



## 3rd Quarter Report '09

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

**CHAIRMAN** Syed Yawar Ali  
**CHIEF EXECUTIVE OFFICER** Mr. Abdus Samad

**DIRECTORS** Mr. Mohammed Bashir Janmohammed  
Mr. Abdul Rasheed Janmohammed  
Mr. Perwaiz Hasan Khan  
Mr. Mohammad Rabbani  
Mr. Perwaiz Masud Ansari  
Mr. Ahmed Sattar

#### BOARD AUDIT COMMITTEE

**CHAIRMAN** Mr. Mohammed Bashir Janmohammed  
**MEMBERS** Mr. Abdul Rasheed Janmohammed  
Mr. Perwaiz Hasan Khan  
Mr. Mohammad Rabbani

#### CHIEF FINANCIAL OFFICER/ COMPANY SECRETARY

Mr. Amjad Waheed

#### AUDITORS

*KPMG* Taseer Hadi & Co.  
Chartered Accountants

#### LEGAL ADVISORS

Hussain & Haider  
Advocates & Solicitors

#### BANKERS

The Royal Bank of Scotland Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
Habib Bank Limited  
MCB Bank Limited

#### REGISTRARS & SHARE TRANSFER OFFICE

THK Associates (Pvt.) Limited  
Ground Floor, State Life Building-3  
Dr. Ziauddin Ahmed Road, Karachi.  
Telephone: +92.21.111-000-322  
Fax: +92.21.5655595

#### REGISTERED OFFICE

F-33, Hub River Road, SITE, Karachi.  
Telephone: +92.21.2579683-7  
Fax: +92.21.2578654

#### FACTORY

Hali Road, Hyderabad (Sindh)  
Telephone: +92.22.3881477-9  
Fax: +92.22.3880670

#### WEBSITE

[www.wazirali.com.pk](http://www.wazirali.com.pk)



## 3rd Quarter Report '09

### DIRECTORS' REVIEW

The Directors of the Company present the un-audited financial statements for the period and quarter ended 31 March 2009.

#### Overview

The Sales of the Company for the period were Rs 673.033M as against Rs. 809.180M during the same period last year showing a decrease of 16.8%. The reduced sale revenue was mainly due to reduction in selling prices necessitated by the sudden and sharp decline in the raw materials prices.

The Gross Profit to Sales ratio shows a reduction from 9% to 4% as owing to sharp drop in the prices of edible oils, selling prices had to be reduced to clear the inventory on hand and the time it takes to replace it with lower cost inventory.

The Selling and Distribution Expenses increased by 10.8% due to the cost of a comprehensive marketing campaign launched in the second quarter of the current financial year. The Administration Expenses are in line with the corresponding period. Financial Charges, however, increased from Rs. 13.665M to Rs. 34.436M owing to the high level of the mark-up rates and the full period impact of the subordinated loan .

The loss after taxation was Rs 42.760M as against Rs 19.661M.

Earning per share for the period under review is Rs (5.35) negative as compared to Rs (2.46) negative during the same period of last year.

#### Future Outlook

In this Quarter the markets were disrupted due to de-stocking by trade because of the sudden and sharp drop in edible oil prices. However now the market is settling down and the Company is confident about the success of its strategy which will yield positive results.

#### Acknowledgements

We are grateful to our customers for supporting the quality brands of Tullo and would continue to provide them with our best quality products.

We wish to thank our distributors for promoting the Tullo Brand and efficient distribution to our customers. We also acknowledge the support of our bankers for their corporate support.

We also wish to place on record our appreciation for the hard work put in by the staff of the Company.

For and on behalf of the Board

Abdus Samad  
Chief Executive Officer

Karachi, 27 April 2009



## 3rd Quarter Report '09

### Condensed Unconsolidated Interim Balance Sheet (Unaudited)

As at 31 March 2009

	(Unaudited) 31 March 2009	(Audited) 30 June 2008	
Note	(Rupees in '000)		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	133,440	136,324
Investment in subsidiary - at cost	50,000	50,000	
Long term loans to employees - secured, considered good	546	681	
Long term advances and security deposits - unsecured, considered good	86	183	
<b>Total non-current assets</b>	<b>184,072</b>	<b>187,188</b>	
<b>Current assets</b>			
Stores and spares	6,735	5,269	
Stock-in-trade	7	166,891	176,295
Trade debts - unsecured, considered good	8	26,287	33,093
Due from related parties	9	9,924	6,154
Loans and advances - considered good	603	881	
Advances, deposits, pre-payments and other receivables	10	8,522	6,931
Taxation - net	12,797	9,960	
Cash and bank balances	11	41,899	10,451
<b>Total current assets</b>	<b>273,658</b>	<b>249,034</b>	
<b>Total Assets</b>	<b>457,730</b>	<b>436,222</b>	
<b>Equity</b>			
<b>Share capital and reserves</b>			
Authorised capital			
8,000,000 (30 June 2008: 8,000,000)			
ordinary shares of Rs. 10 each	80,000	80,000	
Issued, subscribed and paid up capital			
7,986,000 (30 June 2008: 7,986,000)			
ordinary shares of Rs. 10 each	79,860	79,860	
Capital reserve	10,646	10,646	
Revenue reserves	(292,102)	(250,396)	
	(201,596)	(159,890)	
<b>Surplus on revaluation of property, plant and equipment</b>	<b>119,268</b>	<b>120,322</b>	
<b>Non-current liabilities</b>			
Sub-ordinated loan from holding company	12	150,000	150,000
Deferred taxation	7,877	8,443	
Deferred liabilities - employee benefits	754	844	
<b>Total non-current liabilities</b>	<b>158,631</b>	<b>159,287</b>	
<b>Current liabilities</b>			
Current maturity of long term borrowings	-	17,816	
Liabilities against assets subject to finance lease	-	124	
Short term borrowings - secured	14	94,855	104,375
Mark-up payable on borrowings	13	31,572	12,767
Trade and other payables	15	255,000	181,421
<b>Total current liabilities</b>	<b>381,427</b>	<b>316,503</b>	
<b>Total equity and liabilities</b>	<b>457,730</b>	<b>436,222</b>	
<b>Contingencies</b>	16		

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi, 27 April 2009

  
 Chief Executive Officer

  
 Director



## 3rd Quarter Report '09

### Condensed Unconsolidated Interim Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2009

Note	Nine months period ended 31 March 2009	Nine months period ended 31 March 2008	Quarter ended 31 March 2009	Quarter ended 31 March 2008
----- (Rupees in '000) -----				
	673,033	809,180	285,671	365,300
	(646,447)	(736,424)	(274,164)	(338,395)
	<b>26,586</b>	72,756	<b>11,507</b>	26,905
	(53,967)	(48,726)	(15,063)	(19,658)
	(18,580)	(18,296)	(5,791)	(3,697)
	(72,547)	(67,022)	(20,854)	(23,355)
	37,936	(8,568)	1,111	404
	<b>(8,025)</b>	(2,834)	<b>(8,236)</b>	3,954
	(34,436)	(13,665)	(11,262)	(3,007)
	<b>(42,461)</b>	(16,499)	<b>(19,498)</b>	947
	(299)	(3,162)	(181)	(1,314)
	<b>(42,760)</b>	(19,661)	<b>(19,679)</b>	(367)
	(Rupees)		(Rupees)	
	<b>(5.35)</b>	(2.46)	<b>(2.46)</b>	(0.05)

The annexed notes 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Karachi, 27 April 2009

Chief Executive Officer

Director



## 3rd Quarter Report '09

### Condensed Unconsolidated Interim Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2009

	Nine months period ended 31 March 2009	Nine months period ended 31 March 2008
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(42,461)	(16,499)
Adjustments for:		
- Depreciation	3,205	3,140
- Profit on disposal of property, plant and equipment	(765)	(330)
- Financial charges	34,436	13,665
- Other (income) / charges	(43,282)	7,986
- Write down of finished goods to net realisable value	7,237	-
- Provision for deferred liabilities	-	416
Operating (loss) / profit before working capital changes	(41,630)	8,378
(Increase) / decrease in stores and spares	(1,466)	68
Decrease in stock in trade	2,167	(48,391)
Decrease / (increase) in trade debts	6,806	(69,856)
Decrease / (increase) in due from related parties	(3,770)	(1,156)
(Increase) in loans and advances	278	838
(Increase) / decrease in advances, deposits, pre-payments and other receivables	(1,591)	515
Increase in trade and other payables	116,861	69,300
<b>Cash generated from operations</b>	<b>77,655</b>	<b>(40,304)</b>
Compensated absences paid	(90)	(1,492)
Long term loans, advances and security deposits	232	168
Financial charges paid	(15,631)	(21,327)
Income tax paid	(3,702)	(5,145)
Net cash from operating activities	<b>58,464</b>	<b>(68,099)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(321)	-
Proceeds from disposal of items of property, plant and equipment	765	330
Net cash (used in) / from investing activities	<b>444</b>	<b>330</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment long term finance	(17,816)	(21,817)
Lease rentals paid	(124)	(157)
Sub-ordinated loan obtained	-	150,000
Net cash (used in) / from financing activities	<b>(17,940)</b>	<b>128,026</b>
Net increase in cash and cash equivalents	<b>40,968</b>	<b>60,257</b>
Cash and cash equivalents at beginning of the period	<b>(93,924)</b>	<b>(140,557)</b>
Cash and cash equivalents at end of the period	<b>(52,956)</b>	<b>(80,300)</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	41,899	17,126
Short term borrowings	(94,855)	(97,426)
	<b>(52,956)</b>	<b>(80,300)</b>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi, 27 April 2009

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director



## 3rd Quarter Report '09

### Condensed Unconsolidated Interim Statement of Changes in Equity (Unaudited) For the nine months period ended 31 March 2009

	Issued, subscribed & paid-up capital	Capital reserve Share premium	Revenue reserves		Total
			General reserves	Accumulated loss	
----- (Rupees in '000) -----					
<b>Balance as at 1 July 2007</b>	79,860	10,646	66,067	(277,435)	<b>(120,862)</b>
<b>Changes in equity for the nine months period ended 31 March 2008</b>					
Loss for the nine months period	-	-	-	(19,661)	<b>(19,661)</b>
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,036	<b>1,036</b>
Total recognised (expense) for the nine months period	-	-	-	(18,625)	<b>(18,625)</b>
<b>Balance as at 31 March 2008</b>	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(296,060)</u>	<u><b>(139,487)</b></u>
<b>Balance as at 1 July 2008</b>	79,860	10,646	66,067	(316,463)	<b>(159,890)</b>
<b>Changes in equity for the nine months period ended 31 March 2009</b>					
Loss for the nine months period	-	-	-	(42,760)	<b>(42,760)</b>
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,054	<b>1,054</b>
Total recognised (expense) for the nine months period	-	-	-	(41,706)	<b>(41,706)</b>
<b>Balance as at 31 March 2009</b>	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(358,169)</u>	<u><b>(201,596)</b></u>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi, 27 April 2009

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director



## 3rd Quarter Report '09

### Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2009

#### 1. Status and nature of business

- 1.1 Wazir Ali Industries Limited ("the Company") was incorporated as a public limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares are listed on the Karachi and Lahore Stock Exchanges. Principal activity of the Company is to manufacture and sale of vanaspati ghee and cooking oils. The registered office of the Company is located at F-33, Hub River Road, S.I.T.E. Karachi, Pakistan. The Company is subsidiary of Dalda Foods (Private) Limited (Holding Company).
- 1.2 As per the agreement with the Holding Company dated 1 January 2007, the Holding Company has agreed to provide various services such as accounting, procurement and human resource services to the Company at fees specified in the agreement. The agreement also specifies sales and marketing services to the Company by Holding Company; which include selling of the Company's products through Holding Company sales and distribution network and marketing management support by Holding Company to the Company. Under the "Toll Manufacturing Service" agreement with effect from February 2007, Holding Company guarantees that it will place orders at minimum of 10,000 tons annually. The Company is entitled to charge toll manufacturing fee at the rates covered in the agreement. This agreement may be terminated on providing 6 months notice by either party.
- 1.3 These unconsolidated condensed interim financial statements have been prepared on the assumption that the Company would continue as a going concern although the Company has incurred a net loss of Rs. 42.760 million during the nine months period ended 31 March 2009 and, as of that date, its accumulated loss exceeded the shareholders equity by Rs. 201.596 million (June 2008: Rs. 159.890 million), while the current liabilities exceeded current assets by Rs.107.769 million (June 2008: Rs. 67.469 million). The assumptions that the Company would continue as a going concern are as follows:
- The undertaking of financial support from the directors, if required. As part of restructuring efforts, the Company entered into certain agreements with the Holding Company for the utilisation of its idle capacity and obtaining various operational services from Holding Company as stated in note 1.2 above.
  - Financial and operational support from the Holding Company.
  - Subordinated loan of Rs. 150 million provided by Holding Company as disclosed in note 12 to these unconsolidated condensed interim financial statements (here-in-after referred to as interim financial information).

#### 2. Statement of Compliance

- 2.1 This interim financial information for the nine months period ended is unaudited and has been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan. This interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements as at and for the year ended 30 June 2008.

This interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for in the preparation of this interim financial information are the same as those applied in preparation of the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2008.

#### 4. ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of this interim financial information is in conformity with the approved accounting standards as applicable in Pakistan that requires management to make estimates, assumptions and judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing the interim financial information, significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual unconsolidated financial statements as at and for the year ended 30 June 2008.

#### 5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended 30 June 2008.



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### 6. PROPERTY, PLANT AND EQUIPMENT - at cost / revaluation less accumulated depreciation

	(Unaudited) 31 March 2009 (Rupees in '000)	(Audited) 30 June 2008
<i>Cost</i>		
Opening balance	168,154	169,512
Additions / (disposals) - net	(901)	(1,358)
	<u>167,253</u>	<u>168,154</u>
<i>Accumulated depreciation</i>		
Opening balance	(31,830)	(28,710)
For the period / disposal	(1,983)	(3,120)
	<u>(33,813)</u>	<u>(31,830)</u>
Written down value	<u>133,440</u>	<u>136,324</u>
	(Unaudited) 31 March 2009 (Rupees in '000)	(Audited) 30 June 2008
<b>7. STOCK-IN-TRADE</b>		
Raw materials	715	17,021
Packing materials	19,495	13,552
Work-in-process	19,924	53,507
	<u>40,134</u>	<u>84,080</u>
Finished goods - Ghee and cooking oil	127,776	88,654
Write down of finished goods to net realisable value	(7,237)	-
	<u>120,539</u>	<u>88,654</u>
Acid oil (by-product)	6,217	3,561
	<u>166,890</u>	<u>176,295</u>
<b>8. TRADE DEBTS - UNSECURED, CONSIDERED GOOD</b>		
Trade debts - considered good	26,287	33,093
Doubtful debts	22,737	22,737
	<u>49,024</u>	<u>55,830</u>
Provision for impaired debts	(22,737)	(22,737)
	<u>26,287</u>	<u>33,093</u>
<b>9. DUE FROM RELATED PARTIES</b>		
Due from an associated company	-	1,462
Due from a subsidiary company	9,924	4,692
	<u>9,924</u>	<u>6,154</u>
9.1	This represents balance receivable from Zulfeqar Industries Limited on account of common expenses shared with them. No mark-up / interest is charged on the outstanding balances.	
9.2	This balance is receivable from Wazir Ali Ventures (Private) Limited on account of common expenses shared with them (recoveries) and advances made by the Company on behalf of its subsidiary.	
<b>10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Deposits and prepayments	966	509
Margin against bank guarantees	6,072	6,072
Other receivable	382	-
Receivable from gratuity fund	350	350
	<u>7,770</u>	<u>6,931</u>





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### 11. CASH AND BANK BALANCES

Cash in hand		232	395
Cash at banks in current accounts		23,839	10,056
Deposit with bank	11.1	17,828	-
		<b>41,899</b>	<b>10,451</b>

11.1 This represents Foreign Depository Receipt (FDR) placed with a commercial bank against guarantee issued by it.

### 12. SUB-ORDINATED LOAN - UNSECURED

This loan has been borrowed on 31 December 2007 from Holding Company. The loan is unsecured and is payable in 20 equal quarterly installments after the expiry of two years grace period. It carries mark-up at the rate of 6 months KIBOR plus 1.5% per annum.

### 13. MARK-UP PAYABLE ON BORROWINGS

This includes an amount of Rs. 28.023 million (30 June 2008: Rs.9.543 million) payable to the Holding Company on account of Sub-ordinated loan.

### 14. SHORT TERM BORROWINGS - SECURED

Running finance against mark-up arrangement		84,840	89,757
Finance against trust receipt (FATR)		10,015	14,618
		<b>94,855</b>	<b>104,375</b>

### 15. TRADE AND OTHER PAYABLES

Trade payables for:			
- Goods		13,019	2,133
- Expenses		6,801	6,882
- Inland letters of credits		-	29,947
		<b>19,789</b>	<b>38,962</b>
Due to related parties	15.1	210,844	123,030
Accrued expenses		7,000	7,098
Advances from customers		15,255	10,360
Unclaimed dividends		560	560
Other liabilities		1,521	1,411
		<b>255,000</b>	<b>181,421</b>

15.1 This includes unsecured balance payable to the Holding Company amounting to Rs.68.992 million (30 June 2008: 26.497 million).

### 16. CONTINGENCIES

16.1 Claims against the Company not acknowledged as debts		16,262	14,180
16.1.1 Management is confident that these claims will not be ultimately payable			
16.2 Bank guarantee		23,900	6,072

The decision of First Senior Civil Judge for claim of US \$ 35,867 on account of import of 500 metric tons of oil filed by transporter company has been made which directs the company to pay the sum of US \$35,857.39 with interest at 12% per annum from the date of filing of the suit till the date of payment along with other restrictions. The company filed an appeal for interim relaxation from such restriction which has been granted. Further, the Company filed an appeal before District Court, Karachi South against the order of First Senior Civil Judge. The District Court South, Karachi suspended the order of First Senior Civil Judge and fixed the date of hearing. The hearing is pending to date. No provision has been made in this interim financial information as the management based on consultation with legal advisor is confident for favorable outcome.



## 3rd Quarter Report '09

### 17. INFORMATION ABOUT BUSINESS SEGMENTS

17.1 Segment Result & Other Information	For nine months period ended 31 March 2009			For nine months period ended 31 March 2008		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	(Rupees in '000)			(Rupees in '000)		
Revenue - net	599,586	73,447	673,033	728,557	80,623	809,180
Cost of goods sold / services						
Opening balance of finished goods	92,215	-	92,215	81,825	-	81,825
Cost of goods manufactured / services provided	632,717	55,508	688,225	662,311	59,345	721,656
Available for sale	724,932	55,508	780,440	744,136	59,345	803,481
Closing balance of finished goods	(133,993)	-	(133,993)	(67,057)	-	(67,057)
	590,939	55,508	646,447	677,079	59,345	736,424
Gross profit / (loss)	8,647	17,939	26,586	51,478	21,278	72,756
Cost of goods manufactured / services provided:						
Opening stock of work in process	53,507	-	53,507	10,615	-	10,615
Raw materials consumed	521,683	17,165	538,848	617,506	20,103	637,609
Packing materials consumed	46,388	-	46,388	42,403	-	42,403
Stores and spares consumed	3,864	7,530	11,394	2,423	5,512	7,935
Salaries, wages and other benefits	16,925	10,200	27,125	16,302	8,587	24,889
Contribution to provident fund	-	-	-	360	-	360
Fuel and power	8,915	18,020	26,935	10,616	23,212	33,828
Repair and maintenance	383	649	1,032	1,036	-	1,036
Rent, rates and taxes	-	1	1	23	-	23
Insurance	162	344	506	659	-	659
Depreciation	814	1,599	2,413	2,370	-	2,370
Others	-	-	-	3,666	1,931	5,597
	652,641	55,508	708,149	707,979	59,345	767,324
Closing stock of work in process	(19,924)	-	(19,924)	(45,668)	-	(45,668)
	632,717	55,508	688,225	662,311	59,345	721,656
	For Quarter ended 31 March 2009			For Quarter ended 31 March 2008		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	(Rupees in '000)			(Rupees in '000)		
Revenue - net	262,234	23,437	285,671	321,739	43,561	365,300
Cost of goods sold / services						
Opening balance of finished goods	94,487	-	94,487	50,529	-	50,529
Cost of goods manufactured / services provided	297,554	16,116	313,670	332,208	22,715	354,923
Available for sale	392,041	16,116	408,157	382,737	22,715	405,452
Closing balance of finished goods	(133,993)	-	(133,993)	(67,057)	-	(67,057)
	258,048	16,116	274,164	315,680	22,715	338,395
Gross profit / (loss)	4,186	7,321	11,507	6,059	20,846	26,905
Cost of goods manufactured / services provided:						
Opening stock of work in process	9,851	-	9,851	14,010	-	14,010
Raw materials consumed	272,427	4,564	276,991	326,607	7,753	334,360
Packing materials consumed	23,259	-	23,259	23,961	-	23,961
Stores and spares consumed	1,868	1,973	3,841	1,052	2,462	3,514
Salaries, wages and other benefits	5,208	4,028	9,236	5,874	3,094	8,968
Contribution to provident fund	-	-	-	-	-	-
Fuel and power	4,175	4,823	8,998	4,271	9,089	13,360
Repair and maintenance	239	247	486	468	-	468
Rent, rates and taxes	-	-	-	5	-	5
Insurance	62	66	128	237	-	237
Depreciation	388	416	804	789	-	789
Others / Expenses charged to service income	-	-	-	602	317	919
	317,478	16,116	333,594	377,876	22,715	400,591
Closing stock of work in process	(19,924)	-	(19,924)	(45,668)	-	(45,668)
	297,554	16,116	313,670	332,208	22,715	354,923

17.2 Variable cost incurred during the period have been allocated based on tonnages produced under toll manufacturing agreement.



## 3rd Quarter Report '09

### 18. OTHER INCOME / (CHARGES)

This include gain of Rs. 43,282 million (nine months period ended 31 March 2008: loss of Rs. 7,986 million) on account of remeasurement of liability against inventory borrowed from the Holding Company and Rs. 7,237 million on account of write down of finished goods to net realisable value.

### 19. RELATED PARTY TRANSACTIONS

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. Holding company, subsidiary company and associated companies with whom such transactions have taken place includes Dalda Foods (Private) Limited (holding company), Zulfeqar Industries Limited, JGI Insurance Company Limited, Treet Corporation Limited, Wazir Ali Ventures (Private) Limited, Shakoo (Private) Limited and Mapak Edible Oils (Private) Limited. These associated companies are associated companies either based on holding in equity or they are either under the same management and / or with common directors. All transactions with related parties have been entered on commercial basis / agreement. However, contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuation / terms of the contribution plan and remuneration to key management personnel are determined in accordance with the terms of employment. Transactions with related parties other than those disclosed elsewhere in this interim financial information during period are as follows:

	Nine months period ended	
	31 March 2009	31 March 2008
	(Rupees in '000)	
<b>Holding Company</b>		
Toll manufacturing fee	73,447	80,623
Common expenses allocated by related party	4,500	4,500
Financial Income/(charges) on oil liability revaluation	43,282	(7,986)
Fee charged under distribution and marketing agreement - refer note 1.2	10,835	18,134
Freight charges paid on behalf of holding company	6,434	4,908
Cash receipts from holding company	34,000	26,335
<b>Subsidiary Company</b>		
Markup Income	381	-
Common expenses allocated to subsidiary company	-	1,278
<b>Associated Companies</b>		
Sales / services rendered	875	1,835
Purchases / services availed	387,451	562,208
Common expenses allocated to related party	1,719	1,252
Cash receipts from associated company	3,637	1,500
Rent expense	88	113
<b>Contribution to staff retirement funds</b>	-	486
<b>Executive's remuneration</b>	900	1,043

### 20. GENERAL

- 20.1 These condensed unconsolidated interim financial statements have been prepared in Pak Rupee rounded off to nearest thousand.
- 20.2 This interim financial information was approved in the Board of Directors meeting held on 27 April 2009.

Karachi, 27 April 2009

Chief Executive Officer

Director



**Wazir Ali Industries Limited**

**and its Subsidiary**

**Consolidated FINANCIAL STATEMENTS**

**(UN-AUDITED)**

**NINE MONTHS PERIOD ENDED**

**March 31, 2009**



## 3rd Quarter Report '09

### DIRECTORS' REVIEW

The Directors of the Company present the un-audited financial statements for the period and quarter ended 31 March 2009.

#### Overview

The Sales of the Company for the period were Rs 673.033M as against Rs. 809.180M during the same period last year showing a decrease of 16.8%. The reduced sale revenue was mainly due to reduction in selling prices necessitated by the sudden and sharp decline in the raw materials prices.

The Gross Profit to Sales ratio shows a reduction from 9% to 4% as owing to sharp drop in the prices of edible oils, selling prices had to be reduced to clear the inventory on hand and the time it takes to replace it with lower cost inventory.

The Selling and Distribution Expenses increased by 10.8% due to the cost of a comprehensive marketing campaign launched in the second quarter of the current financial year. The Administration Expenses are in line with the corresponding period. Financial Charges, however, jumped increased from Rs. 20.081M to Rs. 42.647M owing to the high level of the mark-up rates and the full period impact of the subordinated loan.

The loss after taxation was Rs 51.141M as against Rs 26.322M.

Earning per share for the period under review is Rs (6.40) negative as compared to Rs (3.30) negative during the same period of last year.

#### Future Outlook

In this Quarter the markets were disrupted due to de-stocking by trade because of the sudden and sharp drop in edible oil prices. However now the market is settling down and the Company is confident about the success of its strategy which will yield positive results.

#### Acknowledgements

We are grateful to our customers for supporting the quality brands of Tullo and would continue to provide them with our best quality products.

We wish to thank our distributors for promoting the Tullo Brand and efficient distribution to our customers. We also acknowledge the support of our bankers for their corporate support.

We also wish to place on record our appreciation for the hard work put in by the staff of the Company.

For and on behalf of the Board

Abdus Samad  
Chief Executive Officer



## 3rd Quarter Report '09

### Condensed Consolidated Interim Balance Sheet (Unaudited)

As at 31 March 2009

	Note	(Unaudited) 31 March 2009	(Audited) 30 June 2008
(Rupees in '000)			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	133,440	136,324
Investment in Property		135,000	135,000
Long term loans to employees - secured, considered good		546	681
Long term advances and security deposits - unsecured, considered good		86	183
<b>Total non-current assets</b>		<b>269,072</b>	<b>272,188</b>
<b>Current Assets</b>			
Stores and spares		6,735	5,269
Stock-in-trade	7	166,891	176,295
Trade debts - unsecured, considered good	8	26,287	33,093
Due from related parties	9	-	1,462
Loans and advances - considered good		603	881
Advances, deposits, pre-payments and other receivables	10	8,522	6,931
Taxation - net		12,797	9,960
Cash and bank balances	11	42,151	10,723
<b>Total current assets</b>		<b>263,986</b>	<b>244,614</b>
<b>Total Assets</b>		<b>533,058</b>	<b>516,802</b>
<b>Equity</b>			
<b>Share capital and reserves</b>			
Authorised capital 8,000,000 (30 June 2008: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid up capital 7,986,000 (30 June 2008: 7,986,000) ordinary shares of Rs. 10 each		79,860	79,860
Capital reserve		10,646	10,646
Revenue reserves		(381,915)	(331,828)
		(291,409)	(241,322)
<b>Surplus on revaluation of property, plant and equipment</b>		<b>204,650</b>	<b>205,704</b>
Sub-ordinated loan from holding company	12	150,000	150,000
<b>Non - current liabilities</b>			
Long Term Loan		38,117	43,791
Deferred taxation		24,414	24,981
Deferred liabilities - employee benefits		754	844
<b>Total non-current liabilities</b>		<b>63,285</b>	<b>69,616</b>
<b>Current liabilities</b>			
Current maturity of long term borrowings		11,209	28,941
Liabilities against assets subject to finance lease		-	-
Short term borrowings - secured	14	104,742	108,945
Mark-up payable on borrowings	13	35,558	13,421
Trade and other payables	15	255,023	181,497
<b>Total current liabilities</b>		<b>406,532</b>	<b>332,804</b>
<b>Total equity and liabilities</b>		<b>533,058</b>	<b>516,802</b>
<b>Contingencies</b>			
	16		

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Karachi, 27 April 2009

  
Chief Executive Officer

  
Director



## 3rd Quarter Report '09

### Condensed Consolidated Interim Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2009

Note	Nine months period ended 31 March 2009	Nine months period ended 31 March 2008	Quarter ended 31 March 2009	Quarter ended 31 March 2008
	----- (Rupees in '000) -----			
Revenue - net	673,033	809,180	285,671	365,300
Cost of goods sold / services	(646,447)	(736,424)	(274,164)	(338,395)
<b>Gross profit</b>	<b>26,586</b>	<b>72,756</b>	<b>11,507</b>	<b>26,905</b>
Distribution and marketing expenses	(53,967)	(48,726)	(15,063)	(19,658)
Administration expenses	(18,750)	(19,587)	(5,961)	(4,089)
	(72,717)	(68,313)	(21,024)	(23,747)
Other income / (charges)	37,936	(7,522)	1,111	575
<b>Operating loss</b>	<b>(8,195)</b>	<b>(3,079)</b>	<b>(8,406)</b>	<b>3,733</b>
Financial charges	(42,647)	(20,081)	(14,029)	(5,144)
<b>Loss before taxation</b>	<b>(50,842)</b>	<b>(23,160)</b>	<b>(22,435)</b>	<b>(1,411)</b>
Taxation - current and deferred	(299)	(3,162)	(181)	(1,314)
<b>Loss for the period</b>	<b>(51,141)</b>	<b>(26,322)</b>	<b>(22,616)</b>	<b>(2,725)</b>
	(Rupees)		(Rupees)	
<b>Loss per share - basic and diluted</b>	<b>(6.40)</b>	<b>(3.30)</b>	<b>(2.83)</b>	<b>(0.34)</b>

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Karachi, 27 April 2009

Chief Executive Officer

Director



## 3rd Quarter Report '09

### Condensed Consolidated Interim Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2009

	Nine months period ended 31 March 2009	Nine months period ended 31 March 2008
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	<b>(50,842)</b>	(23,160)
Adjustments for:		
- Depreciation	3,205	3,140
- Profit on disposal of property, plant and equipment	(765)	(330)
- Financial charges	42,647	20,081
- Other (income) / charges	(43,282)	7,986
- Write down of finished goods to net realisable value	7,237	-
- Provision for deferred liabilities	-	416
Operating (loss) / profit before working capital changes	<b>(41,800)</b>	8,133
(Increase) / decrease in stores and spares	(1,466)	68
Decrease / (increase) in stock in trade	2,167	(48,391)
Decrease / (increase) in trade debts	6,806	(69,856)
Decrease in due from related parties	1,462	292
Decrease in loans and advances	278	838
(Increase) / decrease in advances, deposits, pre-payments and other receivables	(1,591)	515
Increase in trade and other payables	116,808	69,300
<b>Cash generated from operations</b>	<b>82,664</b>	(39,101)
Compensated absences paid	(90)	(1,492)
Long term loans, advances and security deposits	232	168
Financial charges paid	(20,510)	(28,097)
Income tax paid	(3,703)	(5,246)
Net cash from operating activities	<b>58,593</b>	(73,768)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(321)	-
Proceeds from disposal of items of property, plant and equipment	765	330
Net cash (used in) / from investing activities	<b>444</b>	330
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment long term finance	(23,282)	(21,817)
Lease rentals paid	(124)	(157)
Sub-ordinated loan obtained	-	150,000
Net cash (used in) / from financing activities	<b>(23,406)</b>	128,026
Net increase in cash and cash equivalents	<b>35,631</b>	54,588
Cash and cash equivalents at beginning of the period	<b>(98,222)</b>	(132,953)
Cash and cash equivalents at end of the period	<b>(62,591)</b>	(78,365)
<b>Cash and cash equivalents</b>		
Cash and bank balances	42,151	28,495
Short term borrowings	(104,742)	(106,860)
	<b>(62,591)</b>	(78,365)

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Karachi, 27 April 2009

Chief Executive Officer

Director





## 3rd Quarter Report '09

### Condensed Consolidated Interim Statement of Changes in Equity (Unaudited) For the nine months period ended 31 March 2009

	Capital reserve		Revenue reserves		Total
	Share premium	General reserves	Accumulated loss		
----- (Rupees in '000) -----					
<b>Balance as at 1 July 2007</b>	10,646	66,067	(277,435)	<b>(120,862)</b>	
<b>Changes in equity for the nine months period ended 31 March 2008</b>					
Loss for the nine months period	-	-	(26,322)	<b>(26,322)</b>	
Transferred from surplus on revaluation of property, plant and equipment	-	-	1,036	<b>1,036</b>	
Total recognised (expense) for the nine months period	-	-	(25,286)	<b>(25,286)</b>	
<b>Balance as at 31 March 2008</b>	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u><b>(146,148)</b></u>	
<b>Balance as at 1 July 2008</b>	79,860	10,646	66,067	<b>(241,322)</b>	
<b>Changes in equity for the nine months period ended 31 March 2009</b>					
Loss for the nine months period	-	-	(51,141)	<b>(51,141)</b>	
Transferred from surplus on revaluation of property, plant and equipment	-	-	1,054	<b>1,054</b>	
Total recognised (expense) for the nine months period	-	-	(50,087)	<b>(50,087)</b>	
<b>Balance as at 31 March 2009</b>	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u><b>(447,982)</b></u>	

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi, 27 April 2009

Chief Executive Officer

Director



## 3rd Quarter Report '09

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2009

#### 1. Status and nature of business

1.1 Wazir Ali Industries Limited ("the Company") was incorporated as a public limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares are listed on the Karachi and Lahore Stock Exchanges. Principal activity of the Company is to manufacture and sale of vanaspati ghee and cooking oils. The registered office of the Company is located at F-33, Hub River Road, S.I.T.E. Karachi, Pakistan. The Company is subsidiary of Dalda Foods (Private) Limited (Holding Company).

1.2 As per the agreement with the Holding Company dated 1 January 2007, the Holding Company has agreed to provide various services such as accounting, procurement and human resource services to the Company at fees specified in the agreement. The agreement also specifies sales and marketing services to the Company by Holding Company; which include selling of the Company's products through Holding Company sales and distribution network and marketing management support by Holding Company to the Company. Under the "Toll Manufacturing Service" agreement with effect from February 2007, Holding Company guarantees that it will place orders at minimum of 10,000 tons annually. The Company is entitled to charge toll manufacturing fee at the rates covered in the agreement. This agreement may be terminated on providing 6 months notice by either party.

1.3 These consolidated condensed interim financial statements have been prepared on the assumption that the Company would continue as a going concern although the Company has incurred a net loss of Rs. 51.141 million during the nine months period ended 31 March 2009 and, as of that date, its accumulated loss exceeded the shareholders equity by Rs. 291.409 million (June 2008: Rs. 241.322 million), while the current liabilities exceeded current assets by Rs. 142.546 million (June 2008: Rs. 88.19 million). The assumptions that the Company would continue as a going concern are as follows:

- The undertaking of financial support from the directors, if required. As part of restructuring efforts, the Company entered into certain agreements with the Holding Company for the utilisation of its idle capacity and obtaining various operational services from Holding Company as stated in note 1.2 above.

- Financial and operational support from the Holding Company.

- Subordinated loan of Rs. 150 million provided by Holding Company as disclosed in note 12 to these consolidated condensed interim financial statements (here-in-after referred to as interim financial information).

#### 2. Statement of Compliance

2.1 This interim financial information for the six months period ended is unaudited and has been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan.

This interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended 30 June 2008.

This interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for in the preparation of this interim financial information are the same as those applied in preparation of the annual consolidated financial statements of the Company as at and for the year ended 30 June 2008.

#### 4. ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of this interim financial information is in conformity with the approved accounting standards as applicable in Pakistan that requires management to make estimates, assumptions and judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing the interim financial information, significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual consolidated financial statements as at and for the year ended 30 June 2008.

#### 5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 30 June 2008.



## 3rd Quarter Report '09

### 6. PROPERTY, PLANT AND EQUIPMENT - at cost / revaluation less accumulated depreciation

	(Unaudited) 31 March 2009	(Audited) 30 June 2008
	(Rupees in '000)	
<i>Cost</i>		
Opening balance	168,154	169,512
Additions / (disposals) - net	(901)	(1,358)
	167,253	168,154
<i>Accumulated depreciation</i>		
Opening balance	(31,830)	(28,710)
For the period / disposal	(1,983)	(3,120)
	(33,813)	(31,830)
Written down value	133,440	136,324

### 7. STOCK-IN-TRADE

	(Unaudited) 31 March 2009	(Audited) 30 June 2008
	(Rupees in '000)	
Raw materials	715	17,021
Packing materials	19,495	13,552
Work-in-process	19,924	53,507
	40,134	84,080
Finished goods - Ghee and cooking oil	127,776	88,654
Write down of finished goods to net realisable value	(7,237)	-
	120,539	88,654
Acid oil (by-product)	6,217	3,561
	166,890	176,295

### 8. TRADE DEBTS - UNSECURED, CONSIDERED GOOD

Trade debts - considered good	26,287	33,093
Doubtful debts	22,737	22,737
	49,024	55,830
Provision for impaired debts	(22,737)	(22,737)
	26,287	33,093

### 9. DUE FROM RELATED PARTIES

Due from an associated company	9.1	1,462
	-	1,462

9.1 This represents balance receivable from Zulfqar Industries Limited on account of common expenses shared with them. No mark-up / interest is charged on the outstanding balances.

### 10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	(Unaudited) 31 March 2009	(Audited) 30 June 2008
	(Rupees in '000)	
Deposits and prepayments	966	509
Margin against bank guarantees	6,072	6,072
	382	-
Receivable from gratuity fund	350	350
	7,770	6,931



## 3rd Quarter Report '09

### 11. CASH AND BANK BALANCES

Cash in hand	232	395
Cash at banks in current accounts	24,091	10,056
Term Deposit	17,828	272
	<u>42,151</u>	<u>10,723</u>

### 12. SUB-ORDINATED LOAN - UNSECURED

This loan has been borrowed from Holding Company. The loan is unsecured and is payable in 20 equal quarterly installments after the expiry of two years grace period. It carries mark-up at the rate of 6 months KIBOR plus 1.5% per annum.

### 13. MARK-UP PAYABLE ON BORROWINGS

This includes an amount of Rs. 28.023 million (30 June 2008: Rs.9.543 million) payable to the Holding Company on account of Sub-ordinated loan.

### 14. SHORT TERM BORROWINGS - SECURED

Running finance against mark-up arrangement	94,727	94,327
Finance against trust receipt (FATR)	10,015	14,618
	<u>104,742</u>	<u>108,945</u>

### 15. TRADE AND OTHER PAYABLES

Trade payables for:		
- Goods	13,019	2,133
- Expenses	6,801	6,882
- Inland letters of credits	-	29,947
	<u>19,789</u>	<u>38,962</u>
Due to related parties	210,844	123,030
Accrued expenses	7,023	7,174
Advances from customers	15,255	10,360
Unclaimed dividends	560	560
Other liabilities	1,521	1,411
	<u>255,023</u>	<u>181,497</u>

15.1 This includes unsecured balance payable to the Holding Company amounting to Rs.68.992 million (30 June 2008: 26.497 million).

### 16. CONTINGENCIES

16.1 Claims against the Company not acknowledged as debts	16,262	14,180
16.1.1 Management is confident that these claims will not be ultimately payable		
16.2 Bank guarantee	23,900	6,072



## 3rd Quarter Report '09

### 17. INFORMATION ABOUT BUSINESS SEGMENTS

#### 17.1 Segment Result & Other Information

	For nine months period ended 31 March 2009			For nine months period ended 31 March 2008		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Revenue - net	599,586	73,447	673,033	728,557	80,623	809,180
Cost of goods sold / services						
Opening balance of finished goods	92,215	-	92,215	81,825	-	81,825
Cost of goods manufactured / services provided	632,717	55,508	688,225	662,311	59,345	721,656
Available for sale	724,932	55,508	780,440	744,136	59,345	803,481
Closing balance of finished goods	(133,993)	-	(133,993)	(67,057)	-	(67,057)
	590,939	55,508	646,447	677,079	59,345	736,424
Gross profit / (loss)	8,647	17,939	26,586	51,478	21,278	72,756
Cost of goods manufactured / services provided:						
Opening stock of work in process	53,507	-	53,507	10,615	-	10,615
Raw materials consumed	* 521,683	17,165	538,848	* 617,506	20,103	637,609
Packing materials consumed	46,388	-	46,388	42,403	-	42,403
Stores and spares consumed	3,864	7,530	11,394	2,423	5,512	7,935
Salaries, wages and other benefits	16,925	10,200	27,125	16,302	8,587	24,889
Contribution to provident fund	-	-	-	360	-	360
Fuel and power	8,915	18,020	26,935	10,616	23,212	33,828
Repair and maintenance	383	649	1,032	1,036	-	1,036
Rent, rates and taxes	0	1	1	23	-	23
Insurance	162	344	506	659	-	659
Depreciation	814	1,599	2,413	2,370	-	2,370
Others	-	-	-	3,666	1,931	5,597
	652,641	55,508	708,149	707,979	59,345	767,324
Closing stock of work in process	(19,924)	-	(19,924)	(45,668)	-	(45,668)
	632,717	55,508	688,225	662,311	59,345	721,656

	For Quarter ended 31 March 2009			For Quarter ended 31 March 2008		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Revenue - net	262,234	23,437	285,671	321,739	43,561	365,300
Cost of goods sold / services						
Opening balance of finished goods	94,487	-	94,487	50,529	-	50,529
Cost of goods manufactured / services provided	297,554	16,116	313,670	332,208	22,715	354,923
Available for sale	392,041	16,116	408,157	382,737	22,715	405,452
Closing balance of finished goods	(133,993)	-	(133,993)	(67,057)	-	(67,057)
	258,048	16,116	274,164	315,680	22,715	338,395
Gross profit / (loss)	4,186	7,321	11,507	6,059	20,846	26,905
Cost of goods manufactured / services provided:						
Opening stock of work in process	9,851	-	9,851	14,010	-	14,010
Raw materials consumed	* 272,427	4,564	276,991	* 326,607	7,753	334,360
Packing materials consumed	23,259	-	23,259	23,961	-	23,961
Stores and spares consumed	1,868	1,973	3,841	1,052	2,462	3,514
Salaries, wages and other benefits	5,208	4,028	9,236	5,874	3,094	8,968
Contribution to provident fund	-	-	-	-	-	-
Fuel and power	4,175	4,823	8,998	4,271	9,089	13,360
Repair and maintenance	239	247	486	468	-	468
Rent, rates and taxes	-	-	-	5	-	5
Insurance	62	66	128	237	-	237
Depreciation	388	416	804	789	-	789
Others / Expenses charged to service income	-	-	-	602	317	919
	317,478	16,116	333,594	377,876	22,715	400,591
Closing stock of work in process	(19,924)	-	(19,924)	(45,668)	-	(45,668)
	297,554	16,116	313,670	332,208	22,715	354,923

17.2 Variable cost incurred during the period have been allocated based on tonnages produced under toll manufacturing agreement.



## 3rd Quarter Report '09

### 18. OTHER INCOME / (CHARGES)

This include gain of Rs. 43,282 million (nine months period ended 31 March 2008: loss of Rs. 7,986 million) on account of remeasurement of liability against inventory borrowed from the Holding Company and Rs. 7,237 million on account of write down of finished goods to net realisable value.

### 19. RELATED PARTY TRANSACTIONS

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. Holding company, subsidiary company and associated companies with whom such transactions have taken place includes Dalda Foods (Private) Limited (holding company), Zulfeqar Industries Limited, IGI Insurance Company Limited, Treet Corporation Limited, Wazir Ali Ventures (Private) Limited, Shakoo (Private) Limited and Mapak Edible Oils (Private) Limited. These associated companies are associated companies either based on holding in equity or they are either under the same management and / or with common directors. All transactions with related parties have been entered on commercial basis / agreement. However, contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuation / terms of the contribution plan and remuneration to key management personnel are determined in accordance with the terms of employment. Transactions with related parties other than those disclosed elsewhere in this interim financial information during period are as follows:

	Nine months period ended	
	31 March 2009	31 March 2008
	(Rupees in '000)	
<b>Holding Company</b>		
Toll manufacturing fee	73,447	80,623
Common expenses allocated by related party	4,500	4,500
Financial Income/(charges) on oil liability revaluation	43,282	(7,986)
Fee charged under distribution and marketing agreement - refer note 1.2	10,835	18,134
Freight charges paid on behalf of holding company	6,434	4,908
Cash receipts from holding company	34,000	26,335
<b>Associated Companies</b>		
Sales / services rendered	875	1,835
Purchases / services availed	387,451	562,208
Common expenses allocated to related party	1,719	1,252
Cash receipts from associated company	3,637	1,500
Rent expense	88	113
<b>Contribution to staff retirement funds</b>	-	486
<b>Executive's remuneration</b>	900	1,043

### 20. GENERAL

20.1 These condensed unconsolidated interim financial statements have been prepared in Pak Rupee rounded off to nearest thousand.

20.2 This interim financial information was approved in the Board of Directors meeting held on 27 April 2009.

Karachi, 27 April 2009

Chief Executive Officer

Director