

## Company Information

### Board of Directors

Mr. Louis Tucker Link  
(Chairman)

Sh. Amar Hameed  
(Chief Executive)

Mr. George Rapport  
Mr. Abdul Jalil Jamil  
Mr. Saeed-uz-Zaman  
Mr. Umar Iqbal  
Mr. Zafar Mahmood  
(Chief Financial Officer)

### Audit Committee

Mr. Abdul Jalil Jamil  
(Chairman)

Mr. Louis Tucker Link  
Mr. Saeed-uz-Zaman

### Company Secretary

Mr. Shamshad A. Naushahi

### Auditors

Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants

### Legal Advisor

KMS Law Associates  
Advocates

### Bankers

The Bank of Punjab.  
Crescent Commercial Bank Limited  
Saudi Pak Commercial Bank Limited

### Shares' Registrar

Corplink (Pvt.) Limited  
Wings Arcade, 1-K (Commercial)  
Model Town,  
Lahore.

### Registered / Head Office

51-N, Industrial Area, Gulberg-II, Lahore  
Tel : + 92 42 5718001 - 9  
Fax : + 92 42 5718013  
E-mail : [contact@nimir.com.pk](mailto:contact@nimir.com.pk)

### Factory

14.8 km., Sheikhpura-Faisalabad Road,  
Mouza Bhikki,  
District Sheikhpura.  
Tel : + 92 056 3882198 - 99  
Fax : + 92 056 3882198

### Web Site

<http://www.nimir.com.pk>

## DIRECTORS' REVIEW

The Board of Directors takes pleasure to present the quarterly accounts of the company for the quarter ending March 31, 2007. Following are the results for last three quarters:

|  | <u>Quarter 3</u>     | <u>Quarter 2</u>     | <u>Rs. (000)</u>     |
|--|----------------------|----------------------|----------------------|
|  | <u>Jan 07-Mar 07</u> | <u>Oct 06-Dec 06</u> | <u>Quarter 1</u>     |
|  |                      |                      | <u>Jul 06-Sep 06</u> |
| Sales  | 165,889              | 164,345              | 157,031              |
| Gross profit / (loss)  | 11,982               | 2,503                | (9,161)              |
| Operating profit / (loss)  | 1,874                | (7,199)              | (26,218)             |
| Net (loss)   | (11,837)             | (24,555)             | (42,242)             |
| Cash profit / (loss)<br><i>(adding depreciation to net loss)</i> | 2,958                | (9,722)              | (29,085)             |

There is a significant turnaround of the company in the quarter ended March 31, 2007. The company showed consistent improvement in the results during last six months. In the first quarter the company was in gross loss situation and was loosing Rs.29 million cash which situation has been now been corrected and the company in positive cash flow. The gross loss of Rs.9 million has been converted into a gross profit of Rs.12 million and operating loss of Rs.26 million has been converted into an operating profit of Rs.2 million.

Comparing the quarterly figures with the corresponding period of last year, there is also a significant improvement in the results.

The results would further improve as soon as the soap noodle plant (currently under installation) comes into operation which is scheduled to be in May this year. We expect to achieve positive bottom line after the start of noodles, Insha Allah.

By Order of the Board

Lahore  
April 25, 2007

  
Director

# Balance Sheet

AS AT March 31, 2007

|  | Note | Unaudited         | Audited          |
|--|------|-------------------|------------------|
|  |      | March 31,<br>2007 | June 30,<br>2006 |
|  |      | Rs '000'          | Rs'000'          |
| <b>ASSETS</b>  |      |                   |                  |
| <b>NON CURRENT ASSETS</b>  |      |                   |                  |
| Tangible fixed assets  |      |                   |                  |
| Property, plant and equipment  | 4    | 1,069,307         | 999,690          |
| Capital work in progress   |      | 150,418           | 136,333          |
|  |      | 1,219,725         | 1,136,023        |
| Long term deposits   |      | 18,881            | 5,161            |
| <b>CURRENT ASSETS</b>  |      |                   |                  |
| Stores and spares  |      | 4,638             | 4,508            |
| Stock in trade   |      | 59,832            | 66,871           |
| Trade debts  |      | 142,987           | 121,462          |
| Advances, deposits, prepayments and other receivables                      |      | 28,839            | 24,603           |
| Cash and bank balances   |      | 9,489             | 93,361           |
|  |      | 245,785           | 310,805          |
|  |      | 1,484,391         | 1,451,989        |
| <b>AUTHORIZED CAPITAL</b>  |      |                   |                  |
| 290,000,000 (June 30, 2006: 290,000,000)                                   |      | 1,450,000         | 1,450,000        |
| Ordinary shares of Rs. 5/- each (June 30, 2006: Rs. 5/- each)              |      |                   |                  |
| Issued, subscribed and paid up capital                                     |      | 1,105,905         | 1,105,905        |
| 221,181,093 (June 30, 2006: 221,181,093)                                   |      |                   |                  |
| ordinary shares of Rs. 5/= each  |      |                   |                  |
| Accumulated losses   |      | (825,500)         | (746,866)        |
|  |      | 280,405           | 359,039          |
| <b>NON CURRENT LIABILITIES</b>   |      |                   |                  |
| Subordinated loans - Parent company  |      | 623,761           | 614,715          |
| Long term loans  |      | 79,000            | 156,811          |
| Liabilities against assets subject to finance lease                        | 5    | 70,806            | 19,660           |
| Deferred liabilities   |      |                   |                  |
| Employees benefits - Gratuity scheme                                       |      | 11,522            | 9,303            |
| <b>CURRENT LIABILITIES</b>   |      |                   |                  |
| Trade and other payable  |      | 293,369           | 236,016          |
| Mark up accrued on secured loans   |      | 6,169             | 18,913           |
| Short term finances  |      | 8,917             | -                |
| Current maturity of long term loans  |      | 95,750            | 32,500           |
| Current maturity of liabilities against assets<br>subject to finance lease | 5    | 14,692            | 5,032            |
|  |      | 418,897           | 292,461          |
|  |      | 1,484,391         | 1,451,989        |
| Contingencies and commitments  | 6    | -                 | -                |

The annexed notes form an integral part of these accounts.

The Chief Executive is out of Pakistan and his absence, these financial statements have been signed by two Directors, as required under section 241 (2) of the Companies Ordinance, 1984.

Lahore  
April 25, 2007

  
Director

  
Director

# Profit & Loss Account (Unaudited)

FOR THE PERIOD ENDED March 31, 2007

|                                  | Note | 3 months ended |                | 9 months ended |                |
|----------------------------------|------|----------------|----------------|----------------|----------------|
|                                  |      | 31-Mar<br>2007 | 31-Mar<br>2006 | 31-Mar<br>2007 | 31-Mar<br>2006 |
|                                  |      | Rs' 000'       | Rs' 000'       | Rs' 000'       | Rs' 000'       |
| Sales                            | 7    | 165,889        | 164,246        | 487,265        | 466,674        |
| Cost of sales                    | 8    | (153,907)      | (172,653)      | (481,941)      | (474,523)      |
| Gross profit / (loss)            |      | 11,982         | (8,407)        | 5,324          | (7,849)        |
| Distribution costs               |      | (7,419)        | (4,849)        | (21,106)       | (16,087)       |
| Administrative expenses          |      | (4,801)        | (7,633)        | (18,751)       | (21,296)       |
| Other expenses                   |      | (31)           | (4,885)        | (1,635)        | (7,037)        |
| Other income                     |      | 2,143          | 611            | 3,023          | 158            |
| Operating profit / (loss)        |      | 1,874          | (25,163)       | (33,145)       | (52,111)       |
| Finance cost                     |      | (12,886)       | (11,793)       | (42,872)       | (35,158)       |
| Loss before taxation             |      | (11,012)       | (36,956)       | (76,017)       | (87,269)       |
| Provision for taxation           |      | (825)          | (808)          | (2,617)        | (2,356)        |
| Loss after taxation              |      | (11,837)       | (37,764)       | (78,634)       | (89,625)       |
| Accumulated loss brought forward |      | (813,663)      | (678,632)      | (746,866)      | (626,771)      |
| Accumulated loss carried forward |      | (825,500)      | (716,396)      | (825,500)      | (716,396)      |
| Earnings per share - Basic (Rs.) |      | (0.05)         | (0.17)         | (0.36)         | (0.41)         |

The annexed notes form an integral part of these accounts.

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Lahore  
April 25, 2007

  
Director

  
Director

# Cash Flow Statement (Unaudited)

FOR THE NINE MONTH ENDED MARCH 31, 2007

|   | 9 Month ended    |                  |
|---|------------------|------------------|
|   | March 31<br>2007 | March 31<br>2006 |
|   | Rs' 000'         | Rs' 000'         |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                  |                  |
| (Loss) before taxation  | (76,017)         | (87,269)         |
| Adjustment for:   |                  |                  |
| (Profit) / loss on disposal of fixed assets                     | 2                | (158)            |
| Depreciation  | 42,785           | 33,036           |
| Finance cost  | 42,872           | 35,158           |
| Foreign exchange (gain) / loss on parent company loan           | (178)            | 3,936            |
| Provision for doubtful debts                                    | 1,019            | -                |
| Provision for gratuity  | 2,772            | 2,279            |
|   | 89,272           | 74,251           |
| <b>OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL</b>         | 13,255           | (13,018)         |
| <b>WORKING CAPITAL CHANGES</b>                                  |                  |                  |
| (Increase)/decrease in current assets                           |                  |                  |
| Stores and spares   | (130)            | (1,550)          |
| Stock in trade  | 7,039            | 25,150           |
| Trade debts   | (22,544)         | (32,957)         |
| Advances, deposits, prepayments and other receivables           | (1,145)          | (6,344)          |
|   | (16,780)         | (15,701)         |
| Increase/(decrease) in current liabilities                      |                  |                  |
| Short term finances   | 8,917            | (53,228)         |
| Trade and other payable   | 57,353           | 17,549           |
|   | 66,270           | (35,679)         |
| <b>Net changes in working capital</b>                           | 49,490           | (51,380)         |
| <b>CASH GENERATED FROM OPERATIONS</b>                           | 62,745           | (64,398)         |
| Gratuity paid   | (553)            | (2,990)          |
| Finance cost paid   | (55,616)         | (38,966)         |
| (Increase) / decrease in long term deposits                     | (13,720)         | (4,717)          |
| Tax Paid  | (5,708)          | (406)            |
|   | (75,597)         | (47,079)         |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>             | (12,852)         | (111,477)        |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                  |                  |
| Addition to property, plant and equipment                       | (112,546)        | (497,143)        |
| Proceeds from disposal of property, plant and equipment         | 142              | 1,404            |
| Capital work in progress  | (14,085)         | 427,127          |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                    | (126,489)        | (68,612)         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                  |                  |
| Repayment of long term loans                                    | (19,250)         | (538,449)        |
| New long term loans received                                    | 4,689            | 220,000          |
| New long term loans from parent company                         | 57,504           | 421,310          |
| Repayment of long term loans to parent company                  | (48,280)         | (72,095)         |
| Liabilities against assets subject to finance lease             | 60,806           | 25,853           |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                       | 55,469           | 56,619           |
| <b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>              | (83,872)         | (123,470)        |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b> | 93,361           | 126,280          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>       | 9,489            | 2,810            |

The annexed notes form an integral part of these accounts.

The Chief Executive is out of Pakistan and his absence, these financial statements have been signed by two Directors.

Section 241 (2) of the Companies Ordinance, 1984.


  
 Director


  
 Director

# Statement of Changes in Equity (Unaudited)

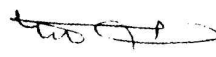
FOR THE NINE MONTH ENDED MARCH 31, 2007

|                              | Share<br>Capital | Accumulated<br>(Loss) | Total     |
|------------------------------|------------------|-----------------------|-----------|
|                              | Rs. '000'        | Rs. '000'             | Rs. '000' |
| Balance as on June 30, 2005  | 884,724          | (626,771)             | 257,953   |
| Loss for the period          | -                | (89,625)              | (89,625)  |
| Balance as on March 31, 2006 | 884,724          | (716,396)             | 168,328   |
| Balance as on June 30, 2006  | 1,105,905        | (746,866)             | 359,039   |
| Loss for the period          | -                | (78,634)              | (78,634)  |
| Balance as on March 31, 2007 | 1,105,905        | (825,500)             | 280,405   |

The annexed notes form an integral part of these accounts.

The Chief Executive is out of Pakistan and his absence, these financial statements have been signed by two Directors, as required under section 241 (2) of the Companies Ordinance, 1984.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Notes to the Accounts

FOR THE PERIOD ENDED MARCH 31, 2007

**1. THE COMPANY AND ITS OPERATIONS**

The company was incorporated in Pakistan as public listed 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 acids and caustic soda.

**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, 2006.

**4. ADDITIONS / (DELETIONS) IN PROPERTY, PLANT AND EQUIPMENTS - AT COST**

Followings are the additions / (deletions) in the fixed assets made during the nine months ended March 31, 2007.

|                            | Additions           | Disposals  |
|----------------------------|---------------------|------------|
|                            | Rupees in thousands |            |
| Building on free hold land | 4,090               | -          |
| Plant and machinery        |                     |            |
| - Own                      | 31,555              | -          |
| - Leasehold                | 70,600              | -          |
|                            | 102,155             | -          |
| Furniture and fittings     | 16                  | -          |
| Office equipments          | 5,291               | 156        |
| Vehicles                   | 994                 | -          |
|                            | <u>112,546</u>      | <u>156</u> |

**5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

During the period, four new Generaotr sets were leased form The Bank of Punjab, which will be used to replace the existing turbines.

**6. CONTINGENCIES AND COMMITMENTS**

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

7. SALES

|                | 3 months ended |                | 9 months ended |                |
|----------------|----------------|----------------|----------------|----------------|
|                | March 31       | March 31       | March 31       | March 31       |
|                | 2007           | 2006           | 2007           | 2006           |
|                | Rs' 000'       | Rs' 000'       | Rs' 000'       | Rs' 000'       |
| Gross Sales    | 167,030        | 165,079        | 491,859        | 468,972        |
| Less: Discount | 1,141          | 833            | 4,594          | 2,298          |
| Net Sales      | <u>165,889</u> | <u>164,246</u> | <u>487,265</u> | <u>466,674</u> |

8. COST OF SALES

|                                       | 3 months ended |                | 9 months ended |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | March 31       | March 31       | March 31       | March 31       |
|                                       | 2007           | 2006           | 2007           | 2006           |
|                                       | Rs' 000'       | Rs' 000'       | Rs' 000'       | Rs' 000'       |
| Opening stock of finished goods       | 13,156         | 10,908         | 10,712         | 3,072          |
| Cost of goods manufactured            | 158,400        | 170,355        | 488,878        | 480,061        |
|                                       | <u>171,556</u> | <u>181,263</u> | <u>499,590</u> | <u>483,133</u> |
| Less: closing stock of finished goods | 17,649         | 8,610          | 17,649         | 8,610          |
|                                       | <u>153,907</u> | <u>172,653</u> | <u>481,941</u> | <u>474,523</u> |

9. TRANSACTIONS WITH RELATED PARTIES

| ASSOCIATED COMPANY                          | 9 months ended |           |
|---|----------------|-----------|
|   | March 31       | March 31  |
|   | 2007           | 2006      |
|   | Rs. '000'      | Rs. '000' |
| Sales of power and goods                    | 6,229          | 15,685    |
| Premises rent shared                        | 987            | 703       |
| Management and other services received      | 4,146          | 7,091     |
| Utility bills charges by associated company | 377            | 427       |
| Services rendered                           | 23             | 125       |

Other transactions executed during the nine months ended March 31, 2007 is as follows:

| Name of related party       | Relationship | Transaction    | Rupees in thousands |                   |                  |
|-----------------------------|--------------|----------------|---------------------|-------------------|------------------|
|                             |              |                | Market price        | Transaction value | Price difference |
| Mr. Akber Saifi (Ex C.E.O.) | Employee     | Sale of Laptop | 134                 | 134               | -                |

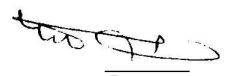
10. GENERAL

These financial statements were authorized for issue on April 25, 2007 by the Board of Directors of the Company.

The figures have been rounded off to the nearest thousand of rupees.

The Chief Executive is out of Pakistan and his absence, these financial statements have been signed by two Directors, as required under section 241 (2) of the Companies Ordinance, 1984.

  
Director

  
Director