

November 10, 2015

Deputy General Manager – Operations
Karachi Stock Exchange Limited
Karachi -74000.

Mr. Muhammad Ghufraan

Subject: Dissemination of Material Information pursuant to the Listing Regulations of the Karachi Stock Exchange under Paragraph 35 (xx)

Dear Sir,

We are writing with reference to your letter No. KSE/C-1016-9336 dated November 5, 2015 vide which you sought clarification in respect of our use of the term "pre-merger clearance" in our letter No. 8410-NICL-KSE-11-2015 dated November 2, 2015.

In this regard, please note that the proposed transaction is for acquisition of shares of Descon Chemicals Limited ("Target") and there are no current plans to merge with the Target. As intimated in our letter dated November 2, 2015, we will be obtaining pre-merger clearance for the transaction from the Competition Commission of Pakistan ("CCP"), which, as explained below, is a mandatory requirement for all acquisitions and not just mergers.

Please note that under the Competition Act, 2010 ("CA 2010") an acquisition of shares is also construed as a "merger", for which CCP's approval is required. We have reproduced relevant provisions of the CA 2010 below for your convenience:

Section 2(1)(h) (emphasis added):

"merger" means the merger, acquisition, amalgamation, combination or joining of two or more undertakings or part thereof into an existing undertaking or to form a new undertaking; and expression "merge" means to merge, acquire, amalgamate, combine or join, as the context may require;"

Section 11(2) (emphasis added):

"Notwithstanding the provisions contained in the Act where an undertaking, intends to acquire the shares or assets of another undertaking, or two or more undertakings intend to merge the whole or part of their businesses, and meet the pre-merger notification thresholds stipulated in regulations prescribed by the Commission, such undertaking or undertakings shall apply for clearance from the Commission of the intended merger."

We hope that the above explanation is satisfactory. If you have any further queries regarding the same, please do not hesitate to contact the undersigned.

Yours faithfully,

For **Nimir Industrial Chemicals Limited**



Muhammad Inam-ur-Rahim
Company Secretary



C.C: Lahore Stock Exchange Limited

Securities and Exchange Commission of Pakistan – Enforcement Department.