



ANNUAL
REPORT | 2016

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COMPANY INFORMATION

Board of Directors

Sh. Amar Hameed	- Chairman
Mr. Zafar Mahmood	- Chief Executive Officer
Mr. Abdul Jalil Jamil	
Mr. M. Saeed-uz-Zaman	
Mr. Muhammad Yahya Khan	
Mr. Osman Hameed	
Mr. Muhammad Sajid	

Working Directors

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

Chief Financial Officer

Mr. Aamir Jamil

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Auditors

Horwath Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Mr. Muhammad Sajid	- Chairman
Mr. M. Saeed-uz-Zaman	- Member
Mr. Osman Hameed	- Member

Human Resources & Remuneration Committee

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

Bankers

The Bank of Punjab
Al Baraka Bank (Pakistan) Limited
Soneri Bank Limited
J.S. Bank Limited

Legal Advisors

M/s Hassan & Hassan
Advocates

Share Registrar

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

Registered Office / Plant - 1

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

Plant – 2

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

Lahore Office

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

Web Site

www.nimir.com.pk

OUR VISION & MISSION

Our Vision

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

Our Mission

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



CHAIRMAN'S MESSAGE

I am pleased to announce the operating results of Nimir Resins Limited (NRL) for the year ending 30th June 2016. From a loss of Rs.83 million in the previous year your company has made a net profit of Rs.53 million this year. These results are all the more remarkable because this turnaround of Rs.136 million was achieved within six months. Credit must be given where due and the credit for this achievement belongs to our new management team of NRL who took over the reins of this company in January this year.

The new sponsors of your company injected considerable amount into the company to reduce financial cost and fund essential capital expenditure. Your new management capitalised on this by introducing improvements and efficiencies at every level in every department. Their hard work and Allah's blessings ensured our success.

While I congratulate our management team and all other stakeholders, I am acutely aware that further innovative improvements are necessary, if shareholders are to receive a fair return on their investment Inshallah. To this end your management intends to take full advantage of

our versatile equipment by introducing new products in coming years and has upgraded the company's R&D department for this purpose.

I am hopeful that our government will continue to pursue fiscal policies which will encourage industrialization and fair competition in the country so that companies like ours can continue to grow and prosper.

Sheikh Amar Hameed
Chairman



CEO'S MESSAGE

By the Grace of Allah and the support of our dynamic team and staff, I am proud to announce the turnaround in Nimir Resins Limited (NRL). The new sponsors and management team took over control of the Company in January 2016. The new management has significantly improved the operating performance of the Company and made a seamless turnaround of the Company from a loss making unit to a profitable unit in a very short span of time.

By reshaping the Company, the management has focused on advancement in its product range and quality with enhanced research and development. This will lead to constant improvements in the products and plant, and help keep pace with current competitive trends in the local and global markets.

Being pioneers and leaders in the chemicals industry with an in depth knowledge of the sector, the management is now focusing on a dynamic marketing strategy.

At NRL customer satisfaction is our ultimate goal. Hence, we are committed to every possible means to achieve that. The best product, at the best price is our mantra.

To achieve this, we have introduced a dedicated team that ensures quality control so that only the best product goes into the market at a competitive rate.

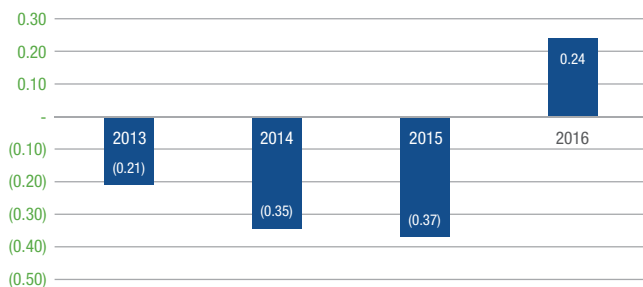
I would like to thank our management team and staff that have worked tirelessly to make this turnaround possible in such a short span of time.

Zafar Mahmood
Chief Executive Officer

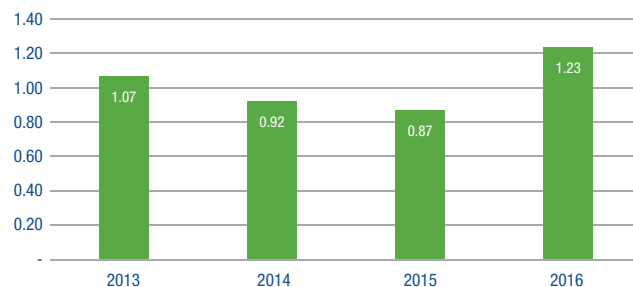
OUR PERFORMANCE

	2013	2014	2015	2016
	Rupees in millions			
Gross profit	216.40	184.60	155.30	235.90
Operating profit	106.60	59.00	38.50	136.00
Pre-tax profit (loss)	(43.30)	(57.80)	(62.30)	72.90
Net profit / (loss)	(42.10)	(69.10)	(82.40)	53.10
L.T. Liability	269.00	179.30	89.70	-
Equity	345.40	275.80	202.20	537.20
Current ratio	1.07	0.92	0.87	1.23
Interest cover (times)	0.61	0.48	0.34	2.47
Number of shares	200	200	200	200
Earnings / (loss) per share (after tax)	(0.21)	(0.35)	(0.37)	0.24
Breakup value per share	1.70	1.40	1.01	1.27

Earnings / (Loss) Per Share (after tax)

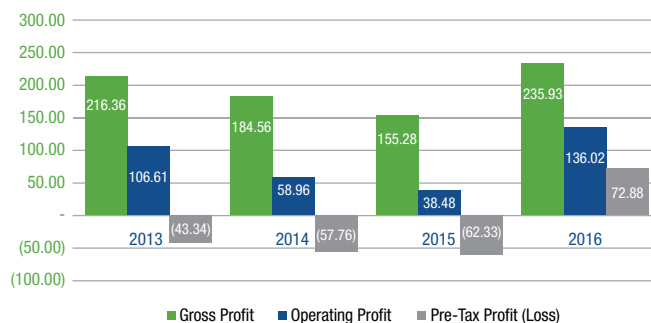


Current Ratio



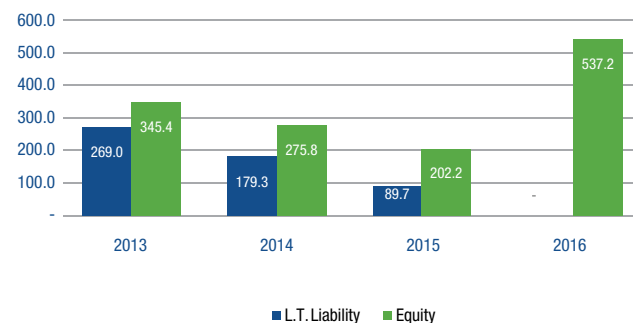
Profitability

PKR in million



Equity & L.T. Liability

PKR in million



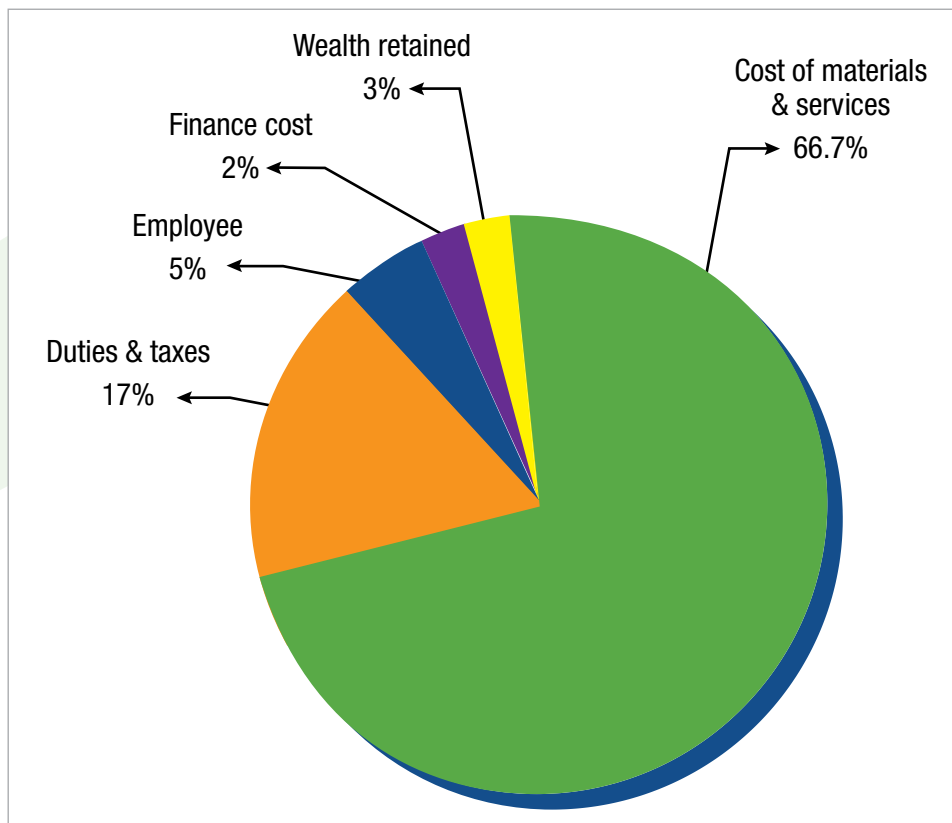
WEALTH GENERATED AND DISTRIBUTED

Wealth Generated

	Rs million	Percentage
Sales with sales Tax	2,055	99%
Other operating profit	23	1%
	<u>2,078</u>	<u>100%</u>

Distribution of Wealth

Cost of materials & services	1,521	73%
Duties & taxes	352	17%
Employees	103	5%
Finance cost	50	2%
Wealth retained	53	3%
	<u>2,078</u>	<u>100%</u>



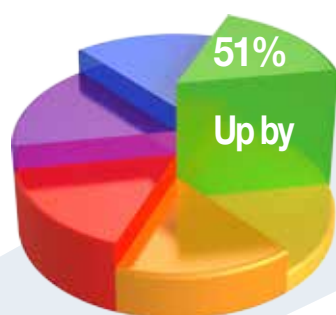
YEAR AT GLANCE 2015 - 2016

Performance Parameters

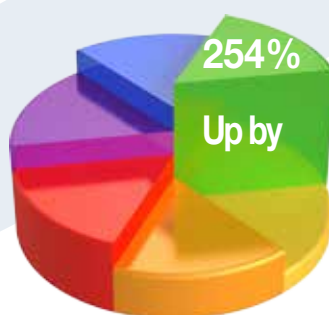
Sales
Gross profit
Operating profit
Finance Cost
Profit / (loss) before tax
Profit / (loss) after tax
Gross profit margin
Net profit / (loss) margin
Current ratio
L.T. Debt to equity ratio
Interest cover
Earnings / (loss) per share
Breakup value per share

2016	2015
(Rs.in Million)	
1,778	1,806
236	155
136	38
50	95
73	(62)
53	(82)
13.3%	8.6%
3.0%	-4.6%
1.23	0.87
0 : 100	31 : 69
2.47	0.34
0.24	(0.37)
1.27	1.01

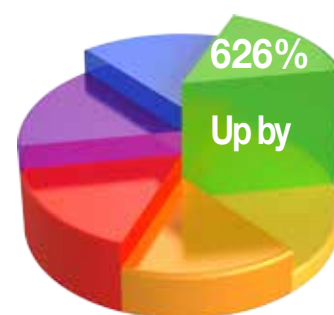
Financial Highlights



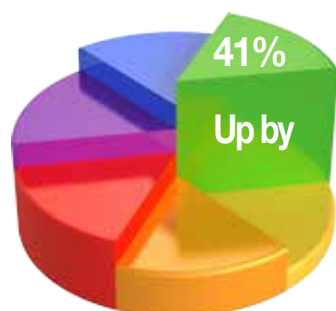
Gross Profit



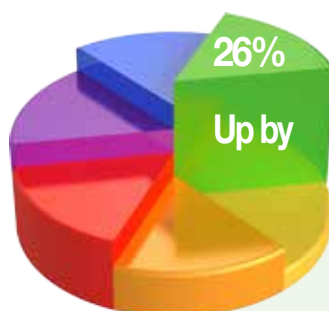
Operating Profit



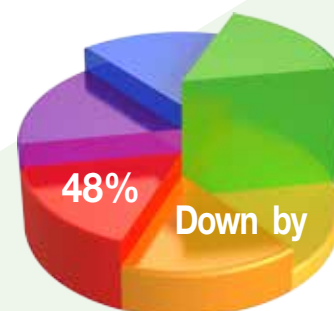
Interest Cover



Current Ratio



Share Break-up



Financial Cost

Key Operating & Financial Data for Last Six Years

	2016	2015	2014	2013	2012	2011
	(Rs.in Million)					
Summary of Profit and Loss						
Sales	1,778.0	1,806.4	2,199.5	2,402.4	2,560.9	2,601.7
Gross Profit	235.9	155.3	184.6	216.4	219.2	314.0
Operating profit	136.0	38.5	59.0	106.6	118.3	151.1
Finance Cost	49.6	94.6	111.5	110.5	125.7	159.2
Profit / (loss) before tax	72.9	(62.3)	(57.8)	(43.3)	(4.3)	1.2
Profit / (loss) after tax	53.1	(82.4)	(69.1)	(42.1)	(61.7)	(19.3)
Financial Position						
Share Capital	997.8	997.8	997.8	997.8	997.8	997.8
Net Worth	537.2	202.2	275.8	345.4	386.2	447.1
Long term borrowings from Banks	0.0	89.7	179.3	269.0	287.0	33.5
Current Assets	1,207.8	774.3	885.7	902.7	928.4	1,069.0
Current Liabilities	978.8	889.3	961.7	846.6	818.8	1,195.4
Total Assets	1,692.9	1,289.0	1,491.2	1,537.0	1,580.5	1,771.0
Investor Information						
Gross profit margin	13.27%	8.60%	8.39%	9.01%	8.56%	12.07%
Pre tax margin	4.1%	-3.45%	-2.63%	-1.80%	-0.17%	0.05%
Net profit margin	3.0%	-4.56%	-3.14%	-1.75%	-2.41%	-0.74%
Current Ratio	1.23	0.87	0.92	1.07	1.13	0.89
LT Bank Debt to Equity Ratio	0 : 100	31 : 69	39 : 61	44 : 56	43 : 57	7 : 93
Interest cover (Times)	2.47	0.34	0.48	0.61	0.97	1.01
Earnings / (loss) per share	0.24	(0.37)	(0.35)	(0.21)	(0.31)	(0.10)
Breakup value per share	1.27	1.01	1.38	1.73	1.94	2.24

Core Business At A Glance

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



DIRECTORS' REPORT

The Board of directors of the Company is pleased to submit the annual report along with the audited financial statements for the year ended June 30, 2016.

The financial year ended on June 30, 2016 brought a lot of changes in the Company; change of shareholding, change of board of directors, change of senior management and the turnaround of the company from a loss making unit to a profitable venture.

The results for the year are summarized as follows:

	2016	2015	Change
	PKR Million		
Sales Revenue	1,778	1,806	-28
Gross Profit	236	155	+81
Pre-Tax Profit / (Loss)	73	(62)	+135
Profit after Tax / (Loss)	53	(82)	+135
Earnings (Loss) per share (Rs.)	0.24	(0.37)	+0.61

There has been a decline in the sale turnover of the company in last few years. The first half of the current financial year also followed the same trend. However, after taking control of the company in January 2016, the new management has significantly improved the operating performance of the company.

It is a pleasure to report that by the grace of Almighty, the Company has been turned into a profit of Rs.53 million after a long history of red figures at the bottom line (last year loss was Rs.82 million). The Company achieved EPS of Rs. 0.24 per share for the year ended June 30, 2016 against loss per share of Rs.0.37 in the last year.

Future Outlook

The Company is operating in a very competitive environment and competing with the unorganized sector. Having a strong knowledge and experience of the chemicals business, the management is now focusing on increasing volumes, improving buying, reducing wastages and increasing efficiencies. A considerable capital expenditure plan has also been devised for BMR of the plant. Every capex is spent carefully after complete due diligence.

A process of issuing right shares of Rs.385 million has already been initiated. The process is in an advanced stage and would be completed in October 2016.

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

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

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

Outstanding statutory payments

All outstanding payments are of nominal and of routine nature.

Retirement Benefit Schemes:

The Company operates a funded provident and gratuity scheme for its employee as referred in Note-6 to the accounts.

Board of Directors

New management took over the control of the Company on January 5, 2016. Following changes were made in the board of directors of the Company during the year.

- Sh. Amar Hameed was appointed as director and chairman of the board of directors in place of outgoing director and chairman, Abdul Razak Dawood.
- Abdul Jalil Jamil, Muhammad Saeed-uz-Zaman, Muhammad Yahya Khan, Muhammad Sajid, Osman Hameed and Zafar Mahmood were appointed as directors of the Company in place of outgoing directors Farooq Nazir, Taimur Dawood, Faisal Dawood Salman Zakria, Syed Zamanat Abbas and Muhammad Saddiq.
- Zafar Mahmood was appointed as Chief Executive Officer of the Company on January 5, 2016 in place of outgoing chief executive officer Aamir Niazi. The statement under section 218 of the Companies Ordinance 1984 is annexed.

New Board comprises of two executives, four non-executives and one independent director.

The board also reconstituted the audit and human resources and remuneration committees as follows in their meeting held on January 5, 2016.

Audit Committee:

- | | | |
|----------------------|-----------------|----------|
| 1. Muhammad Sajid | (Independent) | Chairman |
| 2. M. Saeed-uz-Zaman | (Non Executive) | Member |
| 3. Osman Hameed | (Non Executive) | Member |

Human Resources and Remuneration Committee:

- | | | |
|----------------------|-----------------|----------|
| 1. Sh. Amar Hameed | (Non Executive) | Chairman |
| 2. Abdul Jalil Jamil | (Non Executive) | Member |
| 3. Zafar Mahmood | (Executive) | Member |

During the year 2016, eight board, four Audit Committee and one Remuneration Committee meetings were held. Attendance by each director was as follow:

Name of Director	Board of Directors	Audit Committee	HR & R Committee
Sh. Amar Hameed	3		1
Zafar Mahmood	5		1
Abdul Jalil Jamil	4		1
M. Saeed-uz-Zaman	5	2	
Muhammad Yahya Khan	5		
Osman Hameed	4		
Muhammad Sajid	3	2	
Khalid Mumtaz Qazi (Alternate Amar Hameed)	1		
Abdul Razak Dawood	3		
Taimur Dawood	3	2	
Aamir Niazi	3		
Farooq Niazi	3	2	
Faisal Dawood	3	2	

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

Remuneration of CEO & Executive Director

The remuneration of the Chief Executive Officer is paid by the subsidiary Company i.e. Nimir Industrial Chemicals Limited. The board has given the consent to share the remuneration of its chief executive with Nimir Industrial Chemicals Limited.

The board has also approved the remuneration of the Executive director on the recommendation of Human Resource and Remuneration Committee.

The discloser of the same is attached under Statement Pursuant to Section 218 of the Companies Ordinance, 1984.

Corporate Governance

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

- The Financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently

applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt on the company's ability to continue as a going concern.
- There has been no material departure from best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for the last 6 years is annexed.
- Outstanding taxes and levies are given in the notes to the financial statements.

The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with best practices.

Corporate Social Responsibilities

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

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

External Auditors

The present auditors M/s Horwath Hussain Chaudhury and Company, Chartered Accountant, retiring this year, being eligible, have offered themselves for re-appointment. The audit committee has recommended the re-appointment of M/s Horwath Hussain Chaudhury and Company, Chartered Accountant as external auditor of the Company for the year ending June 30, 2017.

Dividend / Bonus Shares

The Company did not declare dividend or issue bonus shares during the financial year ended June 30, 2016. The cash flow generated from the business mainly used for strengthening the liquidity position of the Company.

Pattern of Shareholding

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

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

Acknowledgment

The Board of Directors of the Company highly appreciates the dedication, commitment and hard work extended by its human resource capital and the cooperation extended by the customers, suppliers, bankers and all other stakeholders in bringing the company back to profit. We are also thankful to our shareholders for reposing their confidence in the management.

For and on behalf of the Board



Zafar Mahmood
Chief Executive Officer

Lahore,
September 9, 2016

ڈائریکٹرز رپورٹ

اس (کمپنی) کا حجم بڑھانے، قوت خرید بہتر کرنے، ضائع شدہ مال میں کمی لانے اور اس (کمپنی) کی استعداد کار میں اضافہ کرنے پر توجہ مرکوز کر رہی ہے۔ پلانٹ کی بی ایم آر کیلئے ایک قابل غور سرمایہ خرچ منصوبہ وضع کیا گیا ہے۔ ہر اصل مصارف مکمل ساودھانی کے بعد خرچ کیا جاتا ہے۔ 385 ملین روپے کے صحیح حصص جاری کر نیک عمل پہلے ہی شروع کیا جا چکا ہے اور یہ عمل اپنے جدید مرحلے میں ہے جو کہ اکتوبر 2016 میں مکمل کیا جائے گا۔ انسانی وسائل کی ٹیم کی کوششوں اور مندرجہ بالا اقدامات کو شامل کرنے سے ہمیں انشاء اللہ آئیو اے سالوں میں بہتر نتائج کی توقع ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2016ء کو ختم ہونے والے سال کیلئے آڈٹ کئے گئے مالی گواشاہدوں کیساتھ ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔ 30 جون 2016ء کو ختم ہونے والا مالی سال کمپنی میں بہت ساری تبدیلیاں لے کر آیا ہے ان تبدیلیوں میں کمپنی کے شیئر ہولڈنگ کی تبدیلی، بورڈ آف ڈائریکٹرز کی تبدیلی، سینئر انتظامیہ کی تبدیلی اور سب سے زیادہ خوشگوار تبدیلی کمپنی کا نقصان سازی یونٹ سے ایک منافع بخش ادارے میں تبدیل ہونا شامل ہے۔

سال بھر کے نتائج حسب ذیل ہیں

تبدیلی	2015	2016	
ملین روپوں میں			
فروخت آمدنی	1,806	1,778	-28
کل منافع	155	236	+81
قبل از ٹیکس منافع / (نقصان)	(62)	73	+135
بعد از ٹیکس / (نقصان) منافع	(82)	53	+135
کمائی (نقصان) فی حصص	(0.37)	0.24	+0.61

گزشتہ 6 مالی سال کے کلیدی عمل اور مالیاتی اعداد و شمار کا خلاصہ

گزشتہ 6 مالی سالوں کے کلیدی عمل اور مالیاتی اعداد و شمار کا خلاصہ ساتھ منسلک ہے۔

بقایا قانونی ادائیگیاں

تمام بقایا قانونی ادائیگیاں برائے نام اور معمولی نوعیت کی ہیں۔

ریٹائرمنٹ منافع سکیمیں

کمپنی اپنے ملازم کیلئے مالی امداد پر مبنی پراویڈنٹ اور گریجویٹ سکیم چلاتی ہے جن کا حوالہ اکاؤنٹس میں نوٹ۔6 میں درج ہے۔

بورڈ آف ڈائریکٹرز

نئی انتظامیہ نے 5 جنوری 2016 کو کمپنی کا کنٹرول سنبھالا تھا۔ اس سال کمپنی کے بورڈ آف ڈائریکٹرز میں مندرجہ ذیل تبدیلیاں کی گئیں

1۔ عبدالرزاق داؤد کی جگہ عامر حمید کو ڈائریکٹر اور بورڈ آف ڈائریکٹرز کا چیئر مین مقرر کیا گیا۔

2۔ فاروق نذیر، تیمور داؤد، فیصل داؤد، سلمان ذکریا، سید ضحانت عباس اور محمد صادق کی جگہ عبدالجلیل جمیل، محمد سعید الزماں، محمد یحییٰ خان، محمد ساجد، عثمان حمید اور ظفر محمود کمپنی کے ڈائریکٹرز مقرر کر دیئے گئے ہیں۔

3۔ عامر نیازی کی جگہ 5 جنوری 2016 کو ظفر محمود کو چیف ایگزیکٹو آفیسر مقرر کیا گیا۔

گزشتہ چند سالوں میں کمپنی کے فروخت کے کاروبار میں کمی رہی، رواں مالی سال کے پہلے چھ ماہ میں بھی یہی رجحان رہا تاہم جنوری 2016 میں نئی انتظامیہ کے کنٹرول سنبھالنے کے بعد کمپنی کے کام کرنے کی کارکردگی میں بہتری آئی ہے۔

یہ رپورٹ بتاتے ہوئے خوش ہو رہی ہے کہ اللہ تعالیٰ کے فضل و کرم سے نیچے درجہ کے سرخ اعداد و شمار کی ایک طویل تاریخ کے بعد اس سال کمپنی نے 53 ملین روپے کا منافع کمایا ہے (گزشتہ سال 82 ملین روپے کا نقصان ہوا تھا)۔ کمپنی نے گزشتہ سال کے 0.37 روپے فی شیئر نقصان کے مقابلے میں 30 جون 2016 کو ختم ہونے والے سال میں 0.24 روپے فی شیئر آمدن حاصل کی ہے۔

مستقبل کا نقطہ نظر

کمپنی کے ایک بہت مقابلے کے ماحول میں کام کر رہی ہے اور اس کا مقابلہ ایک غیر منظم حلقے سے ہے۔ کیمیکلز کے کاروبار کا پختہ علم اور تجربہ رکھنے کی وجہ سے انتظامیہ اب

جن ڈائریکٹروں نے چند ایک اجلاس میں شرکت نہیں کی انہیں چھٹیاں دی گئی تھیں

چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹروں کا معاوضہ (تنخواہیں)

چیف ایگزیکٹو آفیسر کی تنخواہ ایک معاون کمپنی ”نیمز“ انڈسٹریل کیمیکل لمیٹڈ کی طرف سے ادا کی جاتی ہے۔ بورڈ نے ”نیمز“ انڈسٹریل کیمیکل لمیٹڈ کیساتھ چیف ایگزیکٹو کے معاوضے کے اشتراک کی منظوری دے رکھی ہے۔ انسانی وسائل اور معاوضہ کمیٹی کی سفارش پر بورڈ اپنے ایگزیکٹو ڈائریکٹروں کی تنخواہوں کی بھی منظوری دے چکا ہے کمپنیز آرڈیننس 1984 کی دفعہ 218 کے مطابق اس کی تفصیل ساتھ لف ہے۔

کارپوریٹ گورننس

ملک میں سٹاک ایکسچینج کی لسٹنگ رولز میں شامل کارپوریٹ گورننس کے کوڈ کی ضرورت کے تحت بورڈ آف ڈائریکٹرز حسب ذیل حالت پر راضی ہے

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارہ اس کے موجودہ معاملات، آپریشنز کے نتائج اور خالص آمدنی کو واضح طور پر بتاتے ہیں۔
- 2- کمپنی کے کھاتوں کا حساب کتاب مکمل طور پر برقرار رکھا گیا ہے
- 3- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا گیا ہے، کھاتوں کے اندازے مناسب اور دانشمندانہ فیصلے پر مبنی ہیں۔
- 4- مالی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈز کو ملحوظ خاطر رکھا گیا ہے۔
- 5- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے۔
- 6- کمپنی کی موجودہ جاری صورتحال میں اسکی صلاحیت پر کوئی قابل ذکر شک نہیں ہے
- 7- لسٹنگ کے ضابطہ کار میں تفصیلی طور پر بیان کئے گئے کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی مادی رواں گئی نہیں ہوئی۔
- 8- کلیدی آپرینٹنگ اور گزشتہ 6 سال کیلئے مالیاتی ڈیٹا ساتھ منسلک ہے۔
- 9- لیویز اور بقایا ٹیکس کی تفصیلات بھی مالیاتی گوشواروں میں دی گئی ہیں

کمپنیز آرڈیننس 1984 کے سیکشن 218 کے تحت عرضداشت ساتھ منسلک ہے۔
نیا بورڈ 2 ایگزیکٹو، 4 نان ایگزیکٹو اور ایک خود مختار ڈائریکٹر پر مشتمل ہے۔

بورڈ نے 5 جنوری 2016ء کو منعقد کئے جانے والے اجلاس میں آڈٹ، انسانی وسائل اور معاوضہ کمیٹیوں کی درج ذیل تشکیل نو کی ہے

آڈٹ کمیٹی

1- محمد ساجد (خود مختار) چیئر مین

2- محمد سعید الزمان (نان ایگزیکٹو) ممبر

3- عثمان حمید (نان ایگزیکٹو) ممبر

انسانی وسائل اور معاوضہ کمیٹی

1- عامر حمید (نان ایگزیکٹو) چیئر مین

2- عبدالجلیل جمیل (نان ایگزیکٹو) ممبر

3- ظفر محمود (ایگزیکٹو) ممبر

سال 2016 کے دوران بورڈ کے 8، آڈٹ کمیٹی کے 2 اور معاوضہ کمیٹی کا ایک اجلاس ہوا، جس میں ہر ڈائریکٹر کی حاضری درج ذیل رہی

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹر کی حاضری	آڈٹ کمیٹی کی حاضری	انسانی وسائل اور معاوضہ کمیٹی کی حاضری
عامر حمید	3		1
ظفر محمود	5		1
عبدالجلیل جمیل	4		1
محمد سعید الزمان	5	2	
محمد یحییٰ خان	5		
عثمان حمید	4		
محمد ساجد	3	2	
خالد ممتاز قاضی (مقابلہ عامر حمید)	1		
عبدالرزاق داؤد	3		
تیور داؤد	3	2	
عامر نیازی	3		
فاروق نیازی	3	2	
فیصل داؤد	3	2	

کی طرف سے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی گئی، ماسوائے ان افراد کے جو کارپوریٹ گورننس کوڈ کے تحت ساتھ منسلک لسٹ میں بتائے گئے ہیں۔ ریگولیٹری حکام کیساتھ لین دین کی ضروری ریٹرن فائل کی گئی اس کے علاوہ اس سلسلے میں کارپوریٹ گورننس کے کوڈ کے تحت بورڈ اور سٹاک ایکسچینج کو بھی مطلع کیا گیا ہے۔

اقرار

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے تمام گاہکوں، سپلائرز، بینکاروں اور سٹیک ہولڈرز کی جانب سے کمپنی کے منافع کو واپس لانے کیلئے کی گئی انتہائی لگن، عزم اور سخت محنت کی تعریف کرتا ہے ہم ہمارے حصص یافتگان کے بھی شکر گزار ہیں کہ انہوں نے انتظامیہ پر اعتماد کا اظہار کیا۔

بحکم بورڈ



ظفر محمود

چیف ایگزیکٹو آفیسر

لاہور

9 ستمبر 2016

کمپنی کی انتظامیہ اچھی کارپوریٹ گورننس کیلئے پر عزم ہے اور بہترین نتائج کیلئے مناسب اقدامات کئے گئے ہیں

کارپوریٹ سماجی ذمہ داریاں

کمپنی کمیونٹی کے ایک اہم رکن کے طور پر اپنی سماجی ذمہ داریوں کو تسلیم کرتی ہے اور ایک غیر متعصبانہ نقطہ نظر کیساتھ بہتر ماحول کیلئے اس کے وسائل کیساتھ اہم کردار ادا کرنے پر کاربند ہے۔ اسکی حفاظت، صحت اور ماحولیاتی پالیسیاں ملازمین اور کمیونٹی کی منصفانہ بہتری طرف تیزی لائی ہیں۔ کمپنی ماحول دوست آپریشنز، مصنوعات اور خدمات کو یقینی بناتی ہے اور اس کے ملازمین اور کمیونٹی کے درمیان ماحولیاتی بیداری کو فروغ دیتی ہے۔ یہ اس کے ارد گرد کمیونٹی سے ملازمین کو تکنیکی اداروں کی انٹرن شپ اور اپنٹس شپ (معیاد کار آموزی، شاگردی) کے مواقع فراہم کرتی ہے۔ کمپنی مختلف تعلیمی اداروں کے طلبہ کے دوروں کی حوصلہ افزائی کرنے کیساتھ ملک میں تعلیم کے فروغ کیلئے ملازمین کے ضرورت مند بچوں کی مدد بھی کرتی ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز ”چارٹڈ اکاؤنٹنٹ“ مسز ہوروتھ حسین چودھری اینڈ کمپنی اس سال ریٹائرڈ ہو رہی ہے۔ آڈٹ کمیٹی نے اس کمپنی (مسز ہوروتھ حسین چودھری اینڈ کارپوریٹ سوشل ریسپانسیبلیٹی کمپنی، چارٹڈ اکاؤنٹنٹ) کو اسکی اہلیت کی بنا پر دوبارہ جون 2017 تک بیرونی آڈیٹرز کے طور پر تقرری کی منظوری دیدی ہے۔

مقوم/بونس حصص

کمپنی نے 30 جون 2016 کو ختم ہونے والے مالی سال کے دوران محاصل یا بونس حصص جاری کرنے کا اعلان نہیں کیا تھا۔ بزنس سے حاصل ہونے والی خالص کمائی کو مکمل طور پر کمپنی کی سیالیت کی پوزیشن کو مضبوط بنانے کیلئے استعمال کیا۔

حصص داری کا طریقہ کار

کمپنی کے حصص داری کا طریقہ کار ساتھ منسلک ہے، کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، کمپنی ایگزیکٹو ان کی بیویوں، نابالغ بچوں

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance 2012 (CCG) contained in Regulation No. 5.19.23 of Listing Regulations of the Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

Nimir Resins Limited (the "Company") has applied the principles contained in the Code of Corporate Governance 2012 in the following manner:

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

Name	Category
Sh. Amar Hameed	Non-Executive Director
Zafar Mahmood	Executive Director
Abdul Jalil Jamil	Non-Executive Director
Muhammad Saeed uz Zaman	Non-Executive Director
Muhammad Yahya Khan	Executive Director
Osman Hameed	Non-Executive Director
Muhammad Sajid	Independent Director

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Three causal vacancies occurring on the board in previous year, due to the death of Mr. Muhammad Sadiq and resignations of Mr. Salman Zakaria and Mr. Syed Zamanat, were filled up, when the directors of the new management took over the control of the Company on January 5, 2016.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. During the year the Board has approved the appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remunerations and terms and conditions of employment.
10. During the year, new Board was constituted on January 05, 2016 when the new management took over the company. The company intends to complete the requirements of CCG in respect of Training Program of Directors within extension period ending June 2018, as allowed by SECP
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of 3 (Three) members, of whom 1 (One) is independent director, 1 (One) is non-executive director and 1 (One) is nominee director. The chairman of the committee is an independent director.

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

For Nimir Resins Limited
(Formerly Descon Chemicals Limited)



Zafar Mahmood
Chief Executive Officer

Lahore
September 09, 2016

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the "Code") prepared by the Board of Directors of Nimir Resins Limited (formerly Descon Chemicals Limited) for the year ended June 30, 2016 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange Limited, where the company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.



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

Lahore
September 9, 2016

AUDITORS' REPORT TO THE MEMBERS

FOR THE YEAR ENDED JUNE 30, 2016

We have audited the annexed balance sheet of NIMIR RESINS LIMITED (formerly Descon Chemicals Limited) as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion;
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Lahore
September 9, 2016

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (Restated)
ASSETS			
Non Current Assets			
Property, plant and equipment	4	474,446,524	486,101,762
Intangible assets	5	1,658,684	18,482,976
Long term deposits		7,649,956	7,649,956
Retirement benefit asset - prepayments	6	1,384,343	2,438,088
		485,139,507	514,672,782
Current Assets			
Stores and spares		11,111,654	12,623,714
Stock in trade	7	489,991,718	310,962,253
Trade debts	8	404,114,867	321,961,579
Loans and advances	9	219,154,776	115,995,531
Short term prepayments and other receivables	10	12,459,218	10,847,437
Bank balances	11	70,965,604	1,947,185
		1,207,797,837	774,337,699
Total Assets		1,692,937,344	1,289,010,481
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 300,000,000 (2015: 230,000,000) Ordinary shares of Rs. 5 each		1,500,000,000	1,150,000,000
Issued, subscribed and paid up share capital	12	997,789,280	997,789,280
Share deposit money	13	283,000,000	-
Equity portion of sponsors' interest free loans	17.3	7,751,322	8,389,442
Reserves	14	(751,332,372)	(804,018,820)
		537,208,230	202,159,902
Surplus on Revaluation of Property, Plant and Equipment	15	46,940,630	47,149,031
Non Current Liabilities			
Long term financing from banking companies	16	-	89,666,672
Long term financing from sponsors	17	99,248,678	31,610,558
Deferred tax liability	18	30,701,004	29,161,545
		129,949,682	150,438,775
Current Liabilities			
Trade and other payables	19	179,668,385	287,349,743
Accrued mark up	20	9,806,364	14,485,877
Short term borrowings	21	771,366,069	479,571,170
Current portion of long term financing	16	-	89,666,661
Provision for taxation	22	17,997,984	18,189,322
		978,838,802	889,262,773
Contingencies and Commitments	23	-	-
Total Equity and Liabilities		1,692,937,344	1,289,010,481

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Sales	24	1,778,018,742	1,806,427,261
Cost of sales	25	(1,542,084,055)	(1,651,145,112)
Gross profit		235,934,687	155,282,149
Distribution cost	26	(46,523,528)	(62,009,584)
Administrative expenses	27	(53,388,218)	(54,202,952)
Research and development expenses		–	(593,811)
		(99,911,746)	(116,806,347)
Operating profit		136,022,941	38,475,802
Other operating expenses	28	(36,284,159)	(19,203,070)
Finance cost	29	(49,605,099)	(94,645,423)
Other income	30	22,744,813	25,633,469
Share of net loss of associate		–	(12,585,993)
Profit / (loss) before taxation		72,878,496	(62,325,215)
Taxation	31	(19,796,345)	(20,041,701)
Net profit / (loss) for the year		53,082,151	(82,366,916)
Profit / (loss) per share - Basic and diluted (2015- Restated)	32	0.24	(0.37)



CHIEF EXECUTIVE OFFICER



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

Note	2016 Rupees	2015 Rupees
Profit / (loss) for the year	53,082,151	(82,366,916)
Other comprehensive income		
Items that will not be re-classified subsequently to the profit or loss		
Remeasurement of retirement benefits (liability) / asset	(863,006)	542,480
Less: related tax impact	258,902	(162,744)
Items that may be re-classified subsequently to the profit or loss		
Unrealized (loss) / gain on available for sale investment	-	(76,000)
Fair value reserve transferred to profit and loss account on disposal of investments classified as 'available for sale'	-	(181,438)
Other comprehensive (loss) / income for the year	(604,104)	122,298
Total comprehensive income / (loss) for the year	52,478,047	(82,244,618)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in) / generated from operations	33 (286,674,843)	245,816,936
Finance cost paid	(54,284,612)	(102,550,127)
Income tax (paid) / refunded	(50,484,543)	12,870,198
	(104,769,155)	(89,679,929)
Net Cash (Used in) / Generated from Operating Activities	(391,443,998)	156,137,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(8,863,525)	(1,028,069)
Capital work in progress - Plant and machinery	(9,217,640)	(397,095)
Capital work in progress - Intangible asset	(1,658,684)	-
Proceeds from disposal of property, plant and equipment	2,605,354	590,418
Proceeds from disposal of investment	-	59,532,399
Interest income received	135,346	379,156
Net Cash (Used in) / Generated from Investing Activities	(16,999,149)	59,076,809
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing by banking companies repaid	(179,333,333)	(89,666,667)
Long term financing from sponsors	365,000,000	40,000,000
Short term borrowings acquired / (repaid)- net	291,794,899	(172,491,165)
Net Cash Generated from / (Used in) Financing Activities	477,461,566	(222,157,832)
Net Increase / (Decrease) in Cash and Cash Equivalents	69,018,419	(6,944,016)
Cash and cash equivalents at the beginning of the year	1,947,185	8,891,201
Cash and Cash Equivalents at the End of the Year	<u>70,965,604</u>	<u>1,947,185</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Share Capital	Share deposit money	Equity Portion of Sponsors' Loan	Reserves				Total
				Share Premium Reserve	Fair Value Reserve	Revaluation Reserve	Accumulated Loss	
Rupees								
Balance as at June 30, 2014	997,789,280	-	-	1,281,303	257,438	717,676	(724,241,257)	275,804,440
Net loss for the year	-	-	-	-	-	-	(82,366,916)	(82,366,916)
Other comprehensive income for the year	-	-	-	-	(257,438)	-	379,736	122,298
Total comprehensive loss for the year	-	-	-	-	(257,438)	-	(81,987,180)	(82,244,618)
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	210,638	-	210,638
Transactions with owners of the Company								
Equity portion of sponsors' loan	-	-	8,389,442	-	-	-	-	8,389,442
Balance as at June 30, 2015 (as restated)	997,789,280	-	8,389,442	1,281,303	-	928,314	(806,228,437)	202,159,902
Balance as at June 30, 2015 (as previously reported)	997,789,280	-	-	1,281,303	-	928,314	(806,228,437)	193,770,460
Equity portion of sponsors' loan	-	-	8,389,442	-	-	-	-	8,389,442
Balance as at June 30, 2015 (as restated)	997,789,280	-	8,389,442	1,281,303	-	928,314	(806,228,437)	202,159,902
Balance as at June 30, 2015 (as restated)	997,789,280	-	8,389,442	1,281,303	-	928,314	(806,228,437)	202,159,902
Net profit for the year	-	-	-	-	-	-	53,082,151	53,082,151
Other comprehensive loss for the year	-	-	-	-	-	-	(604,104)	(604,104)
Total comprehensive income for the year	-	-	-	-	-	-	52,478,047	52,478,047
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	208,401	-	208,401
Transactions with owners of the Company								
Reinstatement adjustment (refer Note 17.2)	-	-	(8,389,442)	-	-	-	-	(8,389,442)
Equity portion of sponsors' loan	-	-	7,751,322	-	-	-	-	7,751,322
Share deposit money	-	283,000,000	-	-	-	-	-	283,000,000
	-	283,000,000	(638,120)	-	-	-	-	282,361,880
Balance as at June 30, 2016	997,789,280	283,000,000	7,751,322	1,281,303	-	1,136,715	(753,750,390)	537,208,230

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

1. The Company and its Operations

- 1.1** Nimir Resins Limited (the “Company”) (Formerly Descon Chemicals Limited) was initially incorporated in Pakistan on December 17, 1964 as a private limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984) and was converted into public limited company on August 19, 1991 with the name of Nimir Resins Limited. The name of the Company was changed to Descon Chemicals Limited on April 01, 2010 when the Company entered into a scheme of arrangement for merger / amalgamation with Descon Chemicals (Private) Limited.
- 1.2** During the half year ending on December 31, 2015, sponsoring directors of Descon Chemicals Limited and their related persons disposed off 69.48% shareholding in the Company. Consequently, all the directors resigned and new directors were elected on January 05, 2016. The new management changed the name of the Company to Nimir Resins Limited as per the approval of Securities and Exchange Commission of Pakistan dated April 18, 2016.
- 1.3** The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 14.5 KM, Lahore-Sheikhupura Road, Lahore. The principal activity of the Company is to manufacture surface coating resins, polyesters for paint industry, optical brightener and textile auxiliaries for textile industry.

2. Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

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

Certain property, plant and equipment	Note 4	Revalued / Fair value
Employee retirement benefits (Gratuity)	Note 6	Present value

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

These estimates and related assumptions are reviewed on an on going basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate to the useful life and residual values of property, plant and equipment, provisions for doubtful receivables, provisions for defined benefit plans, slow moving and obsolete inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

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

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

Amendments to IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after January 1, 2015) aim to improve consistency and reduce complexity by providing a precise definition of fair value. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The adoption of this standard is not likely to have an impact on the Company's financial statements.

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

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

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

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

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

There were no new standards or amendments to existing standards and interpretations that are neither relevant nor yet effective.

3. Significant Accounting Policies

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

3.1 Property, plant and equipment

Owned

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

Depreciation is charged to income on reducing balance method except vehicles that are depreciated using straight line method at the rates specified in Note 4. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on assets disposed off during the month. Where an impairment loss

is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life. Freehold land and buildings on freehold land are revalued every three years. Latest revaluation of land and buildings was carried out by an independent valuer as at June 30, 2014.

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

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

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

Capital work-in-progress

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

3.2 Intangible asset

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

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

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life. The amortization period and the amortization method for an intangible asset are reviewed, at each balance sheet date, and adjusted if impact on amortization is significant. ERP software is being amortized over 10 years based on estimated useful life.

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

3.3 Investment in associate

An enterprise is considered to be the associate of the Company in which the Company has ownership of not less than 20% and not more than 50% of the voting power and / or has significant influence but not control. Investments in associates are accounted for using the equity method. The equity method is applied from the date when the significant influence is established until the date when that significant influence ceases.

3.4 Stores and spares

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

3.5 Stock in trade

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

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

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

3.6 Trade debts

Trade debts are recognized at fair value less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments are considered indicators that the trade receivable has been impaired. Debts, considered irrecoverable, are written off, as and when identified.

3.7 Cash and cash equivalents

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

3.8 Provisions

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

3.9 Staff retirement benefits

Defined benefits plan

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

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

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

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

Defined contribution plan

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

3.10 Taxation

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

Current

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

Deferred

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

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

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

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

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

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

3.11 Trade and other payables

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

3.12 Contingent liabilities

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

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

3.13 Borrowing cost

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

3.14 Foreign currency transactions

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

3.15 Revenue recognition

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

3.16 Related party transactions

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

3.17 Financial instruments

3.17.1 Financial assets

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

At fair value through profit or loss

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

Loans and receivables

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

Held to maturity

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

Available-for-sale

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

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

Measurement criteria

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

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

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

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

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

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

3.17.2 Financial liabilities

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

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

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

3.17.3 Off-setting of financial assets and financial liabilities

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

3.18 Impairment

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

3.19 Segment reporting

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

3.20 Dividend

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

4. Property, Plant and Equipment

	Note	2016 Rupees	2015 Rupees
Operating fixed assets	4.1	469,964,789	486,003,485
Capital work in progress	4.5	4,481,735	98,277
		<u>474,446,524</u>	<u>486,101,762</u>

4.1 Operating fixed assets

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

Year Ended June 30, 2016

Owned assets

Cost

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

Accumulated depreciation

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

Year Ended June 30, 2015

Owned assets

Cost

Balance as at July 01, 2014	185,133,000	167,687,819	531,904,815	20,540,763	36,878,781	7,019,970	11,573,476	960,738,624
Additions	-	-	1,430,144	-	939,669	88,400	-	2,458,213
Disposals	-	-	-	(306,907)	(232,967)	-	(2,309,297)	(2,849,171)
Balance as at June 30, 2015	185,133,000	167,687,819	533,334,959	20,233,856	37,585,483	7,108,370	9,264,179	960,347,666

Accumulated depreciation

Balance as at July 01, 2014	-	50,942,291	343,679,130	12,095,530	25,555,548	5,635,334	8,894,114	446,801,947
Charge for the year	-	5,837,276	18,795,108	849,282	3,069,885	213,362	1,344,162	30,109,075
Disposals	-	-	-	(215,037)	(89,549)	-	(2,262,255)	(2,566,841)
Balance as at June 30, 2015	-	56,779,567	362,474,238	12,729,775	28,535,884	5,848,696	7,976,021	474,344,181
Total as at June 30, 2015	185,133,000	110,908,252	170,860,721	7,504,081	9,049,599	1,259,674	1,288,158	486,003,485

Depreciation rates

-	5%	10%	10%	25%	15%	20% to 25%
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4.2 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:

	Note	2016 Rupees	2015 Rupees
Cost of sales	25	22,996,819	22,581,806
Distribution cost	26	914,637	-
Administrative expenses	27	2,996,961	7,527,269
		<u>26,908,417</u>	<u>30,109,075</u>

4.3 Disposal of property, plant and equipment

Detail of property, plant and equipment disposed off during the year is as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	(Loss) / gain on disposal	Buyer Name	Mode of sale
Rupees							
Assets with book value exceeding Rs. 50,000							
IT Equipment							
Laptop	253,682	67,095	186,587	147,845	(38,742)	Descon Corporation (Private) Limited	Negotiation
Scanner	1,005,108	593,593	411,515	573,592	162,077	Descon Corporation (Private) Limited	Negotiation
Office Equipment							
Conference table	76,500	21,093	55,407	120,802	65,395	Descon Oxychem Limited	Negotiation
Sub-total	1,335,290	681,781	653,509	842,239	188,730		
Assets with book value of less than Rs. 50,000	7,394,796	5,220,319	2,174,477	1,763,115	(411,362)	Various	Company policy
Total 2016	8,730,086	5,902,100	2,827,986	2,605,354	(222,632)		
Total 2015	2,849,171	2,566,841	282,330	590,418	308,088		

4.4 Cost, accumulated depreciation and book value of revalued assets

Latest revaluation of land and buildings was carried out by an independent valuer as at June 30, 2014. Had there been no revaluation, the cost, accumulated depreciation and book values of revalued assets would have been as follows:

	As at June 30, 2016		
	Cost	Accumulated Depreciation	Written Down Value
Rupees			
Freehold land	142,044,797	–	142,044,797
Factory buildings on freehold land	163,541,248	58,778,862	104,762,386
	305,586,045	58,778,862	246,807,183

4.5 Capital Work in Progress - Plant and machinery

Opening balance
Additions during the year
Transferred to operating fixed assets
Closing balance

	2016 Rupees	2015 Rupees
	98,277	1,131,326
	9,217,640	397,095
	(4,834,182)	(1,430,144)
	4,481,735	98,277

4.6 There were fully depreciated assets, having cost of Rs. 4.956 million (2015: Rs. 3.886 million) that are still in use as at the balance sheet date.

5. Intangible Assets

Net Carrying Value

Net carrying value - opening balance
Additions during the year

Amortization during the year
Intangible write off

Net carrying value as at June 30,

Gross Carrying Value

Cost
Accumulated amortization
Intangible write off
Net book value

Amortization rate

Capital Work in Progress - Intangible asset

Additions during the year

Note	2016 Rupees	2015 Rupees (Restated)
	18,482,976	23,103,720
5.1	–	–
	18,482,976	23,103,720
	(4,235,681)	(4,620,744)
5.2	(14,247,295)	–
	–	18,482,976
	46,207,435	46,207,435
	(31,960,140)	(27,724,459)
5.2	(14,247,295)	–
	–	18,482,976
	10%	10%
	1,658,684	–

5.1 This represents implementation cost of the new ERP.

5.2 Pursuant to the change in management, as stated in Note 1.2, and "Book-keeping and IT Services Agreement" dated December 31, 2015, the Company was supposed to make its own arrangement for ERP related activities / services subsequent to December 31, 2016. In view of that, the Company discontinued to use the existing ERP and has implemented new ERP subsequent to the balance sheet date.

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

6. Retirement Benefit Asset - Prepayments	Note	2016 Rupees	2015 Rupees
Retirement benefit asset		1,384,343	2,438,088
6.1	As stated in note 3.9, the Company operates an approved funded gratuity scheme for its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year by an independent actuary and the latest actuarial valuation was carried out as at June 30, 2016. The disclosures made in the following notes are based on the information included in that actuarial report. Actuarial valuation of the scheme resulted in retirement benefit asset in current year as presented in the following notes:		
6.2 Actuarial assumptions		2016	2015
Discount rate used for interest cost - charge for profit and loss account		10.50%	13.50%
Discount rate used for year end obligation		7.25%	10.50%
Expected rate of salary increase in future years		6.25%	8.75%
Average expected remaining working lives of employees		9.8 years	
Actuarial valuation method		Projected Unit Credit Method	
Mortality rate		SLIC 2001-2005 setback 1 year	
6.2.1 Reconciliation of the funded status			
Present value of defined benefit obligation	6.2.2	8,080,671	6,435,881
Fair value of plan assets	6.2.3	(9,465,014)	(8,873,969)
		<u>(1,384,335)</u>	<u>(2,438,088)</u>
6.2.2 Movement in present value of defined benefit obligation			
Opening balance		6,435,881	5,851,596
Current service cost for the year		446,746	445,668
Interest cost for the year		675,760	789,966
Actuarial (gain) / loss and experience adjustment		522,284	(651,349)
Closing balance		<u>8,080,671</u>	<u>6,435,881</u>
6.2.3 Movement in fair value of plan assets			
Opening balance		8,873,969	7,914,395
Expected return on plan assets		931,767	1,068,443
Return on plan assets		(340,722)	(108,869)
Closing balance	6.2.6	<u>9,465,014</u>	<u>8,873,969</u>
6.2.4 Company's asset			
Opening balance		(2,438,088)	(2,062,799)
Remeasurements chargeable in other comprehensive income		863,006	(542,480)
Charge for the year	6.2.7	190,739	167,191
Closing balance		<u>(1,384,335)</u>	<u>(2,438,088)</u>
6.2.5 Remeasurements chargeable in the other comprehensive income			
Actuarial loss / (gain) and experience adjustment		522,284	(651,349)
Return on plan assets		340,722	108,869
		<u>863,006</u>	<u>(542,480)</u>
6.2.6 Plan assets composition			
Investment in treasury bills		6,199,584	6,226,864
Investment in listed shares		2,394,649	1,844,898
Cash at bank		870,781	801,319
Other assets		-	888
		<u>9,465,014</u>	<u>8,873,969</u>
6.2.7 Charge for the year			
Current service cost		446,746	445,668
Interest cost		675,760	789,966
Expected return on plan assets		(931,767)	(1,068,443)
		<u>190,739</u>	<u>167,191</u>

6.2.8 Estimated Charge for the year 2016-2017

	2017 Rupees
Current service cost	513,253
Interest cost	576,123
Expected return on plan assets	<u>(676,488)</u>
	<u>412,888</u>

6.2.9 Year end sensitivity analysis on defined benefit obligation

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

	2016 Rupees
Discount rate + 100 bps	7,337,167
Discount rate - 100 bps	8,951,536
Salary increase + 100 bps	8,961,155
Salary increase - 100 bps	7,315,619

6.2.10 Comparison of last five years

	2016 Rupees	2015 Rupees	2014 Rupees	2013 Rupees	2012 Rupees
Present value of defined benefit obligation	8,080,671	6,435,881	5,851,596	4,609,720	4,458,879
Fair value of plan assets	<u>(9,465,014)</u>	<u>(8,873,969)</u>	<u>(7,914,395)</u>	<u>(8,011,562)</u>	<u>(4,998,228)</u>
	<u>(1,384,343)</u>	<u>(2,438,088)</u>	<u>(2,062,799)</u>	<u>(3,401,842)</u>	<u>(539,349)</u>

7. Stock in Trade

	Note	2016 Rupees	2015 Rupees
Raw and packing materials		180,668,858	160,351,383
Raw materials in transit		199,103,345	30,332,940
Finished goods		113,363,724	124,061,870
		<u>493,135,927</u>	<u>314,746,193</u>
Less: Provision for obsolescence of stock	7.1	<u>(3,144,209)</u>	<u>(3,783,940)</u>
		<u>489,991,718</u>	<u>310,962,253</u>

7.1 Provision for obsolescence of stock

Opening balance	3,783,940	2,572,736
Provision for the year	5,473,438	2,510,204
	<u>9,257,378</u>	<u>5,082,940</u>
Less: Obsolete stocks written off	<u>(6,113,169)</u>	<u>(1,299,000)</u>
	<u>3,144,209</u>	<u>3,783,940</u>

7.2 Short term borrowings availed by the Company are secured by way of hypothecation charge on present and future current assets of the Company (including stock in trade) to the extent disclosed in Note 21 to these financial statements.

8. Trade Debts

	Note	2016 Rupees	2015 Rupees
Local - Unsecured			
Considered good		404,114,867	321,961,579
Considered doubtful		<u>70,517,382</u>	<u>58,745,446</u>
		<u>474,632,249</u>	<u>380,707,025</u>
Less: Provision for doubtful debts	8.2	<u>(70,517,382)</u>	<u>(58,745,446)</u>
		<u>404,114,867</u>	<u>321,961,579</u>

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

8.2 Provision for doubtful debts

	2016 Rupees	2015 Rupees
Opening balance	58,745,446	62,518,280
Provision for the year	12,033,136	17,395,507
	<u>70,778,582</u>	<u>79,913,787</u>
Less: Bad debts written off	(261,200)	(21,168,341)
	<u>70,517,382</u>	<u>58,745,446</u>

9. Loans and Advances

	Note	2016 Rupees	2015 Rupees
Advances (Unsecured - Considered good):			
- Suppliers and contractors	9.1	4,731,943	6,523,609
- Employees	9.2	263,389	274,931
Margin against letters of guarantees		12,386,050	-
Margin against letters of credit		7,484,978	-
Short term loans to employees (Secured - Considered good)	9.3	890,408	1,031,787
Income tax deducted at source and advance tax		132,795,519	100,500,298
Sales tax refundable - Net		18,019,489	7,664,906
		<u>219,154,776</u>	<u>115,995,531</u>

9.1 This includes an amount of Rs. 25.269 million (2015: Rs. 0.122 million) for clearing the imported raw material.

9.2 Advances to employees do not include any amount (2015: Rs. 21,382) given to directors and executives of the Company.

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

10. Short Term Prepayments and Other Receivables

	Note	2016 Rupees	2015 Rupees (Restated)
Prepayments		1,670,190	2,873,952
Due from associates / related parties	10.1	637,405	-
Imprest with employees		-	30,000
Other receivables	10.2	10,151,623	7,943,485
		<u>12,459,218</u>	<u>10,847,437</u>

10.1 This represents amounts due from associates / related parties as under:

Nimir Industrial Chemicals Limited	102,848	-
Nimir Management (Private) Limited	534,557	-
	<u>637,405</u>	<u>-</u>

10.2 Pursuant to the change in management, balances due from associated and related companies of previous management have been reclassified as other receivable.

11. Bank Balances

	Note	2016 Rupees	2015 Rupees
Cash in hand		239,717	-
Cash at banks in:			
Current accounts		69,413,543	66,510
Saving accounts	11.1	1,312,344	1,880,675
		<u>70,965,604</u>	<u>1,947,185</u>

11.1 These balances yield interest at the rates ranging from 4.0% to 8.0% (2015: 4.5% to 8.0%) per annum.

12. Issued, Subscribed and Paid up Capital

2016	2015		2016	2015
No. of Shares	No. of Shares		Rupees	Rupees
23,825,648	23,825,648	Ordinary shares of Rs. 5 each fully paid in cash	119,128,240	119,128,240
33,550,588	33,550,588	Ordinary shares of Rs. 5 each issued at 60 % discount	167,752,940	167,752,940
2,699,247	2,699,247	Ordinary shares of Rs. 5 each issued for consideration other than cash	13,496,235	13,496,235
3,058,595	3,058,595	Ordinary shares of Rs. 5 each issued as fully paid bonus shares	15,292,975	15,292,975
143,689,875	143,689,875	Ordinary shares of Rs. 5 each issued pursuant to the scheme of amalgamation	718,449,375	718,449,375
(7,266,097)	(7,266,097)	Ordinary shares of Rs. 5 each cancelled pursuant to the scheme of amalgamation	(36,330,485)	(36,330,485)
<u>199,557,856</u>	<u>199,557,856</u>		<u>997,789,280</u>	<u>997,789,280</u>

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

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

12.2 As at the balance sheet date the shares of the Company as held by its associated Companies and related parties are as under:

Nimir Management (Private) Limited	101,744,507	-
Nimir Holding (Private) Limited	22,810,993	-
	<u>124,555,500</u>	<u>-</u>

12.3 The Board of Directors in a meeting held on June 25, 2016 announced a rights issue to the existing shareholders at a proportion of 38.58 ordinary shares for every 100 shares held. Total amount expected from the issue is Rs. 385 million divided into 77,000,000 shares of Rs. 5 per share (i.e., at par value). The right issues shall rank pari-passu with the existing ordinary shares of the Company in all respects. The right offer must be accepted and paid for in full to the extent of subscription on or before September 23, 2016. The purpose of rights issue is conversion of existing sponsors loan to share capital and to meet the requirement of various capital expenditures.**13. Share Deposit Money**

These represent funds obtained from new sponsors as interest free long term loans repayable at the discretion of the Company and therefore, were initially presented under equity in accordance with "Technical Release-32 of the Institute of Chartered Accountants of Pakistan (ICAP)". Pursuant to a new arrangement between the Company and sponsors, the directors in their board meeting held on June 25, 2016 have resolved to issue shares against these funds in the forthcoming right issue of shares, subject to regulatory approvals. Thus, the sponsors' loans have been designated as Share Deposit Money.

14. Reserves

	Note	2016 Rupees	2015 Rupees (Restated)
Capital reserves			
Share premium reserve		1,281,303	1,281,303
Revenue reserves			
Revaluation reserve	14.1	1,136,715	928,314
Accumulated loss		(753,750,390)	(806,228,437)
		(752,613,675)	(805,300,123)
		<u>(751,332,372)</u>	<u>(804,018,820)</u>

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

15. Surplus on Revaluation of Property, Plant and Equipment

	2016 Rupees	2015 Rupees
Land - freehold	43,088,203	43,088,203
Buildings on freehold land	4,060,828	3,970,933
	47,149,031	47,059,136
Add: Effect of change in rate	-	300,533
Less: Incremental depreciation charged on revalued property, plant and equipment in current year - net of deferred tax	(208,401)	(210,638)
	<u>46,940,630</u>	<u>47,149,031</u>

15.1 Latest revaluation of property, plant and equipment was carried out as on June 30, 2014 by an approved, independent valuer using the replacement value method that resulted in net revaluation surplus of Rs. 9,722,414. Previous revaluations of land and buildings were carried out as on December 31, 2011 and December 31, 2006 by an approved independent valuer using the replacement value method that resulted in revaluation surplus of Rs. 4,865,549 and Rs. 40,819,989 respectively.

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

16. Long Term Financing

	Note	2016 Rupees	2015 Rupees
Banking companies - Secured			
Bank Al-Habib Limited	16.1	-	150,000,000
Habib Metropolitan Bank Limited	16.1	-	29,333,333
		-	179,333,333
Less: Current portion		-	(89,666,661)
		-	<u>89,666,672</u>

16.1 This represented outstanding long-term financing obtained from Bank Al-Habib Limited and Habib Metropolitan Bank Limited to meet the long term and working capital requirements of the Company. This financing carried mark-up at 3 to 6 months' KIBOR + 2% per annum. The entire financing has been repaid during the year and charges on the Company's assets have been vacated accordingly.

17. Long Term Financing From Sponsors

	Note	2016 Rupees	2015 Rupees
Opening balance - at amortized cost		31,610,558	-
Interest free loans received from ex-director	17.1	82,000,000	40,000,000
Reinstatement adjustment for change in loan terms	17.2	8,389,442	-
		122,000,000	40,000,000
Loan waived off by lenders	17.2 & 30	(15,000,000)	-
Less: Present value adjustment at reporting date	17.3	(7,751,322)	(8,389,442)
Closing balance of sponsors' loans - at amortized cost		<u>99,248,678</u>	<u>31,610,558</u>

17.1 This represents long term loans obtained from ex-director of the Company. These loans are interest free and repayable as explained in Note 17.2 below.

17.2 During the year, the loans amounting Rs. 122 million were novated by ex-director in favour of new management which waived off Rs. 15 million thereof and, as a transitional arrangement, treated the balance of such loans as interest free and repayable at discretion of the Company. For that arrangement, the loans were reinstated from discounted values to original values and classified from Non-Current Liabilities to Equity. Later on, the lenders and the Company have mutually decided as on June 25, 2016, that such loans will be repayable at the option of lenders. However, lenders have decided not to demand for repayment until at least one year.

17.3 As detailed in note 17.2 above, the loans terms were changed on June 25, 2016. Pursuant to that change, the outstanding balance of sponsors' interest free loans has been discounted using market based interest rates applicable on similar loans, in accordance with "Technical Release, TR-32" issued by the ICAP on January 9, 2016. The resulting adjustment has been shown as Equity Portion of Sponsors' Loan. In subsequent year, the imputed

markup expense shall be recognized through profit and loss account by using the same rates of interest, and equivalent amount shall be reinstated to the loan through un-winding of discount. The movement during the year in equity portion of sponsors' interest free loans, is given below:

	Note	2016 Rupees	2015 Rupees
Opening Balance		8,389,442	-
Reinstatement adjustment for change in loan terms	17.2	(8,389,442)	-
		-	-
Present value adjustment at reporting date		7,751,322	8,389,442
Closing Balance		7,751,322	8,389,442
18. Deferred Tax Liability			
Taxable temporary differences			
- Accelerated tax depreciation		66,835,386	71,670,315
- Surplus on revaluation of property, plant and equipment		1,798,796	1,893,470
		68,634,182	73,563,785
Deductible temporary differences			
- Recognized losses		-	(26,374,850)
- Minimum tax		(16,250,004)	-
- Provisions and others		(21,683,174)	(18,027,390)
		(37,933,178)	(44,402,240)
		30,701,004	29,161,545

19. Trade and Other Payables

	Note	2016 Rupees	2015 Rupees (Restated)
Creditors	19.1	108,006,450	98,085,472
Letter of credit payable		31,688,311	82,254,338
Bills payable		-	29,310,100
Accrued liabilities		12,873,544	14,976,433
Advances from customers		18,014,556	59,895,562
Provident fund payable		-	55,137
Unclaimed dividends		292,819	292,819
Workers' profit participation fund		3,050,617	-
Workers' welfare fund		83,221	-
Other payables	19.2	5,658,867	2,479,882
		179,668,385	287,349,743

19.1 Creditors do not include any amount due to related parties (2015: Rs. 207,370) arising in the normal course of business.

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

20. Accrued Mark up

	2016 Rupees	2015 Rupees
Long term financing - Banking companies	-	5,178,166
Short term borrowings - Banking companies	9,806,364	9,307,711
	9,806,364	14,485,877

21. Short Term Borrowings

	2016 Rupees	2015 Rupees
Banking companies - Secured		
Running finance	417,466,196	173,421,336
Borrowings / FATRs	353,899,873	306,149,834
	771,366,069	479,571,170

21.1 Terms and conditions of borrowings

Purpose

This represents utilized portion of various facilities that have been obtained from certain banking companies with sanctioned limit, funded and unfunded, of Rs. 1,215 million (2015: Rs. 1,275 million) for working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables and loan against trust receipts etc.

Mark-up

Mark-up on short term borrowings is charged using 3 to 6 Months KIBOR + 1.25% to 1.75% (2015: 3 to 6 Months KIBOR + 1% to 1.50%) per annum. Mark up is payable on quarterly basis in arrears or at the time of adjustment of liability whichever is earlier. Further, some limits carry commission against foreign and local LCs at 0.1% to 0.25% (2015: 0.1% to 0.25%) per quarter.

Securities

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

22. Provision for Taxation

	2016 Rupees	2015 Rupees
Opening balance	18,189,322	21,995,284
Add: Charge for the year	17,997,984	18,189,322
Add: Adjustment for prior years	-	(200,038)
	36,187,306	39,984,568
Less: Payment / adjustments against advance tax	(18,189,322)	(21,795,246)
	<u>17,997,984</u>	<u>18,189,322</u>

22.1 Income tax assessments are deemed finalized by the management up to the Tax Year 2015 as tax returns were filed under the self assessment scheme.

23. Contingencies and Commitments

23.1 Contingencies

23.1.1 The Customs Department passed an order under Section 25 of the Customs Act in the case of Ravi Resins Limited (previous name of the Company) creating a demand of Rs. 1.02 million (2015: Rs. 1.02 million). The Tribunal has dismissed the appeal filed against this order and the management has filed an appeal in the Lahore High Court that is pending adjudication. The Company has also filed an application before Alternate Dispute Resolution Committee for the resolution of this pending issue.

23.1.2 The Income Tax Department has adjusted Rs. 20.163 million in respect of demands raised against the Tax Years 2003, 2004, 2005 and 2006. The Company has not admitted these demands and filed appeals against these adjustments. No provision has been incorporated in these financial statements as the management is confident that these matters would be settled in the favor of the Company. The return for Tax Year 2011 and 2014 have been selected for audit u/s 177 of the Income Tax Ordinance, 2001; proceedings in this respect have been initiated by the Income Tax Department that have not been completed yet. The Company has filed a writ petition before the Honorable Lahore High Court against the selection of Company's tax return for tax year 2014.

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

23.2 Guarantees

Guarantees given by various banks on behalf of the Company outstanding as at the balance sheet date are as under:

Sui Northern Gas Pipelines Limited
Pakistan State Oil Company Limited
Total Parco Pakistan Limited

2016	2015
Rupees in (000)	
3,090	3,090
3,000	-
2,000	-
<u>8,090</u>	<u>3,090</u>

23.3 Commitments

23.3.1 Letters of credit

<u>123,324</u>	<u>194,471</u>
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23.3.2 Commitments for capital expenditures as at June 30, 2016 amounted to Rs. 0.075 million (2015: Nil)

24. Sales

Note

	2016 Rupees	2015 Rupees
Local sales	2,054,809,590	2,085,382,814
Less: Sales tax	(276,790,848)	(282,867,521)
	<u>1,778,018,742</u>	<u>1,802,515,293</u>
Export sales	-	3,911,968
	<u>1,778,018,742</u>	<u>1,806,427,261</u>

25. Cost of Sales

Raw materials consumed	25.1	1,369,867,600	1,520,811,186
Stores and spares consumed		10,195,131	6,559,215
Fuel and power		46,533,524	50,959,369
Salaries, wages and benefits	25.2	51,078,448	46,754,636
Services through contract		15,582,720	14,202,819
Repairs and maintenance		3,771,411	1,481,316
Travelling, conveyance and entertainment		2,164,169	3,005,123
Insurance		4,444,861	4,540,001
Transportation		3,790,299	5,053,545
Communication		192,670	396,993
Miscellaneous		768,257	770,018
Depreciation	4.2	22,996,819	22,581,806
		<u>1,531,385,909</u>	<u>1,677,116,027</u>
Work in process:			
Opening work in process		-	1,662,810
Closing work in process		-	-
		-	<u>1,662,810</u>
Cost of goods manufactured		<u>1,531,385,909</u>	<u>1,678,778,837</u>
Finished goods:			
Opening finished goods		124,061,870	96,428,145
Closing finished goods		(113,363,724)	(124,061,870)
		<u>10,698,146</u>	<u>(27,633,725)</u>
		<u>1,542,084,055</u>	<u>1,651,145,112</u>

25.1 Raw materials consumed:

Opening stock		160,351,383	168,410,215
Purchases		1,390,185,075	1,512,752,354
		<u>1,550,536,458</u>	<u>1,681,162,569</u>
Closing stock	25.1.1	(180,668,858)	(160,351,383)
		<u>1,369,867,600</u>	<u>1,520,811,186</u>

25.1.1 This includes Rs. Nil (2015: Rs. 2,510,204) in respect of provision for obsolescence of stock.

25.2 This includes Rs. 1,330,118 (2015: Rs. 1,371,260) in respect of employee benefits.

26. Distribution Cost

	Note	2016 Rupees	2015 Rupees
Salaries, wages and benefits	26.1	16,779,408	21,748,681
Packing, carriage and forwarding		16,475,556	22,026,035
Commission and discount		6,514,828	4,198,028
Travelling, conveyance and entertainment		2,228,374	5,141,974
Sales promotion expenses		960,460	345,108
Insurance and license fee		934,004	1,954,541
Communication		280,697	750,012
Sampling		113,179	1,657,098
Rent, rates and taxes		431,251	1,064,751
Utilities		161,236	2,373,218
Repairs and maintenance		210,006	112,523
Public relations		112,537	161,739
Miscellaneous		407,355	475,876
Depreciation	4.2	914,637	-
		<u>46,523,528</u>	<u>62,009,584</u>

26.1 This includes Rs. 504,646 (2015: Rs. 908,030) in respect of employee benefits.

27. Administrative Expenses

Salaries, wages and benefits	27.1	24,803,064	31,112,560
Travelling, conveyance and entertainment		3,159,779	3,767,382
Repairs and maintenance		922,051	837,187
Insurance		163,757	192,916
Printing and stationery		4,316,931	3,996,542
Communication		1,315,526	1,372,109
Fees and subscription	27.2	10,728,913	7,178,864
Advertisement		697,840	150,060
Manpower development		-	199,289
Legal and professional charges	27.2	4,345,042	2,883,578
Miscellaneous		498,134	568,498
Amortization	5.3	4,235,681	4,620,744
Depreciation	4.2	2,996,961	7,527,269
		<u>58,183,679</u>	<u>64,406,998</u>
Less: Recovery from associates		<u>(4,795,461)</u>	<u>(10,204,046)</u>
		<u>53,388,218</u>	<u>54,202,952</u>

27.1 This includes Rs. 824,947 (2015: Rs. 2,078,914) in respect of employee benefits.

27.2 This includes Rs. 7.385 million (2015: Rs. Nil) in respect of cost incurred on proposed right issue.

28. Other Operating Expenses

Auditors' remuneration:			
- Audit fee		695,740	632,500
- Half yearly review and other certifications		424,950	379,500
- Out of pocket expenses		53,130	48,300
		<u>1,173,820</u>	<u>1,060,300</u>
Provision for doubtful debts	8.2	12,033,136	17,395,507
Provision for obsolescence of stock	7.1	5,473,438	-
Workers' profit participation fund		3,050,617	-
Workers' welfare fund		83,221	-
Loss on disposal of property, plant and equipment		222,632	-
Intangible assets written off		14,247,295	-
Security deposits written off		-	747,263
		<u>36,284,159</u>	<u>19,203,070</u>

29. Finance Cost

Long term financing
Short term borrowings
Bank charges

2016	2015
Rupees	Rupees
7,588,603	26,478,256
39,290,225	66,473,896
2,726,271	1,693,271
<u>49,605,099</u>	<u>94,645,423</u>

30. Other Income

Income from financial assets

Profit on bank accounts
Gain on disposal of investments
Exchange gain

135,346	379,156
-	15,431,231
-	227,780
135,346	16,038,167

Income from non - financial assets

Sale of waste material / scrap
Gain on disposal of property, plant and equipment

2,307,775	5,697,317
-	308,088
2,307,775	6,005,405

Others

Indenting commission
Advances provision written off during the year
Director's loan waived off
Rental income
Liabilities written back

4,355,933	2,500,985
-	394,526
15,000,000	-
600,000	600,000
345,759	94,386
20,301,692	3,589,897
<u>22,744,813</u>	<u>25,633,469</u>

31. Taxation**Current tax:**

- Current year
- Adjustment for prior years

17,997,984	18,189,322
-	(200,038)

Deferred tax

17,997,984	17,989,284
1,798,361	2,052,417
<u>19,796,345</u>	<u>20,041,701</u>

31.1 The charge for taxation is based on minimum tax under section 113(c) of the Income Tax Ordinance, 2001.

31.2 Reconciliation of tax charge for the year

Profit before taxation
Tax @ 32% (2015: 33%) on profit before taxation
Tax effect of income under NTR
Tax effect of exports exempt under final tax regime
Effect of other tax adjustments
Deferred taxation

2016
Rupees
72,878,496
23,321,119
(5,323,135)
-
-
1,798,361
<u>19,796,345</u>

31.3 Owing to tax and accounting losses, the numerical reconciliation for the Year 2015 has not been presented.

32. Profit / (Loss) per Share

		2016	2015 (Restated)
Profit / (loss) for the year	Rupees	53,082,151	(82,366,916)
Weighted average number of ordinary shares outstanding during the year	Numbers	224,241,647	223,504,799
Profit / (loss) per share - basic	Rupees	0.24	(0.37)

Diluted earnings per share

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

32.1 As disclosed in Note 12.3 above, a rights issue was announced on June 25, 2016 that was in progress as on reporting date. Thus, the weighted average number of shares has increased as on June 30, 2016. The loss per share of prior year have been restated as well accordingly.

33. Cash Generated from Operations

	2016 Rupees	2015 Rupees
Profit / (Loss) before taxation and share of loss of associate	72,878,496	(49,739,222)
Adjustments for:		
Depreciation	26,908,417	30,109,075
Amortization of intangible asset	4,235,681	4,620,744
Provision for gratuity	190,739	167,191
Provision for obsolescence of stock	5,473,438	2,510,204
Provision for doubtful debts	12,033,136	17,395,507
Liabilities written back	(345,759)	-
Sponsors' loan waived off	(15,000,000)	-
Security deposits written off	-	647,263
Loss / (gain) on disposal of property, plant and equipment	222,632	(308,088)
Intangible asset written off	14,247,295	-
Gain on disposal of investment	-	(15,431,231)
Exchange gain	-	(227,780)
Finance cost	49,605,099	94,645,423
Interest income	(135,346)	(379,156)
	<u>97,435,332</u>	<u>133,749,152</u>
Operating profit before working capital changes	170,313,828	84,009,930
(Increase) / decrease in current assets		
Stores and spares	1,512,060	(672,651)
Stock in trade	(184,502,903)	(16,988,428)
Trade debts	(94,186,424)	71,214,049
Loans and advances	(70,864,024)	(172,739)
Short term prepayments and other receivables	(1,611,781)	(3,292,935)
Increase / (decrease) in current liabilities		
Trade and other payables	(107,335,599)	111,719,710
	<u>(456,988,671)</u>	<u>161,807,006</u>
Cash (used in) / generated from operations	<u>(286,674,843)</u>	<u>245,816,936</u>

34. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2016	2015	2016	2015	2016	2015	2016	2015
	Rupees in (000)							
Managerial remuneration	3,341	5,531	1,500	486	–	1,881	10,200	21,899
Meeting fee	–	–	–	–	90	–	–	–
Car and other allowances	–	279	250	–	–	–	1,669	2,949
Staff retirement benefits	–	212	–	–	–	76	285	659
	<u>3,341</u>	<u>6,022</u>	<u>1,750</u>	<u>486</u>	<u>90</u>	<u>1,957</u>	<u>12,154</u>	<u>25,507</u>
Number of persons	1	1	1	1	5	2	11	16

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

34.2 This represents the remuneration of chief executives for the period upto January 05, 2016. The chief executive appointed by new management is not yet taking any remuneration.

34.3 For the period upto the change in management, the chief executive, two directors and certain executives of Company were provided with free use of Company maintained vehicles.

35. Balances and Transaction with Related Parties

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

35.1 Transactions before change of shareholding

Related party	Relationship	Nature of Transaction	From July 01, 2015 To January 05, 2016	Year ended June 30, 2015
			Rupees in (000)	
Altern Energy Limited	Associate	Sale of goods, services provided and reimbursement of expenses	750	1,731
Descon Corporation (Private) Limited	Associate	Sale of goods, services provided and reimbursement of expenses	797	47
		Rent expense	–	1,907
		Purchase of goods, services received and reimbursement of expenses	230	–
Descon Engineering Limited	Associate	Sale of goods, services provided and reimbursement of expenses	4,251	7,730
		Purchase of goods, services received and reimbursement of expenses	2,534	8,981
		Disposal of fixed assets	–	168
Descon Oxychem Limited	Associate	Sale of goods, services provided and reimbursement of expenses	14,653	50,698
		Purchase of goods, services received and reimbursement of expenses	5,611	12,852
Descon Power Solutions (Private) Limited	Associate	Sale of goods, services provided and reimbursement of expenses	3,171	12,501
Descon Training Institute	Associate	Sale of goods, services provided and reimbursement of expenses	1,309	1,548
		Purchase of goods, services received and reimbursement of expenses	953	–

<u>Related party</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>From July 01, 2015 To January 05, 2016</u>	<u>Year ended June 30, 2015</u>
			Rupees in (000)	
Gray Mackenzie Engineering Services LLC	Associate	Sale of goods, services provided and reimbursement of expenses	1,118	4,598
		Purchase of goods, services received and reimbursement of expenses	19	237
Gray Mackenzie Engineering Services	Associate	Sale of goods, services provided and reimbursement of expenses	1,095	4,163
Inspectest Industrial Solutions LLC	Associate	Sale of goods, services provided and reimbursement of expenses	918	4,129
Interworld Travels (Private) Limited	Associate	Sale of goods, services provided and reimbursement of expenses	525	1,767
		Purchase of goods, services received and reimbursement of expenses	52	709
Inspectest (Private) Limited	Associate	Sale of goods, services provided and reimbursement of expenses	3,234	9,510
		Purchase of goods, services received and reimbursement of expenses	61	73
		Disposal of fixed assets	355	-
Olyan Descon Industrial Company Limited	Associate	Sale of goods, services provided and reimbursement of expenses	-	148
Popular Travels and Tours	Associate	Purchase of goods, services received and reimbursement of expenses	76	651
Rousch (Pakistan) Power Limited	Associate	Sale of goods, services provided and reimbursement of expenses	2,865	5,353
Ex-Director	Director	Loan obtained from director - unamortized amount	-	40,000
		Disposal of investment to director	-	58,977
			44,577	228,478
35.2 Transactions after change of shareholding			From January 06, 2016 To June 30, 2016	Year ended June 30, 2015
<u>Related party</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	Rupees in (000)	
Nimir Industrial Chemicals Limited	Associate	Sale of goods, services provided and reimbursement of expenses	148	-
		Rental Income	300	-
		Purchase of goods, services received and reimbursement of expenses	36,831	-
Nimir Management (Private) Limited	Associate	Reimbursement of expenses	534	-
		Loan obtained	297,297	-
		Loan waived off	11,011	-
Nimir Holding (Private) Limited	Associate	Loan obtained	54,928	-
		Loan waived off	2,034	-
Terranova Limited	Associate	Loan obtained	21,541	-
		Loan waived off	798	-
Directors	Director	Loan obtained	31,234	-
		Loan waived off	1,157	-
			457,813	-
Balances outstanding			June 2016	June 2015
			Rupees in (000)	
Due from associates / related parties				
Related parties as at June 30, 2016				
Nimir Industrial Chemicals Limited			102,848	-
Nimir Management Private Limited			534,557	-
			637,405	-

	June 2016	June 2015
	Rupees in (000)	
Related parties as at June 30, 2015		
Descon Oxychem Limited	-	460,177
Gray Mackenzie Engineering Services LLC	-	754,685
Gray Mackenzie Engineering Services WLL Qatar	-	107,311
Inspectest (Private) Limited	-	83,351
Inspectest Industrial Solutions LLC	-	4,296,804
Rousch (Pakistan) Power Limited	-	22,800
Descon Power Solutions (Private) Limited	-	71,588
Interworld Travels (Private) Limited	-	97,649
Olyan Descon Industrial Company Limited	-	167,703
Altern Energy Limited	-	1,730,550
Descon Training Institute	-	22,867
Descon Chemicals Provident Fund Trust	-	55,868
Descon Oxychem Provident Fund Trust	-	21,680
Descon Power Solutions (Private) Limited Provident Fund Trust	-	40,444
Inspectest (Private) Limited Provident Fund Trust	-	10,008
	-	<u>7,943,485</u>
Due to associate / related parties		
Descon Engineering Limited	-	<u>2,480</u>
Contribution to staff retirement benefits		
Descon Chemicals Limited Employees' Provident Fund	<u>2,469</u>	<u>4,396</u>

There were no transactions with key management personnel other than those undertaken as per terms of their employment as disclosed in Note 34.

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

36. Segment Reporting

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

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

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

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

36.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2016 is as follows.

	Coating and Emulsion	Textile and Paper	Others	Total
Rupees in (000)				
Segment Results for the year ended June 30, 2016				
Revenue	1,086,649	434,982	256,388	1,778,019
Segment results	58,541	69,550	7,931	136,022
Other operating expenses				(36,284)
Finance costs				(49,605)
Other income				22,745
Profit before taxation				72,878

Segment Results for the year ended June 30, 2015

Revenue	1,116,861	440,639	248,927	1,806,427
Segment results June 30, 2015	39,854	15,856	(17,234)	38,476
Other operating expenses				(19,203)
Finance costs				(94,646)
Other income				25,634
Share of net loss of associate				(12,586)
Loss before taxation				(62,325)

Segment asset and liabilities as at June 30, 2016

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

Segment asset and liabilities as at June 30, 2015

Segment assets	515,283	182,727	127,613	825,623
Segment liabilities	136,569	70,081	5,601	212,251

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

	2016	2015
Rupees in (000)		
Segment assets for reportable segments	1,148,321	825,623
Corporate assets unallocated	308,322	327,148
Cash and bank balances	70,966	1,947
Others	165,329	134,292
Total assets as per the balance sheet	1,692,938	1,289,010

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

Segment liabilities for reportable segments	145,354	212,251
Corporate liabilities unallocated	870,615	658,905
Trade and other payables	82,573	158,746
Taxation - net	17,998	18,189
Total liabilities as per the balance sheet	1,116,540	1,048,091

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

- Information about products
One product of the Company comprises 14.24% (2015: 12.53%) of total sales for the year.
- Information about major customers
One customer of the Company accounts for 16.45% (2015: 16.97%) of total sales for the year. Revenue from such customer was Rs. 292.42 million (2015: Rs. 355.93 million).
- Information about geographical area
- All non-current assets of the Company are located in Pakistan as at the reporting date.

37. Financial Risk Management

37.1 Financial risk factors

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

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

(a) Market risk

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

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to foreign receivables and payables. Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to foreign entities. The Company is not exposed to currency risk (2015: Rs. 79.023 million).

(ii) Other price risk

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

(iii) Interest rate risk

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

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

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

	2016 Rupees	2015 Rupees
Floating rate instruments		
Financial liabilities		
Long term financing	–	179,333,333
Long term financing from director	99,248,678	31,610,558
Short term borrowings	771,366,069	479,571,170
Financial assets		
Bank balances - saving accounts	1,312,344	1,880,675

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 7.701 million (2015: Rs. 6.570 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming that amounts of assets and liabilities outstanding as at the balance sheet date are outstanding for the whole year.

(b) Credit risk

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

	2016 Rupees in (000)	2015
Long term deposits	7,649,956	7,649,956
Trade debts	404,114,867	321,961,579
Other receivables	10,151,623	7,943,485
Bank balances	70,725,887	1,947,185
The aging of trade debts as at balance sheet date is as follows:		
Past due 1 - 30 days	134,913,341	99,854,596
Past due 31 - 60 days	119,650,249	105,788,975
Past due 61 - 120 days	46,280,566	23,789,489
More than 120 days	103,270,711	92,528,519
	<u>404,114,867</u>	<u>321,961,579</u>

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

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

	Rating Short term	Long term	Rating Agency	2016 Rupees	2015 Rupees
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,994,962	192,780
Bank Al-Habib Limited	A1+	AA+	PACRA	22,776,717	1,754,405
Habib Bank Limited	A1+	AAA	JCR-VIS	5,000	
The Bank of Punjab	A1+	AA-	PACRA	3,173,479	–
Albaraka Bank (Pakistan) Limited	A1	A	PACRA	2,989,388	–
Meezan Bank Limited	A1+	AA	JCR-VIS	22,786,341	–
				<u>70,725,887</u>	<u>1,947,185</u>

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs. 444 million (2015: Rs. 796 million) worth unutilized short term borrowing limits available from financial institutions and Rs. 70.726 million (2015: Rs. 1.947 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

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

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
Rupees						
Long term financing from director	99,248,678	-	-	99,248,678	-	-
Trade and other payables	158,227,172	158,227,172	158,227,172	-	-	-
Accrued mark up	9,806,364	9,806,364	9,806,364	-	-	-
Short term borrowings	771,366,069	832,876,788	832,876,788	-	-	-
	<u>1,038,648,283</u>	<u>1,000,910,324</u>	<u>1,000,910,324</u>	<u>99,248,678</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at June 30, 2015:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
Rupees						
Long term financing	179,333,333	204,500,226	107,614,509	96,885,717	-	-
Long term financing from director	31,610,558	-	-	-	31,610,558	-
Trade and other payables	144,851,887	144,851,887	144,851,887	-	-	-
Accrued mark up	14,485,877	14,485,877	14,485,877	-	-	-
Short term borrowings	479,571,170	523,253,341	523,253,341	-	-	-
	<u>849,852,825</u>	<u>887,091,331</u>	<u>790,205,614</u>	<u>96,885,717</u>	<u>31,610,558</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at June 30, 2016. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

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

As at June 30, 2016 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

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

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

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

37.2 Financial instruments by categories**Financial assets as at June 30, 2016**

	Cash and Cash Equivalents	Loans and advances	Available-for-sale	Total
----- Rupees -----				
Long term deposits	-	7,649,956	-	7,649,956
Trade debts	-	404,114,867	-	404,114,867
Other receivables	-	10,151,623	-	10,151,623
Bank balances	70,725,887	-	-	70,725,887
	<u>70,725,887</u>	<u>421,916,446</u>	<u>-</u>	<u>492,642,333</u>

Financial assets as at June 30, 2015

	Cash and Cash Equivalents	Loans and advances	Available-for-sale	Total
----- Rupees -----				
Long term deposits	-	7,649,956	-	7,649,956
Trade debts	-	321,961,579	-	321,961,579
Other receivables	-	7,943,485	-	7,943,485
Bank balances	1,947,185	-	-	1,947,185
	<u>1,947,185</u>	<u>337,555,020</u>	<u>-</u>	<u>339,502,205</u>

Financial liabilities at amortized cost

	2016 Rupees	2015 Rupees
Long term financing	-	179,333,333
Long term financing from director	99,248,678	31,610,558
Trade and other payables	158,227,172	144,851,887
Accrued mark up	9,806,364	14,485,877
Short term borrowings	771,366,069	479,571,170
	<u>1,038,648,283</u>	<u>849,852,825</u>

37.3 Fair values of financial assets and liabilities

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

38. Capital Risk Management

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

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

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

	2016 Rupees	2015 Rupees
Total borrowings	870,614,747	690,515,061
Cash and bank balances	(70,965,604)	(1,947,185)
Net debt	799,649,143	688,567,876
Equity	537,208,230	202,159,902
Total capital employed	<u>1,336,857,373</u>	<u>890,727,778</u>
Gearing ratio	59.82%	77.30%

39. Plant Capacity and Production

	2016	2015
	Metric Ton	Metric Ton
Actual production	18,861	14,487

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

40. Provident Fund Related Disclosures

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

	Note	2016	2015
		Rupees	Rupees
Total assets of the fund		39,411,463	52,182,235
Fair value of the investments	40.2	28,086,020	37,753,440
Investments as a percentage of total assets		71.26%	72.35%

40.1 The cost of above investments amount to Rs. 24.686 million (2015: Rs. 33.19 million).

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

	2016	2015	2016	2015
	Percentage	Percentage	Rupees	Rupees
- Listed securities	24.57%	26.03%	9,685,566	13,567,917
- GOP Treasury Bills	25.37%	1.91%	10,000,000	993,190
- National Saving Certificates	11.99%	9.07%	4,725,000	4,725,000
- GOP - PIBs	9.33%	35.44%	3,675,454	18,467,332
	71.26%	72.45%	28,086,020	37,753,439

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

41. Number of Employees

	2016	2015
	Number	Number
Employees as at June 30,		
- Permanent	104	146
- Contractual	10	20
Average employees during the year		
- Permanent	125	151
- Contractual	15	22

42. Subsequent Event

The Company is in the process of issuing of 77 million ordinary shares as right shares at a price of Rs. 5 per share (i.e., at par value), subsequent to year ended June 30, 2016 (refer to Note 12.3).

43. Authorization of Financial Statements

These financial statements were authorized for issue on Friday, September 9, 2016 by the Board of Directors of the Company.

44. General

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

Nature	From	To	Amount (Rupees)
Balance receivable from associated companies	Short Term Prepayments and Other Receivables (Note-10) Due from associates / related parties	Short Term Prepayments and Other Receivables (Note-10) Other receivables	7,943,485
Oil for generators	Cost of Sales (Note-25) Stores and spares consumed	Cost of Sales (Note-25) Fuel and power	12,868,505
Issuance of store related items	Cost of Sales (Note-25) i) Chemicals consumed ii) Packing materials consumed	Cost of Sales (Note-25) Stores and spares consumed Stores and spares consumed	1,750,726 1,281,095
Amortization of intangible	Cost of Sales (Note-25) Amortization	Administrative Expenses (Note-27) Amortization	3,493,507
Vehicle running and entertainment cost	Administrative Expenses (Note-27) i) Vehicles' running cost ii) Entertainment	Administrative Expenses (Note-27) Travelling, conveyance and entertainment	1,953,086 257,972
Travelling and vehicle running cost	Distribution Cost (Note-26) i) Vehicles' running cost ii) Entertainment	Distribution Cost (Note-26) Travelling, conveyance and entertainment	3,077,283 119,252
Advertisement expense	Distribution Cost (Note-26) Advertisement	Administrative Expenses (Note-27) Advertisement	100,560
Water and gas charges	Distribution Cost (Note-26) Water and gas charges	Distribution Cost (Note-26) Utilities	39,579
Deferred revenue	Current portion of deferred revenue (Face of the balance sheet)	Equity portion of sponsors interest free loan	7,340,762
Deferred revenue	Non current portion of Deferred revenue (Face of the balance sheet)	Equity portion of sponsors interest free loan	1,048,680



CHIEF EXECUTIVE OFFICER



DIRECTOR

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2016

-----Shareholding-----			
No. of Shareholders	From	To	Total Shares Held
780	1	100	27,083
745	101	500	246,318
711	501	1,000	639,417
1,101	1,001	5,000	3,319,725
375	5,001	10,000	3,214,262
146	10,001	15,000	1,955,556
95	15,001	20,000	1,798,192
81	20,001	25,000	1,941,689
36	25,001	30,000	1,042,420
21	30,001	35,000	714,100
17	35,001	40,000	670,500
16	40,001	45,000	700,195
49	45,001	50,000	2,435,104
11	50,001	55,000	586,500
19	55,001	60,000	1,124,528
10	60,001	65,000	637,500
4	65,001	70,000	274,000
8	70,001	75,000	598,650
6	75,001	80,000	469,000
4	80,001	85,000	326,000
1	85,001	90,000	89,500
2	90,001	95,000	183,000
36	95,001	100,000	3,597,500
1	100,001	105,000	105,000
2	105,001	110,000	220,000
1	110,001	115,000	111,500
4	115,001	120,000	474,000
4	120,001	125,000	496,105
4	125,001	130,000	519,000
1	130,001	135,000	134,000
2	135,001	140,000	278,000
9	145,001	150,000	1,350,000
1	150,001	155,000	155,000
2	155,001	160,000	315,000
2	160,001	165,000	326,500
3	170,001	175,000	523,500
7	195,001	200,000	1,400,000
1	210,001	215,000	211,500
2	220,001	225,000	449,000
1	225,001	230,000	227,000
3	245,001	250,000	750,000
1	295,001	300,000	300,000
1	305,001	310,000	308,097
1	320,001	325,000	325,000
1	370,001	375,000	371,000
1	395,001	400,000	400,000
1	445,001	450,000	450,000
1	465,001	470,000	468,895
1	485,001	490,000	490,000
4	495,001	500,000	2,000,000
1	520,001	525,000	524,000
1	595,001	600,000	600,000
1	615,001	620,000	619,500
1	680,001	685,000	685,000
2	695,001	700,000	1,400,000
1	715,001	720,000	720,000
1	890,001	895,000	894,554
1	990,001	995,000	992,500
2	995,001	1,000,000	2,000,000
1	1,260,001	1,265,000	1,264,000
1	1,595,001	1,600,000	1,600,000
1	2,900,001	2,905,000	2,905,000

-----Shareholding-----			
No. of Shareholders	From	To	Total Shares Held
1	3,575,001	3,580,000	3,575,268
1	8,495,001	8,500,000	8,498,219
1	8,945,001	8,950,000	8,945,479
1	22,810,001	22,815,000	22,810,993
1	101,770,001	101,775,000	101,774,507
4,355			199,557,856

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2016

Sr. No.	Categories of shareholders	Shares held	Percentage
1	Directors, Chief Executive Officers and their spouse and minor children	13,005,646	6.5172
2	Associated Companies, undertakings and related parties. (Parent Company)	124,585,500	62.4308
3	NIT and ICP	9,813	0.0049
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	2,210	0.0011
5	Insurance Companies	-	0.0000
6	Modarabas and Mutual Funds	468,953	0.2350
7	General Public		
	1. Local	48,564,541	24.3361
	2. Foreign	-	0.0000
8	Others (to be specified)		
	1. Joint Stock Companies	12,856,123	6.4423
	2. Investment Companies	796	0.0004
	3. Pension Funds	47,604	0.0239
	4. Others	16,670	0.0084
		199,557,856	100.0000

SHARE HOLDERS HOLDING 10% OR MORE

Sr. No.	Categories of shareholders	Shares held	Percentage
1	Nimir Management (Pvt.) Limited	101,774,507	51.0000
2	Nimir Holding (Pvt.) Limited	22,810,993	11.4308

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CATEGORIES OF SHAREHOLDERS (CCG)

AS AT JUNE 30, 2016

Sr. No.	Name	No. of Shares held	Percentage
1.	Associated Companies, Undertakings and Related Parties:		
1	Nimir Management (Pvt.) Limited	101,774,507	51.0000
2	Nimir Holding (Pvt.) Limited	22,810,993	11.4308
2.	Mutual Funds:		
1	Prodenial Stocks Fund Ltd.	58	0.0000
2	Cdc - Trustee National Investment (Unit) Trust	468,895	0.2350
3.	Directors And Their Spouse And Minor Children:		
1	Sh. Amir Hameed	1,000	0.0005
2	Mr. Zafar Mahmood	1,000	0.0005
3	Mr. Abdul Jalil Jamil	28,920	0.0145
4	Mr. Muhammad Saeed Uz Zaman	3,578,185	1.7931
5	Mr. Muhammad Yahya Khan	8,498,219	4.2585
6	Mr. Osman Hameed	1,000	0.0005
7	Mr. Muhammad Sajid	1,000	0.0005
8	Mrs. Nusrat Jamil	894,554	0.4483
4.	Executives:	38,000	0.0000
5.	Public Sector Companies & Corporations:	-	-
6.	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	49,814	0.0250
7.	Shareholders Holding Five Percent or More Voting Interest in the Listed Company:		
1	Nimir Management (Pvt.) Limited	101,774,507	51.0000
2	Nimir Holding (Pvt.) Limited	22,810,993	11.4308
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	Sh. Amir Hameed	-	1,000
2	Mr. Zafar Mahmood	-	1,000
3	Mr. Abdul Jalil Jamil	-	1,000
4	Mr. Muhammad Saeed Uz Zaman	-	3,576,185
5	Mr. Muhammad Yahya Khan	-	8,498,219
6	Mr. Osman Hameed	-	1,000
7	Mr. Muhammad Sajid	-	1,000
8	Mrs. Nusrat Jamil	-	894,286

STATEMENT PURSUANT TO SECTION 218 COMPANIES ORDINANCE, 1984

TO ALL MEMBERS OF THE COMPANY

Dear Sir / Madam,

This is to inform you that the Board of Directors in their meeting held on September 9, 2016 has fixed the remuneration of Chief Executive Officer (CEO) and Executive Director of the Company. In pursuant of Section 218 of the Companies Ordinance, 1984, this is to inform you that the terms and conditions of Chief Executive Officer (CEO) and Executive Director of the Company are in accordance with their terms of service with the Company policy.

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

Resolved that “to consider and approve the sharing of up to Rs. 1.14 million per annum of the remuneration of Chief Executive Officer of the Company with associated Company i.e. Nimir Industrial Chemicals Limited, as approved by the board in addition to the existing, travelling, entertainment and other incidentals relating to his office in accordance with the Company policy.”

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

Further Resolved “to consider and approve the annual remuneration of Executive Director of the Company to Rs. 3.6 million per annum exclusive of perquisites, bonus, company maintained car and other incidentals relating to their office in accordance with the Company policy.”

The Executive director being interested did not participate in this resolution.

Yours faithfully,

For Nimir Resins Limited
(Formerly Descon Chemicals Ltd.)

Lahore
September 9, 2016

Muhammad Inam-ur-Rahim
Company Secretary

NOTICE OF 52nd ANNUAL GENERAL MEETING

FOR THE YEAR ENDED JUNE 30, 2016

Notice is hereby given that the 52nd Annual General Meeting of Nimir Resins Limited (Formerly Descon Chemicals Limited) (the "Company") shall be held on Friday, October 28, 2016 at 11:00 a.m. at LDA Community Centre, 239-A, New Muslim Town, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Extra-Ordinary General Meeting (EOGM) of the Company held on May 31, 2016.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2016 together with the reports of the Directors' and Auditors' thereon.
3. To appoint Auditors for the year ended June 30, 2017 and fix their remuneration. The retiring auditors M/s Horwath Hussain Chaudury & Co. – Chartered Accountants have offered themselves for re-appointment.

SPECIAL BUSINESS:

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

OTHER BUSINESS:

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

By Order of the Board

Lahore
October 6, 2016

Muhammad Inam-ur-Rahim
(Company Secretary)

Notes:

- i. The share transfer books of the Company shall remain closed from October 22, 2016 to October 28, 2016 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on October 21, 2016 will be treated in time for purpose of determine the entitlements attend and vote at the AGM.
- ii. A member eligible to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company and shall produce his/her original Computerized National Identity Card (CNIC) or passport at the time of meeting. Proxies in order to be effective must be received at the registered office of the Company not later than forty eight (48) hours before the time of holding the meeting.
- iii. The corporate shareholders shall nominate someone to represent them at the AGM. The nominations, in order to be effective must be received by the Company not later than forty eight (48) hours before time of holding the meeting.
- iv. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants' I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.

- v. All shareholders who had not yet submitted the valid copies of CNIC and NTN Certificate(s) are requested to send the copies of the same to the Shares Registrar. Shareholders of the Company who holds shares in scrip-less form on CDC are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/ CDC Investor Account Services.
- vi. Shareholders are requested to immediately notify change in address, if any, to the Company's Share Registrar, at the following address :

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

Submission Of CNIC - (Mandatory)

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

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

The statement of material facts under section 160 (1) (b) of the Companies Ordinance, 1984 concerning the special business contained in item No. 4 of the Notice of Annual General Meeting.

ITEM No. 4

- i. To consider and approve the sharing of up to Rs. 1.14 million per annum of the remuneration of Chief Executive Officer of the Company with associated Company i.e. Nimir Industrial Chemicals Limited, as approved by the board in addition to the existing, travelling, entertainment and other incidentals relating to his office in accordance with the Company policy.
- ii. To consider and approve the in the annual remuneration of Executive Director of the Company to Rs. 3.6 million per annum exclusive of perquisites, bonus, company maintained car and other incidentals relating to their office in accordance with the Company policy.

FORM OF PROXY 52nd ANNUAL GENERAL MEETING

The Company Secretary
NIMIR RESINS LIMIEDT
 (Formerly Descon Chemicals Ltd.)
 14.5 K.M. Lahore – Sheikhpura Road,
 Lahore, Pakistan.

Ledger Folio/CDC A/C No.

Shares Held

I / We of
 being member(s) of
 Nimir Resins Limited (Formerly Descon Chemicals Ltd.) 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 28, 2016 at 11:00 a.m. and / or at any adjournment thereof or any ballot to be taken in
 consequence thereof.

Signed this day of 2016.

Signature of Shareholder

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

WITNESSES:

1. _____ 2. _____

Name : _____

CNIC : _____

Address: _____

Date: _____

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Notes:

- i. The share transfer books of the Company shall remain closed from October 22, 2016 to October 28, 2016 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on October 21, 2016 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.
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www.corplink.com.pk

NIMIR RESINS LIMIEDT
(Formerly Descon Chemicals Ltd.)

14.5 K.M. Lahore – Sheikhpura Road,
Lahore, Pakistan.
Tel: 042 379715-12-14
www.nimir.com.pk

Posted Stamp



NIMIR RESINS LIMITED
(Formerly Descon Chemicals Ltd.)

14,5 K.M. Lahore – Sheikhpura Road,
Lahore, Pakistan.

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