

Quarterly  
Accounts

(unaudited)

September 2007

**NIMIR**

INDUSTRIAL CHEMICALS LIMITED

# Company Information

<b>Board of Directors</b>	Mr. Louis Tucker Link (Chairman)
	Mr. Zafar Mahmood (Chief Executive)
	Sh. Amar Hameed
	Mr. George Rapport
	Mr. Abdul Jalil Jamil
	Mr. Saeed-uz-Zaman Mr. Umar Iqbal
<b>Chief Financial Officer</b>	Mr. Khalid Mumtaz Qazi
<b>Audit Committee</b>	Mr. Abdul Jalil Jamil (Chairman)
	Mr. Louis Tucker Link
	Mr. Saeed-uz-Zaman
<b>Company Secretary</b>	Mr. Shamshad A. Naushahi
<b>Auditors</b>	Ford Rhodes Sidat Hyder & Co. Chartered Accountants
<b>Legal Advisor</b>	KMS Law Associates Advocates
<b>Bankers</b>	The Bank of Punjab
	MCB Bank Limited
	Saudi Pak Commercial Bank Limited
	Trust Investment Bank Limited
<b>Shares' Registrar</b>	Corplink (Pvt.) Limited Wings Arcade, 1-K (Commercial), Model Town, Lahore.
<b>Registered / Head Office</b>	51-N, Industrial Area, Gulberg-II, Lahore Ph : 92 42 5718001-9 Fax : 92 42 5718013 Email : contact@nimir.com.pk
<b>Factory</b>	14.8 km., Sheikhpura-Faisalabad Road, Mouza Bhikki, District Sheikhpura. Ph : 056 3882198-99 Fax : 056 3882198
<b>Web Site</b>	www.nimir.com.pk

## Directors' Review

Improvement continued during the first quarter of the new financial year. Sales of the company have increased by 39% during the period under review over the corresponding period of the last year. This helped the company to earn gross profit of Rs. 14.5 million and operating profit of Rs. 1.5 million as against gross loss of Rs. 9.1 million and operating loss of Rs. 26.6 million in the corresponding quarter of the last year.

The company showed improvement in almost every area of the business. During the period under review the parent company wrote off certain portion of its loans which helped the company to achieve positive bottom line.

We are pleased to announce that the Board of Directors has approved 5% cash dividend for its valued shareholders. The parent company Knightsbridge Chemicals Limited has already voluntarily surrendered its portion of dividend to facilitate the company and minority shareholders.

# Nimir

**For and on behalf of the Board**

Lahore  
October 30, 2007



**Director**

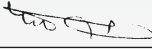
# Balance Sheet

As At September 30, 2007

<b>EQUITY AND LIABILITIES</b>	<u>Note</u>	<u>Unaudited September 30, 2007 Rs.'000</u>	<u>Audited June 30, 2007 Rs.'000</u>
<b>Authorized Capital</b> 290,000,000 Ordinary shares (June 30, 2007: 290,000,000) of Rs. 5/- each		<b>1,450,000</b>	1,450,000
<b>Issued, subscribed and paid up capital</b>		<b>1,105,905</b>	1,105,905
<b>Accumulated losses</b>		<b>(801,334)</b>	(846,009)
		<b>304,571</b>	259,896
<b>Subordinated loans - parent company</b>	4	<b>653,027</b>	844,160
<b>Long term loans</b>	5	<b>65,000</b>	65,000
<b>Liabilities against assets subject to finance lease</b>		<b>75,301</b>	79,195
<b>Deferred liabilities</b>			
Staff retirements benefits		<b>12,935</b>	11,976
<b>Current Liabilities</b>			
Trade and other payables		<b>301,310</b>	284,564
Mark up accrued on secured loans		<b>4,160</b>	5,647
Short term borrowings - secured		<b>28,883</b>	558
Current maturity of liabilities against assets subject to finance lease		<b>17,959</b>	18,286
Current maturity of long term loans		<b>32,500</b>	79,500
		<b>384,812</b>	388,555
<b>Contingencies and commitments</b>	6	-	-
		<b>1,495,646</b>	1,648,782
<b>FIXED CAPITAL EXPENDITURE</b>			
<b>Property, plant and equipment</b>	7	<b>1,105,917</b>	1,096,934
<b>Capital work in progress</b>		<b>82,464</b>	114,519
		<b>1,188,381</b>	1,211,453
<b>Long term deposits</b>		<b>18,287</b>	18,287
<b>Current assets</b>			
Stores and spares		<b>7,197</b>	5,796
Stock in trade		<b>81,131</b>	123,055
Trade debts		<b>153,193</b>	128,771
Advances, deposits, prepayments and other receivable		<b>38,803</b>	26,252
Cash and bank balances		<b>8,654</b>	135,168
		<b>288,978</b>	419,042
		<b>1,495,646</b>	1,648,782

The annexed notes form an integral part of these accounts.

Lahore  
October 30, 2007

  
Chief Executive

  
Director

## Profit & Loss Account (Unaudited) For The Quarter Ended September 30, 2007

	July to September 2007 Rs.'000	July to September 2006 Rs.'000
Sales	<b>219,021</b>	157,031
Cost of Sales	<b>(204,443)</b>	(166,192)
Gross Profit / (Loss)	<b>14,578</b>	(9,161)
Distribution costs	<b>(8,235)</b>	(8,068)
Administrative expenses	<b>(4,830)</b>	(9,361)
Operating profit / (Loss)	<b>1,513</b>	(26,590)
Other income	<b>36</b>	372
Remission of parent company loans	<b>57,417</b>	-
Finance cost	<b>(13,185)</b>	(15,060)
Profit / (Loss) before taxation	<b>45,781</b>	(41,278)
Provision for taxation	<b>(1,106)</b>	(964)
Profit / (Loss) after taxation	<b>44,675</b>	(42,242)
Earnings per share - Rupees	<b>0.20</b>	(0.19)

The annexed notes form an integral part of these accounts.

Lahore  
October 30, 2007

  
Chief Executive


  
Director

# Cash Flow Statement (Unaudited)

For The Quarter Ended September 30, 2007

	July to September 2007 Rs.'000	July to September 2006 Rs.'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	45,781	(41,278)
Adjustment for:		
(Gain) / loss on disposal of property, plant and equipment	-	(3)
Depreciation	15,649	13,158
Finance cost	13,185	18,249
Foreign exchange loss / (gain)	-	3,189
Remission of parent company loans	(57,417)	-
Provision for gratuity	990	924
	<b>(27,593)</b>	35,517
<b>OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>18,188</b>	(5,761)
(Increase)/decrease in current assets		
Stores and spares	(1,401)	(139)
Stock in trade	41,924	(4,853)
Trade debts	(24,422)	(18,777)
Advances, deposits, prepayments and other receivables	(11,195)	(13,825)
	4,906	(37,594)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	16,747	47,255
	<b>21,653</b>	9,661
<b>CASH (USED IN) GENERATED FROM OPERATIONS</b>	<b>39,841</b>	3,900
Gratuity paid	(31)	(267)
Financial cost paid	(14,739)	(17,002)
Tax Paid	(2,463)	(4,511)
	<b>(17,233)</b>	(21,780)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>22,608</b>	(17,880)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(24,632)	(70,757)
Sale proceeds of property, plant and equipment	-	134
Capital work in progress	32,122	(15,644)
Long term deposits	-	(14,120)
Short term finances	28,325	9,294
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>35,815</b>	(91,093)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans payment	(47,000)	(17,000)
Loan received from parent company	-	33,178
Loan repayment to parent company	(133,716)	(51,469)
Liabilities against assets subject to finance lease	(4,221)	67,251
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(184,937)</b>	31,960
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>(126,514)</b>	(77,013)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>135,168</b>	93,361
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>8,654</b>	16,348

The annexed notes form an integral part of these accounts.

  
Chief Executive

  
Director

# Statement Of Changes In Equity

For The Quarter Ended September 30, 2007


	<u>Share Capital</u>	<u>Accumulated Loss</u>	<u>Total</u>
	<u>Rs.'000</u>	<u>Rs.'000</u>	<u>Rs.'000</u>
<b>Balance as on June 30, 2006</b>	1,105,905	(746,866)	359,039
Loss for the period	-	(42,242)	(42,242)
<b>Balance as on September 30, 2006</b>	1,105,905	(789,108)	316,797
Loss for the period	-	(56,901)	(56,901)
<b>Balance as on June 30, 2007</b>	1,105,905	(846,009)	259,896
Loss for the period	-	44,675	44,675
<b>Balance as on September 30, 2007</b>	<b><u>1,105,905</u></b>	<b><u>(801,334)</u></b>	<b><u>304,571</u></b>

The annexed notes form an integral part of these accounts.

# Nimir



Chief Executive



Director

# Notes to the Accounts

For The Quarter Ended September 30, 2007

## 1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan as public limited company and its shares are listed on Karachi and Lahore Stock exchanges. The company started its commercial operations on January 01, 2000. Besides generating power, the principal activity of the company is to manufacture Fatty Acid, Caustic Soda and Soap Noodles.

## 2. BASIS OF PREPARATION

These accounts are being presented to the shareholders as required under section 245 of the Companies Ordinance 1984 and have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting".

## 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2007.

## 4. LONG TERM LOAN FROM PARENT COMPANY

During the period under review, loans amounting US\$ 949,897 had been written off and repayment of loan US\$ 2,200,000 was made to parent company.

## 5. LONG TERM LOANS

The long term loans are as follows:-

	Quarter ended Sep. 30, 2007	Year ended Jun. 30, 2007
The Bank of Punjab	97,500	97,500
Crescent Commercial Bank Limited	-	47,000
	<u>97,500</u>	<u>144,500</u>
Less:- Current maturity	<u>(32,500)</u>	<u>(79,500)</u>
	<u><u>65,000</u></u>	<u><u>65,000</u></u>

## 6. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments since the last audited published financial statements.


## 7. PROPERTY, PLANT AND EQUIPMENT


	Quarter ended Sep. 30, 2007 Rs. '000'	Year ended Jun. 30, 2007 Rs. '000'
Opening balance	1,096,934	999,690
Addition during the period	24,632	155,325
	<u>1,121,566</u>	1,155,015
Book value of assets disposed off during period	-	(310)
Depreciation charged during period	<u>(15,649)</u>	<u>(57,771)</u>
Net book value of fixed assets	<u><u>1,105,917</u></u>	<u><u>1,096,934</u></u>

8. TRANSACTIONS WITH RELATED PARTIES	Quarter ended Sep. 30, 2007	Quarter ended Sep. 30, 2006
Sales of power and goods	6,159	4,833
Premises rent shared	263	263
Management and other services received	1,688	1,440
Services rendered	784	-
Utility bills charged by associated company	142	191

**9. GENERAL**

- 9.1 These financial statements were authorized for issue on October 30, 2007 by the Board of Directors of the Company.
- 9.2 The figures have been rounded off to the nearest thousand of rupees.
- 9.3 Previous figures have been rearranged wherever considered necessary for the purpose of comparison.

  
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**Chief Executive**

  
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**Director**

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