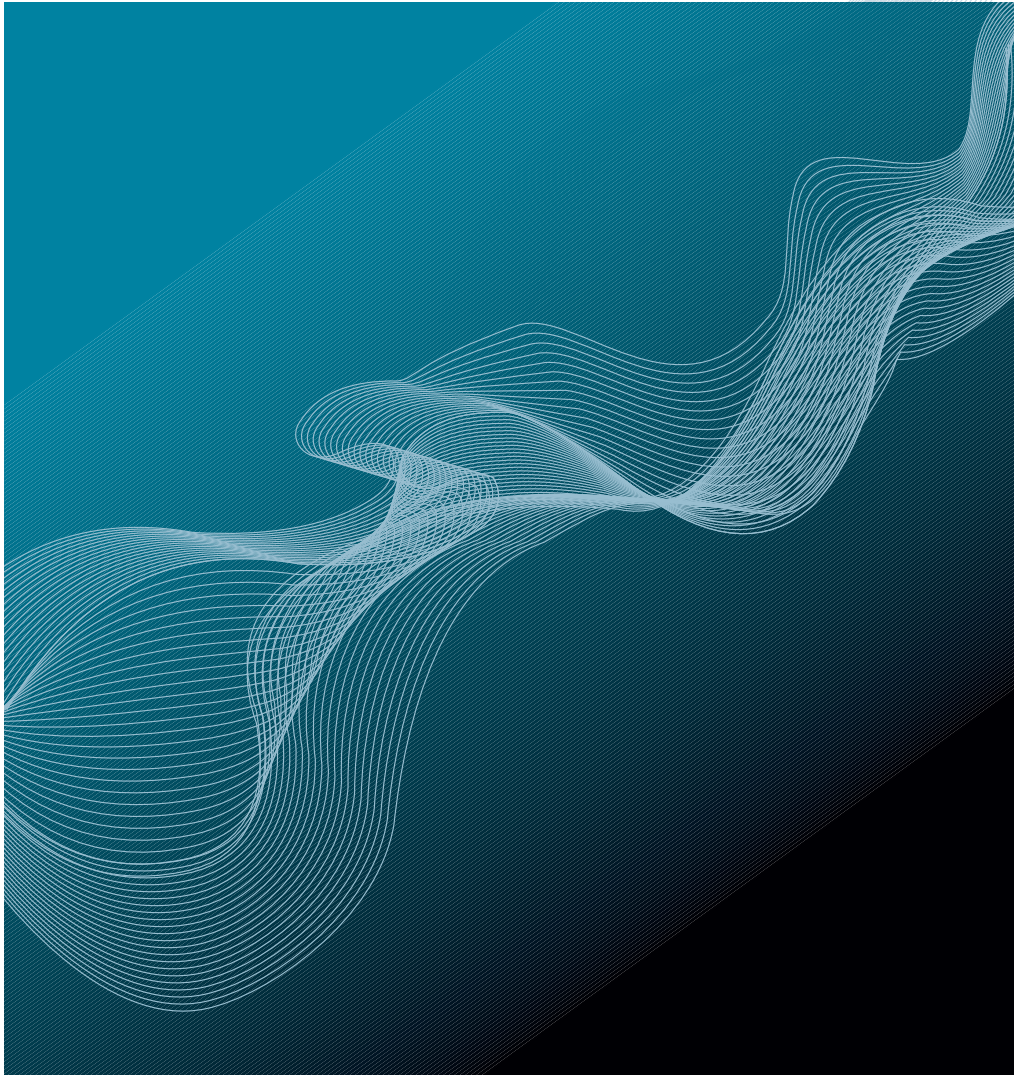


Quarterly Report
March **2011**



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

AUDITORSKPMG Taseer Hadi & Co.
Chartered Accountants**LEGAL ADVISORS**Hussain & Haider
Advocates & Solicitors**BANKERS**Faysal Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited
Habib Bank Limited
MCB Bank Limited
United 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: +92.21.35655595**REGISTERED OFFICE**F-33, Hub River Road, SITE, Karachi.
Telephone: +92.21.32579683-7
Fax: +92.21.32578654**FACTORY**Hali Road, Hyderabad (Sindh)
Telephone: +92.22.3881477-9
Fax: +92.22.3880670**WEBSITE**www.wazirali.com.pk



DIRECTORS' REVIEW

The Directors of the Company present the unconsolidated financial statements (un-audited) of the Company for the period and quarter ended 31 March 2011.

Overview

During the quarter ended 31 March, 2011 the Company achieved a net profit of Rs. 18.178 M as compared to a loss of Rs. 11.428 M in the corresponding period of last year.

The Sales of the Company during the nine months period was Rs. 1,560.217 M as against Rs. 1,375.848 M during the same period last year indicating an increase of 13.4%. The Gross Profit Percentage on Sales is higher at 11.8% from 8.4% owing to faster rolling over of inventory, a new market oriented pricing mechanism and reduced fixed production costs.

The Administrative Expenses have increased to Rs. 71.592 M as compared to Rs. 16.261 M during the corresponding period as a result of once off severance payment to workers amounting to Rs. 51.854 M. The Selling & Distribution Expenses have remained at 5.6% of Sales. The financial charges have increased by 3.1%.

Loss per share for the period under review is Rs. 5.27 as compared to Rs. 3.25 during the same period of last year.

Future Outlook

The decision to reduce its major structural fixed production costs and to produce its products through more cost effective toll manufacturing arrangements, has resulted in improved Gross Profit ratio. The Company continues its efforts to increase the coverage and penetration of its brands in various market segments. Efforts to find cheaper financing options along with other cost effective measures will be continued.

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 corporate support of our bankers.

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

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Abdus Samad'.

Abdus Samad
Chief Executive Officer

Karachi : 26 April 2011

Condensed Unconsolidated Interim Balance Sheet (Unaudited)
As at 31 March 2011

	Note	(Unaudited) 31 March 2011 (Rupees in '000)	(Audited) 30 June 2010
Assets			
Non-current assets			
Property, plant and equipment	5	149,379	152,388
Investment in subsidiary - at cost		30,718	33,886
Long term loans to employees - secured, considered good		-	580
Long term security deposits - unsecured, considered good		814	762
Total non-current assets		180,911	187,616
Current Assets			
Stores and spares		641	4,942
Stock-in-trade	6	283,052	144,642
Trade debts - secured, considered good	7	89,359	83,754
Loans and advances - considered good		-	447
Deposits, prepayments and other receivables	8	53,095	19,390
Taxation - net		15,686	16,825
Cash and bank balances	9	45,721	89,349
Total current assets		487,554	359,349
Total Assets		668,465	546,965
Equity and Liabilities			
Share capital and reserves			
Authorised capital 8,000,000 (30 June 2010: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid up capital 7,986,000 (30 June 2010: 7,986,000) ordinary shares of Rs. 10 each		79,860	79,860
Capital reserve		10,646	10,646
Accumulated loss		(418,579)	(377,459)
		(328,073)	(286,953)
Surplus on revaluation of property, plant and equipment		133,259	134,214
Sub-ordinated loans from holding company - unsecured	10	342,500	350,000
Non-current liabilities			
Deferred tax liability on surplus on revaluation of property, plant and equipment		11,569	12,084
Provision for compensated absences		1,230	1,877
Total non-current liabilities		12,799	13,961
Current liabilities			
Current maturity on sub-ordinated loans from holding company - unsecured	10	7,500	-
Trade and other payables	11	235,306	182,829
Mark-up payable on borrowings	12	118,548	82,972
Short term borrowings - secured	13	146,626	69,942
Total current liabilities		507,980	335,743
Contingencies	14		
Total Equity and Liabilities		668,465	546,965

The annexed notes 1 to 19 form an integral part of these condensed unconsolidated interim financial statements.



Chief Executive Officer



Director

Condensed Unconsolidated Interim Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2011

	Note	Nine months period ended 31 March 2011	Nine months period ended 31 March 2010	Quarter ended 31 March 2011	Quarter ended 31 March 2010
----- (Rupees in '000) -----					
Revenue - net		1,560,217	1,375,848	613,696	592,653
Cost of goods sold / services rendered		(1,375,897)	(1,260,583)	(527,739)	(552,518)
Gross profit	15.1	184,320	115,265	85,957	40,135
Administration expenses	16	(71,592)	(16,261)	(6,663)	(4,723)
Selling and distribution expenses		(88,281)	(77,522)	(35,024)	(33,381)
		(159,873)	(93,783)	(41,687)	(38,104)
Other operating (expense) / income	17	(5,435)	3,636	(2,951)	4,720
Operating profit		19,012	25,118	41,319	6,751
Financial charges		(45,963)	(44,597)	(16,991)	(15,213)
(Loss) / profit before taxation		(26,950)	(19,479)	24,329	(8,462)
Taxation - net		(15,125)	(6,498)	(6,151)	(2,966)
(Loss) / profit for the period		(42,075)	(25,977)	18,178	(11,428)
----- (Rupees) -----					
(Loss) / Earning per share - basic and diluted		(5.27)	(3.25)	2.28	(1.43)

The annexed notes 1 to 19 form an integral part of these condensed unconsolidated interim financial statements.



Chief Executive Officer



Director

Condensed Unconsolidated Interim Statement of Comprehensive Income (Unaudited)
For the nine months period ended 31 March 2011

	Nine months period ended 31 March 2011	Nine months period ended 31 March 2010	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	----- (Rupees in '000) -----			
(Loss) / profit for the period	(42,075)	(25,977)	18,178	(11,428)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(42,075)</u>	<u>(25,977)</u>	<u>18,178</u>	<u>(11,428)</u>

The annexed notes 1 to 19 form an integral part of these condensed unconsolidated interim financial statements.



Chief Executive Officer



Director

Condensed Unconsolidated Interim Cash Flow Statement (Unaudited)
For the nine months period ended 31 March 2011

	Nine months period ended 31 March 2011	Nine months period ended 31 March 2010
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(26,950)	(19,479)
Adjustments for:		
- Depreciation	3,009	2,988
- Profit on disposal of property, plant and equipment	-	(310)
- Provision for impairment in investment in Subsidiary Company	3,168	-
- Provision for impaired debts	1,799	-
- Provision against mark-up receivable from Subsidiary Company	1,025	-
- Financial charges	45,963	44,597
Operating profit before working capital changes	28,013	27,796
<i>Movement in:</i>		
- Stores and spares	4,301	(359)
- Stock in trade	(138,410)	(128,169)
- Trade debts	(7,404)	(99,957)
- Loans and advances	1,027	(50)
- Deposits, prepayments and other receivables	(34,730)	2,361
- Long term loans, advances and security deposits	(52)	(980)
- Compensated absences paid	(647)	(244)
- Trade and other payables and compensated absences	52,477	243,899
Cash (used in) / generated from operations	(95,425)	44,297
Financial charges paid	(10,387)	(10,303)
Income tax paid	(14,501)	(4,288)
Net cash (used in) / generated from operating activities	(120,312)	29,706
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(115)
Proceeds from disposal of items of property, plant and equipment	-	329
Net cash generated from investing activities	-	214
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities - Short term borrowing obtained	96,683	-
Net (decrease) / increase in cash and cash equivalents	(23,629)	29,920
Cash and cash equivalents at beginning of the period	19,407	(35,550)
Cash and cash equivalents at end of the period	(4,222)	5,630
Cash and cash equivalents		
Cash and bank balances	45,721	64,300
Running finance against mark-up arrangement	(49,943)	(69,930)
	4,222	5,630

The annexed notes 1 to 19 form an integral part of these condensed unconsolidated interim financial statements.



Chief Executive Officer



Director

Condensed Unconsolidated Interim Statement of Changes in Equity (Unaudited)
For the nine months period ended 31 March 2011

	Issued, subscribed & paid-up capital	Capital reserve Share premium	Revenue reserves		Total
			General reserves	Accumulated loss	
----- (Rupees in '000) -----					
Balance as at 1 July 2009	79,860	10,646	66,067	(370,292)	(213,719)
<i>Changes in equity for the nine months period ended 31 March 2010</i>					
Total comprehensive loss for the period	-	-	-	(25,977)	(25,977)
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	1,038	1,038
Balance as at 31 March 2010	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(395,231)</u>	<u>(238,658)</u>
Balance as at 1 July 2010	79,860	10,646	66,067	(443,526)	(286,953)
<i>Changes in equity for the nine months period ended 31 March 2011</i>					
Total comprehensive loss for the period	-	-	-	(42,075)	(42,075)
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	955	955
Balance as at 31 March 2011	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(484,646)</u>	<u>(328,073)</u>

The annexed notes 1 to 19 form an integral part of these condensed unconsolidated interim financial statements.



Chief Executive Officer



Director

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)
For the nine months period ended 31 March 2011

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. Area Karachi, Pakistan. The Company is the subsidiary company of Dalda Foods (Private) Limited (the Holding Company).

1.2 The Company had an agreement dated 1 January 2007 with the Holying Company whereby 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 the Holding Company; with include selling of the Company's products through the Holding Company's sales and distribution network and marketing management support by the Holding Company to the Company.

1.3 The Company has incurred a net loss of Rs. 42.075 million during the nine months period ended 31 March 2011 (31 March 2010: Rs. 25.977 million) and, as of that date, its accumulated loss exceeded the shareholders' equity by Rs. 328.073 million (June 2010: Rs. 286.953 million), while the current liabilities exceeded current assets by Rs. 20.426 million. However, these condensed unconsolidated interim financial information have been prepared on the assumption that the Company would continue as a going concern. The assumptions that the Company would continue as a going concern are as follows:

- Based on restructuring of Company's activities as stated in note 1.2 above, the management considers that the company would be able to reduce its fixed costs and expects future profits and the financial support of the directors, if required.
- Availability of financial support from the Holding Company. As part of this, during the year ended 30 June 2010, the Holding Company has rescheduled / restructured repayment of subordinated loans of Rs. 350 million.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed unconsolidated interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed unconsolidated interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements as at and for the year ended 30 June 2010.



These condensed unconsolidated interim financial information comprise of condensed unconsolidated interim balance sheet as at 31 March 2011 and the related condensed unconsolidated interim profit and loss account, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim cash flow statement, condensed unconsolidated interim statement of changes in equity, and notes thereto, for the nine months period ended 31 March 2011.

These condensed unconsolidated interim financial information are 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.

2.2 Functional and presentation currency

These condensed unconsolidated interim financial information are presented in Pakistan Rupees which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed unconsolidated interim financial information are the same as those applied in preparation of the unconsolidated financial statements for the preceding year ended 30 June 2010.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES, JUDGEMENT AND RISK MANAGEMENT

- 4.1** The preparation of this condensed unconsolidated 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 condensed unconsolidated 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 2010.

- 4.2** 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 2010.

5. **PROPERTY, PLANT AND EQUIPMENT**
at cost / revaluation less accumulated depreciation

	(Unaudited) 31 March 2011	(Audited) 30 June 2010
	(Rupees in '000)	
<i>Cost</i>		
Opening balance	177,168	166,059
Additions / (disposals) - net	-	(691)
Revaluation surplus	-	11,800
	<u>177,168</u>	<u>177,168</u>
<i>Accumulated depreciation</i>		
Opening balance	(24,780)	(33,761)
Depreciation expense for the period / year	(3,009)	(3,967)
Depreciation on assets disposed off	-	831
Revaluation adjustment	-	12,117
	<u>(27,789)</u>	<u>(24,780)</u>
Written down value	<u><u>149,379</u></u>	<u><u>152,388</u></u>

6. **STOCK - IN - TRADE**

Raw materials	148,252	1,537
Packing materials	11,511	18,266
Write down of packing material to net realisable value	-	(2,273)
	11,511	15,993
Work-in-process	11,621	30,960
	<u>171,384</u>	<u>48,490</u>
Finished goods - Ghee and cooking oil	112,454	90,784
Write down of finished goods to net realisable value	(6,712)	(765)
	105,742	90,019
Acid oil (by-product)	5,926	6,133
	<u>283,052</u>	<u>144,642</u>

7. **TRADE DEBTS - secured and considered good**

Trade debts - considered good	89,359	83,754
Doubtful debts	29,767	27,968
	119,126	111,722
Provision for impaired debts	(29,767)	(27,968)
	<u>89,359</u>	<u>83,754</u>

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	(Unaudited) 31 March 2011	(Audited) 30 June 2010
	(Rupees in '000)	
Deposits and prepayments	18,600	1,238
Provision there against	(379)	(379)
	<u>18,221</u>	<u>859</u>
Margin against bank guarantees	6,072	6,072
Accrued profit on foreign currency fixed deposit	610	359
Sales tax refundable	2,084	-
Accrued markup on due from Subsidiary Company	1,025	1,025
Less: Provision there against	(1,025)	-
	<u>-</u>	<u>1,025</u>
Other receivables - unsecured - considered good:		
Due from ZIL Limited	477	1,152
Due from the Subsidiary Company	9,924	9,924
Others	996	996
Less: Provision there against	(997)	(997)
	<u>10,400</u>	<u>11,075</u>
Receivable from Gratuity Fund	8.1 15,708	-
	<u><u>53,095</u></u>	<u><u>19,390</u></u>

8.1 The Company has made payments amounting to Rs. 17.694 million on behalf of the Gratuity Fund pursuant to settlements of factory workers under Golden Handshake Scheme as disclosed in note 16 to this condensed unconsolidated interim financial information.

8.2 Deposit includes a foreign currency demand draft issued in favour of Official assignee, High Court (Sindh)

9. CASH AND BANK BALANCES

Cash in hand	187	218
With banks - current accounts	31,605	31,997
- saving account	9.1 13,929	39,533
Deposit with bank - foreign currency FDR	-	17,601
	<u><u>45,721</u></u>	<u><u>89,349</u></u>

9.1 The saving account carry mark-up at the rates ranging from 5% to 6% (2010: 5% to 6%) per annum.

10. SUB-ORDINATED LOANS FROM HOLDING COMPANY - unsecured

		(Unaudited) 31 March 2011	(Audited) 30 June 2010
(Rupees in '000)			
Loan I	10.1	150,000	150,000
Loan II	10.2	200,000	200,000
		<u>350,000</u>	<u>350,000</u>
Less: Current maturity		(7,500)	-
		<u>342,500</u>	<u>350,000</u>

10.1 Loan I was obtained on 31 December 2007 from the Holding Company to meet the operational requirements of the Company. This carry mark-up at the rate of 6 months' KIBOR plus 1.5 percent per annum and is repayable in 20 equal quarterly instalments after expiry of four years' grace period. Initially the grace period was of two years which has been extended to four years by the Holding Company during the year ended 30 June 2010.

10.2 Loan II was obtained on 25 June 2009 from the Holding Company to meet the operational requirements of the Company. This carry mark-up at the rate of 1 month's KIBOR and is repayable in 20 equal quarterly instalments after expiry of four years' grace period. Initially the grace period was of two years which has been extended to four years by the Holding Company during the year ended 30 June 2010.

11. TRADE AND OTHER PAYABLES

Trade payables for:			
- Goods	11.1	171,584	146,334
- Expenses		1,151	3,098
		<u>172,735</u>	<u>149,432</u>
Accrued expenses		29,224	11,550
Due to the Holding Company		32,756	6,696
Advances from customers		-	11,516
Other liabilities		34	1,281
Payable to gratuity fund		-	1,521
Unclaimed dividends		557	557
Sales tax payable on toll manufacturing		-	276
		<u>235,306</u>	<u>182,829</u>

11.1 This includes amounts payable to associated companies amounting to Rs. 172.272 million (30 June 2010: Rs. 122.605 million).

12. MARK-UP PAYABLE ON BORROWINGS

This includes an amount of Rs. 116.482 million (30 June 2010: Rs. 80.476 million) payable to the Holding Company on account of Sub-ordinated loans.

13. SHORT TERM BORROWINGS - SECURED

	(Unaudited)	(Audited)
	31 March	30 June
	2011	2010
	(Rupees in '000)	
Running finance against mark-up arrangement	49,943	69,942
Financing under Murabaha facility <i>13.1</i>	<u>96,683</u>	-
	<u><u>146,626</u></u>	<u><u>69,942</u></u>

13.1 The Company has entered into financing arrangements with Bank Islami Pakistan Limited for foreign and local letter of credit, Murabaha and Istisna facilities for the purpose of import of raw material. These facilities carry mark-up at the rate of KIBOR plus 0.5 percent per annum. As per terms of agreement, maximum exposure under each facility cannot exceed Rs. 200 million. These facilities have been secured against lien of LC documents, corporate guarantee of the Holding Company, ranking charge over stocks and receivables of the Company.

14. CONTINGENCIES

There have been no change in the status of the contingencies as disclosed in note 10 to the annual unconsolidated financial statements for the year ended 30 June 2010.

15. SEGMENT INFORMATION

15.1 Segment result and other information	For nine months period ended 31 March 2011			For nine months period ended 31 March 2010		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	(Rupees in '000)					
Revenue - net	1,559,362	855	1,560,217	1,369,391	6,457	1,375,848
Cost of goods sold / services						
Opening balance of finished goods	96,917	-	96,917	112,254	-	112,254
Cost of goods manufactured / services provided	1,397,184	22,700	1,419,884	1,331,308	5,955	1,337,263
Less: Reimbursable manufacturing expense	-	(22,524)	(22,524)	-	-	-
Available for sale	1,494,101	176	1,494,277	1,443,562	5,955	1,449,517
Closing balance of finished goods	(118,380)	-	(118,380)	(188,934)	-	(188,934)
	1,375,721	176	1,375,897	1,254,628	5,955	1,260,583
Gross profit	183,641	679	184,320	114,763	502	115,265
Administration expenses	(71,592)	-	(71,592)	(16,261)	-	(16,261)
Selling and distribution expenses	(88,281)	-	(88,281)	(77,522)	-	(77,522)
Other operating (expenses) / income	(5,435)	-	(5,435)	3,636	-	3,636
	(165,308)	-	(165,308)	(90,147)	-	(90,147)
Operating result	18,333	679	19,012	24,616	502	25,118

Cost of goods manufactured / services provided:

Opening stock of work in process	30,960	-	30,960	6,670	-	6,670
Raw materials consumed	1,229,027	6,640	1,235,667	639,903	1,329	641,232
Packing materials consumed	88,609	-	88,609	49,457	-	49,457
Stores and spares consumed	1,505	964	2,469	3,324	466	3,790
Salaries, wages and other benefits	18,838	3,888	22,726	16,308	2,223	18,531
Fuel and power	19,839	9,876	29,715	11,332	1,819	13,151
Manufacturing charges paid to 3rd party	14,671	-	14,671	-	-	-
Repair and maintenance	1,280	423	1,703	406	57	463
Travelling, conveyance and others	369	133	502	-	-	-
Rent, rates and taxes	322	-	322	210	35	245
Insurance	364	109	473	648	91	739
Depreciation	2,224	667	2,891	1,624	228	1,852
PSI Marking fee	797	-	797	-	-	-
	1,408,805	22,700	1,431,505	729,882	6,248	736,130
Closing stock of work in process	(11,622)	-	(11,622)	(14,057)	-	(14,057)
	1,397,184	22,700	1,419,884	715,825	6,248	722,073

	For quarter ended 31 March 2011			For quarter ended 31 March 2010		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	(Rupees in '000)					
Revenue - net	613,696	-	613,696	592,653	-	592,653
Cost of goods sold / services						
Opening balance of finished goods	164,452	-	164,452	126,262	-	126,262
Cost of goods manufactured / services provided	481,666	-	481,666	615,190	-	615,190
Less: Reimbursable manufacturing expense and processing loss	-	-	-	-	-	-
Available for sale	646,118	-	646,118	741,452	-	741,452
Closing balance of finished goods	(118,380)	-	(118,380)	(188,934)	-	(188,934)
	527,738	-	527,738	552,518	-	552,518
Gross profit / (loss)	85,958	-	85,957	40,135	-	40,135
Administration expenses	(6,663)	-	(6,663)	(4,723)	-	(4,723)
Selling and distribution expenses	(35,024)	-	(35,024)	(33,381)	-	(33,381)
Other (charges) / income	(2,951)	-	(2,951)	4,720	-	4,720
	(44,639)	-	(44,639)	33,384	-	33,384
Operating result	41,319	-	41,319	6,751	-	6,751

	For quarter ended 31 March 2011			For quarter ended 31 March 2010		
	Own Manufacturing	Toll Manufacturing	Total	Own Manufacturing	Toll Manufacturing	Total

(Rupees in '000)

Cost of goods manufactured / services provided:

Opening stock of work in process	28,887	-	28,887	14,057	-	14,057
Raw materials consumed	412,843	-	412,843	575,319	-	575,319
Packing materials consumed	32,148	-	32,148	38,569	-	38,569
Stores and spares consumed	(317)	-	(317)	3,011	-	3,011
Salaries, wages and other benefits	1,782	-	1,782	10,510	-	10,510
Fuel and power	1,187	-	1,187	13,239	-	13,239
Manufacturing charges paid to 3rd party	14,671	-	14,671	-	-	-
Repair and maintenance	480	-	480	524	-	524
Travelling, conveyance and others	118	-	118	1,219	-	1,219
Rent, rates and taxes	148	-	148	52	-	52
Insurance	158	-	158	380	-	380
Depreciation	963	-	963	927	-	927
PST Marking fee	221	-	221	794	-	794
	493,289	-	493,289	658,601	-	658,601
Closing stock of work in process	(11,622)	-	(11,622)	(43,411)	-	(43,411)
	481,667	-	481,667	615,190	-	615,190

- 15.1.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the nine months period ended 31 March 2011.
- 15.1.2 Variable costs incurred during the period have been allocated based on tonnages produced under toll manufacturing agreement, except those specifically incurred on own production.

16. ADMINISTRATION EXPENSES

This includes separation cost incurred amounting to Rs. 51.854 million paid to factory workers under Golden Handshake Scheme offered during the year through Collective Bargaining Agent (CBA) which has been accepted by workers.

17. OTHER OPERATING (EXPENSE) / INCOME

	(Unaudited) 31 March 2011 (Rupees in '000)	(Unaudited) 31 March 2010
Profit on foreign currency fixed deposit	314	195
Profit on local currency deposit	1,913	382
Gain on sale of fixed assets	-	310
Scrap sale of damage packing material / others	2,522	1,451
Mark-up receivable from Subsidiary Company	-	685
Loans to employees written off	(192)	-
Exchange gain	-	608
Provision for impairment store and spares	(4,000)	-
Provision for impairment in investment in Subsidiary Company	(3,168)	-
Provision for impaired debts	(1,799)	-
Provision against mark-up receivable from Subsidiary Company	(1,025)	-
Others	-	6
	<u>(5,435)</u>	<u>3,636</u>

18. 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), Wazir Ali Ventures (Private) Limited (Subsidiary Company), Mapak Edible Oils (Private) Limited, Mapak Bulkers (Private) Limited, ZIL Limited, Shakoo (Private) Limited and IGI Insurance 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 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. The aggregate value of transactions and with related parties during the nine months period ended 31 March 2011 other than those which have been disclosed elsewhere are as follows:

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
Holding Company		
Toll manufacturing fee	855	6,457
Common expenses allocated by related party	4,800	4,500
Mark-up on borrowing from Holding company	36,005	35,304
Fee charged under distribution and marketing agreement - refer note 1.2	27,810	26,734
Freight charges and other payments made on behalf of holding company	4,917	667
Payable against toll manufacturing	22,700	-
Cash receipts from holding company	9,408	-
Reimbursement of expenses under toll manufacturing agreement	22,524	-
Subsidiary Company		
Mark-up income	-	685
Associated Companies		
Sales / services rendered	-	-
Purchases / services availed	584,861	744,377
Common expenses allocated to related party	1,581	-
Cash receipts from associated company	2,130	-
Insurance premium paid	1,754	-
Executive's remuneration	900	900

19. GENERAL

- 19.1 These condensed unconsolidated interim financial information has been prepared in Pak Rupee rounded off to nearest thousand.
- 19.2 These condensed unconsolidated interim financial information was approved in the Board of Directors meeting held on 26 April 2011 .



Chief Executive Officer



Director



Wazir Ali Industries Limited



Wazir Ali Industries Limited
and its Subsidiary
Consolidated Financial Statements

(Un-Audited)

**Nine months period ended
March 31, 2011**

DIRECTORS' REVIEW

The Directors of the Company present the consolidated financial statements (un-audited) of the Company for the period and quarter ended 31 March 2011.

Overview

During the quarter ended 31 March, 2011 the Company achieved a net profit of Rs. 18.178 M as compared to a loss of Rs. 13.169 M in the corresponding period of last year.

The Sales of the Company during the nine months period was Rs. 1,560.217 M as against Rs. 1,375.848 M during the same period last year indicating an increase of 13.4%. The Gross Profit Percentage on Sales is higher at 11.8% from 8.4% owing to faster rolling over of inventory, a new market oriented pricing mechanism and reduced fixed production costs.

The Administrative Expenses have increased to Rs. 71.592 M as compared to Rs. 16.261 M during the corresponding period as a result of once off severance payment to workers amounting to Rs. 51.854 M. The Selling & Distribution Expenses have remained at 5.6% of Sales. The financial charges have decreased by 4%.

Loss per share for the period under review is Rs. 5.27 as compared to Rs. 4.07 during the same period of last year.

Future Outlook

The decision to reduce its major structural fixed production costs and to produce its products through more cost effective toll manufacturing arrangements, has resulted in improved Gross Profit ratio. The Company continues its efforts to increase the coverage and penetration of its brands in various market segments. Efforts to find cheaper financing options along with other cost effective measures will be continued.

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.



Wazir Ali Industries Limited

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

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

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Abdus Samad'.

Abdus Samad
Chief Executive Officer

Karachi : 26 April 2011

Condensed Consolidated Interim Balance Sheet (Unaudited)

As at 31 March 2011

	Note	(Unaudited) 31 March 2011	(Audited) 30 June 2010
Assets			
Non-current assets			
(Rupees in '000)			
Property, plant and equipment	5	149,379	152,388
Investment in Property		135,399	135,399
Long term loans to employees - secured, considered good		-	580
Long term security deposits - unsecured, considered good		814	762
Total non-current assets		285,592	289,129
Current Assets			
Stores and spares		641	4,942
Stock-in-trade	6	283,052	144,642
Trade debts - secured, considered good	7	89,359	83,754
Loans and advances - considered good		-	447
Deposits, prepayments and other receivables	8	43,172	8,441
Taxation - net		15,686	16,825
Cash and bank balances	9	45,985	89,601
Total current assets		477,895	348,652
Total Assets		763,487	637,781
Equity and Liabilities			
Share capital and reserves			
Authorised capital			
8,000,000 (30 June 2010: 8,000,000)			
ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid up capital			
7,986,000 (30 June 2010: 7,986,000)			
ordinary shares of Rs. 10 each		79,860	79,860
Capital reserve		10,646	10,646
Revenue reserves		(503,960)	(461,472)
		(413,454)	(370,966)
Surplus on revaluation of property, plant and equipment		218,641	219,596
Sub-ordinated loan from holding company - unsecured	10	342,500	350,000
Non - current liabilities			
Deferred tax liability on surplus on revaluation of property, plant and equipment		28,246	28,761
Provision for compensated absences		1,230	1,877
Total non-current liabilities		29,476	30,638
Current liabilities			
Trade and other payables	11	235,413	182,951
Payable to Ultimate Holding Company		51,675	26,618
Mark-up payable on borrowings	12	121,245	84,620
Short term borrowings - secured	13	146,626	79,913
Current maturity of long term liabilities		31,365	34,411
Total current liabilities		586,324	408,513
Contingencies	14		
Total Equity and Liabilities		763,487	637,781

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director

Condensed Consolidated Interim Profit and Loss Account (Unaudited)
For the nine months period ended 31 March 2011

Note	Nine months period ended 31 March 2011	Nine months period ended 31 March 2010	Quarter ended 31 March 2011	Quarter ended 31 March 2010
----- (Rupees in '000) -----				
Revenue - net	1,560,217	1,375,848	613,696	592,653
Cost of goods sold / services rendered	(1,375,897)	(1,260,583)	(527,739)	(552,518)
Gross profit 15.1	184,320	115,265	85,957	40,135
Administration expenses 16	(71,592)	(16,261)	(6,663)	(4,723)
Selling and distribution expenses	(88,281)	(77,522)	(35,024)	(33,381)
	(159,873)	(93,783)	(41,687)	(38,104)
Other operating (expense) / income 17	(2,267)	3,636	(2,063)	4,720
Operating profit	22,180	25,118	42,207	6,751
Financial charges	(49,131)	(51,156)	(17,879)	(16,954)
(Loss) / profit before taxation	(26,950)	(26,038)	24,329	(10,203)
Taxation - net	(15,125)	(6,498)	(6,151)	(2,966)
(Loss) / profit for the period	(42,075)	(32,536)	18,178	(13,169)
----- (Rupees) -----				
(Loss) / Earning per share - basic and diluted	(5.27)	(4.07)	2.28	(1.65)

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months period ended 31 March 2011

<i>Note</i>	Nine months period ended 31 March 2011	Nine months period ended 31 March 2010	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	----- (Rupees in '000) -----			
(Loss) / profit for the period	(42,075)	(32,536)	18,178	(13,169)
Other comprehensive income				
Total comprehensive (loss) / profit for the period	<u>(42,075)</u>	<u>(32,536)</u>	<u>18,178</u>	<u>(13,169)</u>

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director

Condensed Consolidated Interim Cash Flow Statement (Unaudited)
For the nine months period ended 31 March 2011

	Nine months period ended 31 March 2011	Nine months period ended 31 March 2010
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(26,950)	(26,038)
Adjustments for:		
- Depreciation	3,009	2,988
- Profit on disposal of property, plant and equipment	-	(310)
- Provision for impaired debts	1,799	-
- Financial charges	49,131	51,156
Operating profit / (loss) before working capital changes	26,988	27,796
<i>Movement in:</i>		
- Stores and spares	4,301	(359)
- Stock in trade	(138,409)	(128,167)
- Trade debts	(7,404)	(99,957)
- Loans and advances	1,027	(50)
- Advances, deposits, prepayments and other receivables	(34,731)	2,021
- Long term security deposits	(52)	(980)
- Payable to related party	25,057	14,335
- Compensated absences paid	(647)	(244)
- Trade and other payables and compensated absences	52,462	243,899
Cash (used in) / generated from operations	(71,408)	58,294
Financial charges paid	(13,874)	(16,591)
Income tax paid	(14,501)	(3,648)
Net cash (used in) from operating activities	(99,783)	38,055
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(115)
Proceeds from disposal of items of property, plant and equipment	-	329
Net cash from / (used in) investing activities	-	214
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing obtained	96,683	-
Repayment long term finance	(10,546)	(8,434)
Net cash generated from financing activities	86,137	(8,434)
Net (decrease) / increase in cash and cash equivalents	(13,646)	29,835
Cash and cash equivalents at beginning of the period	9,688	(45,184)
Cash and cash equivalents at end of the period	(3,958)	(15,349)
Cash and cash equivalents		
Cash and bank balances	45,985	64,552
Running finance against mark-up arrangement	(49,943)	(79,901)
	(3,958)	(15,349)

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)
For the nine months period ended 31 March 2011

	Issued, subscribed & paid-up capital	Capital reserve Share premium	Revenue reserves		Total
			General reserves	Accumulated loss	
(Rupees in '000)					
Balance as at 1 July 2009	79,860	10,646	66,067	(462,885)	(306,312)
Changes in equity for the nine months period ended 31 March 2010					
Total comprehensive loss for the period	-	-	-	(32,536)	(32,536)
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	1,038	1,038
Balance as at 31 March 2010	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(494,383)</u>	<u>(337,810)</u>
Balance as at 1 July 2010	79,860	10,646	66,067	(527,539)	(370,966)
Changes in equity for the nine months period ended 31 March 2011					
Total comprehensive loss for the period	-	-	-	(42,075)	(42,075)
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	955	955
Balance as at 31 March 2011	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(568,659)</u>	<u>(412,086)</u>

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the nine months period ended 31 March 2011

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, Karachi, Pakistan. The Company is subsidiary of Dalda Foods (Private) Limited (Holding Company).

1.2 The company had an agreement dated 1 January 2007 with the Holding Company whereby 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 the Holding Company; which include selling of the Company's products through the Holding Company's sales and distribution network and marketing management support by the Holding Company to the Company.

1.3 The Company has incurred a net loss of Rs. 42.075 million during the nine months period ended 31 March 2011 (March 2010: Rs. 32.536) and, as of that date, its accumulated loss exceeded the shareholders' equity by Rs. 413.454 million (June 2010: Rs. 370.966 million). However, these consolidated condensed interim financial information have been prepared on the assumption that the Company would continue as a going concern. The assumptions that the Company would continue as a going concern are as follows:

- Based on restructuring of Company's activities as stated in note 1.2 above, the management considers that the company would be able to reduce its fixed costs and expects future profits and the financial support of the directors, if required.
- Availability of financial support from the Holding Company. As part of this, during the year ended 30 June 2010, the Holding Company has rescheduled / restructured repayment of subordinated loans of Rs. 350 million.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed consolidated interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements as at and for the year ended 30 June 2010.

These condensed consolidated interim financial information comprise of condensed consolidated interim balance sheet as at 31 March 2011 and the related condensed consolidated interim profit and loss account, condensed consolidated interim statement of comprehensive income, condensed consolidated interim cash flow statement, condensed consolidated interim statement of changes in equity, and notes thereto, for the nine months period ended 31 March 2011.

These condensed consolidated interim financial information are 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.

2.2 Functional and presentation currency

These condensed consolidated interim financial information are presented in Pakistan Rupees which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed consolidated interim financial information are the same as those applied in preparation of the consolidated financial statements for the preceding year ended 30 June 2010.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES, JUDGEMENT AND RISK MANAGEMENT

- 4.1** 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 2010.

- 4.2** 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 2010.

5. PROPERTY, PLANT AND EQUIPMENT
 at cost / revaluation less accumulated depreciation

	(Unaudited) 31 March 2010	(Audited) 30 June 2010
(Rupees in '000)		
<i>Cost</i>		
Opening balance	177,168	166,059
Additions / (disposals) - net	-	(691)
Revaluation surplus	-	11,800
	<u>177,168</u>	<u>177,168</u>
<i>Accumulated depreciation</i>		
Opening balance	(24,780)	(33,761)
Depreciation expense for the period / year	(3,009)	(3,967)
Revaluation adjustment	-	12,117
Depreciation on assets disposed off	-	831
	<u>(27,789)</u>	<u>(24,780)</u>
Written down value	<u><u>149,379</u></u>	<u><u>152,388</u></u>
6. STOCK - IN - TRADE		
Raw materials	148,252	1,537
Packing materials	11,511	18,266
Write down of packing material to net realisable value	-	(2,273)
	<u>11,511</u>	<u>15,993</u>
Work-in-process	11,621	30,960
	<u>171,384</u>	<u>48,490</u>
Finished goods - Ghee and cooking oil	112,454	90,784
Write down of finished goods to net realisable value	(6,712)	(765)
	<u>105,742</u>	<u>90,019</u>
Acid oil (by-product)	5,926	6,133
	<u>283,052</u>	<u>144,642</u>
7. TRADE DEBTS - secured and considered good		
Trade debts - considered good	89,359	83,754
Doubtful debts	29,767	27,968
	<u>119,126</u>	<u>111,722</u>
Provision for impaired debts	(29,767)	(27,968)
	<u>89,359</u>	<u>83,754</u>

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	(Unaudited) 31 March 2010 (Rupees in '000)	(Audited) 30 June 2010
Deposits and prepayments	18,601	1,238
Provision there against	(379)	(379)
	<u>18,222</u>	<u>859</u>
Margin against bank guarantees	6,072	6,072
Accrued profit on foreign currency fixed deposit	610	359
Sales tax refundable	2,084	-
Other receivables - unsecured - considered good:		
Due from ZIL Limited	477	1,152
Others	996	996
Less: Provision there against	(997)	(997)
	<u>476</u>	<u>1,151</u>
Receivable from Gratuity Fund	8.1 15,708	-
	<u><u>43,172</u></u>	<u><u>8,441</u></u>

8.1 The Company has made payments amounting to Rs. 17.694 million on behalf of the Gratuity Fund pursuant to settlements of factory workers under Golden Handshake Scheme as disclosed in note 16 to this condensed consolidated interim financial information.

8.2 Deposit includes a foreign currency demand draft issued in favour of Official assignee, High Court (Sindh)

9. CASH AND BANK BALANCES

Cash in hand	187	218
With banks - current accounts	31,869	32,249
- saving account	9.1 13,929	39,533
Deposit with bank - foreign currency FDR	-	17,601
	<u><u>45,985</u></u>	<u><u>89,601</u></u>

9.1 The saving account carry mark-up at the rates ranging from 5% to 6% (2010: 5% to 6%) per annum.

10. SUB-ORDINATED LOANS FROM HOLDING COMPANY - unsecured

		(Unaudited)	(Audited)
		31 March	30 June
		2010	2010
		(Rupees in '000)	
Loan I	<i>10.1</i>	150,000	150,000
Loan II	<i>10.2</i>	200,000	200,000
		350,000	350,000
Less: Current maturity		(7,500)	-
		342,500	350,000

10.1 Loan I was obtained on 31 December 2007 from the Holding Company to meet the operational requirements of the Company. This carry mark-up at the rate of 6 months' KIBOR plus 1.5 percent per annum and is repayable in 20 equal quarterly instalments after expiry of four years' grace period. Initially the grace period was of two years which has been extended to four years by the Holding Company during the year ended 30 June 2010.

10.2 Loan II was obtained on 25 June 2009 from the Holding Company to meet the operational requirements of the Company. This carry mark-up at the rate of 1 month's KIBOR and is repayable in 20 equal quarterly instalments after expiry of four years' grace period. Initially the grace period was of two years which has been extended to four years by the Holding Company during the year ended 30 June 2010.

11. TRADE AND OTHER PAYABLES

Trade payables for:			
- Goods	<i>11.1</i>	171,584	146,334
- Expenses		1,151	3,098
		172,735	149,432
Accrued expenses		29,331	11,672
Due to the Holding Company		32,756	6,696
Advances from customers		-	11,516
Other liabilities		34	1,281
Payable to gratuity fund		-	1,521
Unclaimed dividends		557	557
Sales tax payable on toll manufacturing		-	276
		235,413	182,951

11.1 This includes amounts payable to associated companies amounting to Rs. 172.272 million (30 June 2010: Rs. 122.605 million).

12. MARK-UP PAYABLE ON BORROWINGS

This includes an amount of Rs. 116.482 million (30 June 2010: Rs. 80.476 million) payable to the Holding Company on account of Sub-ordinated loans.

13. SHORT TERM BORROWINGS - SECURED

	(Unaudited)	(Audited)
	31 March	30 June
	2010	2010
	(Rupees in '000)	
Running finance against mark-up arrangement	49,943	79,913
Financing under Murabaha facility <i>13.1</i>	96,683	-
	<u>146,626</u>	<u>79,913</u>

13.1 The Company has entered into financing arrangements with Bank Islami Pakistan Limited for foreign and local letter of credit, Murabaha and Istisna facilities for the purpose of import of raw material. These facilities carry mark-up at the rate of KIBOR plus 0.5 percent per annum. As per terms of agreement, maximum exposure under each facility cannot exceed Rs. 200 million. These facilities have been secured against lien of LC documents, corporate guarantee of the Holding Company, ranking charge over stocks and receivables of the Company.

14. CONTINGENCIES

There have been no change in the status of the contingencies as disclosed in note 14 to the annual consolidated financial statements for the year ended 30 June 2010.

15. SEGMENT INFORMATION

15.1 Segment result and other information	For nine months period ended 31 March 2011			For nine months period ended 31 March 2010		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	(Rupees in '000)					
Revenue - net	1,559,362	855	1,560,217	1,369,391	6,457	1,375,848
Cost of goods sold / services						
Opening balance of finished goods	96,917	-	96,917	112,254	-	112,254
Cost of goods manufactured / services provided	1,397,184	22,700	1,419,884	1,331,308	5,955	1,337,263
Less: Reimbursable manufacturing expense	-	(22,524)	(22,524)	-	-	-
Available for sale	1,494,101	176	1,494,277	1,443,562	5,955	1,449,517
Closing balance of finished goods	(118,380)	-	(118,380)	(188,934)	-	(188,934)
	1,375,721	176	1,375,897	1,254,628	5,955	1,260,583
Gross profit	183,641	679	184,320	114,763	502	115,265
Administration expenses	(71,592)	-	(71,592)	(16,261)	-	(16,261)
Selling and distribution expenses	(88,281)	-	(88,281)	(77,522)	-	(77,522)
Other operating (expenses) / income	(2,267)	-	(2,267)	3,636	-	3,636
	(162,140)	-	(162,140)	(90,147)	-	(90,147)
Operating result	21,501	679	22,180	24,616	502	25,118

Cost of goods manufactured / services provided:

Opening stock of work in process	30,960	-	30,960	6,670	-	6,670
Raw materials consumed	1,229,027	6,640	1,235,667	639,903	1,329	641,232
Packing materials consumed	88,609	-	88,609	49,457	-	49,457
Stores and spares consumed	1,505	964	2,469	3,324	466	3,790
Salaries, wages and other benefits	18,838	3,888	22,726	16,308	2,223	18,531
Fuel and power	19,839	9,876	29,715	11,332	1,819	13,151
Manufacturing charges paid to 3rd party	14,671	-	14,671	-	-	-
Repair and maintenance	1,280	423	1,703	406	57	463
Travelling, conveyance and others	369	133	502	-	-	-
Rent, rates and taxes	322	-	322	210	35	245
Insurance	364	109	473	648	91	739
Depreciation	2,224	667	2,891	1,624	228	1,852
PSI Marking fee	797	-	797	-	-	-
	1,408,805	22,700	1,431,505	729,882	6,248	736,130
Closing stock of work in process	(11,622)	-	(11,622)	(14,057)	-	(14,057)
	1,397,184	22,700	1,419,884	715,825	6,248	722,073

	For quarter ended 31 March 2011			For quarter ended 31 March 2010		
	Own	Toll	Total	Own	Toll	Total
	Manufacturing	Manufacturing		Manufacturing	Manufacturing	
	(Rupees in '000)					
Revenue - net	613,696	-	613,696	592,653	-	592,653
Cost of goods sold / services						
Opening balance of finished goods	164,452	-	164,452	126,262	-	126,262
Cost of goods manufactured / services provided	481,666	-	481,666	615,190	-	615,190
Less: Reimbursable manufacturing expense and processing loss	-	-	-	-	-	-
Available for sale	646,118	-	646,118	741,452	-	741,452
Closing balance of finished goods	(118,380)	-	(118,380)	(188,934)	-	(188,934)
	527,738	-	527,738	552,518	-	552,518
Gross profit / (loss)	85,958	-	85,957	40,135	-	40,135
Administration expenses	(6,663)	-	(6,663)	(4,723)	-	(4,723)
Selling and distribution expenses (charges) / Other income	(35,024)	-	(35,024)	(33,381)	-	(33,381)
	(2,063)	-	(2,063)	4,720	-	4,720
	(43,750)	-	(43,750)	33,384	-	33,384
Operating result	42,208	-	42,208	6,751	-	6,751


Wazir Ali Industries Limited

For quarter ended 31 March 2011			For quarter ended 31 March 2010		
Own	Toll	Total	Own	Toll	Total
Manufacturing	Manufacturing		Manufacturing	Manufacturing	

(Rupees in '000)

Cost of goods manufactured / services provided:

Opening stock of work in process	28,887	-	28,887	14,057	-	14,057
Raw materials consumed	412,843	-	412,843	575,319	-	575,319
Packing materials consumed	32,148	-	32,148	38,569	-	38,569
Stores and spares consumed	(317)	-	(317)	3,011	-	3,011
Salaries, wages and other benefits	1,782	-	1,782	10,510	-	10,510
Fuel and power	1,187	-	1,187	13,239	-	13,239
Manufacturing charges paid to 3rd party	14,671	-	14,671	-	-	-
Repair and maintenance	480	-	480	524	-	524
Travelling, conveyance and others	118	-	118	1,219	-	1,219
Rent, rates and taxes	148	-	148	52	-	52
Insurance	158	-	158	380	-	380
Depreciation	963	-	963	927	-	927
PSI Marking fee	221	-	221	794	-	794
	493,289	-	493,289	658,601	-	658,601
Closing stock of work in process	(11,622)	-	(11,622)	(43,411)	-	(43,411)
	481,667	-	481,667	615,190	-	615,190

- 15.1.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the nine months period ended 31 March 2011.
- 15.1.2 Variable costs incurred during the period have been allocated based on tonnages produced under toll manufacturing agreement, except those specifically incurred on own production.

16. ADMINISTRATION EXPENSES

This includes separation cost incurred amounting to Rs. 51.854 million paid to factory workers under Golden Handshake Scheme offered during the year through Collective Bargaining Agent (CBA) which has been accepted by workers.

17. OTHER OPERATING (EXPENSE) / INCOME

	(Unaudited) 31 March 2010	(Audited) 30 June 2010
	(Rupees in '000)	
Profit on foreign currency fixed deposit	314	195
Profit on local currency deposit	1,913	382
Gain on sale of fixed assets	-	310
Scrap sale of damage packing material / others	2,522	1,451
Mark-up receivable from Subsidiary Company	-	685
Loans to employees written off	(192)	-
Exchange gain	-	608
Provision for impairment store and spares	(4,000)	-
Provision for impaired debts	(1,799)	-
Provision against mark-up receivable from Subsidiary Company	(1,025)	-
Others	-	6
	<u>(2,267)</u>	<u>3,636</u>

18. 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), Wazir Ali Ventures (Private) Limited (Subsidiary Company), Mapak Edible Oils (Private) Limited, Mapak Bulklers (Private) Limited, ZIL Limited, Shakoo (Private) Limited and IGI Insurance 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 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. The aggregate value of transactions and with related parties during the nine months period ended 31 March 2011 other than those which have been disclosed elsewhere are as follows:

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
Holding Company		
Toll manufacturing fee	855	6,457
Common expenses allocated by related party	4,800	4,500
Mark-up on borrowing from Holding company	36,005	35,304
Fee charged under distribution and marketing agreement - refer note 1.2	27,810	26,734
Freight charges and other payments made on behalf of holding company	4,917	667
Payable against toll manufacturing	22,700	-
Cash receipts from holding company	9,408	-
Reimbursement of expenses under toll manufacturing agreement	22,524	-
Associated Companies		
Sales / services rendered	-	-
Purchases / services availed	584,861	744,377
Common expenses allocated to related party	1,581	-
Cash receipts from associated company	2,130	-
Insurance premium paid	1,754	-
Executive's remuneration	900	900

19. GENERAL

- 19.1** These condensed consolidated interim financial information has been prepared in Pak Rupee rounded off to nearest thousand.
- 19.2** These condensed consolidated interim financial information was approved in the Board of Directors meeting held on 26 April 2011 .



Chief Executive Officer



Director



Head Office:
F-33, Hub River Road, S.I.T.E.,
Karachi-75700, Pakistan.
Phones: (92-21) 32579683-87
Fax: (92-21) 32563734, 32578654

Factory:
P.O. Box # 26, Hali Road,
Hyderabad, Pakistan.
Phones: 0092-3221-881477-79
Fax: 0092-3221-880670