,105,905,460
Unappropriated profit		1,508,958,521	1,038,425,310
		2,614,863,981	2,144,330,770
NON CURRENT LIABILITIES			
Long term loans	7	418,254,615	259,262,449
Liabilities against assets subject to finance lease	8	61,938,930	94,614,453
Deferred tax liability	9	218,877,025	213,099,608
		699,070,570	566,976,510
CURRENT LIABILITIES			
Trade and other payables	10	910,966,292	414,756,293
Net defined benefit liability - funded gratuity	11	56,710,402	47,366,587
Mark up accrued		35,916,282	27,494,527
Unclaimed dividend		5,849,713	2,415,790
Short term borrowings	12	2,774,291,313	1,861,588,054
Current maturity of long term loans	7	174,159,225	127,604,162
Current maturity of liabilities against assets subject to finance lease	8	46,186,411	36,938,773
Provision for taxation		270,369,019	244,912,300
		4,274,448,657	2,763,076,486
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		7,588,383,208	5,474,383,766

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive Officer

Chairman

AS AT JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	14	2,553,191,606	2,230,437,430
Intangibles	15	962,275	1,753,763
Investment in subsidiary	16	281,852,260	281,852,260
Long term deposits and prepayments	17	26,285,362	33,878,812
		2,862,291,503	2,547,922,265
CURRENT ASSETS			
Stores, spare parts and loose tools	18	141,338,878	170,303,282
Stock in trade	19	2,258,597,477	1,274,615,055
Trade debts	20	1,621,680,980	983,440,014
Loans and advances	21	77,639,694	55,335,840
Trade deposits and short term prepayments	22	28,103,403	12,255,680
Other receivables	23	64,059,950	18,356,270
Tax refunds due from the Government	24	528,225,358	396,639,159
Cash and bank balances	25	6,445,965	15,516,201
		4,726,091,705	2,926,461,501
TOTAL ASSETS		7,588,383,208	5,474,383,766

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
Sales - net	26	12,154,312,383	7,369,139,953
Cost of sales	27	(10,541,804,264)	(6,304,069,597)
Gross profit		1,612,508,119	1,065,070,356
Distribution costs	28	(149,740,475)	(114,755,645)
Administrative expenses	29	(167,528,649)	(115,698,790)
		(317,269,124)	(230,454,435)
Operating profit		1,295,238,995	834,615,921
Other expenses	30	(131,944,187)	(50,300,107)
Other income	31	16,734,751	61,724,546
Foreign exchange loss	32	(88,657,880)	(9,794,917)
Finance cost	33	(204,254,459)	(135,427,376)
Profit before taxation		887,117,220	700,818,067
Taxation	34	(191,582,093)	(229,384,775)
Profit after taxation		695,535,127	471,433,292
Earnings per ordinary share - basic and diluted	36	6.29	4.26

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive Officer **Chairman** **Chief Financial Officer**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
Profit after taxation		695,535,127	471,433,292
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plan	11.4	(5,381,443)	(6,247,292)
Income tax effect		1,560,619	1,874,188
Re-measurement losses on defined benefit plan - net of tax		(3,820,824)	(4,373,104)
Total comprehensive income for the year		691,714,303	467,060,188

The annexed notes from 1 to 45 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid up share capital (Rupees)	Unappropriated profit (Rupees)	Total (Rupees)
Balance as on July 1, 2016	1,105,905,460	681,955,668	1,787,861,128
Interim dividend for 2017 @ Rs. 1 per share	-	(110,590,546)	(110,590,546)
Total comprehensive income for the year	-	467,060,188	467,060,188
Balance as on June 30, 2017	1,105,905,460	1,038,425,310	2,144,330,770
Final dividend for 2017 @ Rs. 1 per share	-	(110,590,546)	(110,590,546)
Interim dividend for 2018 @ Rs. 1 per share	-	(110,590,546)	(110,590,546)
Total comprehensive income for the year	-	691,714,303	691,714,303
Balance as on June 30, 2018	1,105,905,460	1,508,958,521	2,614,863,981

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive Officer **Chairman** **Chief Financial Officer**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		887,117,220	700,818,067
Adjustment for:			
Depreciation	14.6	247,341,485	165,723,980
Amortization	15	791,488	845,188
Impairment expense	30	63,365,020	-
Mark-up expense		198,739,688	132,144,308
Profit on loan to subsidiary	31	-	(26,352,260)
Reversal of provision against stock in trade	19.1 & 19.2	(4,619,258)	(82,436,341)
Provision for gratuity	11.3	10,973,769	9,943,427
Provision against refundable sales tax	30	5,339,850	-
Reversal of provision	31	(7,037,498)	(28,102,567)
Gain on disposal of property, plant and equipment	31	(3,267,392)	(7,161,059)
Exchange loss - unrealized	32.1	6,669,205	857,990
Workers profit participation fund provision	30	47,517,827	37,459,682
Workers welfare fund provision	30	15,721,490	10,915,886
		581,535,674	213,838,234
Operating profit before working capital changes		1,468,652,894	914,656,301
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		28,964,404	(39,475,094)
Stock in trade		(979,363,164)	(554,183,192)
Trade debts		(638,240,966)	(162,787,319)
Loans and advances		(22,303,854)	9,048,398
Trade deposits and short term prepayments		(15,847,723)	(4,519,667)
Other receivables		(45,703,680)	(1,864,920)
Tax refunds due from government		67,099,224	(47,532,334)
		(1,605,395,759)	(801,314,128)
Increase in current liabilities			
Trade and other payables		476,159,057	107,539,606
		(1,129,236,702)	(693,774,522)
Cash generated from operations		339,416,192	220,881,779
Contribution to gratuity fund	11.4	(7,011,397)	(18,630,000)
Mark-up expense paid		(182,210,316)	(115,014,753)
Tax paid		(362,812,611)	(114,332,620)
Long term deposits		7,593,450	(2,709,684)
WPPF Paid	10.3	(32,000,000)	(32,507,240)
WWF Paid	10.4	(10,820,082)	(8,392,413)
		(587,260,956)	(291,586,710)
Net cash utilized in operating activities - Balance carried forward		(247,844,764)	(70,704,931)

	Note	2018 (Rupees)	2017 (Rupees)
Balance brought forward		(247,844,764)	(70,704,931)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net		(18,039,510)	(20,205,138)
Additions in capital work in progress	14.7	(615,696,696)	(600,732,090)
Purchase of intangible		-	(2,037,750)
Sale proceeds from disposal of property, plant and equipment	14.2	3,542,917	7,390,250
Net cash used in investing activities		(630,193,289)	(615,584,728)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		334,591,987	136,345,774
Long term loan repaid		(129,044,758)	(93,229,163)
Dividend paid		(217,747,169)	(119,762,036)
Repayment of liabilities against assets subject to finance lease		(38,042,502)	(43,638,535)
New leases acquired during the year		6,507,000	32,311,000
Short term borrowings - net		912,703,259	728,102,070
Net cash generated from financing activities		868,967,817	640,129,110
Net decrease in cash and cash equivalents		(9,070,236)	(46,160,549)
Cash and cash equivalents at the beginning of the year		15,516,201	61,676,750
Cash and cash equivalents at the end of the year		6,445,965	15,516,201

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive Officer	**Chairman**	**Chief Financial Officer**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1 THE COMPANY AND ITS OPERATIONS

Nimir Industrial Chemicals Limited ('the Company') was incorporated in Pakistan as a Public Limited Company and its shares are listed on Pakistan Stock Exchange. The Company is a subsidiary of Nimir Resources (Private) Limited ('the parent company') which holds 56.74% of the total shares of the Company. The registered office as well as plant of the Company is situated at 14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan. The Company is engaged in manufacturing and sale of chemical products. Subsequent to the year end, the parent company has initiated a process of voluntary winding up after which shares of the Company shall be transferred to shareholders of the Parent Company.

1.1 Nimir Industrial Chemicals Limited is part of Nimir Group which consist of:

Parent Company

Nimir Resources (Private) Limited ("NRPL")

Subsidiary Companies	% age of Direct Holding	% age of Effective Holding
Nimir Holding (Private) Limited ("NHPL")	100%	100%
Nimir Management (Private) Limited ("NMPL")	51%	51%
Nimir Resins Limited ("NRL")	-	37.64%

The registered office of Nimir Holding (Private) Limited (NHPL) and Nimir Management (Private) Limited (NMPL) is Nimir House, 12 B, New Muslim Town, Lahore, Pakistan. NHPL and NMPL were formed for the purpose of investment in Nimir Resins Limited.

Nimir Resins Limited is a listed company engaged in the manufacturing of surface coating resins, polyesters, optical brightener and textile auxiliaries. The Company considers that it exercises control over Nimir Resins Limited and hence the investment has been treated as investment in subsidiary Company.

These financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on cost basis rather than on the basis of reported results. Consolidated financial statements are prepared separately.

2 STATEMENT OF COMPLIANCE

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

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. As a result, the Company has changed its accounting framework accordingly. This change in accounting framework has not resulted in significant changes to the amounts recognized in these financial statements or the comparative information except some additional disclosures being made as required under the Companies Act, 2017.

Standards, interpretations and amendments to published approved accounting standards effective in 2018

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

New Standards, Interpretations and Amendments

The Company has adopted the following accounting standards and the amendments which became effective for the current year:

IAS 7 - Statement of Cash Flows - Disclosure Initiative - (Amendment).

IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses - (Amendments).

Improvements to Accounting Standards Issued by the IASB in December 2014

IFRS 12 - Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12.

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

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

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2 -	Share based Payments — Classification and Measurement of Share-based Payments Transactions (Amendments).	January 1, 2018
IFRS 10 -	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 4 -	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts — (Amendments)	January 1, 2018
IAS 40 -	Transfers to Investment Property — (Amendments)	January 1, 2018
IFRIC 22 -	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRS 9 -	Financial Instruments: Classification and Measurement	July 1, 2018
IFRS 15 -	Revenue from Contracts with Customers	July 1, 2018
IFRS 16 -	Leases	January 1, 2019
IFRS 9 -	Prepayment Features with Negative Compensation — (Amendments)	January 1, 2019
IAS 28 -	Long-term Interests in Associates and Joint Ventures — (Amendments)	January 1, 2019
IFRIC 23 -	Uncertainty over Income Tax Treatments	January 1, 2019
IAS 19 -	Plan Amendment, Curtailment or Settlement — (Amendments)	January 1, 2019

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 and IFRS 16. The management is in the process of determining the effect of application of IFRS 15 and IFRS 16.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 1, 2018.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
IFRS-17 Insurance Contracts	January 1, 2021

3 BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain employee benefits are recognized on the basis mentioned in note 5.13.

3.2 PRESENTATION CURRENCY

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

4.1 Provision for doubtful receivables

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

4.2 Useful life, residual values and impairment of property, plant and equipment

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

4.3 Provision for taxation and deferred tax

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

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

4.4 Provision against stock

Provision for obsolete and slow moving store is recognized based on the management's best estimate regarding the future usability and prevailing prices.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior year except as stated otherwise.

5.1 Property, plant and equipment

Owned assets

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

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

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

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in the income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

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

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

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

Capital Work In Progress

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

Leased Asset

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

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease as referred to in note 8. The liabilities are classified as current and non-current depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term. The financial charges are calculated at the interest rates implicit in the lease and are charged to the statement of profit or loss.

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

5.2 Intangibles

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

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

5.3 Stock in trade

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

Raw and packing material	-	weighted average cost
Material in transit	-	cost
Work in process	-	cost
Finished goods	-	weighted average cost
Stores, spares and loose tools	-	weighted average cost

Items considered obsolete are carried at nil value.

Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations.

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

5.4 Trade debts

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

5.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

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

5.6 Financial instruments

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

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

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

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

5.7 Offsetting of financial assets and financial liabilities

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

5.8 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of the impairment may include indicators that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit and loss account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in statement of profit or loss.

5.9 Trade and other payables

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

5.10 Provisions

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

5.11 Taxation

Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is provided using the statement of financial position liability method for all temporary differences at the balance sheet date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

5.12 Revenue recognition

Sale of goods - Local

Revenue is recognized when the significant risks and rewards of ownership of the goods is transferred to the buyer, usually at the time of issuance of delivery challan (i.e on dispatch of goods to the customers).

Sale of goods - Export

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

Profit on bank deposit

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

5.13 Staff retirement benefits

Defined benefit plan

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

Experience adjustments are recognized in other comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / (expense). All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to profit and loss account.

The distinction between short term and other long term employee benefits is based on the expected timing of settlement rather than the employees' entitlement to benefits.

5.14 Foreign currency translation

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

Profits or losses arising on translation are recognized in the statement of profit or loss.

5.15 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. Such borrowing costs are capitalized as part of the cost of the qualifying asset.

5.16 Operating segments

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

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018	2017		2018	2017
No. of shares			(Rupees)	(Rupees)
110,590,546	110,590,546	Ordinary shares of Rs. 10 each fully paid in cash	1,105,905,460	1,105,905,460

6.1 Nimir Resources (Private) Limited holds 62,750,000 ordinary shares of Rs.10 each, representing 56.74% (2017: 62,670,647 ordinary shares of Rs. 10 each, representing 56.67%) of the issued capital.

7 LONG TERM LOANS

	Note	2018 (Rupees)	2017 (Rupees)
Term finance - Secured I	7.1	18,750,000	59,375,000
Term finance - Secured II	7.2	83,854,171	134,895,837
Term finance - Secured III	7.3	37,500,000	56,250,000
Term finance - Secured IV	7.4	204,910,414	136,345,774
Term finance - Secured V	7.5	135,000,000	-
Term finance - Secured VI	7.6	112,399,255	-
		592,413,840	386,866,611
Less: Current maturity shown under current liabilities		(174,159,225)	(127,604,162)
		418,254,615	259,262,449

7.1 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2013 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.2 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.3 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.4 This represents long term finance facility amounting to Rs.250 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from February 2017 with grace period of one year. As of year end, Rs. 204.91 million has been availed out of total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Company.

7.5 This represents long term finance facility amounting to Rs. 150 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 54 monthly instalments starting from December 2017 with grace period of six months. As of year end, Rs. 135 million has been availed out of total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the company.

7.6 This represents long term finance facility amounting to Rs. 300 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from March 2018 with grace period of one year. As of year end, Rs. 112 million has been availed out of total facility. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Company.

8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The interest rates used as the discounting factor (i.e. implicit in the lease) range from 1 month KIBOR plus 175 bps to 1 year KIBOR plus 100 bps (2017: 1 month KIBOR plus 175 bps to 1 year KIBOR plus 200 bps). The amount of future payments and the period during which they will become due are:

		2018	2017
Year ending 30 June		**(Rupees)**	**(Rupees)**
	2018	-	46,136,677
	2019	51,823,961	49,366,866
	2020	23,413,970	20,615,826
	2021	25,502,247	22,406,634
	2022	11,500,849	8,457,826
	2023	5,664,894	-
		117,905,921	146,983,829
Less:	Future finance charges	(9,780,580)	(15,430,603)
		108,125,341	131,553,226
Less:	Current maturity shown under current liabilities	(46,186,411)	(36,938,773)
		61,938,930	94,614,453

8.1 The lease agreements have the option for purchase of asset at the end of the lease period. There are no financial restrictions in the lease agreements.

8.2 Minimum Lease Payments (MLP) and their Present Value (PV) are as follow:

	2018		2017	
	MLP	**PV of MLP**	**MLP**	**PV of MLP**
	(Rupees)	**(Rupees)**	**(Rupees)**	**(Rupees)**
Due not later than 1 year	51,823,961	46,186,411	46,136,677	36,938,773
Due later than 1 year but not later than 5 years	66,081,960	61,938,930	100,847,152	94,614,453
	117,905,921	108,125,341	146,983,829	131,553,226

9 DEFFERED TAX LIABILITY

This comprises of:

	2018	2017
	(Rupees)	**(Rupees)**
Deferred tax liabilities on taxable temporary differences		
Accelerated tax depreciation	255,784,179	242,030,556
Deferred tax assets on deductible temporary differences		
Capital work in progress - impairment	(18,375,856)	-
Provision for doubtful trade debts	(5,616,674)	(5,810,353)
Provision against stock	-	(1,385,777)
Deferred and unpaid liabilities	(10,562,055)	(20,903,081)
Provision against others	(2,352,569)	(831,737)
	218,877,025	213,099,608

Reconciliation of deferred tax liabilities - net

	2018	2017
As of 1 July	213,099,608	109,560,554
Tax expense recognized in statement of profit or loss	7,338,036	105,413,242
Tax income recognized in OCI	(1,560,619)	(1,874,188)
As at 30 June	218,877,025	213,099,608

	Note	2018	2017
		(Rupees)	(Rupees)

10 TRADE AND OTHER PAYABLES

	Note	2018 (Rupees)	2017 (Rupees)
Creditors		505,500,098	174,197,146
Accrued liabilities		286,086,253	167,181,421
Security deposits	10.1	400,000	400,000
Advances from customers	10.2	34,571,678	15,099,762
Workers' profit participation fund	10.3	52,977,509	37,459,682
Workers' welfare fund	10.4	15,721,490	10,915,886
Sales tax payable		3,572,869	-
Withholding tax payable		526,926	2,708,599
Others		11,609,469	6,793,797
		910,966,292	414,756,293

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

10.2 This include advance received from customers in ordinary course of business. No amounts have been received from related parties (2017: Nil).

		Note	2018 (Rupees)	2017 (Rupees)
10.3	Balance as at 01 July		37,459,682	32,507,240
	Add: Provision for the year	30	47,517,827	37,459,682
	Less: Payments made during the year		(32,000,000)	(32,507,240)
	Balance as at 30 June		52,977,509	37,459,682
10.4	Balance as at 01 July		10,915,886	34,647,760
	Add: Provision for the year	30	15,721,490	10,915,886
	Less: Payments made during the year		(10,820,082)	(8,392,413)
	Less: Reversal during the year		(95,804)	(26,255,347)
	Balance as at 30 June		15,721,490	10,915,886

11 NET DEFINED BENEFIT LIABILITY - FUNDED GRATUITY

	Note	2018 (Rupees)	2017 (Rupees)
Staff retirement benefits - gratuity	11.1	56,710,402	47,366,587

11.1 The amounts recognized in the statement of financial position are as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Present value of defined benefits obligation	11.5	77,199,315	64,901,853
Less: Fair value of plan assets	11.6	(20,488,913)	(17,535,266)
		56,710,402	47,366,587

11.2 The amounts recognized in the profit or loss account are as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Current service cost		7,793,855	7,007,839
Interest cost on defined benefit obligation - net		3,179,914	2,935,588
Expense recognized in the profit or loss account	11.3	10,973,769	9,943,427

11.3 The charge for the year has been allocated as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Cost of sales	27.2	7,588,144	7,600,391
Distribution costs	28.1	982,196	659,460
Administrative expenses	29.1	2,403,429	1,683,576
		10,973,769	9,943,427

11.4 Movements in the net liability recognized as follows:

	2018 (Rupees)	2017 (Rupees)
Net liabilities at the beginning of the year	47,366,587	49,805,868
Current service cost	7,793,855	7,007,839
Interest cost on defined benefit obligation	3,179,914	2,935,588
Contribution by employer	(7,011,397)	(18,630,000)
Remeasurements charged to other comprehensive income	5,381,443	6,247,292
Net liabilities at the end of the year	56,710,402	47,366,587

11.5 Movements in the present value of defined benefit obligation:

	2018 (Rupees)	2017 (Rupees)
Present value of defined benefits obligation at the beginning of the year	64,901,853	59,666,550
Current service cost	7,793,855	7,007,839
Interest cost on defined benefit obligation	4,451,221	3,940,600
Benefits paid	(7,011,397)	(10,626,900)
Remeasurement:		
Experience adjustments	7,063,783	4,913,764
Present value of defined benefits obligation at the end of the year	77,199,315	64,901,853

11.6 Movements in the fair value of plan assets:

	2018 (Rupees)	2017 (Rupees)
Fair value of plan assets at the beginning of the year	17,535,266	9,860,682
Contribution by employer	7,011,397	18,630,000
Interest Income	1,271,307	1,005,012
Benefits paid	(7,011,397)	(10,626,900)
Return on plan assets excluding interest income	1,682,340	(1,333,528)
Fair value of plan assets as at the end of the year	20,488,913	17,535,266

11.7 Estimated expense to be charged to profit or loss in next year

	2019 (Rupees)
Current service cost	8,812,947
Interest cost on defined benefit obligation - net	4,497,501
Amount chargeable to profit or loss	13,310,448

Qualified actuaries have carried out the valuation as at June 30, 2018. The projected unit credit method, based on the following significant assumptions, is used for valuation of the plan:

	2018	2017
Discount rate for interest cost in profit or loss charge	9.75%	9.75%
Discount rate for obligation	7.75%	7.25%
Expected rates of salary increase in future years	6.75%	6.25%
Retirement assumption	Age 60	Age 60

A quantitative sensitivity analysis for significant assumption on defined benefit obligation is as shown below:

Sensitivity level	Assumption	Defined benefit obligation
+100 bps	Discount rate	70,769,941
-100 bps	Discount rate	84,631,349
+100 bps	Expected increase in salary	84,631,349
-100 bps	Expected increase in salary	70,656,886

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

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

12 SHORT TERM BORROWINGS - SECURED

The aggregate of short term finance facilities available from various financial institutions (including commercial banks) at period end is Rs. 5,254 million (2017: Rs. 3,640 million) which includes running finance facilities amounting Rs. 750 million (2017: Rs. 805 million). The rate of mark up ranges from 1 month KIBOR to 6 months KIBOR + 0 to 150 bps with no floor and no cap (2017: 1 month KIBOR to 6 months KIBOR + 100 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Company.

In addition to above, the unutilized facility for opening letters of credit and bank guarantees as at June 30, 2018 amounts to Rs. 911 million (2017: Rs. 473 million) and Rs. 89 million (2017: Rs. 95 million) respectively.

13 CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

Pending the outcome of below cases, no provision has been made in the financial statements, since the management of the Company based on its consultants' opinion, is confident that the outcome of the appeals will be in the favour of the Company.

13.1.1 The income tax authority amended the Company's assessment relating to Tax Year 2016 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) raised a demand of Rs. 8 million vide Order dated 15 May 2017. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who upheld the said order. The Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) who decided the case in favour of the Company vide Order dated 22 January 2018. The tax authority has filed a reference dated 11 June 2018 before the Lahore High Court against the decision of the ATIR which is pending adjudication.

13.1.2 The income tax authority raised a tax demand of Rs. 206 million by treating the remission of loan as taxable income of Rs. 711 million for the Tax Year 2011 which was challenged at Appellate Tribunal Inland Revenue (ATIR). The ATIR decided the case in favour of the Company vide Order dated December 2, 2013. The Income Tax Department has filed an appeal date Feburary 2014 before the Honorable Lahore High Court against the ATIR's decision which is pending adjudication.

13.1.3 The income tax authority amended the proceedings the Company's assessment relating to Tax Year 2014 under section 122 (5) / 177 / 214C of the Ordinance and raised demand of Rs. 123 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who decided the case in favour of the Company in toto vide order dated March 21, 2018. The Company as well as its consultant has not received any intimation for filing of appeal by the tax department to the ATIR.

13.1.4 The income tax authority amended the Company's assessment relating to tax year 2009 under section 122 (5A) of the Ordinance, disallowing certain expenses thereby reducing declared loss from Rs. 167 million to Rs. 65 million (conseqent tax exposure Rs. 35.7 million). The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who upheld the order on major additions vide Order dated April 23, 2018. The Company has filed second appeal before the ATIR dated May 21 2018, which is pending adjudication.

13.2 COMMITMENTS

Commitments in respect of letters of credit and letters of guarantee as at June 30, are as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Letters of credit established for the import of raw materials, spare parts and machinery		1,307 million	947 million
Letter of guarantee given to SNGPL		96 million	96 million
Letter of guarantee given to PSO		22 million	16 million
Letter of guarantee given to Total PARCO		3 million	3 million

14 PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
Operating fixed assets	14.1	2,260,375,722	1,657,414,199
Capital work in progress	14.7	292,815,884	573,023,231
		2,553,191,606	2,230,437,430

14.3 There are fully depreciated assets, having cost of Rs. 238 million that are still in use as at the reporting date.

14.4 Company's immovable fixed assets are located at 14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan having area of 51.8 acres.

14.5 No assets were sold to the Chief Executive, Directors, Executives or shareholders holding more than 10% of total paid-up capital.

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14.6 Depreciation for the year has been allocated as under:

	Note	2018 (Rupees)	2017 (Rupees)
Cost of sales	27	232,119,830	152,946,283
Distribution costs	28	2,807,453	3,157,774
Administrative expenses	29	12,414,202	9,619,923
		247,341,485	165,723,980

14.7 Capital work in progress

	2018				2017
	Land and Building	Plant and machinery	Others	Total	Total
	(Rupees)				(Rupees)
Opening balance	12,315,782	560,707,449	-	573,023,231	190,420,201
Impairment charge	-	(63,365,020)	-	(63,365,020)	-
Additions during the year	110,511,709	485,683,588	19,501,399	615,696,696	600,732,090
	122,827,491	983,026,017	19,501,399	1,125,354,907	791,152,291
Transferred to fixed assets	(42,319,511)	(781,765,499)	(8,454,013)	(832,539,023)	(218,129,060)
	80,507,980	201,260,518	11,047,386	292,815,884	573,023,231

14.7.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 7,424,954 (2017: Rs. 2,310,950). The expansion has been financed by a term finance facility from a financial institution.

14.7.2 During the year company has tested its two steam turbines for impairment from a renowned valuer (Iqbal A. Nanjee & Co. (Private) Limited). As per valuation report, the valuer determined the recoverable value of these turbines under normal condition amounting to Rs. 12 million, resulting in an impairment charge of Rs. 63.37 million.

14.1 Operating fixed assets

2018

Particulars	COST: As at July 1, 2017	COST: Additions / (Disposals)	COST: Transfer / Adjustment	COST: As at June 30, 2018	Rate %	DEPRECIATION: Accumulated as at July 1, 2017	DEPRECIATION: Charge for the year	DEPRECIATION: (Disposals)	DEPRECIATION: Transfer / Adjustment	DEPRECIATION: Accumulated as at June 30, 2018	Net Book value As at June 30, 2018
Owned	(Rupees)					(Rupees)					(Rupees)
Free hold land	28,253,237	21,917,300	–	50,170,537	–	–	–	–	–	–	50,170,537
Building on free hold land	245,752,146	24,360,211	19,568,136	289,680,493	4-5	80,721,604	16,292,112	–	350,917	97,364,633	192,315,860
Plant and machinery	2,320,491,498	781,765,499	(19,568,136)	3,082,688,861	4-50	1,067,323,158	189,251,931	–	(350,917)	1,256,224,172	1,826,464,689
Furniture and fittings	5,677,917	754,799	–	6,432,716	10-33	4,030,839	577,841	–	–	4,608,680	1,824,036
Office and factory equipment	69,330,226	12,099,977 (949,377)	–	80,480,826	10-50	43,244,399	13,934,242	(927,461)	–	56,251,180	24,229,646
Vehicles	38,917,865	3,173,747 (5,132,190)	8,693,802	45,653,224	20	22,144,680	6,320,587	(4,878,581)	5,640,448	29,227,134	16,426,090
	2,708,422,889	844,071,533 (6,081,567)	8,693,802	3,555,106,657		1,217,464,680	226,376,713	(5,806,042)	5,640,448	1,443,675,799	2,111,430,858
Leased: Vehicles	53,959,902	6,507,000	(8,693,802)	51,773,100	20	13,379,710	10,665,174	–	(5,640,448)	18,404,436	33,368,664
Plant and machinery	144,978,023	–	–	144,978,023	4-50	19,102,225	10,299,598	–	–	29,401,823	115,576,200
	198,937,925	6,507,000	(8,693,802)	196,751,123		32,481,935	20,964,772	–	(5,640,448)	47,806,259	148,944,864
2018	2,907,360,814	850,578,533 (6,081,567)	–	3,751,857,780		1,249,946,615	247,341,485	(5,806,042)	–	1,491,482,058	2,260,375,722

2017

Particulars	COST: As at July 1, 2016	COST: Additions / (Disposals)	COST: Transfer / Adjustment	COST: As at June 30, 2017	Rate %	DEPRECIATION: Accumulated as at July 1, 2016	DEPRECIATION: Charge for the year	DEPRECIATION: (Disposals)	DEPRECIATION: Transfer / Adjustment	DEPRECIATION: Accumulated as at June 30, 2017	Net Book value As at June 30, 2017
Owned	(Rupees)					(Rupees)					(Rupees)
Free hold land	28,253,237	–	–	28,253,237	–	–	–	–	–	–	28,253,237
Building on free hold Land	237,015,546	8,736,600	–	245,752,146	4-5	68,111,000	12,610,604	–	–	80,721,604	165,030,542
Plant and machinery	2,154,665,799	165,825,699	–	2,320,491,498	4-50	952,463,320	114,859,838	–	–	1,067,323,158	1,253,168,340
Furniture and fittings	4,450,214	1,227,703	–	5,677,917	10-33	3,627,424	403,415	–	–	4,030,839	1,647,078
Office and factory equipment	54,388,659	16,206,250 (1,264,683)	–	69,330,226	10-50	31,956,605	12,486,524	(1,198,730)	–	43,244,399	26,085,827
Vehicles	29,251,430	14,026,946 (13,176,511)	8,816,000 –	38,917,865	20	23,061,754	4,470,583	(13,013,273)	7,625,616	22,144,680	16,773,185
	2,508,024,885	206,023,198 (14,441,194)	8,816,000	2,708,422,889		1,079,220,103	144,830,964	(14,212,003)	7,625,616	1,217,464,680	1,490,958,209
Leased: Vehicles	30,464,902	32,311,000	(8,816,000)	53,959,902	20	10,494,812	10,510,514	–	(7,625,616)	13,379,710	40,580,192
Plant and machinery	144,978,023	–	–	144,978,023	4-50	8,719,723	10,382,502	–	–	19,102,225	125,875,798
	175,442,925	32,311,000	(8,816,000) –	198,937,925		19,214,535	20,893,016	–	(7,625,616) –	32,481,935	166,455,990
2017	2,683,467,810	238,334,198 (14,441,194)	–	2,907,360,814		1,098,434,638	165,723,980	(14,212,003)	–	1,249,946,615	1,657,414,199

14.2 Disposal of operating fixed assets:

Particulars	Cost	Depreciation	Accumulated Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Purchasers	Relationship with Company
					(Rupees)			
Honda City LE-13-8993	1,597,835	1,490,562	107,273	1,160,000	1,052,727	Negotiation	Mr. Nasir Ahmad	Un-related
Toyota Corolla LEA-13-3215	1,676,327	1,529,991	146,336	1,185,000	1,038,664	Negotiation	Mr. Pir Dil Nawaz	Un-related
Toyota Corolla LEF-12-6976	1,858,028	1,858,028	-	1,165,000	1,165,000	Negotiation	Mrs. Kulsoom Akhtar	Un-related
Office and factory equipment*	949,377	927,461	21,916	32,917	11,001	Negotiation	Various	Un-related
Total	6,081,567	5,806,042	275,525	3,542,917	3,267,392			

* The net book value of individual asset within this class is below five hundred thousand rupees.

15 INTANGIBLE

	Note	2018 (Rupees)	2017 (Rupees)
Software and licenses			
Cost:			
As at 1 July		4,204,250	2,166,500
Additions during the year		-	2,037,750
As at 30 June		4,204,250	4,204,250
Accumulated amortization:			
As at 1 July		(2,450,487)	(1,605,299)
Amortization during the year	29	(791,488)	(845,188)
As at 30 June		(3,241,975)	(2,450,487)
Net book value		962,275	1,753,763
Rate of amortization		20%-33.33%	20%-33.33%

16 INVESTMENT IN SUBSIDIARY

In 2016, Nimir Industrial Chemicals Limited formed a wholly owned subsidiary under the name of Nimir Holding (Private) Limited. NHPL formed a sub-subsidiary, Nimir Management (Private) Limited, which acquired the majority shareholding of Nimir Resins Limited, a listed company engaged in the business of industrial chemicals. The effective shareholding of the Company in Nimir Resins Limited is 37.64%. The Company has determined that Nimir Resins Limited is a subsidiary in accordance with IFRS 10 Consolidated Financial Statements.

	Note	2018 (Rupees)	2017 (Rupees)
Investment at cost		281,852,260	281,852,260

17 LONG TERM DEPOSITS

	Note	2018 (Rupees)	2017 (Rupees)
Security deposits			
Financial institutions (including banks)		11,479,520	19,072,970
Others	17.1	14,805,842	14,805,842
		26,285,362	33,878,812

17.1 It includes deposit amounting to Rs. 12.24 million (2017: Rs. 12.24 million) given to Electricity supply company for dedicated line.

18 STORES, SPARE PARTS AND LOOSE TOOLS

	2018 (Rupees)	2017 (Rupees)
Stores, spare parts and loose tools		
In hand	141,210,766	155,569,634
In transit	128,112	14,733,648
	141,338,878	170,303,282

19 STOCK IN TRADE

	Note	2018 (Rupees)	2017 (Rupees)
Raw and packing material			
In hand		229,498,360	371,800,510
In transit		1,557,410,921	654,160,772
		1,786,909,281	1,025,961,282
Provision against raw material	19.1	-	(4,191,285)
Provision against packing material	19.2	-	(427,973)
		-	(4,619,258)
		1,786,909,281	1,021,342,024
Finished goods		471,688,196	253,273,031
		2,258,597,477	1,274,615,055

19.1 Movement in provision for raw material is as follows:

	2018 (Rupees)	2017 (Rupees)
Opening balance	4,191,285	10,433,626
Reversal during the year	(4,191,285)	(6,242,341)
Closing balance	-	4,191,285

19.2 Movement in provision for packing material is as follows:

	2018 (Rupees)	2017 (Rupees)
Opening balance	427,973	427,973
Reversal during the year	(427,973)	-
Closing balance	-	427,973

20 TRADE DEBTS

	Note	2018 (Rupees)	2017 (Rupees)
Considered good - unsecured			
Due from customers	20.1	1,600,839,881	974,375,084
Due from associated companies	20.2	20,841,099	9,064,930
		1,621,680,980	983,440,014
Considered doubtful		19,367,842	19,367,842
Provision for doubtful debts		(19,367,842)	(19,367,842)
		-	-
		1,621,680,980	983,440,014

20.1 These customers have no recent history of default. For age analysis of these trade debts, refer to Note 37.1.1.

20.2 Trade debts from Nimir Resins Limited amounting to Rs. 20,382,248 (2017: Rs. 8,968,282) and Nimir Chemicals Pakistan Limited Rs. 458,851 (2017: Rs. 96,648).

20.3 Aggregate amount due from Directors, Chief Executive and Executives of the Company is Rs. Nil (2017: Rs. Nil).

20.4 Maximum aggregate amount due from associated undertakings at the end of any month in the year was Rs.49,205,949 (2017: Rs. 27,964,883). No interest has been charged on the amounts due from associated undertakings.

21 LOANS AND ADVANCES

	Note	2018 (Rupees)	2017 (Rupees)
Considered good - unsecured			
Suppliers		67,375,105	44,426,993
Employees against business expenses	21.1	2,663,077	2,558,013
Employees against salary	21.2	7,601,512	8,350,834
		77,639,694	55,335,840

21.1 This includes advance given to executives amounting to Rs. 42,577 (2017: Rs. 1.94 million).

21.2 This includes advance given to executives amounting to Rs. 3.7 million (2017: Rs. 6.4 million). No amount is due from CEO or directors.

22 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2018 (Rupees)	2017 (Rupees)
Current maturity of long term security deposits - financial institutions (including banks)		10,856,528	4,143,666
Prepayments		17,246,875	8,112,014
		28,103,403	12,255,680

23 OTHER RECEIVABLES

Margin against bank guarantee		17,202,950	16,602,950
Margin against LC		46,857,000	1,753,320
		64,059,950	18,356,270

24 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax		524,476,858	320,451,585
Sales tax		-	72,439,074
Federal excise duty		3,748,500	3,748,500
		528,225,358	396,639,159

25 CASH AND BANK BALANCES

Cash in hand		522,610	7,374,961
Cash at bank			
Current accounts		4,112,365	7,202,589
Saving accounts	25.1	1,810,990	938,651
		5,923,355	8,141,240
		6,445,965	15,516,201

25.1 These carry mark-up rate ranging from 4% to 4.5% (2017: 3% to 4%) per annum.

26 SALES

Local sales		14,221,874,664	8,623,982,453
Export sales		-	311,640
Gross sales		14,221,874,664	8,624,294,093
Less: Sales tax		(2,067,562,281)	(1,254,509,246)
		12,154,312,383	7,369,784,847
Less: Trade discounts		-	(644,894)
Net sales		12,154,312,383	7,369,139,953

26.1 Sales include toll servicing revenue amounting to Rs. 130 million.

27 COST OF SALES

	Note	2018 (Rupees)	2017 (Rupees)
Raw and packing material consumed	27.1	9,517,454,002	5,325,260,262
Salaries, wages and benefits	27.2	285,363,442	222,329,831
Depreciation	14.6	232,119,830	152,946,283
Fuel and power		540,372,635	418,626,868
Stores, spare parts and loose tools consumed		107,472,078	82,590,026
Repairs and maintenance		24,684,547	38,035,081
Traveling, conveyance and entertainment		23,512,848	17,547,918
Communications		977,257	925,704
Insurance		14,065,102	10,743,950
Rent, rates and taxes		6,790,845	5,226,590
Printing and stationery		2,176,142	1,640,273
Dues, fees and subscription		2,229,530	1,067,687
Other expenses		3,001,171	2,512,425
		10,760,219,429	6,279,452,898
Add: Opening stock-finished goods	19	253,273,031	277,889,730
Less: Closing stock-finished goods	19	(471,688,196)	(253,273,031)
		10,541,804,264	6,304,069,597

27.1 Raw and packing material consumed

	Note	2018 (Rupees)	2017 (Rupees)
Opening Balance		1,021,342,024	360,105,792
Purchases		10,283,021,259	5,986,496,494
		11,304,363,283	6,346,602,286
Less: Closing Balance	19	(1,786,909,281)	(1,021,342,024)
Raw and packing material consumed		9,517,454,002	5,325,260,262

27.2 This includes Rs. 7.6 million (2017: Rs. 7.6 million) in respect of staff retirement benefits - gratuity scheme.

27.3 Cost of sales includes direct toll manufacturing expenses amounting to Rs. 39.3 million.

28 DISTRIBUTION COSTS

	Note	2018 (Rupees)	2017 (Rupees)
Salaries, wages and benefits	28.1	29,085,917	22,370,448
Depreciation	14.6	2,807,453	3,157,774
Repairs and maintenance		114,313	29,292
Traveling, conveyance and entertainment		2,956,024	2,314,901
Communications		249,137	261,220
Insurance		1,802,909	2,767,385
Printing and stationery		402,084	473,545
Freight outward		48,844,382	44,310,923
Distribution commission		63,070,424	38,637,473
Packing, carriage and forwarding		20,760	68,510
Dues, fees and subscription		294,733	333,874
Other expenses		92,339	30,300
		149,740,475	114,755,645

28.1 This includes Rs. 0.98 million (2017: Rs. 0.7 million) in respect of staff retirement benefits - gratuity scheme.

29 ADMINISTRATIVE EXPENSES

	Note	2018 (Rupees)	2017 (Rupees)
Salaries, wages and benefits	29.1	95,030,614	66,476,360
Depreciation	14.6	12,414,202	9,619,923
Amortization	15	791,488	845,188
Fuel and power		1,492,375	961,869
Repairs and maintenance		4,007,775	1,579,525
Traveling, conveyance and entertainment		13,302,985	11,055,774
Communications		2,913,693	2,742,142
Insurance		2,151,085	1,828,719
Rent, rates and taxes		3,805,173	2,080,289
Printing and stationery		1,941,808	2,941,913
Advertisement		956,062	955,783
Legal, professional and consultancy charge		13,532,252	5,271,250
Auditors' remuneration	29.2	2,550,000	1,925,000
Dues, fees and subscription		6,895,406	6,143,870
Other expenses	29.3	5,743,731	1,271,185
		167,528,649	115,698,790

29.1 This includes Rs. 2.4 million (2017: Rs. 1.7 million) in respect of staff retirement benefits - gratuity scheme.

29.2 Auditors' remuneration

	2018 (Rupees)	2017 (Rupees)
Audit fee	1,200,000	1,100,000
Consolidation, reviews and certifications	1,275,000	748,000
Out of pocket expenses	75,000	77,000
	2,550,000	1,925,000

29.3 This includes Rs. 1.6 million paid in respect of donation to different approved organizations, out of this Rs.1.2 million was paid to District Headquarter Hospital, Sheikhupura (2017: Nil). Directors (or their spouses) have no interest in donees.

30 OTHER EXPENSES

	Note	2018 (Rupees)	2017 (Rupees)
Workers profit participation fund	10.3	47,517,827	37,459,682
Workers welfare fund	10.4	15,721,490	10,915,886
Loss on sale of damaged packing material - scrap		-	1,924,539
Impairment expense	14.7	63,365,020	-
Provision against refundable sales tax		5,339,850	-
		131,944,187	50,300,107

31 OTHER INCOME

	Note	2018 (Rupees)	2017 (Rupees)
Non financial assets			
Gain on disposal of property, plant and equipment	14.2	3,267,392	7,161,059
Reversal of provision		7,037,498	28,102,567
Other Income	31.1	6,378,923	-
Financial assets			
Profit on savings account		50,938	108,660
Profit on loan to subsidiary		-	26,352,260
		16,734,751	61,724,546

31.1 This relates to income from sale of scrap material.

32 FOREIGN EXCHANGE LOSS

	Note	2018 (Rupees)	2017 (Rupees)
On foreign exchange denominated liabilities	32.1	88,657,880	9,794,917

32.1 This include unrealized exchange loss on translation of liabilities in foreign currency amounting to Rs. 6,669,205 (2017: Rs. 857,990).

33 FINANCE COST

	2018 (Rupees)	2017 (Rupees)
Mark-up on		
Long term loans	30,034,006	23,706,291
Short term borrowings	160,598,065	94,019,762
Financial charges on lease	8,107,617	9,801,782
Bank charges, fee and commission	5,514,771	3,283,068
Early payment discount	-	4,616,473
	204,254,459	135,427,376

34 TAXATION

	2018	2017
Current tax:		
Current year	184,385,392	158,928,673
Prior year	(141,335)	(34,957,140)
	184,244,057	123,971,533
Deferred tax:		
Relating to the reversal and origination of temporary differences	14,441,356	108,947,453
Effect of rate change from prior year	(7,103,320)	(3,534,211)
	7,338,036	105,413,242
	191,582,093	229,384,775

Relationship between tax expenses and accounting profit

	2018	2017
Accounting profit before taxation	887,117,220	700,818,067
Tax at applicable tax rate of 30% (2017: 31%)	266,135,166	217,253,601
Effect of expenses not allowed for tax	(27,691,228)	53,971,950
Effect of super tax	23,110,590	16,045,538
Effect of tax credit	(69,351,100)	(22,920,758)
Effect of tax on export sales under Final Tax Regime	-	(8,416)
Effect of prior years tax	(141,335)	(34,957,140)
Tax credit on donation	(480,000)	-
Tax expense for the year	191,582,093	229,384,775

35 COMPARSION OF TAX PROVISION

	2017*	2016**	2015
Provision as per Financial Statement	158,928,673	111,497,880	295,386
Amount as per Income Tax Return	130,926,746	128,303,349	295,386

* The difference mainly relates to super tax which was computed separately from tax return in tax year 2017.

** The difference mainly relates to adjustment of brought forward minimum taxes.

36 EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED

36.1 Basic

	2018 (Rupees)	2017 (Rupees)
Profit attributable to ordinary shareholders	695,535,127	471,433,292
Weighted average number of ordinary shares	110,590,546	110,590,546
Earnings per ordinary share	6.29	4.26

36.2 Diluted

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

37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

37.1 Credit Risk

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

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

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

	Carrying values	
	2018 (Rupees)	2017 (Rupees)
Long-term deposits	14,805,842	14,805,842
Trade debts – unsecured	1,621,680,980	983,440,014
Other receivables	64,059,950	18,356,270
Bank balances	5,923,355	8,141,240

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

37.1.1 Trade Debts	2018 (Rupees)	2017 (Rupees)
Other than related parties		
Neither past due nor impaired	707,568,207	803,584,904
Past due but not impaired		
01-30 days	831,211,422	123,488,351
31-60 days	31,137,482	47,301,829
61-90 days	24,348,629	36,364
Over 90 days	6,574,141	-
	893,271,674	170,826,544
Past due and impaired		
01-30 days	-	-
31-60 days	-	-
61-90 days	-	-
Over 90 days	19,367,842	19,367,842
	19,367,842	19,367,842
	1,620,207,723	993,779,290
Related parties		
Neither past due nor impaired	12,744,272	9,009,489
Past due but not impaired		
01-30 days	8,096,827	7,722
31-60 days	-	7,722
61-90 days	-	-
Over 90 days	-	3,633
	8,096,827	19,077
	20,841,099	9,028,566

37.1.1.1 As at June 30, 2018, trade debts of Rs. 19.37 million (2017: Rs. 19.37 million) were impaired and provided for.

37.1.2 Bank

Financial institution	Ratings: Agency	Short Term	Long term	2018 (Rupees)	2017 (Rupees)
Albaraka Bank (Pakistan) Limited	PACRA	A1	A	17,794	70,213
Habib Bank Limited	JCR-VIS	A1+	AAA	(155,394)	(229,413)
MCB Bank Limited	PACRA	A1+	AAA	1,810,990	938,651
Meezan Bank Limited	JCR-VIS	A-1+	AA+	(3,245,496)	(957,628)
National Bank of Pakistan	PACRA	A1+	AAA	30,906	335,543
Silk Bank Limited	JCR-VIS	A-2	A-	6,117	6,116
Standard Chartered Bank Limited	PACRA	A1+	AAA	1	2,482,457
The Bank of Punjab	PACRA	A1+	AA	7,458,437	5,495,301
				5,923,355	8,141,240

37.2 Liquidity Risk

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

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

	Maturity Up to One Year	Maturity After One Year	Total
		(Rupees)	
As at June 30, 2018			
Long term loans	174,159,225	418,254,615	592,413,840
Liabilities against assets subject to finance lease	46,186,411	61,938,930	108,125,341
Short term borrowings	2,774,291,313	-	2,774,291,313
Mark up accrued	35,916,280	-	35,916,282
Unclaimed dividend	5,849,713	-	5,849,713
Trade and other payables	791,586,351	-	791,586,351
Total financial liabilities	3,827,989,295	480,193,545	4,308,182,840
As at June 30, 2017			
Long term loans	127,604,162	259,262,449	386,866,611
Liabilities against assets subject to finance lease	36,938,773	94,614,453	131,553,226
Short term borrowings	1,861,588,054	-	1,861,588,054
Mark up accrued	27,494,527	-	27,494,527
Unclaimed dividend	2,415,790	-	2,415,790
Trade and other payables	341,378,567	-	341,378,567
Total financial liabilities	2,397,419,873	353,876,902	2,751,296,775

37.3 Market Risk

37.3.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign trade payables. However at the year end, there are no material foreign currency balances.

37.3.2 Interest Rate Risk

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

If interest rates at the year end, fluctuate by 1% higher / lower, profit for the year would have been Rs. 34.7 million (2017: Rs. 23.7 million) higher / lower. This analysis is prepared assuming that all other other variables held constant and the amounts of liabilities outstanding at the reporting date were outstanding for the whole year.

37.4 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves. The gearing ratio of the Company is 27% (2017: 24%).

37.5 Fair value of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As at the balance sheet date, carrying value of all the financial instruments in the financial statements approximates their fair value. Further, all financial assets and financial liabilities at balance sheet date are categorized into loans and advances.

38 RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

The Company have interest based on common directorship and / or percentage of shareholding in following mentioned companies.

Names of Companies	Basis of Relationship	Status of relationship	Percentage of direct shareholding
Nimir Resources (Private) Limited	Shareholding	(Ultimate) Parent Company	56.74%
Nimir Holdings (Private) Limited	Shareholding	Subsidiary Company	100%
Nimir Management (Private) Limited	Shareholding	Sub-Subsidiary Company	51.00%
Nimir Resins Limited	Shareholding	Sub-Subsidiary Company	37.64%
Nimir Chemicals Pakistan Limited	Common Directorship	Associated company	Nil
Terranova Limited	Common Directorship	Associated company	Nil
Extract 4 Life (Private) Limited	Common Directorship	Associated company	Nil

The related parties and associated undertakings comprise parent company, related group companies, directors and key management personnel. Remuneration of Chief Executive, directors and executives is shown in Note 39. Transactions with related parties during the year are as follows:

Name of Related Party	Nature and Description of Related Party Transaction	2018	2017
		(Rupees)	(Rupees)
Nimir Resources (Private) Limited	Dividend Paid	125,420,647	62,670,647
Nimir Holdings (Private) Limited	Markup on loan	-	26,352,260
Nimir Resins Limited	Purchase of goods	306,640	-
	Sale of goods	102,392,320	80,114,948
	Services provided	3,683,304	7,728,000
	Services acquired	2,730,000	2,520,000
	Reimbursement of expenses	924,000	342,667
Nimir Chemicals Pakistan Limited	Sale of goods	14,397,680	5,462,100
Staff retirement fund	Contribution to gratuity fund	7,011,397	18,630,000

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2018	2017	2018	2017	2018	2017*
Number of persons	1	1	2	2	12	8
			(Rupees)			
Remuneration	8,825,806	7,354,839	13,378,064	11,148,388	31,339,353	22,761,291
Housing	3,971,613	3,309,679	6,020,128	5,016,776	14,102,709	10,242,588
Utilities	882,581	735,482	1,337,808	1,114,836	3,133,938	2,276,121
Bonus	4,174,932	3,978,434	6,328,336	5,967,652	15,372,410	12,081,042
	17,854,932	15,378,434	27,064,336	23,247,652	63,948,410	47,361,042

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

39.2 An amount of Rs. 1,900,000 (2017: Rs. 1,330,000) was paid to directors for attending the board meetings.

*The number of executives and their remuneration has been restated as per the requirement of fourth schedule of Companies Act, 2017.

40 TOTAL NUMBER OF EMPLOYEES

	2018	2017
Number of employees as at June 30	150	137
Average number of employees during the year	144	136
Number of employees in factory		
Number of employees as at June 30	111	105
Average number of employees during the year	108	105

41 PRODUCTION CAPACITY IN METRIC TONS

	2018 *Maximum Capacity (MT)	2018 Actual Production (MT)	2017 *Maximum Capacity (MT)	2017 Actual Production (MT)
Oleo Chemicals	68,000	67,407	52,000	50,710
Chlor Alkali Products	50,000	48,722	44,500	43,642
Soap Finishing Line	16,000	12,005	-	-

* Determined on weighted average basis.

41.1 The variance between maximum capacity and actual utilization is due to market conditions.

42 SIGNIFICANT TRANSACTION AND EVENTS

Summary of significant transactions and events that have affected the Company's position and performance during the period, as follows,

- The Turnover in 2018 has grown by Rs.4.8 billion (approximately 65%) over the year 2017.
- The devaluation in Pak Rupees has resulted into an exchange loss of Rs.89 million during the year.
- Since the increased volume of business was mainly financed through short term financing, the financial cost increased substantially while on the other hand EPS increased by 48%.

43 SUBSEQUENT EVENTS

The Board of Directors at its meeting held on September 25, 2018 has proposed a final dividend @ Rs. 2 per share for the year ended June 30, 2018 (2017: Rs. 1) amounting to Rs. 221,181,092 (2017: Rs. 110,590,546) for approval of the members at the Annual General Meeting to be held on October 26, 2018. These financial statements do not reflect this dividend.

44 GENERAL

44.1 RE - CLASSIFICATION

Corresponding figures of the following, along with related impact on cash flow statement, have been reclassified for better and fair presentation:

Particulars	Classified from	Re-classified to	2017 (Rupees)
Membership fee	Other expense (Admin. expense)	Due fee and Subscription (Admin. expense)	759,239
Membership fee	Other expense (Distrubtion cost)	Due fee and Subscription (Distribution cost)	333,874

44.2 Figures have been rounded off to nearest rupee unless otherwise stated.

45 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on Tuesday, September 25, 2018.

Chief Executive Officer | **Chairman** | **Chief Financial Officer**

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FINANCIAL STATEMENTS - CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2018

DIRECTORS' REPORT

The Directors are pleased to present consolidated financial statement of the Company for the year ended on June 30, 2018. Nimir Industrial Chemicals Limited (NICL) controls the management of Nimir Resins Limited (NRL) through Nimir Holding Private Limited (NHPL) (a wholly owned subsidiary of NICL) and Nimir Management Private Limited (majority owned i.e. 51% by NHPL). NRL is a listed Company engaged in the manufacturing and sales of surface coating, polyesters, paper chemicals and textile auxiliaries. The effective shareholding of the NICL in NRL is 37.64%.

The group showed significant growth in its top line and crossed Rs. 15 billion mark; registering a year on year increase of 57%. Both sale volumes and sale prices contributed in the growth of the group turnover. As a result of this growth, the group's pre-tax profit increased from Rs.508 million to Rs.796 million (up by 57%).

The plant up-gradation and expansion activities continued throughout the year in the group companies, which contributed towards increased production capacities, improvement in efficiency, product quality and reduction in operating cost.
The management is fully committed and focused to sustain the growth in top and bottom lines of the group companies in the next financial year. Insha Allah

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 is pleased to state as follows:

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

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

Internal Financial Control

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

External Auditors

The present auditors M/s EY Ford Rhodes, Chartered Accountant, retiring this year, being eligible, have offered themselves for re-appointment. The audit committee has recommended the re-appointment of M/s EY Ford Rhodes, Chartered Accountant as external auditor of the Company for the year ending June 30, 2019.

Pattern of Shareholding

A pattern of shareholding of Nimir Industrial Chemicals Limited and Nimir Resins Limited are annexed to their respective directors' report. There was no trading in the shares of the Companies 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) in their respective financial accounts.

Dividend / Bonus Shares

The NICL board has recommended a Rs. 2 per share (i.e. 20%) final cash dividend for the year ended June 30, 2018. The NICL had earlier declared and paid interim cash dividends totaling Rs. 1 per share (i.e. 10%). The total cash dividend of NICL for the year remained Rs. 3 per share (i.e. 30%).

The NRL board has examine the financial position of the Company, did not recommend any cash dividend for the year ended June 30, 2018.

For and on behalf of the Board

Zafar Mahmood Chief Executive Officer	Aamir Jamil Director

Lahore
September 25, 2018.

ڈائریکٹرز رپورٹ-اشتمال شدہ

ڈائریکٹرز 30 جون 2018ء کوختم ہونے والے سال کے لئے کمپنی کے اشتمال شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

نمر انڈسٹریل کیمیکلز لمیٹڈ (این آئی سی ایل)، نمر ہولڈنگ پرائیویٹ لمیٹڈ (این ایچ پی ایل) (این آئی سی ایل کی ایک مکمل ملکیتی ذیلی کمپنی) اور نمر مینجمنٹ پرائیویٹ لمیٹڈ (این ایچ پی ایل کی اکثریتی ملکیتی یعنی 51 فی صد) کے ذریعے نمر ریزائنز لمیٹڈ (این آر ایل) کے انتظامات کو کنٹرول کرتی ہے۔ این آر ایل ایک لسٹڈ کمپنی ہے جو سرفیس کوٹنگ، پالئیسٹرز، پیپر کیمیکلز اور ٹیکسٹائل کے معاون کیمیکلز کی تیاری اور فروخت میں مصروف ہے۔ این آر ایل میں این آئی سی ایل کا موئثر شیئر ہولڈنگ 37.64% ہے۔

گروپ نے اپنی ٹاپ لائن میں نمایاں نمو ظاہر کی ہے اور 15 بلین روپے کے نشان سے اوپر گزر گئی، جو سال بہ سال 57 فی صد کا اضافہ ظاہر کر رہی ہے۔ گروپ کی آمدنی کی نمو میں فروخت کے حجم اور فروخت کی قیمت دونوں نے حصہ شامل کیا ہے۔ اس نمو کے نتیجے میں، گروپ کا ٹیکس سے قبل منافع 508 ملین روپے سے بڑھ کر 796 ملین روپے (25% تک زیادہ) ہوگیا۔

گروپ کمپنیز میں پلانٹ کی اپ گریڈیشن اور توسیع کی سرگرمیاں پورا سال جاری رہی ہیں۔ جس سے پیداواری صلاحیتوں میں اضافہ، کارکردگی، مصنوعات کے معیار میں بہتری اور آپریٹنگ لاگت میں کمی ہوئی ہے۔

انتظامیہ اگلے مالی سال میں انشاءاللہ، گروپ کمپنیز کی ٹاپ اور باٹم لائنوں میں ترقی کو برقرار رکھنے کے لئے مکمل طور پر پُرعزم اور توجہ مرکوز رکھے ہوئے ہے۔

کارپوریٹ گورننس

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

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

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

داخلی مالیاتی کنٹرول

اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے جس پر موئثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

بیرونی محاسب

موجودہ محاسب میسرز ای وائی فورڈ رہوڈس، 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 2019ء کوختم ہونے والے سال کے لئے کمپنی کے بیرونی محاسب کے طور پر میسرز فورڈ رہوڈس، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے۔

نمونہء حصص داری

نمر انڈسٹریل کیمیکلز لمیٹڈ اور نمر ریزائنز لمیٹڈ کا نمونہء حصص داری متعلقہ ڈائریکٹرز رپورٹ کے ہمراہ منسلک ہے۔ سال کے دوران کمپنیوں 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 متعلقہ مالی حسابات میں کیا گیا ہے۔

ڈیویڈینڈ/ بونس شیئرز

این آئی سی ایل بورڈ نے 30 جون 2018ء کوختم ہونے والے سال کے لئے 2 روپے فی شیئر (یعنی 20 %) حتمی نقد منافع کی سفارش کی ہے۔ بورڈ پہلے ہی عبوری نقد ڈیویڈینڈ کل -/1 روپے فی شیئر (یعنی 10%) کا اعلان اور ادا کر چکا ہے۔ سال کے لئے کل نقد ڈیویڈینڈ -/3 روپے فی شیئر (یعنی 30 %) رہا۔

نمر ریزائنز لمیٹڈ بورڈ نے 30 جون 2018ء کوختم ہونے والے سال کے مالیاتی سال کے حسابات کے جائے کے بعد کسی حتمی نقد منافع کی سفارش نہیں کی ہے

منجانب بورڈ

ظفر محمود
چیف ایگزیکٹو آفیسر

عامر جمیل
ڈائریکٹر

25 ستمبر 2018ء
لاہور

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Opinion

We have audited the annexed consolidated financial statements of Nimir Industrial Chemicals Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2018 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. Tax Contingencies	
As disclosed in note 15 to the consolidated financial statements, certain tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. The aggregate amounts involved in such contingencies is Rs. 430 million as of June 30, 2018. The tax contingencies requires the management to make judgements and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgements and estimates in relation to such contingencies may be complex.	We assessed key technical tax issues and legislative developments and focused on the judgements made by management in assessing the quantification and likelihood of significant exposures and the level of liability required for specific cases. In particular, we focused on the impact of recent tax rulings and the status of on-going inspections by local tax authorities. We obtained explanations from management and corroborative evidence including communication with local tax authorities and confirmations of external tax advisors. We gained an understanding of the current status of tax assessments and investigations to monitor developments in on-going disputes. We analyzed and challenged management's key assumptions, in particular on cases where there had been significant developments with local tax authorities, based on our knowledge and experience of the application of the tax legislation by the relevant authorities and courts. We also evaluated whether the liabilities and exposures for uncertain tax positions were appropriately disclosed in the consolidated financial statements. We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in note 15 to the consolidated financial statements.

2. Financial Reporting Framework

As referred in note 2 to the accompanying consolidated financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018.

The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the consolidated financial statements.

In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the consolidated financial statements as referred to note 2 to the consolidated financial statements.

These changes and enhancements in the consolidated financial statements are considered important and a key audit matter because of the volume and significance of the changes in the consolidated financial statements resulting from the transition to the new reporting requirements under the Act.

We assessed the procedures applied by the management for identification of the changes required in the consolidated financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the consolidated financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditors' report is Abdullah Fahad Masood.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Lahore
October 02, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2018 (Rupees)	2017 (Rupees)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
145,000,000 (2017: 145,000,000) Ordinary shares of Rs.10 each		1,450,000,000	1,450,000,000
Issued, subscribed and paid up capital	7	1,105,905,460	1,105,905,460
Unappropriated profit		1,642,847,738	1,136,016,902
Non-controlling interest		516,162,255	453,805,470
		3,264,915,453	2,695,727,832
NON CURRENT LIABILITIES			
Long term loans	8	525,254,615	366,262,449
Liabilities against assets subject to finance lease	9	61,938,930	94,614,453
Diminishing musharaka finance	10	4,828,077	2,007,412
Deferred tax liability	11	225,854,126	240,897,999
		817,875,748	703,782,313
CURRENT LIABILITIES			
Trade and other payables	12	1,367,860,966	704,348,586
Net defined benefit liability - funded gratuity	13	64,327,955	47,366,587
Mark up accrued		50,140,627	38,006,072
Unclaimed dividend		6,142,532	2,708,609
Short term borrowings	14	3,986,468,603	2,677,866,752
Current maturity of long term loans	8	174,159,225	127,604,162
Current maturity of liabilities against assets subject to finance lease	9	46,186,411	36,938,773
Current maturity of diminishing musharaka finance	10	1,445,876	485,211
Provision for taxation		313,549,791	285,256,640
		6,010,281,986	3,920,581,392
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		10,093,073,187	7,320,091,537

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

Chief Executive Officer | **Chairman**

AS AT JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	16	3,020,447,496	2,703,808,438
Intangibles	17	1,957,485	3,080,710
Long term deposits	18	37,025,318	44,618,768
Net defined benefit assets - funded gratuity	13	-	1,174,999
		3,059,430,299	2,752,682,915
CURRENT ASSETS			
Stores, spare parts and loose tools	19	155,023,243	182,949,058
Stock in trade	20	3,239,786,542	1,895,520,050
Trade debts	21	2,370,809,817	1,576,152,141
Loans and advances	22	147,519,037	111,759,503
Trade deposits and short term prepayments	23	31,693,739	14,249,233
Interest accrued		264,329	224,383
Other receivables	24	65,168,950	19,574,270
Tax refunds due from the Government	25	908,250,639	666,360,522
Cash and bank balances	26	115,126,592	100,619,462
		7,033,642,888	4,567,408,622
TOTAL ASSETS		10,093,073,187	7,320,091,537

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
Sales - net	27	15,632,038,948	9,957,829,669
Cost of sales	28	(13,702,738,640)	(8,614,144,716)
Gross profit		1,929,300,308	1,343,684,953
Distribution costs	29	(201,736,682)	(160,192,804)
Administrative expenses	30	(245,950,036)	(173,164,284)
		(447,686,718)	(333,357,088)
Operating profit		1,481,613,590	1,010,327,865
Other expenses	31	(139,188,196)	(58,273,442)
Other income	32	27,060,440	43,095,140
Foreign exchange loss	33	(118,354,868)	(12,958,090)
Finance cost	34	(279,369,838)	(207,810,141)
Profit before taxation		971,761,128	774,381,332
Taxation	35	(175,648,055)	(266,123,637)
Profit after taxation		796,113,073	508,257,695
Attributable to:			
Equity holders of the parent		732,556,771	474,218,530
Non-controlling interests		63,556,302	34,039,165
		796,113,073	508,257,695
Earnings per share - basic and diluted	36	6.62	4.29

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

Chief Executive Officer **Chairman** **Chief Financial Officer**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees)	2017 (Rupees)
Profit after taxation		796,113,073	508,257,695
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plan	13.4	(8,090,648)	(6,009,456)
Income tax effect		2,346,288	1,802,837
Re-measurement losses on defined benefit plan - net of tax		(5,744,360)	(4,206,619)
Total comprehensive income for the year		790,368,713	504,051,076
Attributable to:			
Equity holders of the parent		728,011,928	469,908,091
Non-controlling interests		62,356,785	34,142,985
		790,368,713	504,051,076

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid up share capital (Rupees)	Unappropriated profit (Rupees)	Non-controlling interest (Rupees)	Total (Rupees)
Balance as on 30 June 2016	1,105,905,460	779,601,452	206,192,467	2,091,699,379
Interim dividend for 2017 @ Rs. 1 per share	-	(110,590,546)	-	(110,590,546)
Right issue by subsidiary	-	-	218,319,245	218,319,245
Reversal of equity portion of sponsors' interest free loans (Note 8.7)	-	(2,902,095)	(4,849,227)	(7,751,322)
Total comprehensive income for the year	-	469,908,091	34,142,985	504,051,076
Balance as on 30 June 2017	1,105,905,460	1,136,016,902	453,805,470	2,695,727,832
Final dividend for 2017 @ Rs. 1 per share	-	(110,590,546)	-	(110,590,546)
Interim dividend for 2018 @ Rs. 1 per share	-	(110,590,546)	-	(110,590,546)
Total comprehensive income for the year	-	728,011,928	62,356,785	790,368,713
Balance as on 30 June 2018	1,105,905,460	1,642,847,738	516,162,255	3,264,915,453

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

Chief Executive Officer	Chairman	Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	2018 (Rupees)	2017 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	971,761,128	774,381,332
Adjustment for:		
Depreciation	282,626,211	203,377,806
Amortization	1,123,225	1,176,925
Mark-up expense	265,152,563	198,099,884
Income from financial assets	(3,124,273)	(3,693,438)
Provision against stock in trade	11,029,599	19,657,046
Impairment expense	63,365,020	-
Reversal of provision against stock in trade	(4,619,258)	(82,436,341)
Provision against doubtful debts	36,243,158	21,647,174
Bad debts recovered	-	(739,400)
Provision for gratuity	17,057,116	10,390,607
Reversal of provision	(7,037,498)	(28,102,567)
Gain on disposal of property, plant and equipment	(3,267,392)	(7,161,059)
Exchange loss - unrealized	22,376,273	4,021,163
Workers' profit participation fund provision	52,137,620	43,508,351
Workers' welfare fund provision	18,345,706	14,765,091
	751,408,070	394,511,242
Operating profit before working capital changes	1,723,169,198	1,168,892,574
(Increase) / Decrease in current assets		
Stores, spares parts and loose tools	27,925,815	(41,009,216)
Stock in trade	(1,350,676,833)	(708,509,856)
Trade debts	(830,900,834)	(372,292,353)
Loans and advances	(35,759,534)	1,093,475
Trade deposits and short term prepayments	(17,444,506)	(4,308,473)
Other receivables	(45,594,680)	26,939,731
Tax refunds due from the Government	7,151,483	(113,039,969)
	(2,245,299,089)	(1,211,126,661)
Increase in current liabilities		
Trade and other payables	632,113,301	211,009,478
	(1,613,185,788)	(1,000,117,183)
Cash generated from operations	109,983,410	168,775,391
Contribution to gratuity fund	(7,011,397)	(18,630,000)
Mark-up paid	(244,339,002)	(168,743,324)
Tax paid	(411,275,762)	(185,075,512)
Long term deposits	7,593,450	(5,799,684)
Workers' profit participation fund paid	(38,048,669)	(35,557,857)
Workers' welfare fund paid	(14,192,680)	(8,392,413)
	(707,274,060)	(422,198,790)
Net cash used in operating activities - Balance carried forward	(597,290,650)	(253,423,399)

	2018 (Rupees)	2017 (Rupees)
Balance brought forward	(597,290,650)	(253,423,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(30,535,923)	(34,556,764)
Additions in capital work in progress - net	(632,369,891)	(620,201,625)
Purchase of intangible	-	(2,037,750)
Sale proceeds from disposal of property, plant and equipment	3,542,917	7,390,250
Interest received	3,084,327	3,469,055
Net cash used in investing activities	(656,278,570)	(645,936,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	334,591,987	138,795,774
Long term loan repaid	(129,044,758)	(93,281,351)
Dividend paid	(217,747,169)	(119,762,036)
Repayment of liabilities against assets subject to finance lease	(38,042,502)	(43,638,535)
Repayment of liabilities against diminishing musharaka finance	(2,247,259)	(396,438)
New leases acquired	6,507,000	32,311,000
New diminishing musharaka acquired	5,457,200	-
Subscription against right issue	-	104,983,484
Short term borrowings	1,308,601,851	773,014,700
Net cash generated from financing activities	1,268,076,350	792,026,598
Net increase / (decrease) in cash and cash equivalents	14,507,130	(107,333,635)
Cash and cash equivalents at the beginning of the year	100,619,462	207,953,097
Cash and cash equivalents at the end of the year	115,126,592	100,619,462

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

Chief Executive Officer **Chairman** **Chief Financial Officer**

1 THE GROUP AND ITS OPERATIONS

1.1 Nimir Industrial Chemicals Limited ("NICL") is part of Nimir Group ("The Group") which consist of:

Parent (Holding) Company

Nimir Industrial Chemicals Limited ("NICL")

Subsidiary Companies

Nimir Holding (Private) Limited ("NHPL")

Nimir Management (Private) Limited ("NMPL")

Nimir Resins Limited ("NRL")

The Ultimate Parent Company of NICL is Nimir Resources (Private) Limited ("NRPL").

The shareholding of Nimir Group is as follows:

• The holding of NICL in NHPL:	100%
• The holding of NHPL in NMPL:	51%
• The holding of NMPL in NRL:	51%
• The holding of NHPL in NRL:	11.63%
• Effective holding of NICL in NRL:	37.64%

Nimir Industrial Chemicals Limited ("The Holding Company") was incorporated in Pakistan as a public limited company and its shares are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Nimir Resources (Private) Limited which holds 56.74% (2017: 56.67%) of the total shares of the company. The registered office of the Holding Company is situated at 14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan. The Holding Company is engaged in manufacture and sale of chemical products. Subsequent to the year end, the Ultimate Parent Company has initiated a process of voluntary winding up after which shares of the Ultimate Parent Company shall be transferred to shareholders of the Holding Company.

Nimir Holding (Private) Limited and Nimir Management (Private) Limited were incorporated in Pakistan as private limited companies on 28 September 2015 and 4 December 2015 respectively for the purpose of investment in Nimir Resins Limited. The registered office of NHPL and NMPL is situated at Nimir House, 12-B, New Muslim Town, Lahore, Pakistan.

Nimir Resins Limited was initially incorporated in Pakistan on 17 December 1964 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was converted into public limited company on 19 August 1991 with the name of Nimir Resins Limited. The name of the company was changed to Descon Chemicals Limited on 1 April 2010 when the company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited. Upon acquisition by Nimir Group as explained in note 1.2, the name of the company changed to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated 18 April 2016. The shares of Nimir Resins Limited are quoted on Pakistan Stock Exchange Limited. The registered office is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore. The principal activity of the company is to manufacture surface coating resins for paint industry, polyesters, and optical brightener for paper and textile industries and textile auxiliaries for textile industry.

1.2 As a result of adoption of International Financial Reporting Standard (IFRS) – 10 'Consolidated Financial Statements', the Holding Company assessed the control conclusion of its investment in Nimir Resins Limited (NRL) that although, the Holding Company has less than 50% shareholding in NRL, however, based on absolute size of the Holding Company's shareholding, common directorship and management, the Holding Company has the ability to exercise control over NRL as per the terms of IFRS-10. Henceforth, Nimir Industrial Chemicals Limited (NICL) is deemed to be holding company of NRL.

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. As a result, the Company has changed its accounting framework accordingly. This change in accounting framework has not resulted in significant changes to the amounts recognized in these financial statements or the comparative information except some additional disclosures being made as required under the Companies Act, 2017.

2.1 Standards, interpretations and amendments to published approved accounting standards effective in 2018

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

New / Revised Standards and Amendments

The Company has adopted the following accounting standards and amendments which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes — Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)

Improvements to Accounting Standards Issued by the IASB in December 2014

IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12.

The adoption of the above amendments, improvements to accounting standards and interpretations do not have any material effect on the financial statements.

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

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2	Share-based Payments — Classification and Measurement of Share-based Payments Transactions (Amendments).	January 1, 2018
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts — (Amendments)	January 1, 2018
IAS 40	Transfers to Investment Property — (Amendments)	January 1, 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRS 9	Financial Instruments: Classification and Measurement	July 1, 2018
IFRS 15	Revenue from Contracts with Customers	July 1, 2018
IFRS 16	Leases	January 1, 2019
IFRS 9	Prepayment Features with Negative Compensation — (Amendments)	January 1, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures — (Amendments)	January 1, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019
IAS 19	Plan Amendment, Curtailment or Settlement — (Amendments)	January 1, 2019

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 and IFRS 16. The management is in the process of determining the effect of application of IFRS 15 and IFRS 16.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018.

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS-17	Insurance Contracts	January 1, 2021

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain employee benefits are recognized on the basis mentioned in note 5.13.

These financial statements are the consolidated financial statements of the Group in which investment in subsidiaries is accounted for on the basis of acquisition method. Standalone financial statements of the Holding Company and its Subsidiaries are prepared separately.

3.2 Basis of consolidation

The consolidated financial statements include the financial statement of the Holding Company and its subsidiary companies. The Group uses the acquisition method of accounting to account for business combination. The consideration transferred is the fair value of the assets transferred, the liabilities assumed and the equity interest issued by the Group, if any. The Group recognizes any non-controlling interest in the acquiree at the non- controlling interest's proportionate share of the identifiable net assets of the acquiree. The financial statement of the Holding Company and its Subsidiaries are prepared up to the same reporting date using consistent accounting policy except as stated otherwise. Identifiable assets acquired and liabilities assumed in the acquisition are measured initially at their fair value at the date of acquisition.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the value of non-controlling interest using proportionate share method over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net asset of the subsidiary acquired, the difference is recognized in profit or loss account. After initial recognition it is measured at carrying value i.e. at date of acquisition less any accumulated impairment.

The financial statements of subsidiaries have been consolidated on line by line basis. Intra Group balances, transactions, income and expenses have been eliminated. Assets, liabilities, income and expense have been consolidated from the date the Group acquired the control of the subsidiary till the control cease to exist. Unrealized gain or loss on intra group transactions are also eliminated but unrealized losses are however recognized to the extent of impairment, if any.

3.3 Non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transaction with parties external to the Group. Disposals of non-controlling interests results in gain and losses for the Group that are recorded in the statement of profit or loss account.

3.4 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the Group's functional currency.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

4.1 Provision for doubtful receivables

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

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

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

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

4.3 Taxation and deferred tax

In making the estimates for income tax payable, the Holding Company and its subsidiary companies takes into account the applicable laws and the decisions by appellate authorities on certain issues in the past. Since, the Group has not opted for Group taxation, therefore, provision for taxation is determined on separate financial statements of the Holding Company and its subsidiary companies.

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

4.4 Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are also tested for impairment when there are indicators that the carrying amounts may not be recoverable. For assets which can generally be sold in the market, the prevailing market price is used as an indicator of current recoverable amount. Technical analysis and market data, including recent transactions and economic factors, are used to arrive at recoverable amount for specialized assets.

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior year except as stated otherwise.

5.1 Property, plant and equipment

Owned assets

Property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment.

Cost of property, plant and equipment consists of historical cost and directly attributable cost of bringing the assets to their present location and condition.

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

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in the income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

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

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

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

Capital Work In Progress

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

Leased Asset

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

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

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term. The financial charges are calculated at the interest rates implicit in the lease and are charged to the statement of profit or loss account.

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

5.2 Intangibles

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

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

5.3 Stock in trade, stores, spare parts and loose tools

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

Raw and packing material	-	weighted average cost
Material in transit	-	cost
Work in process	-	cost
Finished goods	-	weighted average cost
Stores, spare parts and loose tools	-	weighted average cost

Obsolete items are carried at nil value. Provision for obsolete and slow moving stock is based on management estimates.

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

5.4 Trade debts

Trade debts are carried at invoice amount on transaction date less provision for doubtful debts, if any. Bad debts are written off as and when identified.

5.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

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

5.6 Financial instruments

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

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

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

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

5.7 Offsetting of financial assets and financial liabilities

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

5.8 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of the impairment may include indicators that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in statement of profit or loss account.

5.9 Trade and other payables

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

5.10 Provisions

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

5.11 Taxation

Current

The charge for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

5.12 Revenue recognition

Sale of goods - Local

Revenue is recognized when the significant risks and rewards of ownership of the goods have transferred to the buyer at the time of issuance of delivery challan.

Sale of goods - Export

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

Profit on bank deposit

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

5.13 Staff retirement benefits

Defined benefit plan

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

Experience adjustments are recognized in statement of other comprehensive income when they occur. Amounts recorded in the statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income (expense). All other changes in net defined benefit liability are recognized in the statement of other comprehensive income with no subsequent recycling to the statement of profit or loss.

The distinction between short term and other long term employee benefits is based on the expected timing of settlement rather than the employees' entitlement to benefits.

5.14 Foreign currency translation

Foreign currency transactions are recorded using the rate ruling at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani rupees using the exchange rate ruling at the reporting date.

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

5.15 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. Such borrowing costs are capitalized as part of the cost of the qualifying asset.

5.16 Pricing for related party transactions

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

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

5.17 Operating segments

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments, as follows:

- Oleo chemicals and chlor alkali

- Coating emulsion and resins

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to assess segment's performance, and for which discrete financial information is available. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

6.1 Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests (NCI):

Name of subsidiary	Group effective shareholding %	NCI shareholding %	Country of incorporation	Financial year end
Nimir Management (Private) Limited (NMPL)	51.00	49.00	Pakistan	30 June
Nimir Resins Limited (NRL)	37.64	62.36	Pakistan	30 June

	2018 (Rupees)	2017 (Rupees)
Accumulated balances of material non-controlling interest:		
Nimir Management (Private) Limited (NMPL)	102,313,730	103,057,253
Nimir Resins Limited (NRL)	413,848,525	350,748,217
Profit allocated to material non-controlling interest:		
Nimir Management (Private) Limited (NMPL)	(743,523)	(12,317,170)
Nimir Resins Limited (NRL)	63,100,308	46,460,155

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of profit or loss:

	2018		2017	
	NMPL	NRL	NMPL	NRL
	(Rupees)		(Rupees)	
Sales - net	-	3,580,118,885	-	2,668,804,664
Cost of sales	-	(3,261,493,820)	-	(2,391,124,100)
Distribution costs	-	(51,996,207)	-	(45,437,159)
Administrative expenses	(486,725)	(78,163,387)	(1,855,200)	(54,350,744)
Other expenses	-	(7,244,009)	-	(9,897,874)
Other income	-	8,741,805	-	7,236,751
Foreign exchange loss	-	(29,696,988)	-	(3,163,173)
Finance cost	(480)	(75,114,419)	(23,281,882)	(60,992,853)
(Loss) / profit before taxation	(487,205)	85,151,860	(25,137,082)	111,075,512
Taxation	(1,030,189)	17,958,828	-	(36,738,862)
(Loss) / profit after taxation	(1,517,394)	103,110,688	(25,137,082)	74,336,650
Total comprehensive income	(1,517,394)	101,187,152	(25,137,082)	74,503,135
Attributable to non-controlling interests	(743,523)	63,100,308	(12,317,170)	46,460,155

7 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018	2017		2018	2017
No. of shares			(Rupees)	(Rupees)
110,590,546	110,590,546	Ordinary shares of Rs. 10 each fully paid in cash	1,105,905,460	1,105,905,460

7.1 Nimir Resources (Private) Limited holds 62,750,000 ordinary shares of Rs.10 each, representing 56.74% (2017: 62,670,647 ordinary shares of Rs. 10 each, representing 56.67%) of the issued capital.

8 LONG TERM LOANS

	Note	2018 (Rupees)	2017 (Rupees)
Term finance - Secured I	8.1	18,750,000	59,375,000
Term finance - Secured II	8.2	83,854,171	134,895,837
Term finance - Secured III	8.3	37,500,000	56,250,000
Term finance - Secured IV	8.4	204,910,414	136,345,774
Term finance - Secured V	8.5	135,000,000	-
Term finance - Secured VI	8.6	112,399,255	-
Loan from directors / sponsors	8.7	107,000,000	107,000,000
		699,413,840	493,866,611
Less: Current maturity shown under current liabilities		(174,159,225)	(127,604,162)
		525,254,615	366,262,449

8.1 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2013 with grace period of one year. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

8.2 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

8.3 This represents long term finance facility obtained from a financial institution carrying mark-up at the rate of 6 months KIBOR plus 200 bps per annum repayable in 48 monthly instalments starting from December 2015 with grace period of six months. This facility is secured against joint pari passu charge over present and future fixed assets of the Holding Company.

8.4 This represents long term finance facility amounting to Rs. 250 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from February 2017 with grace period of one year. As of year end, Rs. 204.91 million has been availed out of total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

8.5 This represents long term finance facility amounting to Rs. 150 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 54 monthly instalments starting from December 2017 with grace period of six months. As of year end, Rs. 135 million has been availed out of total facility. This facility is secured against first joint pari passu charge over present and future fixed assets of the Holding Company.

8.6 This represents long term finance facility amounting to Rs. 300 million from a financial institution carrying mark-up at the rate of 3 months KIBOR plus 125 bps per annum repayable in 48 monthly instalments starting from March 2018 with grace period of one year. As of year end, Rs. 112 million has been availed out of total facility. This facility is secured against first joint pari passu charge over all present and future fixed assets of the Holding Company.

8.7 This represents loan obtained from ex-director / sponsors of Nimir Resins Limited. This loan is interest free and repayable on demand, however, the lender has agreed not to demand repayment for a period of next twelve months. As a result of understanding reached between subsidiaries and ex-director during the year and resultant reinstatement adjustment in the books of Nimir Resins Limited, the amount has been stated with an adjustment to equity portion.

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The interest rates used as the discounting factor (i.e. implicit in the lease) range from 1 month KIBOR plus 175 bps to 1 year KIBOR plus 100 bps (2017: 1 month KIBOR plus 175 bps to 1 Year KIBOR plus 200 bps). The amount of future payments and the period during which they will become due are:

	2018 (Rupees)	2017 (Rupees)
Year ending 30 June		
2018	-	46,136,677
2019	51,823,961	49,366,866
2020	23,413,970	20,615,826
2021	25,502,247	22,406,634
2022	11,500,849	8,457,826
2023	5,664,894	-
	117,905,921	146,983,829
Less: Future finance charges	(9,780,580)	(15,430,603)
	108,125,341	131,553,226
Less: Current maturity shown under current liabilities	(46,186,411)	(36,938,773)
	61,938,930	94,614,453

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

Minimum lease payments (MLP) and their present value (PV) are grouped below:

	2018		2017	
	MLP	PV of MLP	MLP	PV of MLP
	(Rupees)		(Rupees)	
Due not later than 1 year	51,823,961	46,186,411	46,136,677	36,938,773
Due later than 1 year but not later than 5 years	66,081,960	61,938,930	100,847,152	94,614,453
	117,905,921	108,125,341	146,983,829	131,553,226

10 DIMINISHING MUSHARAKA FINANCE

	2018 (Rupees)	2017 (Rupees)
Diminishing musharaka finance	6,273,953	2,492,623
Less: Current maturity shown under current liabilities	(1,445,876)	(485,211)
	4,828,077	2,007,412

10.1 During the year, the subsidiary acquired further vehicles under the diminishing musharaka financing arrangements entered into with First Punjab Modaraba, for a period of 60 months. The effective rate of rent per unit is 3 month KIBOR plus 2.5% with floor rate of 8.55% - 8.66% per annum (2017: 8.53%).

		Note	2018	2017
11	**DEFFERED TAX LIABILITY**		**(Rupees)**	**(Rupees)**
	This comprises of:			
	Deferred tax liabilities on taxable temporary differences			
	Accelerated tax depreciation		312,120,569	303,966,190
	Deferred tax assets on deductible temporary differences			
	Provision for doubtful trade debts		(42,854,911)	(33,459,720)
	Provision against stock		(9,810,948)	(8,226,153)
	Provision against others		(2,352,569)	(831,737)
	Deferred and unpaid liabilities		(12,771,145)	(20,550,581)
	Capital work in progress - impairment		(18,375,856)	-
	Amortization on intangible assets		(101,014)	-
			225,854,126	240,897,999
	Reconciliation of deferred tax liabilities - net			
	As of 1 July		240,897,999	140,261,558
	Tax expense recognized in statement of profit or loss		(12,697,585)	102,439,278
	Tax income recognized in OCI		(2,346,288)	(1,802,837)
	As at 30 June		225,854,126	240,897,999
12	**TRADE AND OTHER PAYABLES**			
	Creditors		912,860,135	431,018,899
	Accrued liabilities		311,643,259	184,755,610
	Security deposits	12.1	400,000	400,000
	Advances from customers	12.2	50,745,472	20,315,018
	Workers' profit participation fund	12.3	57,597,302	43,508,351
	Workers' welfare fund	12.4	18,905,534	14,848,312
	Withholding tax payable		526,926	2,708,599
	Sales tax payable		3,572,869	-
	Others		11,609,469	6,793,797
			1,367,860,966	704,348,586

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

12.2 These represents advances from customers in ordinary course of business. No amounts have been received from related parties (2017: Nil).

		Note	2018	2017
			(Rupees)	**(Rupees)**
12.3	Balance as at 01 July		43,508,351	35,557,857
	Add: Provision for the year	31	52,137,620	43,508,351
	Less: Payments made during the year		(38,048,669)	(35,557,857)
	Balance as at 30 June		57,597,302	43,508,351
12.4	Balance as at 01 July		14,848,312	34,730,981
	Add: Provision for the year	31	18,345,706	14,765,091
	Less: Payments made during the year		(14,192,680)	(8,392,413)
	Less: Reversal during the year		(95,804)	(26,255,347)
	Balance as at 30 June		18,905,534	14,848,312

13 NET DEFINED BENEFIT LIABILITY / (ASSET) - FUNDED GRATUITY

	Note	2018 (Rupees)	2017 (Rupees)
Staff retirement benefit plan - Parent			
Present value of defined benefits obligation		77,199,315	64,901,853
Less: Fair value of plan assets		(20,488,913)	(17,535,266)
		56,710,402	47,366,587
Staff retirement benefit plan - Subsidiary			
Present value of defined benefits obligation		15,031,194	9,319,363
Less: Fair value of plan assets		(7,413,641)	(10,494,362)
		7,617,553	(1,174,999)

13.1 The amounts recognized in the statement of financial position are as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Present value of defined benefits obligation	13.5	92,230,517	74,221,216
Less: Fair value of plan assets	13.6	(27,902,562)	(28,029,628)
		64,327,955	46,191,588

13.2 The amounts recognized in the statement of profit or loss account are as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Current service cost		13,962,389	7,560,689
Interest cost on defined benefit obligation		3,094,727	2,829,918
Expense recognized in the profit or loss account		17,057,116	10,390,607

13.3 The charge for the year has been allocated as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Cost of sales	28.2	11,547,916	8,047,571
Distribution costs	29.1	2,104,844	659,460
Administrative expenses	30.1	3,404,356	1,683,576
		17,057,116	10,390,607

13.4 Movement in the net liability recognized in the statement of financial position are as follows:

	2018 (Rupees)	2017 (Rupees)
Net liabilities at the beginning of the year	46,191,588	48,421,525
Current service cost	13,962,389	7,560,689
Interest cost on defined benefit obligation - net	3,094,727	2,829,918
Contribution by employer	(7,011,397)	(18,630,000)
Remeasurements charged to other comprehensive income	8,090,648	6,009,456
Net liabilities at the end of the year	64,327,955	46,191,588

13.5 Movement in the present value of defined benefit obligation

	2018 (Rupees)	2017 (Rupees)
Present value of defined benefits obligation at the beginning of the year	74,221,224	67,747,229
Current service cost	13,962,389	7,560,689
Interest cost on defined benefit obligation	5,085,439	4,521,144
Benefits paid	(8,154,465)	(10,773,225)
Remeasurement:		
Experience adjustments	7,115,930	5,165,387
Present value of defined benefit obligation at the end of year	92,230,517	74,221,224

13.6 Movement in the fair value of plan assets	**2018 (Rupees)**	**2017 (Rupees)**
Fair value of plan assets at the beginning of the year	28,029,636	19,325,703
Contribution by employer	7,011,397	18,630,000
Interest Income	1,990,712	1,691,226
Benefits paid	(8,154,465)	(10,773,225)
Return on plan assets excluding interest income	(974,718)	(844,068)
Fair value of plan assets at the end of year	27,902,562	28,029,636

13.7 Estimated expense to be charged to the statement of profit or loss in next year	**2019 (Rupees)**
Current service cost	15,041,584
Interest cost on define benefit obligation	5,124,930
Amount chargeable to profit or loss	20,166,514

13.8 Qualified actuaries have carried out the valuation as at June 30, 2018. The projected unit credit method, based on the following significant assumptions, is used for valuation of the plan:

	2018	**2017**
Discount rate for interest cost in profit or loss charge	9.75%	9.75%
Discount rate for obligation	7.75%	7.25%
Expected rates of salary increase in future years	6.75%	6.25%
Retirement assumption	Age 60	Age 60

13.9 A quantitative sensitivity analysis for significant assumptions on defined benefit obligation is shown as below:

Sensitivity level	**Assumption**	**Impact on defined benefit obligation**
+100 bps	Discount rate	84,423,172
-100 bps	Discount rate	101,282,601
+100 bps	Expected increase in salary	101,282,601
-100 bps	Expected increase in salary	84,286,094

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years for the Holding Company and 9.1 years for subsidiary.

14 SHORT TERM BORROWINGS - SECURED

The aggregate of short term finance facilities from financial institutions available at period end is Rs. 5,821 million (2017: Rs. 4,237 million) which includes running finance facilities amounting Rs. 1,350 million (2017: Rs. 1,152 million). The rate of mark up ranges from 1 month KIBOR + 50 bps to 6 months KIBOR + 175 bps with no floor and no cap (2017: 1 month KIBOR to 6 months KIBOR + 175 bps with no floor and no cap). The facilities are secured against joint pari passu charge on the present and future current assets of the Group.

The unutilized facility for opening letters of credit and bank guarantees as at June 30, 2018 amounts to Rs. 1,249 million (2017: Rs. 678 million) and Rs. 93 million (2017: Rs. 103 million) respectively.

15 CONTINGENCIES AND COMMITMENTS

15.1 CONTINGENCIES

Pending the outcome of below cases, no provision has been made in the financial statements, since the management of the Group based on its consultants' opinion, is confident that the outcome of the appeals will be in favor of the Group.

Holding Company

15.1.1 The income tax authority amended the Company's assessment relating to Tax Year 2016 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) raised a demand of Rs. 8 million vide Order dated May 15, 2017. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who upheld the said order. The Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) who decided the case in favor of the Company vide Order dated January 22, 2018. The tax authority has filed a reference dated June 11, 2018 before the Lahore High Court against the decision of the ATIR which is pending adjudication.

15.1.2 The income tax authority raised a tax demand of Rs. 206 million by treating the remission of loan as taxable income of Rs. 711 million for the Tax Year 2011 which was challenged at Appellate Tribunal Inland Revenue (ATIR). The ATIR decided the case in favor of the Company vide Order dated December 2, 2013. The Income Tax Department has filed an appeal in February 2014 before the Honorable Lahore High Court against the ATIR's decision which is pending adjudication.

15.1.3 The income tax authority amended the proceedings the Company's assessment relating to Tax Year 2014 under section 122 (5) / 177 / 214C of the Ordinance and raised demand of Rs. 123 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who decided the case in favor of the Company in toto vide order dated March 21, 2018. The Company as well as its consultant has not received any intimation for filing of appeal by the tax department to the ATIR.

15.1.4 The income tax authority amended the Company's assessment relating to tax year 2009 under section 122 (5A) of the Ordinance, disallowing certain expenses thereby reducing declared loss from Rs. 167 million to Rs. 65 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who upheld the order on major additions vide Order dated April 23, 2018. The Company has filed second appeal before the ATIR dated May 21, 2018, which is pending adjudication.

Subsidiary Company

15.1.5 In respect of tax year 2014, the Company was confronted for audit through random computer balloting. On production of records, the concerned Assistant Commissioner of Inland Revenue (ACIR) has made additions of Rs. 27.828 million (consequent tax exposure Rs. 9.46 million), whereas the company had declared a tax loss of Rs. 55.554 million in its tax return. Against this order, the Company has initiated preferred appeal on October 25, 2017 with CIR (appeals) and such appeal is pending adjudication.

15.1.6 The Company has filed suit in Civil Court, Lahore against one Mr. Sh. Anwar Hussain and others for the recovery of trade debts for Rs. 29.411 million. The matter is under adjudication.

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

15.1.8 In respect of tax year 2011, the Company was confronted for audit through random computer balloting. On production of records, the concerned Assistant Commissioner of Inland Revenue (ACIR) has made additions of Rs. 61.702 million vide order dated October 30, 2017(consequent tax exposure Rs. 21.60 million) , whereas the Company had declared a tax loss of Rs. 147.994 million in its tax return. Against this order, the Company has initiated preferred appeal on January 11, 2018 with CIR(appeals) and such appeal is pending adjudication.

15.2 COMMITMENTS

Commitments in respect of letters of credit, letters of guarantee, capital expenditures and diminishing musharika as at 30 June are as follows:

	2018 (Rupees)	2017 (Rupees)
Letters of credit established for the import of raw materials, spare parts and machinery	1,819 million	1,124 million
Letter of guarantee given to SNGPL	99 million	102 million
Letter of guarantee given to PSO	25 million	19 million
Letter of guarantee given to Total PARCO	8 million	6 million
Capital expenditures	-	13 million
Diminishing musharaka finance	-	2 million

16 PROPERTY, PLANT AND EQUIPMENT

	Note	2018 (Rupees)	2017 (Rupees)
Operating fixed assets	16.1	2,719,291,356	2,113,635,836
Capital work in progress	16.6	301,156,140	590,172,602
		3,020,447,496	2,703,808,438

16.1 Operating fixed assets

2018

Particulars	COST: As at July 1, 2017	COST: Additions / (Disposals)	COST: Transfer / Adjustment	COST: As at June 30, 2018	Rate %	DEPRECIATION: Accumulated as at July 1, 2017	DEPRECIATION: Charge for the year	DEPRECIATION: (Disposals)	DEPRECIATION: Transfer / Adjustment	DEPRECIATION: Accumulated as at June 30, 2018	Net Book value: As at June 30, 2018
Owned	(Rupees)					(Rupees)					(Rupees)
Free hold land	213,386,237	21,917,300	-	235,303,537	-	-	-	-	-	-	235,303,537
Building on free hold land	419,059,727	27,581,644	19,568,136	466,209,507	4-5	150,541,005	24,088,270	-	350,917	174,980,192	291,229,315
Plant and machinery	2,861,893,891	804,480,274	(19,568,136)	3,646,806,029	4-50	1,464,348,115	208,113,107	-	(350,917)	1,672,110,305	1,974,695,724
Furniture and fittings	5,677,917	754,799	-	6,432,716	10-33	4,030,839	577,841	-	-	4,608,680	1,824,036
Office and factory equipment	144,109,455	17,334,037 (949,377)	-	160,494,115	10-50	100,356,137	20,690,144	(927,461)	-	120,118,820	40,375,295
Vehicles	53,521,623	9,982,202 (5,132,190)	8,693,802	67,065,437	20-25	31,192,908	8,192,077	(4,878,581)	5,640,448	40,146,852	26,918,585
	3,697,648,850	882,050,256 (6,081,567)	8,693,802	4,582,311,341		1,750,469,004	261,661,439	(5,806,042)	5,640,448	2,011,964,849	2,570,346,492
Leased: Vehicles	53,959,902	6,507,000	(8,693,802)	51,773,100	20	13,379,710	10,665,174	-	(5,640,448)	18,404,436	33,368,664
Plant and machinery	144,978,023	-	-	144,978,023	4-50	19,102,225	10,299,598	-	-	29,401,823	115,576,200
	198,937,925	6,507,000	(8,693,802)	196,751,123		32,481,935	20,964,772	-	(5,640,448)	47,806,259	148,944,864
2018	3,896,586,775	888,557,256 (6,081,567)	-	4,779,062,464		1,782,950,939	282,626,211	(5,806,042)	-	2,059,771,108	2,719,291,356

2017

Particulars	COST: As at July 1, 2016	COST: Additions / (Disposals)	COST: Transfer / Adjustment	COST: As at June 30, 2017	Rate %	DEPRECIATION: Accumulated as at July 1, 2016	DEPRECIATION: Charge for the year	DEPRECIATION: (Disposals)	DEPRECIATION: Transfer / Adjustment	DEPRECIATION: Accumulated as at June 30, 2017	Net Book value: As at June 30, 2017
Owned	(Rupees)					(Rupees)					(Rupees)
Free hold land	213,386,237	-	-	213,386,237	-	-	-	-	-	-	213,386,237
Building on free hold land	409,821,240	9,238,487	-	419,059,727	4-5	130,497,725	20,043,280	-	-	150,541,005	268,518,722
Plant and machinery	2,692,804,306	178,175,203	(9,085,618)	2,861,893,891	4-50	1,332,113,035	138,651,160	-	(6,416,080)	1,464,348,115	1,397,545,776
Furniture and fittings	4,450,214	1,227,703	-	5,677,917	10-33	3,627,424	403,415	-	-	4,030,839	1,647,078
Office and factory equipment	115,349,866	20,938,654 (1,264,683)	9,085,618	144,109,455	10-50	77,392,104	17,746,683	(1,198,730)	6,416,080	100,356,137	43,753,318
Vehicles	37,528,309	20,353,825 (13,176,511)	8,816,000	53,521,623	20-25	30,940,313	5,640,252	(13,013,273)	7,625,616	31,192,908	22,328,715
	3,473,340,172	229,933,872 (14,441,194)	8,816,000	3,697,648,850		1,574,570,601	182,484,790	(14,212,003)	7,625,616	1,750,469,004	1,947,179,846
Leased: Vehicles	30,464,902	32,311,000	(8,816,000)	53,959,902	20	10,494,812	10,510,514	-	(7,625,616)	13,379,710	40,580,192
Plant and machinery	144,978,023	-	-	144,978,023	4-50	8,719,723	10,382,502	-	-	19,102,225	125,875,798
	175,442,925	32,311,000	(8,816,000)	198,937,925		19,214,535	20,893,016	-	(7,625,616)	32,481,935	166,455,990
2017	3,648,783,097	262,244,872 (14,441,194)	-	3,896,586,775		1,593,785,136	203,377,806	(14,212,003)	-	1,782,950,939	2,113,635,836

16.1.1 Owned vehicles include vehicles amounting to Rs. 8.695 million (2017: 3.071 million), which has been obtained through Diminishing Musharaka Financing.

16.1.2 There are fully depreciated assets, having cost of Rs. 259.664 million that are still in use as at the reporting date.

16.2 Disposal of operating fixed assets:

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers	Relationship with Company
	(Rupees)							
Honda City LE-13-8993	1,597,835	1,490,562	107,273	1,160,000	1,052,727	Negotiation	Mr. Nasir Ahmad	Un-related
Toyota Corolla LEA-13-3215	1,676,327	1,529,991	146,336	1,185,000	1,038,664	Negotiation	Mr. Pir Dil Nawaz	Un-related
Toyota Corolla LEF-12-6976	1,858,028	1,858,028	-	1,165,000	1,165,000	Negotiation	Mrs. Kulsoom Akhtar	Un-related
Office and factory equipment*	949,377	927,461	21,916	32,917	11,001	Negotiation	Various	Un-related
Total	6,081,567	5,806,042	275,525	3,542,917	3,267,392			

*The net book value of individual asset within this class is below five hundred thousand rupees.

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

16.4 Depreciation for the year has been allocated as under:	**Note**	**2018 (Rupees)**	**2017 (Rupees)**
Cost of sales	28	263,313,074	188,082,640
Distribution costs	29	3,733,323	3,157,774
Administrative expenses	30	15,579,814	12,137,392
		282,626,211	203,377,806

16.5 Holding Company's immovable fixed assets are located at 14.8 km, Sheikhupura-Faisalabad Road, Mouza Bhikki, District Sheikhupura, Pakistan having area of 51.8 acres whereas Subsidiary Company's immovable fixed assets are located at 14.5 Km, Lahore- Sheikhupura Road and 14.8 Km, Sheikhupura-Faisalabad Road having area of 19.35 acres.

16.6 Capital work in progress	**2018**				**2017**
	Land and Building	**Plant and machinery**	**Others**	**Total**	**Total**
	(Rupees)				**(Rupees)**
Opening balance	13,648,869	576,356,933	166,800	590,172,602	194,901,936
Impairment charge	-	(63,365,020)	-	(63,365,020)	-
Additions during the year	112,400,055	500,635,237	19,334,599	632,369,891	620,201,625
	126,048,924	1,013,627,150	19,501,399	1,159,177,473	815,103,561
Transferred to operating fixed assets	(45,540,944)	(804,026,376)	(8,454,013)	(858,021,333)	(224,930,959)
	80,507,980	209,600,774	11,047,386	301,156,140	590,172,602

16.6.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 7,424,954 (2017: Rs. 2,310,950). The expansion has been financed by a term finance facility from a financial institution.

16.6.2 During the year company has tested its two steam turbines for impairment from a renowned valuer (Iqbal A. Nanjee & Co. (Private) Limited). As per valuation report, the valuer determined the recoverable value of these turbines under normal condition amounting to Rs. 12 million, resulting in an impairment charge of Rs. 63.37 million.

17 INTANGIBLE	**Note**	**2018 (Rupees)**	**2017 (Rupees)**
Software and licenses			
Cost:			
As at 1 July		5,862,934	3,825,184
Additions during the year		-	2,037,750
As at 30 June		5,862,934	5,862,934
Accumulated amortization:			
As at 1 July		(2,782,224)	(1,605,299)
Amortization during the year	30	(1,123,225)	(1,176,925)
As at 30 June		(3,905,449)	(2,782,224)
Net book value		1,957,485	3,080,710
Rate of amortization		20% - 33.33%	20% - 33.33%

18 LONG TERM DEPOSITS

	Note	2018 (Rupees)	2017 (Rupees)
Security deposits			
Financial institutions		11,479,520	19,072,970
Others	18.1	25,545,798	25,545,798
		37,025,318	44,618,768

18.1 This includes deposit amounting to Rs. 12.24 million (2017: Rs. 12.24 million) given to electricity supply company for dedicated line.

19 STORES, SPARES PARTS AND LOOSE TOOLS

	Note	2018 (Rupees)	2017 (Rupees)
In hand		154,895,131	168,215,410
In transit		128,112	14,733,648
		155,023,243	182,949,058

20 STOCK IN TRADE

	Note	2018 (Rupees)	2017 (Rupees)
Raw and packing material			
In hand		667,822,712	642,006,751
In transit		1,953,986,049	841,986,870
		2,621,808,761	1,483,993,621
Less:			
Provision for raw material	20.1	-	(4,191,285)
Provision for packing material		-	(427,973)
		-	(4,619,258)
		2,621,808,761	1,479,374,363
Finished goods		651,808,635	438,946,942
Less: Provision for obsolescence	20.2	(33,830,854)	(22,801,255)
		617,977,781	416,145,687
		3,239,786,542	1,895,520,050

20.1 Movement in provision for raw material is as follows:

	2018 (Rupees)	2017 (Rupees)
Opening balance	4,191,285	10,433,626
Charge for the year	-	-
Reversal during the year	(4,191,285)	(6,242,341)
	(4,191,285)	(6,242,341)
Closing balance	-	4,191,285

20.2 Movement in provision for obsolescence of stock is as follows:

	2018 (Rupees)	2017 (Rupees)
Opening balance	22,801,255	3,144,209
Charge for the year	11,029,599	19,657,046
Written off during the year	-	-
Closing balance	33,830,854	22,801,255

	Note	2018 (Rupees)	2017 (Rupees)
21 TRADE DEBTS			
Unsecured - considered good			
Due from customers	21.1	2,370,350,966	1,576,055,493
Due from associated company	21.2	458,851	96,648
		2,370,809,817	1,576,152,141
Considered doubtful		147,775,556	111,532,398
Provision for doubtful debts	21.4	(147,775,556)	(111,532,398)
		-	-
		2,370,809,817	1,576,152,141

21.1 These customers have no recent history of default. For age analysis of these trade debts, referred to Note 37.1.1

21.2 This relates to the amount due from Nimir Chemicals Pakistan Limited.

21.3 Aggregate amount due from directors, Chief Executive Officer and executives of the Group is Rs. Nil (2017: Rs. Nil).

	Note	2018 (Rupees)	2017 (Rupees)
21.4 Provision for doubtful debts			
As at 1 July		111,532,398	89,885,224
Charge for the year	30	36,243,158	21,647,174
As at 30 June		147,775,556	111,532,398

21.5 Maximum aggregate amount due from associated undertakings at the end of any month in the year was Rs. 8,106,275 (2017: Rs. 2,078,718). No interest has been charged on the amounts due from associated undertakings.

	Note	2018 (Rupees)	2017 (Rupees)
22 LOANS AND ADVANCES			
Considered good - unsecured			
Suppliers		136,555,329	98,792,532
Employees against business expenses	22.1	3,348,057	4,190,708
Employees against salary	22.2	7,615,651	8,776,263
		147,519,037	111,759,503

22.1 This includes advance given to executives amounting to Rs. 0.043 million (2017: Rs. 1.94 million).

22.2 This includes advance given to executives amounting to Rs. 3.7 million (2017: Rs. 6.4 million).

23 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2018	2017
Current maturity - financial institutions (including banks)	10,856,528	4,653,666
Prepayments	20,837,211	9,595,567
	31,693,739	14,249,233

		Note	2018 (Rupees)	2017 (Rupees)
24	**OTHER RECEIVABLES**			
	Margin against bank guarantee		18,311,950	17,820,950
	Margin against letters of credit		46,857,000	1,753,320
			65,168,950	19,574,270
25	**TAX REFUNDS DUE FROM THE GOVERNMENT**			
	Income tax		755,687,424	506,645,824
	Sales tax		148,814,715	155,966,198
	Federal excise duty		3,748,500	3,748,500
			908,250,639	666,360,522
26	**CASH AND BANK BALANCES**			
	Cash in hand		674,474	7,413,750
	Cash at bank			
	Current accounts		44,284,301	25,910,234
	Saving accounts		3,167,817	2,295,478
	Term Deposit Certificate		67,000,000	65,000,000
			114,452,118	93,205,712
			115,126,592	100,619,462
27	**SALES**			
	Local sales		18,186,195,894	11,570,773,575
	Export sales		-	311,640
	Gross sales		18,186,195,894	11,571,085,215
	Less: Sales tax		(2,554,156,946)	(1,612,610,652)
	Less: Trade discounts		-	(644,894)
	Net sales		15,632,038,948	9,957,829,669

27.1 Sales includes toll manufacturing services amounting to Rs. 130 million.

		Note	2018 (Rupees)	2017 (Rupees)
28	**COST OF SALES**			
	Raw and packing material consumed	28.1	12,426,420,925	7,486,621,158
	Salaries, wages and benefits	28.2	382,625,059	303,906,438
	Depreciation	16.4	263,313,074	188,082,640
	Fuel and power		611,546,096	469,861,597
	Stores, spares and loose tools consumed		122,438,723	98,639,742
	Repairs and maintenance		27,159,909	44,731,657
	Traveling, conveyance and entertainment		30,283,126	23,283,102
	Communication		1,784,914	1,415,262
	Insurance		17,874,980	14,816,949
	Rent, rates and taxes		6,199,375	4,966,890
	Printing and stationery		2,851,068	2,060,564
	Provision for obsolescence		11,029,599	19,657,046
	Fee and consultancy charges		4,165,305	-
	Dues, fees and subscription		2,229,530	1,067,687
	Product development charges		2,386,482	-
	Other expenses		3,292,168	2,727,472
			13,915,600,333	8,661,838,204
	Add: Opening stock-finished goods	20	438,946,942	391,253,454
	Less: Closing stock-finished goods	20	(651,808,635)	(438,946,942)
			13,702,738,640	8,614,144,716

	Note	2018 (Rupees)	2017 (Rupees)
28.1 Raw and packing material consumed			
Opening Balance		1,479,374,363	739,284,827
Purchases		13,568,855,323	8,226,710,694
		15,048,229,686	8,965,995,521
Less: Closing Balance	20	(2,621,808,761)	(1,479,374,363)
Raw and packing material consumed		12,426,420,925	7,486,621,158

28.2 This includes Rs. 11.55 million (2017: Rs. 9.4 million) in respect of staff retirement benefits.

28.3 Cost of sales includes direct toll manufacturing expenses amounting to Rs. 39.3 million.

29 DISTRIBUTION COSTS

	Note	2018 (Rupees)	2017 (Rupees)
Salaries, wages and benefits	29.1	56,295,495	41,486,647
Repairs and maintenance		281,973	411,016
Traveling, conveyance and entertainment		5,931,010	3,983,108
Communication		638,585	493,888
Insurance		3,004,800	3,262,591
Freight outward		48,844,382	44,310,923
Distribution commission		63,521,509	38,637,473
Packing, carriage and forwarding		18,015,355	21,807,442
Printing and stationery		554,637	571,933
Depreciation	16.4	3,733,323	3,157,774
Sales promotion expenses		193,270	1,411,509
Utilities		294,430	251,225
Dues, fees and subscription		294,733	333,874
Other expenses		133,180	73,401
		201,736,682	160,192,804

29.1 This includes Rs. 2.1 million (2017: Rs. 1.3 million) in respect of staff retirement benefits.

30 ADMINISTRATIVE EXPENSES

	Note	2018 (Rupees)	2017 (Rupees)
Salaries, wages and benefits	30.1	119,949,259	83,999,535
Fuel and power		1,799,925	1,213,094
Repairs and maintenance		4,445,042	2,321,782
Traveling, conveyance and entertainment		15,740,299	13,284,646
Communications		5,618,896	5,127,364
Insurance		2,151,085	1,966,330
Rent, rates and taxes		3,115,173	1,600,289
Printing and stationery		2,770,244	3,548,694
Advertisement expense		1,411,775	1,429,933
Legal, professional and consultancy charge		16,326,597	9,594,834
Auditors' remuneration	30.2	4,348,580	3,866,000
Depreciation	16.4	15,579,814	12,137,392
Amortization	17	1,123,225	1,176,925
Dues, fees and subscription		9,368,969	8,796,419
Provision for doubtful debts	21.4	36,243,158	21,647,174
Other expenses		5,957,995	1,453,873
		245,950,036	173,164,284

30.1 This includes Rs. 3.4 million (2017: Rs. 2.3 million) in respect of staff retirement benefits.

	Note	2018 (Rupees)	2017 (Rupees)

30.2 Auditors' remuneration

Audit fee		2,437,580	2,475,000
Consolidation, reviews and certifications		1,760,000	1,188,000
Out of pocket expenses		151,000	203,000
		4,348,580	3,866,000

31 OTHER EXPENSES

Workers' profit participation fund	12.3	52,137,620	43,508,351
Workers' welfare fund	12.4	18,345,706	14,765,091
Impairment charged to assets		63,365,020	-
Provision against refundable sales tax		5,339,850	-
		139,188,196	58,273,442

32 OTHER INCOME

Non financial assets			
Gain on disposal of property, plant and equipment	16.2	3,267,392	7,161,059
Sale of waste material / scrap		12,334,137	3,398,676
Reversal of provision		7,037,498	28,102,567
Bad debts recovered		-	739,400
Fee for technical services		1,297,140	-
Financial assets			
Profit on savings accounts		50,938	202,796
Profit on term deposit receipt		3,073,335	3,490,642
		27,060,440	43,095,140

33 FOREIGN EXCHANGE LOSS

Foreign liabilities	33.1	118,354,868	12,958,090

33.1 This include unrealized exchange loss on translation of liabilities in foreign currency amounting to Rs. 22,376,273 (2017: Rs. 4,021,163).

34 FINANCE COST

	2018 (Rupees)	2017 (Rupees)
Mark-up on		
- Long term loans	30,034,006	35,096,203
- Short term borrowings	226,439,551	148,453,514
Financial charges on lease	8,107,617	9,801,782
Diminishing musharaka finance	571,389	131,912
Bank charges, fee and commission	14,217,275	9,710,257
Early payment discount	-	4,616,473
	279,369,838	207,810,141

35 TAXATION

Current tax		
Current year	228,831,315	199,273,013
Prior year	(40,485,675)	(35,588,654)
	188,345,640	163,684,359
Deferred tax		
Relating to the reversal and origination of temporary differences	(5,594,265)	106,963,844
Expense resulting from reduction in tax rate	(7,103,320)	(4,524,566)
	(12,697,585)	102,439,278
	175,648,055	266,123,637

35.1 COMPARSION OF TAX PROVISION

	2017 * (Rupees)	2016 ** (Rupees)	2015 (Rupees)
Provision as per Financial Statements	215,523,017	129,495,864	18,484,708
Amount as per Income Tax Return	182,156,509	146,150,174	18,320,539

* The difference mainly relates to super tax which was computed separately from tax return in tax year 2017

** The difference mainly relates to adjustment of brought forward minimum taxes.

36 EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED

36.1 Basic

	2018	2017
Profit attributable equity holders of the parent (Rupees)	732,556,771	474,218,530
Weighted average number of ordinary shares (number)	110,590,546	110,590,546
Earnings per ordinary share (Rupees)	6.62	4.29

36.2 Diluted

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

37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

37.1 Credit Risk

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

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

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

	Carrying values	
	2018 (Rupees)	2017 (Rupees)
Long-term deposits	25,545,798	25,545,798
Trade debts – unsecured	2,370,809,817	1,576,152,141
Other receivables	65,168,950	19,574,270
Bank balances	114,452,118	93,205,712

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

37.1.1 Trade Debts

	2018 (Rupees)	2017 (Rupees)
Other than related parties		
Neither past due nor impaired	707,568,207	1,023,054,631
Past due but not impaired		
01-30 days	1,077,625,770	313,051,421
31-60 days	286,835,160	127,547,236
61-90 days	221,438,571	53,353,638
Over 90 days	76,883,258	59,048,567
	1,662,782,759	553,000,862
Past due and impaired		
01-30 days	-	-
31-60 days	-	-
61-90 days	-	-
Over 90 days	147,775,556	111,532,398
	147,775,556	111,532,398
	2,518,126,522	1,687,587,891
Related parties		
Neither past due nor impaired	14,672	41,207
Past due but not impaired		
01-30 days	444,179	7,722
31-60 days	-	7,722
61-90 days	-	36,364
Over 90 days	-	3,633
	444,179	55,441
	458,851	96,648

As at 30 June 2018, trade debts of Rs. 147.8 million (2017: Rs. 111.53 million) were impaired and provided for.

37.1.2 Bank

Financial institution	Ratings: Agency	Short Term	Long term	2018 (Rupees)	2017 (Rupees)
Albaraka Bank (Pakistan) Limited	PACRA	A1	A	11,257,179	773,237
Bank AL Habib Limited	PACRA	A1+	AA+	6,151,210	5,183,823
Habib Bank Limited	JCR-VIS	A1+	AAA	1,047,078	79,246
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	24,820	667,330
MCB Bank Limited	PACRA	A1+	AAA	1,810,990	938,651
Meezan Bank Limited	JCR-VIS	A1+	AA+	14,031,125	5,382,327
National Bank of Pakistan	PACRA	A1+	AAA	881,776	726,856
Silk Bank Limited	JCR-VIS	A-2	A-	6,117	6,116
Standard Chartered Bank Limited	PACRA	A1+	AAA	1	2,482,457
The Bank of Punjab	PACRA	A1+	AA	79,241,822	76,965,669
				114,452,118	93,205,712

37.2 Liquidity Risk

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

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

	At Group's discretion	Maturity Up to One Year	Maturity After One Year	Total
	(Rupees)			
As at June 30, 2018				
Long term loans	13,943,500	174,159,225	511,311,115	699,413,840
Liabilities against assets subject to finance lease	-	46,186,411	61,938,930	108,125,341
Diminishing musharaka finance	-	1,445,876	4,828,077	6,273,953
Short term borrowings	-	3,986,468,603	-	3,986,468,603
Mark up accrued	-	50,140,627	-	50,140,627
Unclaimed dividend	-	6,142,532	-	6,142,532
Trade and other payables	-	1,236,512,863	-	1,236,512,863
Total financial liabilities	13,943,500	5,501,056,137	578,078,122	6,093,077,759
As at June 30, 2017				
Long term loans	13,943,500	127,604,162	352,318,949	493,866,611
Liabilities against assets subject to finance lease	-	36,938,773	94,614,453	131,553,226
Diminishing musharaka finance	-	485,211	2,007,412	2,492,623
Short term borrowings	-	2,677,866,752	-	2,677,866,752
Mark up accrued	-	38,006,072	-	38,006,072
Unclaimed dividend	-	2,708,609	-	2,708,609
Trade and other payables	-	622,968,306	-	622,968,306
Total financial liabilities	13,943,500	3,506,577,885	448,940,814	3,969,462,199

37.3 Market Risk

37.3.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign trade payables. However at the year end, there are material foreign currency balances.

37.3.2 Interest Rate Risk

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

If interest rates at the year end, fluctuate by 1% higher / lower, profit for the year would have been Rs. 45.1 million (2017: Rs. 31.9 million) higher / lower. This analysis is prepared assuming that all other variables held constant and the amounts of liabilities outstanding at the reporting dates were outstanding for the whole year.

37.4 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves. The gearing ratio of the Group is 25% (2017: 23%).

37.5 Fair value of financial assets and financial liabilities

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As at the reporting date, carrying value of all the financial instruments in the financial statements approximates their fair value. Further, all financial assets and financial liabilities at reporting date are categorized into loans and advances.

38 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise parent company, related group companies, directors and key management personnel. Remuneration of Chief Executive, directors and executives is also shown in Note 39. Transactions with related parties during the year are as follows:

Relationship with the Group	Nature and Description of Related Party Transaction	2018 (Rupees)	2017 (Rupees)
Nimir Resources (Private) Limited	Dividend Paid	125,420,647	62,670,647
Nimir Chemical Pakistan Limited	Sale of goods	14,397,680	5,462,100
Staff retirement benefits	Contribution to gratuity fund	7,011,397	18,630,000

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2018	2017	2018	2017	2018	2017*
Number of persons	1	1	3	3	23	14
			(Rupees)			
Remuneration	10,502,806	7,354,839	17,765,064	13,471,388	47,303,353	33,614,291
Housing	4,726,613	3,309,679	7,994,128	6,061,776	22,538,709	15,126,588
Utilities	1,050,581	735,482	1,776,808	1,346,836	4,729,938	3,361,121
Bonus	4,174,932	3,978,434	7,024,336	5,967,652	17,670,410	12,658,042
	20,454,932	15,378,434	34,560,336	26,847,652	92,242,410	64,760,042

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

39.2 An amount of Rs. 2,320,000 (2017: Rs. 1,780,000) were paid to directors for attending the meetings.

* The number of executives and their remuneration has been restated as per the requirement of fourth schedule of Companies Act, 2017.

40 TOTAL NUMBER OF EMPLOYEES

	2018	2017
40.1 Number of employees as at 30 June	275	252
Average number of employees during the year	267	244
40.2 Number of factory employees		
Number of employees as at 30 June	204	198
Average number of employees during the year	200	193

41 PRODUCTION CAPACITY IN METRIC TONS

	2018 Maximum Capacity (MT)	2018 Actual Production (MT)	2017 *Maximum Capacity (MT)	2017 Actual Production (MT)
Oleo Chemicals	68,000	67,407	52,000	50,710
Chlor Alkali Products	50,000	48,722	44,500	43,642
Soap Finishing Line	16,000	12,005	-	-
Resin Products	39,000	26,242	39,000	22,227

* Determined on weighted average basis.

41.1 There is no significant difference between maximum installed capacity and actual capacity.

42 OPERATING SEGMENT INFORMATION

	Oleo chemicals and chlor alkali		Coating, emulsion and resins		Other segments		Inter segment eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees)									
Sales	12,154,312,383	7,369,139,953	3,580,118,885	2,668,804,664	-	-	(102,392,320)	(80,114,948)	15,632,038,948	9,957,829,669
Cost of sales	(10,541,804,264)	(6,304,069,597)	(3,261,493,820)	(2,391,124,100)	-	-	100,559,444	81,048,981	(13,702,738,640)	(8,614,144,716)
Gross profit	1,612,508,119	1,065,070,356	318,625,065	277,680,564	-	-	(1,832,876)	934,033	1,929,300,308	1,343,684,953
Distribution cost	(149,740,475)	(114,755,645)	(51,996,207)	(45,437,159)	-	-	-	-	(201,736,682)	(160,192,804)
Administrative expenses	(167,528,649)	(115,698,790)	(78,163,387)	(54,350,744)	(948,000)	(3,594,750)	690,000	480,000	(245,950,036)	(173,164,284)
Operating profit / (loss)	1,295,238,995	834,615,921	188,465,471	177,892,661	(948,000)	(3,594,750)	(1,142,876)	1,414,033	1,481,613,590	1,010,327,865
Other expenses	(131,944,187)	(48,375,568)	(7,244,009)	(9,897,874)	-	-	-	-	(139,188,196)	(58,273,442)
Other income	16,734,751	59,800,007	8,741,805	7,236,751	2,993,884	15,382,612	(1,410,000)	(39,324,230)	27,060,440	43,095,140
Foreign exchange loss	(88,657,880)	(9,794,917)	(29,696,988)	(3,163,173)	-	-	-	-	(118,354,868)	(12,958,090)
Finance cost	(204,254,459)	(135,427,376)	(75,114,419)	(60,992,853)	(960)	(49,634,142)	-	38,244,230	(279,369,838)	(207,810,141)
Profit / (loss) before taxation	887,117,220	700,818,067	85,151,860	111,075,512	2,044,924	(37,846,280)	(2,552,876)	334,033	971,761,128	774,381,332
Taxation	(191,582,093)	(229,384,775)	17,958,828	(36,738,862)	(2,024,790)	-	-	-	(175,648,055)	(266,123,637)
Profit / (loss) for the year	695,535,127	471,433,292	103,110,688	74,336,650	20,134	(37,846,280)	(2,552,876)	334,033	796,113,073	508,257,695
Segment assets	7,588,383,208	5,474,383,766	2,778,427,654	2,106,349,457	580,214,944	579,844,091	(853,952,619)	(840,485,777)	10,093,073,187	7,320,091,537
Segment liabilities	4,973,519,227	3,330,052,996	1,767,478,222	1,196,587,177	94,237,219	93,886,500	(7,076,934)	3,837,032	6,828,157,734	4,624,363,705

42.1 Inter segment sales, purchases and balances have been eliminated.

43 SIGNIFICANT TRANSACTIONS AND EVENTS

Holding Company- Nimir Industrial Chemicals Limited

Summary of significant transactions and events that have affected the Company's financial position and performance during the year is as follows:

- The turnover in 2018 has grown by Rs.4.8 billion (approximately 65%) over the year 2017.
- The devaluation in Pak Rupees has resulted into an exchange loss of Rs.89 million during the year.
- Since the increased volume of business was mainly financed through short term financing, the financial cost increased substantially while on the other hand EPS increased by 48%.

Subsidiary Company- Nimir Resins Limited

Summary of significant transactions and events that have affected the Company's financial position and performance during the year is as follows:

	2018 Rupees
- Issue of bonus shares during the year	30,421,360
- Reclassification of revaluation surplus owing to the requirements of the 4th Schedule to the Companies Act, 2017	84,744,209
- Reclassification of unclaimed dividend owing to the requirements of the 4th Schedule to the Companies Act, 2017	292,819
- Procurement of raw material from a related party - Nimir Industrial Chemicals Limited	102,392,320
- Obtained further short term borrowings	395,898,592
- Purchase of property, plant and equipment	37,978,723
- Increase in tax refunds - net	110,016,284
- Increase in revenue as compared to last year	911,314,221
- Exchange loss during the year	29,696,988
- Adjustment of current tax expense arising from prior year tax credits	40,344,340

There is no significant transactions and events during the period in Nimir Management (Private) Limited and Nimir Holding (Private) Limited which affect the financial performance and financial position of the Group.

44 SUBSEQUENT EVENTS

The Board of Directors at its meeting held on September 25, 2018 has proposed a final dividend @ Rs. 2 per share for the year ended June 30, 2018 (2017: Rs. 1) amounting to Rs. 221,181,092 (2017: Rs. 110,590,546) for approval of the members at the Annual General Meeting to be held on October 26, 2018. These financial statements do not reflect this dividend.

45 GENERAL

45.1 Re - classification

Corresponding figures of the following have been reclassified for better and fair presentation:

Particulars	Classified from	Re-classified to	2017
Membership fee	Other expense (Administrative expenses)	Dues, fee and subscription (Administrative expenses)	759,239
Membership fee	Other expense (Distribution cost)	Dues, fee and subscription (Distribution cost)	333,874

45.2 Figures have been rounded off to nearest rupee unless otherwise stated.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on Tuesday, September 25, 2018.

Chief Executive Officer	Chairman	Chief Financial Officer

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2018

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
201	1	100	7,682
948	101	500	283,562
208	501	1,000	183,129
318	1,001	5,000	870,448
87	5,001	10,000	682,336
42	10,001	15,000	531,978
18	15,001	20,000	320,495
11	20,001	25,000	269,271
5	25,001	30,000	142,675
5	30,001	35,000	165,850
7	35,001	40,000	266,812
1	40,001	45,000	45,000
7	45,001	50,000	346,250
4	50,001	55,000	205,351
4	55,001	60,000	235,692
1	60,001	65,000	60,500
2	65,001	70,000	139,000
3	80,001	85,000	248,316
2	85,001	90,000	174,500
4	95,001	100,000	400,000
1	105,001	110,000	109,624
1	115,001	120,000	119,000
2	120,001	125,000	244,500
1	145,001	150,000	145,125
2	170,001	175,000	350,000
1	190,001	195,000	192,500
1	195,001	200,000	200,000
1	220,001	225,000	225,000
2	245,001	250,000	500,000
1	250,001	255,000	251,000
1	265,001	270,000	269,500
1	295,001	300,000	297,000
1	300,001	305,000	300,750
1	305,001	310,000	310,000
1	320,001	325,000	321,500
1	470,001	475,000	471,000
1	645,001	650,000	650,000
1	650,001	655,000	652,425
1	670,001	675,000	672,500
1	740,001	745,000	745,000
1	930,001	935,000	932,000
1	995,001	1,000,000	1,000,000
1	1,805,001	1,810,000	1,808,500
1	3,455,001	3,460,000	3,458,000
1	8,510,001	8,515,000	8,511,750
1	8,820,001	8,825,000	8,824,999
1	10,700,001	10,705,000	10,700,026
1	62,745,001	62,750,000	62,750,000
1,909			110,590,546

CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2018

S. No.	Categories of shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officers and their spouse and minor childern	13,263,295	11.9932%
5.2	Associated Companies, undertakings and related parties. (Parent Company)	62,750,000	56.7408%
5.3	NIT and ICP	1,500	0.0014%
5.4	Banks Development Financial Institutions, Non-Banking Financial Institutions.	2,300	0.0021%
5.5	Insurance Companies	17,500	0.0158%
5.6	Modarabas and Mutual Funds	783,124	0.7081%
5.7	Share holders holding 10% or more	62,750,000	56.7408%
5.8	General Public		
	1- Local	32,678,241	29.5489%
	2- Foreign	0	0.0000%
5.9	Others (to be specified)		
	1- Joint Stock Companies	1,028,964	0.9304%
	2- Foreign Companies	30,600	0.0277%
	3- Leasing Companies	24,010	0.0217%
	4- Investment Companies	11,012	0.0100%

CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
1.	**Associated Companies, Undertakings and Related Parties:**		
	1 Nimir Resourcs (Pvt.) Limited (CDC)	62,750,000	56.7408
2.	**Mutual Funds:**		
	1 CDC - Triustee AKD Opportunity Fund (CDC)	109,624	0.0991
	2 Golden Arrow Selected Stocks Fund Limited (CDC)	672,500	0.6081
3.	**Directors and their Spouse and Minor Children:**		
	1 Mr. Abdul Jalil Jamil (CDC)	13,688	0.0124
	2 Mr. Zafar Mahmood (CDC) (Chief Executive)	395,125	0.3573
	3 Mr. Aamir Jamil (CDC)	188,750	0.1707
	4 Mr. Muhammad Yahya Khan (CDC)	10,700,026	9.6754
	5 Mr. Muhammad Saeed uz Zaman	310,781	0.2810
	6 Mr. Imran Afzal (CDC)	1,000,000	0.9042
	7 Mr. Mohsin Tariq (CDC)	1,000	0.0009
	8 Mr. Saqib Raza (CDC)	1,000	0.0009
	9 Mr. Javeed Saleem Arif (CDC)	500	0.0005
	10 Mr. Abdul Jaleel Shaikh (Nominee of Pak Brunai)	-	0.0000
	11 Mrs. Nusrat Jamil W/o Abdul Jalil Jamil (CDC)	652,425	0.5899
4.	**Executives:**	471,500	0.4263
5.	**Public Sector Companies & Corporations:**	–	–
6.	**Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:**	44,810	0.0405

7. Shareholders holding five percent or more voting intrest in the listed Company:

Sr. No.	Name	No. of Shares Held	Percentage
1	Nimir Resourcs (Pvt.) Limited (CDC)	62,750,000	56.7408
2	Mr. Muhammad Yahya Khan (CDC)	10,700,026	9.6754
3	Mr. Nadeem Nasir (CDC)	8,824,999	7.9799
4	Mrs. Shaheen Nadeem (CDC)	8,511,750	7.6966

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

S. No.	Name	Sale	Purchase
1	Mr. Zafar Mahmood (CDC) (Chief Executive)	-	250,000
2	Mr. Muhammad Yahya Khan (CDC)	-	200,000
3	Mr. Aamir Jamil (CDC)	-	13,000
4	Mr. Khalid Mumtaz Qazi (CDC)	-	265,250

NOTICE OF 25th ANNUAL GENERAL MEETING
FOR THE YEAR ENDED JUNE 30, 2018

Notice is hereby given that the 25th Annual General Meeting of Nimir Industrial Chemicals Limited (the "Company") will be held on Friday, October 26, 2018 at 11:30 a.m. at Qaser-e-Sultan, Lahore – Faisalabad By-pass, near Housing colony, Sheikhupura to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone and Consolidated accounts of the Company for the year ended June 30, 2018 together with the reports of the Directors', Auditors' and Chairmans' review thereon.

2. To approve the payment of final cash dividend of Rs. 2 per share (i.e. 20%) in the addition to the interim dividend of Rs. 1 per share, in total of Rs. 3 per share (i.e.30%) cash dividend for the year ended June 30, 2018.

3. To appoint Auditors for the year ended June 30, 2019 and fix their remuneration. The retiring auditors M/s EY Ford Rhodes – Chartered Accountants have offered themselves for re-appointment.

By Order of the Board

Lahore
October 5, 2018

Muhammad Inam-ur-Rahim
(Company Secretary)

Notes:

i. The share transfer books of the Company shall remain closed from October 19, 2018 to October 26, 2018 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Thursday, October 18, 2018 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, in case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold dividends in the future.

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

Deduction of withholding Tax on the amount of Dividend

Pursuant of the provisions of Finance Act 2017 effective from July 1, 2017, the deduction of income tax from the dividend payments shall be made on the bases of filer and non-filers as follows:

S. No.	Nature of shareholders	Rate of deduction
1	Filers of Income Tax Return	15%
2	Non-Filers of Income Tax Return	20%

Shareholders seeking exemption from deduction of income tax or are eligible at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Shareholders desiring non-deduction of Zakat are also requested to submit a valid declaration for non-deduction of Zakat.

The shareholders who have joint shareholdings held by filers or Non-filers shall be dealt with separately. If the shares are not ascertainable then each account holder will be assumed to hold equal proportion of shares and deduction will be made accordingly.

Video Conference Facility

Pursuant to the provisions of the Section 132(2) of 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.

Payment of Cash Dividend through Electronic Mode (IBAN format)

In accordance with the Section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled Shareholders. Shareholders are requested to provide their bank account details (IBAN format) to our share registrar (for Physical shares) or to their respective participant / broker (for CDS shares) as the case may be. The subject Form is available at Company's website i.e. www.nimir.com.pk. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

FORM OF PROXY 25th ANNUAL GENERAL MEETING

The Company Secretary
Nimir Industrial Chemicals Limited
14.8 K.M. Sheikhupura - Faisalabad Road,
Bhikhi – Dist. Sheikhupura,
Pakistan.

Ledger Folio/CDC A/C No. ____________

Shares Held ____________

I / We .... of .... being member(s) of Nimir Industrial Chemicals Limited hereby appoint .... of .... as my/our proxy to vote for me / us .... on my / our behalf at the Annual General Meeting of the Company held on Friday, October 26, 2018 at 11:30 a.m. and / or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this .... day of .... 2018.

____
Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

WITNESSES:

1. ____________________ 2. ____________________

Name : ____________________ ____________________

CNIC : ____________________ ____________________

Address: ____________________ ____________________

Date: ____________________ ____________________

Five Rupees
Revenue Stamp

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Bhikhi, District Sheikhupura, Pakistan.
Ph: +92 56 3883001-7 • Fax: +92 56 3883010
Cell: +92 301 8221151, 301 8483950
www.nimir.com.pk

Posted Stamp

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