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	ABN AMRO Bank 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	3rd Floor, Kandawala Building M. A. Jinnah Road, Karachi. Telephone: +92.21.2259941 Fax: +92.21.2220874
LAHORE OFFICE	406-A, Office Block, Siddiq Trade Center, 72-Main Boulevard, Gulberg, Lahore. Telephone: +92.42.5787546-9 Fax: +92.42.5787582
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 would like to present the financial statements of the Company reviewed by the auditors for the half-year ended 31 December 2007.

Overview

The Sales Turnover of the Company was Rs. 443.880 M as against Rs. 442.341 M during the same period of last year indicating a increase of 0.35%. The Gross Profit percentage on Sales is, however, lower at 10.33% from 16.91% owing to continuous and steep increase in the price of raw edible oil in the international and local markets, the full extent of which has not been passed on to the customers.

The Administrative Expenses have increased by 9.38%. The Selling & Distribution Expenses decreased by 59.18% as a result of cost effective outsourcing of some of the services. The Financial Charges were lower by 19.67% due to better management of resources.

During the period under review, the company has suffered a pre tax loss of Rs. 17.446 M as against a loss of Rs. 21.361 M during the same period of the previous year (decrease of 18.33%).

Earning per share for the period under review is Rs. (2.42) negative as compared to Rs (2.88) negative during the same period of last year.

Shareholding

A share purchase agreement was signed between Dalda Foods (Pvt.) Limited and certain shareholders of the Company representing 45.934% for the purchase of the Ordinary Shares, on 17 December 2007. This was followed by a Public Offer by Dalda Foods (Pvt.) Limited on 22 December 2007 for the purchase of shares.

Board of Directors

Syed Naseem Ahmed, Mrs. Feriel Ali Mehdi and Syed Hasnain Ali resigned as Directors from the Board of Wazir Ali Industries Limited and Mr. Mohammad Rabbaani, Mr. Perwaiz Masud Ansari and Mr. Ahmed Sattar were co-opted as Nominee Directors of Dalda Foods (Pvt) Ltd on 19th February 2008.

Mr Abdus Samad was appointed as the Chief Executive Officer on 19th February 2008 in place of Syed Yawar Ali whose resignation was accepted by the Board.

Future Outlook

Edible oil seeds and raw edible oils, the major raw materials of cooking oil and ghee, have witnessed an unprecedented increase in prices. Soyabean, canola and palm oil prices have more than doubled in the last one year and they are at their historical highs at the moment and expected to go even higher. The burden of import duties and sales tax on this basic and essential food item for the common man is also increasing as it is linked with the increasing price of raw materials in Pakistan. Government has been apprised of the issue with the request for a dispassionate review.

The cost improvement measures which have been initiated and earlier referred will help in making your company a growing and profitable concern in coming years.

Going Concern

The directors have committed for continued financial support to keep the company as a going concern.

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 for efficient distribution to our customers. We also acknowledge the support from 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 to achieve excellence.

For and on behalf of the Board

Abdus Samad
Chief Executive Officer

Karachi: 10 March 2008

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Independent Auditors' Report on review of Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed unconsolidated interim balance sheet of **Wazir Ali Industries Limited ("the Company")** as at 31 December 2007 and the related condensed unconsolidated interim profit and loss account, condensed unconsolidated interim cash flow statement and condensed unconsolidated interim statement of changes in equity for the six months period ended 31 December 2007 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards as applicable in Pakistan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended 31 December 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of Matter

We draw attention to note 2.3 in this interim financial information which describes that the Company incurred a net loss of Rs. 19.294 million during the six months period ended on 31 December 2007 and, as of that date, its accumulated losses exceeded the shareholders equity by Rs. 139.120 million, while the current liabilities exceeded current assets by Rs. 40.919 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These interim financial information have however been prepared on a going concern basis on the assumptions stated in the said note.

KPMG Taseer Hadi & Co.

The figures for the quarter ended 31 December 2006 and 31 December 2007 in these condensed unconsolidated interim profit and loss account have not been reviewed and we do not express a conclusion thereon.

Date:

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Unconsolidated Interim Balance Sheet (Unaudited)

As at 31 December 2007

	Note	31 December 2007	(Audited) 30 June 2007
		(Rupees in '000)	
Assets			
Non-current assets			
Property, plant and equipment	6	**139,691**	141,901
Investment in subsidiary - at cost		**50,000**	50,000
Long term loans to employees - secured, considered good		**249**	249
Long term advances and security deposits - unsecured, considered good		**263**	431
Total non-current assets		**190,203**	192,581
Current Assets			
Stores and spares		**3,968**	4,251
Stock-in-trade	7	**80,051**	104,905
Trade debts - unsecured, considered good	8	**59,003**	37,236
Due from related parties	9	**7,986**	6,061
Loans and advances - considered good		**1,224**	2,205
Advances, deposits, pre-payments and other receivables		**8,096**	8,426
Taxation - net		**6,494**	5,769
Cash and bank balances	10	**101,198**	12,867
Total current assets		**268,020**	181,720
Total Assets		**458,223**	374,301
Equity			
Share capital and reserves			
Authorised capital			
8,000,000 (30 June 2007: 8,000,000) ordinary shares of Rs. 10 each		**80,000**	80,000
Issued, subscribed and paid up capital 7,986,000 (30 June 2007: 7,986,000) ordinary shares of Rs. 10 each		**79,860**	79,860
Accumulated losses		**(218,980)**	(200,722)
		(139,120)	(120,862)
Surplus on revaluation of property, plant and equipment	11	**121,361**	122,397
Non-Current Liabilities			
Liabilities against asset subject to finance lease		**-**	124
Long term borrowings - secured	12	**6,117**	23,816
Long term deposits		**760**	760
Sub-ordinated loan - unsecured	13	**150,000**	-
Deferred taxation		**9,002**	9,560
Deferred liabilities - employee benefits		**1,164**	2,240
Total non-current liabilities		**167,043**	36,500
Current liabilities			
Current maturity of long term borrowings	12	**28,725**	21,413
Liabilities against assets subject to finance lease		**291**	324
Short term borrowings - secured	14	**34,388**	153,424
Mark-up payable on borrowings		**6,346**	5,012
Trade and other payables	15	**239,189**	156,093
Total current liabilities		**308,939**	336,266
Total Equity and Liabilities		**458,223**	374,301
Contingencies	16		

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Condensed Unconsolidated Interim Profit and Loss Account (Unaudited)

For the six months period ended 31 December 2007

	Note	**Six months period ended 31 December 2007**	Six months period ended 31 December 2006	**Quarter ended 31 December 2007**	Quarter ended 31 December 2006
		---- (Rupees in '000) ----			
Revenue - net		**443,880**	442,341	**223,187**	192,048
Cost of goods sold / services		**(398,029)**	(367,523)	**(210,219)**	(170,159)
Gross profit	*17*	**45,851**	74,818	**12,968**	21,889
Distribution and marketing expenses	*18*	**(29,068)**	(71,202)	**(11,566)**	(28,974)
Administration expenses		**(14,599)**	(13,347)	**(8,934)**	(6,842)
		(43,667)	(84,549)	**(20,500)**	(35,816)
Other (charges) / income	*19*	**(8,972)**	1,638	**(9,435)**	948
Operating loss		**(6,788)**	(8,093)	**(16,967)**	(12,979)
Financial charges		**(10,658)**	(13,268)	**(4,744)**	(7,292)
Loss before taxation		**(17,446)**	(21,361)	**(21,711)**	(20,271)
Taxation - current and deferred		**(1,848)**	(1,659)	**(616)**	(784)
Loss for the period		**(19,294)**	(23,020)	**(22,327)**	(21,055)
		(Rupees)		**(Rupees)**	
Loss per share - basic and diluted		**(2.42)**	(2.88)	**(2.80)**	(2.64)

Loss per share - basic and diluted for the prior period has been adjusted for the increase in the number of ordinary shares as a result of issuance of bonus shares.

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Condensed Unconsolidated Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 31 December 2007

	Issued, subscribed & paid-up capital	Capital reserve	Revenue reserves		Total
		Share premium	General reserves	Accumulated loss	
	---------- (Rupees in '000) ----------				
Balance as at 1 July 2006	76,057	14,449	66,067	(204,133)	**(47,560)**
Changes in equity for the six months period ended 31 December 2006					
Loss for the six months period	-	-	-	(23,020)	**(23,020)**
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,956	**1,956**
Total recognised (expense) for the six months period	-	-	-	(21,064)	**(21,064)**
Balance as at 31 December 2006	76,057	14,449	66,067	(225,197)	**(68,624)**
Balance as at 1 July 2007	79,860	10,646	66,067	(277,435)	**(120,862)**
Changes in equity for the six months period ended 31 December 2007					
Loss for the six months period	-	-	-	(19,294)	**(19,294)**
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,036	**1,036**
Total recognised (expense) for the six months period	-	-	-	(18,258)	**(18,258)**
Balance as at 31 December 2007	**79,860**	**10,646**	**66,067**	**(295,693)**	**(139,120)**

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended 31 December 2007

	Six months period ended 31 December 2007	Six months period ended 31 December 2006
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(17,446)**	(21,361)
Adjustments for:		
- Depreciation	**2,210**	2,562
- Profit on sale of property, plant and equipment	**(330)**	(687)
- Financial charges	**10,658**	12,963
- Other charges	**7,986**	-
- Provision for deferred liabilities	**416**	73
- Workers' welfare fund	**-**	7
Operating profit / (loss) before working capital changes	**3,494**	(6,443)
Decrease / (increase) in stores and spares	**283**	(665)
Decrease / (increase) in stock in trade	**24,854**	(39,722)
Decrease in goods in transit	**-**	5,634
(Increase) in trade debts	**(21,767)**	(21)
Decrease in loans and advances	**981**	11
(Increase) in due from affiliated companies	**(1,925)**	-
Decrease / (increase) in advances, deposits, pre-payments and other receivables	**330**	(3,880)
Increase in trade and other payables	**83,096**	39,958
Cash generated from / (used in) operations	**89,346**	(5,128)
Compensated absences paid	**(1,492)**	(312)
Long term advances and security deposits	**168**	(28)
Financial charges paid	**(17,310)**	(10,004)
Income tax paid	**(3,131)**	(1,798)
Net cash from / (used in) operating activities	**67,581**	(17,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**-**	(163)
Proceeds from sale of items of property, plant and equipment	**330**	963
Net cash from investing activities	**330**	800
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment long term finance	**(10,387)**	(9,221)
Lease rentals paid	**(157)**	(176)
Sub-ordinated loan obtained	**150,000**	-
Short term borrowings (paid) / obtained	**(119,036)**	3,778
Net cash form / (used in) financing activities	**20,420**	(5,619)
Net increase / (decrease) in cash and cash equivalents	**88,331**	(22,089)
Cash and cash equivalents at beginning of the period	**12,867**	(80,473)
Cash and cash equivalents at end of the period	**101,198**	(102,562)
Cash and cash equivalents		
Cash and bank balances	**101,198**	15,364
Short term borrowings	**-**	(117,926)
	101,198	(102,562)

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Wazir Ali Industries Limited

For the six months period ended 31 December 2007

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 Kandawala Building Karachi, Pakistan.

1.2 The Company entered into an agreement with Dalda Foods (Private) Limited (DFL) - an associated company on 1 January 2007, whereby DFL 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 DFL; which include selling of the Company's products through DFL sales and distribution network and marketing management support by DFL to the Company. Another agreement: "Toll Manufacturing Service", was signed between DFL and the Company with effect from February 2007. Under theagreement, DFL guarantees that it will place orders at minimum of 10,000 tons annually. The Company is entitled to charge toll manufact uring fee at the rates specified in the agreement. The agreement signed between DFL and the Company may be terminated on providing 6 months notice by either party.

2. Statement of Compliance

2.1 These condensed unconsolidated interim financial statements for the six months period ended are unaudited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) and IAS 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed unconsolidated interim financial statements do 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 2007. These condensed unconsolidated interim financial statements have been prepared in Pak Rupee rounded off to nearest thousand.

2.2 These condensed unconsolidated interim financial statements are being submitted to the shareholders as required by listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

2.3 These financial statements have been prepared on the assumption that the Company would continueas a going concern although the Company has incurred a net loss of Rs. 19.294 million during the six months period ended 31 December 2007 and, as of that date, its accumulated loss exceeded the shareholders equity by Rs. 139.120 million (June 2007: Rs. 120.862 million), while the current liabilities exceeded current assets by Rs.40.919 million (June 2007: Rs. 154.546 million). The assumptions that the Company would continue as a going concern are as follows:

- Future profitability, restructuring of Company's activities and the undertaking of financial support of the directors, if required. As part of restructuring efforts, the Company has entered into certain agreements with Dalda Foods (Private) Limited for the utilisation of its idle capacity and obtaining various operational services from DFL as stated in note 1.2 above.

- Subsequent to the period end, Dalda Foods (Private) Limited acquired 3,979,109 shares, increasing its holding to 73.64 % (30 June 2007 : 23.81%). As a result, the Company has become subsidiary of Dalda Foods (Private) Limited and accordingly new management has taken over the control of the company.

- Subordinated loan of Rs. 150 million provided by DFL as disclosed in note 13 to these condensed unconsolidated interim financial statements.

3. Significant accounting policies

The accounting policies applied for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in preparation of the annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2007.

3.1 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing related products or services (business segment), or in providing products or services within a particul are conomic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Company's business and geographical segments. The Company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (otherthan investment property) and related revenue, loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant andequipment, and intangible assets other than goodwill.

4. Use of estimates and judgments

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation for uncertainty were the same as those applied to the unconsolidated financial statements as at and for the year ended 30 June 2007.

5. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements as at and for the year ended 30 June 2007.

6. Property, plant and equipment - at cost / revaluation less accumulated depreciation

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
		(Rupees in '000)	
Operating fixed assets	*6.1*	**138,592**	141,901
Capital work-in-progress	*6.2*	**1,099**	1,099
		139,691	143,000

6.1 **Operating fixed assets**

Opening book value	**140,802**	102,454
Increase due to revaluation	**-**	43,792
Disposals - Vehicle	**-**	(405)
Depreciation	**(2,210)**	(5,039)
	138,592	140,802

6.2 **Capital work-in-progress**

	(Unaudited) 31 December 2007	(Audited) 30 June 2007
	(Rupees in '000)	
Opening value	**1,099**	936
Additions during the period	**-**	163
	1,099	1,099

7. Stock-in-trade

Raw materials	**745**	1,526
Packing materials	**14,767**	10,938
Work-in-process	**14,010**	10,616
	29,522	23,080
Finished goods - Ghee and cooking oil	**48,798**	80,506
Acid oil (by-product)	**1,731**	1,319
	80,051	104,905

7.1 Items of stock in trade are part of the overall security given to the banks for financing facilitiesobtained from them.

8. Trade debts - unsecured, considered good

Trade debts - considered good		**60,003**	37,236
Doubtful debts		**20,616**	20,616
		80,619	57,852
Provision for impaired debts		**(21,616)**	(20,616)
		59,003	37,236

9. Due from related parties

Due from an associated company	9.1	**2,238**	1,369
Due from a subsidiary company	9.2	**5,748**	4,692
		7,986	6,061

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.

	(Unaudited) 31 December 2007	(Audited) 30 June 2007
	(Rupees in '000)	
10. Cash and bank balances		
Cash in hand	**479**	**190**
With bank, in current accounts	**100,719**	**12,677**
	101,198	**12,867**
11. Surplus on revaluation of property, plant and equipment		
Opening balance	**131,957**	91,523
Revaluation during the period / year	**-**	43,792
Surplus transferred to accumulated loss in respect of incremental depreciation charged on related assets during the period / year	**(1,594)**	(3,358)
	130,363	131,957
Less: related deferred tax liability	**(9,002)**	(9,560)
	121,361	122,397

This represents surplus arising on revaluation of freehold land, building and plant and machinery of the Company. The revaluations were carried out under market value basis by independent valuers M/s Iqbal A Nanjee & Co. and M/s Imran Associates on 31 January 2005, M/s Iqbal A Nanjee &Co. on 30 September 2003 and M/s Iqbal A Nanjee & Co. on 18 September 2006.

12. Long term borrowings

From:			
-Banking company - secured	*12.1*	**6,117**	17,816
-Related party - unsecured	*12.2*	**-**	6,000
		6,117	23,816

12.1 Banking company - secured

Balance as on 1 July	**39,229**	58,239
Repayments made during the period / year	**(10,387)**	(19,010)
	28,842	39,229
Current maturity	**(22,725)**	(21,413)
	6,117	17,816

12.1.1 This represents term finance facility obtained from ABN Amro Bank (formerly Prime Commercial Bank Limited) Karachi amounting to Rs. 80 million (June 2007: Rs. 80 million) repayable in 16 quarterly instalments alongwith mark-up over a term of 5 years, including one year grace period of repayment of principal. The loan carries mark-up at rate of 3 months KIBOR plus 200 bps with afloor of 12% per annum. The facility is secured against first parri passu charge of Rs. 135 million on present and future assets of the Company including freehold land, building, machinery, stock in trade and trade debts.

12.2 This represents loan obtained from a director of the Company during the last year. The loan carries mark-up at the rate of 10 % per annum. This loan has been settled subsequent to the period end.

13. Sub-ordinated loan - unsecured

This loan has been borrowed from Dalda Foods (Private) Limited. The loan is unsecured and is repayable in 20 equal quarterly instalments after the expiry of 2 years grace period. It carries mark-up at the rate of 6 months KIBOR plus 1.5 per annum.

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
		(Rupees in '000)	
14. Short term borrowings - secured			
Running finance against mark-up arrangement	*14.1*	**-**	119,839
Finance against trust receipt (FATR)	*14.2*	**34,388**	33,585
		34,388	153,424

14.1 Facilities for finance against trust receipt from certain banks at 31 December 2007 amounted to Rs.40 million (30 June 2007: Rs. 40 million). These facilities carry mark-up rate of 3 months KIBOR plus200 bps with a floor of 11 % per annum (30 June 2007: 3 months KIBOR plus 2 % with a floor of 8 %per annum) and are secured against securities specified in note 12.1.1 and import documents.

14.2 Facilities for opening letters of credit from certain banks at 31 December 2007 amounted to Rs. 75 million (30 June 2007: Rs. 75 million). The facility of Rs. 45 million is secured against securities specified in 12.1.1 and import documents and facility of Rs. 30 million is secured against 10 % cash margin, import documents, present and future charge over fixed and current assets of Rs. 8.334 million and Rs. 30 million respectively. Facilities utilised as at 31 December 2007 amounted to Rs.11.297 million (30 June 2007: Rs. 19.158 million).

14.3 In addition, the Company also has guarantee facilities of Rs. 6.071 million (30 June 2007: Rs. 6.071million) from banks. Facility utilised as at 31 December 2007 amounted to Rs. 6.071 million (30 June2007: Rs. 6.071 million). This is secured against cash margin of Rs. 6.071 million (30 June 2007: Rs.6.071 million).

15. Trade and other payables

Trade payables for:			
- Goods		**2,134**	81,613
- Expenses		**5,628**	5,445
- Inland letters of credits		**9,015**	19,750
		16,777	106,808
Accrued expenses		**19,260**	17,995
Advances from customers		12,252	12,198
Unclaimed dividends		533	533
Excise duty and sales tax payable		-	214
Due to related parties	15.1	189,550	16,548
Other liabilities		817	1,797
		239,189	156,093

15.1 This represents unsecured balance payable to Dalda Foods (Private) Limited - an associated company amounting to Rs.189.544 million (30 June 2007: 16.504 million).

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
16.	**Contingencies**	(Rupees in '000)	
16.1	Claims against the Company not acknowledged as debts	**13,673**	14,857
16.2	Bank guarantee	**6,071**	6,071

	Six months period ended 31 December 2007			Six months period ended 31 December 2006	Quarter ended 31 December 2007			Quarter ended 31 December 2006
	Own Manufacturing	**Toll Manufacturing**	**Total**		**Own Manufacturing**	**Toll Manufacturing**	**Total**	
	(Rupees in '000)							
17. Information about segments								
Revenue - net	**406,818**	**37,062**	**443,880**	442,341	**200,198**	**22,989**	**223,187**	192,048
Cost of goods sold / services								
Opening balance of finished goods	**81,825**	**-**	**81,825**	11,404	**57,045**	**-**	**57,045**	13,973
Cost of goods manufactured / services provided	**330,103**	**36,630**	**366,733**	402,414	**188,525**	**15,178**	**203,703**	202,481
Available for sale	**411,928**	**36,630**	**448,558**	413,818	**245,570**	**15,178**	**260,748**	216,454
Closing balance of finished goods	**(50,529)**	**-**	**(50,529)**	(46,295)	**(50,529)**	**-**	**(50,529)**	(46,295)
	361,399	**36,630**	**398,029**	367,523	**195,041**	**15,178**	**210,219**	170,159
Gross profit / (loss)	**45,419**	**432**	**45,851**	74,818	**5,157**	**7,811**	**12,968**	21,889
Cost of goods manufactured / services provided:								
Opening stock of work in process	**10,615**	**-**	**10,615**	10,080	**4,654**	**-**	**4,654**	12,960
Raw materials consumed	* **290,899**	**12,350**	**303,249**	333,597	**180,011**	**-**	**180,011**	168,536
Packing materials consumed	**18,442**	**-**	**18,442**	42,112	**7,721**	**-**	**7,721**	20,268
Stores and spares consumed	**1,371**	**3,050**	**4,421**	2,306	**591**	**1,416**	**2,007**	1,319
Salaries, wages and other benefits	**10,428**	**5,493**	**15,921**	14,648	**2,023**	**4,840**	**6,863**	7,245
Contribution to provident fund	**360**	**-**	**360**	378	**167**	**-**	**167**	185
Fuel and power	**6,345**	**14,123**	**20,468**	12,554	**3,054**	**7,308**	**10,362**	6,532
Repair and maintenance	**568**	**-**	**568**	531	**369**		**369**	283
Rent, rates and taxes	**18**	**-**	**18**	1	**1**	**-**	**1**	1
Insurance	**422**	**-**	**422**	347	**211**	**-**	**211**	211
Depreciation	**1,581**	**-**	**1,581**	1,710	**748**	**-**	**748**	791
Others	**3,064**	**1,614**	**4,678**	-	**2,985**	**1,614**	**4,582**	-
	344,133	**36,630**	**380,743**	418,264	**202,535**	**15,178**	**217,713**	218,331
Closing stock of work in process	**(14,010)**	**-**	**(14,010)**	(15,850)	**(14,010)**	**-**	**(14,010)**	(15,850)
	330,130	**36,630**	**366,733**	402,414	**188,525**	**15,178**	**203,703**	202,481

* This includes raw material of Rs. 182.278 million borrowed from Dalda Foods (Private) Limited.

17.1 Variable costs incurred during the period have been allocated based on tonnages produced under toll manufacturing agreement. Reasonable basis for allocation of fixed costs to toll manufacturing segment are being developed, hence all fixed costs have been included in own manufacturing segment.

17.2 There was no toll manufacturing service upto 31 December 2006. Therefore, comparative information for the six months period and quarter ended 31 December 2006 represents results of own manufacturing.

18. Distribution and marketing expenses

These include charges amounting to Rs. 11.164 million paid to DFL for marketing and distribution activities based on fixed rates provided in the agreement (refer note 1.2). During the period, marketing and distribution activities of the Company have been performed by DFL; therefore, freight and sales promotion expenses of the Company have been reduced to Rs. 11.164 million (six months period ended 31 December 2006: Rs. 52.613 million).

19. Other (charges) / income

These include Rs. 7.986 million (six months period ended 31 December 2006: Rs. Nil) on account of remeasurement of liability against inventory borrowed from Dalda Foods (Private) Limited andRs. 1 million (six months period ended 31 December 2006: Rs. Nil) for provision for bad debts.

20. Transactions with related parties

The related parties and associated undertakings comprise local associated companies, staff retirement funds, directors and key management personnel.

Associated companies with whom such transactions have taken place include Zulfeqar IndustriesLimited, IGI Insurance Company Limited, Wazir Ali Ventures (Private) Limited, Mapak Qasim Edible Oils, Shakoo (Private) Limited and Treet Corporation Limited. These are associated companies as they are either under the same management and / or with common directors. The Company continues to have a policy whereby all transactions with related parties and associated undertakings are entered into at arm's length prices using the comparable uncontrolled price method for purchases and sales and cost plus method for other transactions. Contributions to the defined contribution plan (provident fund) are made as per the terms of employment. Further, remuneration to key management personnel are as per the terms of their employment.

Transactions with related parties during the six months are as follows:

	Six months period ended	
	31 December 2007	31 December 2006
	(Rupees in '000)	
Contribution to staff retirement funds	**486**	1,561
Executive's remuneration	**608**	620
Sales / services rendered	**712**	1,524
Purchases / services availed	**239,729**	234
Common expenses allocated to subsidiary company	**886**	352
Common expenses allocated to related party	**797**	-
Common expenses allocated by related party	**136**	-
Cash receipts from associated company	**26,335**	-
Freight charges paid on behalf of associated company	**3,532**	-
Toll manufacturing fee	**37,062**	-
Financial charges	**7,986**	-
Fee charged under distribution and marketing agreement - refer note 1.2	**11,164**	-
Insurance premium paid	**-**	922
Rent expense	**63**	75

21. Date of authorisation

These condensed unconsolidated interim financial statements were approved in the Board of Directors meeting held on 10 March 2008.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Wazir Ali Industries Limited

and its Subsidiary

Consolidated FINANCIAL STATEMENTS

(UN-AUDITED)

SIX MONTHS PERIOD ENDED
December 31, 2007

DIRECTORS' REVIEW
Consolidated Accounts

The Directors of the Company would like to present the financial statements of the Company reviewed by the auditors for the half-year ended 31 December 2007.

Overview

The Sales Turnover of the Company was Rs. 443.880 M as against Rs. 442.341 M during the same period of last year indicating an increase of 0.35%. The Gross Profit percentage on Sales is, however, lower at 10.33% from 16.91% owing to continuous and steep increase in the price of raw edible oil in the international and local markets, the full extent of which has not been passed on to the customers.

The Administrative Expenses are at the same level as last year. The Selling & Distribution Expenses decreased by 59.18% as a result of cost effective outsourcing of some of the services. The Financial Charges were lower by 5.81% due to better management of resources.

During the period under review, the company has suffered a pre tax loss of Rs. 21.749 M as against a loss of Rs. 25.183 M during the same period of the previous year (decrease of 13.64%).

Earning per share for the period under review is Rs. (2.95) negative as compared to Rs (3.53) negative during the same period of last year.

Shareholding

A share purchase agreement was signed between Dalda Foods (Pvt.) Limited and certain shareholders of the Company representing 45.934% for the purchase of the Ordinary Shares, on 17 December 2007. This was followed by a Public Offer by Dalda Foods (Pvt.) Limited on 22 December 2007 for the purchase of shares.

Board of Directors

Syed Naseem Ahmed, Mrs. Feriel Ali Mehdi and Syed Hasnain Ali resigned as Directors from the Board of Wazir Ali Industries Limited and Mr. Mohammed Rabbaani, Mr. Perwaiz Masud Ansari and Mr. Ahmed Sattar were co-opted as Nominee Directors of Dalda Foods (Pvt) Ltd on 19th February 2008.

Mr Abdus Samad was appointed as the Chief Executive Officer on 19th February 2008 in place of Syed Yawar Ali whose resignation was accepted by the Board.

Future Outlook

Edible oil seeds and raw edible oils, the major raw materials of cooking oil and ghee, have witnessed an unprecedented increase in prices. Soyabean, canola and palm oil prices have more than doubled in the last one year and they are at their historical highs at the moment and expected to go even higher. The burden of import duties and sales tax on this basic and essential food item for the common man is also increasing as it is linked with the increasing price of raw materials in Pakistan. Government has been apprised of the issue with the request for a dispassionate review.

The cost improvement measures which have been initiated and earlier referred will help in making your company a growing and profitable concern in coming years.

Going Concern

The directors have committed for continued financial support to keep the company as a going concern.

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 for efficient distribution to our customers. We also acknowledge the support from 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 to achieve excellence

For and on behalf of the Board

Abdus Samad
Chief Executive Officer

Karachi: 10 March 2008

Wazir Ali Industries Limited

Condensed Consolidated Interim Balance Sheet (Unaudited)

As at 31 December 2007

	Note	31 December 2007	(Audited) 30 June 2007
		(Rupees in '000)	
Assets			
Non-current assets			
Property, plant and equipment	6	**139,691**	141,901
Investment Property		**108,000**	108,000
Long term loans to employees - secured, considered good		**249**	249
Long term advances and security deposits - unsecured, considered good		**263**	431
Total non-current assets		**248,203**	250,581
Current Assets			
Stores and spares		**3,968**	4,251
Stock-in-trade	7	**80,051**	104,905
Trade debts - unsecured, considered good	8	**59,003**	37,236
Due from related parties	9	**2,238**	1,369
Loans and advances - considered good		**1,224**	2,205
Advances, deposits, pre-payments and other receivables		**8,266**	8,426
Taxation - net		**6,760**	5,951
Cash and bank balances	10	**116,680**	28,262
Total current assets		**278,190**	192,605
Total Assets		**526,393**	443,186
Equity			
Share capital and reserves			
Authorised capital			
8,000,000 (30 June 2007: 8,000,000)			
ordinary shares of Rs. 10 each		**80,000**	80,000
Issued, subscribed and paid up capital			
7,986,000 (30 June 2007: 7,986,000) ordinary shares of Rs. 10 each		**79,860**	79,860
Accumulated losses		**(314,325)**	(291,764)
		(234,465)	(211,904)
Surplus on revaluation of property, plant and equipment	11	**206,743**	207,779
Non-Current Liabilities			
Liabilities against asset subject to finance lease		**-**	124
Long term borrowings - secured	12	**55,443**	78,608
Long term deposits		**760**	760
Sub-ordinated loan - unsecured	13	**150,000**	-
Deferred taxation		**16,090**	16,647
Deferred liabilities - employee benefits		**1,164**	2,240
Total non-current liabilities		**223,457**	98,379
Current liabilities			
Current maturity of long term borrowings	12	**36,899**	24,121
Liabilities against assets subject to finance lease	14	**291**	324
Short term borrowings - secured		**43,821**	161,215
Mark-up payable on borrowings		**6,346**	7,135
Trade and other payables	15	**243,301**	156,137
Total current liabilities		**330,658**	348,932
Total Equity and Liabilities		**526,393**	443,186
Contingencies	16		

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Wazir Ali Industries Limited

Condensed Consolidated Interim Profit and Loss Account (Unaudited)

For the six months period ended 31 December 2007

	Note	**Six months period ended 31 December 2007**	Six months period ended 31 December 2006	**Quarter ended 31 December 2007**	Quarter ended 31 December 2006
		(Rupees in '000)			
Revenue - net		**443,880**	442,341	**223,187**	192,048
Cost of goods sold / services		**(398,029)**	(367,523)	**(210,219)**	(170,159)
Gross profit	*17*	**45,851**	74,818	**12,968**	21,889
Distribution and marketing expenses	*18*	**(29,068)**	(71,202)	**(11,566)**	(28,974)
Administration expenses		**(15,497)**	(15,484)	**(9,352)**	(8,980)
		(44,565)	(86,686)	**(20,918)**	(37,954)
Other (charges) / income	*19*	**(8,098)**	2,543	**(8,893)**	1,854
Operating loss		**(6,812)**	(9,325)	**(16,843)**	(14,211)
Financial charges		**(14,937)**	(15,858)	**(6,918)**	(9,881)
Loss before taxation		**(21,749)**	(25,183)	**(23,761)**	(24,093)
Taxation - current and deferred		**(1,848)**	(1,659)	**(616)**	(784)
Loss for the period		**(23,597)**	(26,842)	**(24,377)**	(24,877)
		(Rupees)		**(Rupees)**	
Loss per share - basic and diluted		**(2.95)**	(3.36)	**(3.05)**	(3.12)

Loss per share - basic and diluted for the prior period has been adjusted for the increase in the number of ordinary shares as a result of issuance of bonus shares.

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Wazir Ali Industries Limited

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 31 December 2007

	Issued, subscribed & paid-up capital	Capital reserve Share premium	Revenue reserves General reserves	Revenue reserves Accumulated loss	Total
	(Rupees in '000)				
Balance as at 1 July 2006	76,057	14,449	66,067	(297,480)	**(140,907)**
Changes in equity for the six months period ended 31 December 2006					
Loss for the six months period	-	-	-	(26,842)	**(26,842)**
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,956	**1,956**
Total recognised (expense) for the six months period	-	-	-	(24,886)	**(24,886)**
Balance as at 31 December 2006	76,057	14,449	66,067	(322,366)	**(165,793)**
Balance as at 1 July 2007	79,860	10,646	66,067	(368,477)	**(211,904)**
Changes in equity for the six months period ended 31 December 2007					
Loss for the six months period	-	-	-	(23,597)	**(23,597)**
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,036	**1,036**
Total recognised (expense) for the six months period	-	-	-	(22,561)	**(22,561)**
Balance as at 31 December 2007	**79,860**	**10,646**	**66,067**	**(391,038)**	**(234,465)**

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Wazir Ali Industries Limited

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended 31 December 2007

	Six months period ended 31 December 2007	Six months period ended 31 December 2006
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(21,749)**	(25,183)
Adjustments for:		
- Depreciation	**2,210**	2,562
- Profit on sale of property, plant and equipment	**(330)**	(687)
- Financial charges	**14,937**	15,552
- Other charges	**7,986**	-
- Provision for deferred liabilities	**416**	73
- Workers' welfare fund	**-**	7
Operating profit / (loss) before working capital changes	**3,470**	(7,675)
Decrease / (increase) in stores and spares	**283**	(665)
Decrease / (increase) in stock in trade	**24,854**	(39,722)
Decrease in goods in transit	**-**	5,634
(Increase) in trade debts	**(21,767)**	(21)
Decrease in loans and advances	**981**	(79)
(Increase) in due from affiliated companies	**(869)**	-
Decrease / (increase) in advances, deposits, pre-payments and other receivables	**160**	(3,451)
Increase in trade and other payables	**87,164**	39,958
Cash generated from / (used in) operations	**94,276**	(6,021)
Compensated absences paid	**(1,492)**	(312)
Long term advances and security deposits	**168**	(28)
Financial charges paid	**(17,530)**	(11,755)
Income tax paid	**(3,396)**	(1,798)
Net cash from / (used in) operating activities	**72,026**	(19,917)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**-**	(163)
Proceeds from sale of items of property, plant and equipment	**330**	963
Net cash from investing activities	**330**	800
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment long term finance	**(10,387)**	(9,227)
Lease rentals paid	**(157)**	(171)
Sub-ordinated loan obtained	**150,000**	-
Short term borrowings (paid) / obtained	**(123,394)**	3,778
Net cash form / (used in) financing activities	**16,062**	(5,620)
Net increase / (decrease) in cash and cash equivalents	**88,418**	(24,737)
Cash and cash equivalents at beginning of the period	**28,262**	(66,205)
Cash and cash equivalents at end of the period	**116,680**	(90,942)
Cash and cash equivalents		
Cash and bank balances	**116,680**	31,311
Short term borrowings	**-**	(122,253)
	116,680	(90,942)

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Karachi: 10-Mar-08

Chief Executive Officer

Director

Wazir Ali Industries Limited

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the six months period ended 31 December 2007

1. Status and nature of business

1.1 Wazir Ali Industries Limited ("the Holding 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 Kandawala Building Karachi, Pakistan.

Wazir Ali Ventures (Private) Limited ("the Subsidiary") was incorporated as private limited company under the Companies Ordinance, 1984. The Subsidiary was incorporated on 9 May 2005. The principal activity of the Subsidiary is to develop / construct and sale of buildings and related infrastructure. The registered office of the Subsidiary is located at Kandawala Building Karachi, Pakistan.

1.2 The Company entered into an agreement with Dalda Foods (Private) Limited (DFL) - an associated company on 1 January 2007, whereby DFL has agreed to provide various services such asaccounting, 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 DFL; which include selling of the Company's products through DFL sales and distribution network and marketing management support by DFL to the Company. Another agreement: "Toll Manufacturing Service", was signed between DFL and the Company with effect from February 2007. Under the agreement, DFL 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 specified in the agreement. The agreement signed between DFL and the Company may be terminated on providing 6 months noticeby either party.

1.3 Subsidiaries are those entities in which the parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securrities or otherwise has the power to elect and appoint more than 50% of its directors. The financial statement of the Subsidiary are included in the consolidated financial statements from the date control commences until the date control ceases.

The assets and liabilities of the Subsidiary have been consolidated on a line-by-line basis. All intra group balance and transactions have been eliminated.

2. Statement of Compliance

2.1 These condensed consolidated interim financial statements for the six months period ended are unaudited and have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) and IAS 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed consolidated interim financial statements do 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 2007. These condensed consolidated interim financial statements have been prepared in Pak Rupee rounded off to nearest thousand.

2.2 These condensed consolidated interim financial statements are being submitted to the shareholders as required by listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

2.3 These financial statements have been prepared on the assumption that the Company would continueas a going concern although the Company has incurred a net loss of Rs. 23.597 million during the six months period ended 31 December 2007 and, as of that date, its accumulated loss exceeded the shareholders equity by Rs. 234.465 million (June 2007: Rs. 211.904 million), while the current liabilities exceeded current assets by Rs.52.468 million (June 2007: Rs. 156.327 million). The assumptions that the Company would continue as a going concern are as follows:

- Future profitability, restructuring of Company's activities and the undertaking of financial support of the directors, if required. As part of restructuring efforts, the Company has entered into certain agreements with Dalda Foods (Private) Limited for the utilisation of its idle capacity and obtaining various operational services from DFL as stated in note 1.2 above.

- Subsequent to the period end, Dalda Foods (Private) Limited acquired 3,979,109 shares, increasing its holding to 73.64 % (30 June 2007 : 23.81%). As a result, the Company has become subsidiary of Dalda Foods (Private) Limited and accordingly new management has taken over the control of the company.

- Subordinated loan of Rs. 150 million provided by DFL as disclosed in note 13 to these condensed consolidated interim financial statements.

3. Significant accounting policies

The accounting policies applied for the preparation of these condensed consolidated interim financial statements are the same as those applied in preparation of the annual audited consolidated financial statements of the Company as at and for the year ended 30 June 2007.

3.1 **Segment reporting**

A segment is a distinguishable component of the Company that is engaged in providing related products or services (business segment), or in providing products or services with in a particul are conomic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Company's business and geographical segments. The Company's primary format for segment reporting is based on business segments. The business segments are determined based on theCompany's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses,corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4. Use of estimates and judgments

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation for uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2007.

5. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2007.

6. Property, plant and equipment - at cost / revaluation less accumulated depreciation

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
		(Rupees in '000)	
Operating fixed assets	*6.1*	**138,592**	141,901
Capital work-in-progress	*6.2*	**1,099**	1,099
		139,691	143,000

6.1 **Operating fixed assets**

Opening book value	**140,802**	102,454
Increase due to revaluation	**-**	43,792
Disposals - Vehicle	**-**	(405)
Depreciation	**(2,210)**	(5,039)
	138,592	140,802

6.2 **Capital work-in-progress**

	(Unaudited) 31 December 2007	(Audited) 30 June 2007
	(Rupees in '000)	
Opening value	**1,099**	936
Additions during the period	**-**	163
	1,099	1,099

7. Stock-in-trade

Raw materials	**745**	1,526
Packing materials	**14,767**	10,938
Work-in-process	**14,010**	10,616
	29,522	23,080
Finished goods - Ghee and cooking oil	**48,798**	80,506
Acid oil (by-product)	**1,731**	1,319
	80,051	104,905

7.1 Items of stock in trade are part of the overall security given to the banks for financing facilities obtained from them.

8. Trade debts - unsecured, considered good

Trade debts - considered good	**60,003**	37,236
Doubtful debts	**20,616**	20,616
	80,619	57,852
Provision for impaired debts	**(21,616)**	(20,616)
	59,003	37,236

9. Due from related parties

Due from an associated company	*9.1*	**2,238**	1,369
		2,238	1,369

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.

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
10.	**Cash and bank balances**	(Rupees in '000)	
	Cash in hand	**479**	190
	With bank, in current accounts	**100,719**	12,677
	Term deposit	**15,482**	15,395
		116,680	28,262

11.	**Surplus on revaluation of property, plant and equipment**		
	Opening balance	**217,339**	176,905
	Revaluation during the period / year	**-**	43,792
	Surplus transferred to accumulated loss in respect of incremental depreciation charged on related assets during the period / year	**(1,594)**	(3,358)
		215,745	217,339
	Less: related deferred tax liability	**(9,002)**	(9,560)
		206,743	207,779

This represents surplus arising on revaluation of freehold land, building and plant and machinery of the Company. The revaluations were carried out under market value basis by independent valuersM/s Iqbal A Nanjee & Co. and M/s Imran Associates on 31 January 2005, M/s Iqbal A Nanjee &Co. on 30 September 2003 and M/s Iqbal A Nanjee & Co. on 18 September 2006.

12.	**Long term borrowings**			
	From:			
	-Banking company - secured	*12.1*	**55,443**	72,608
	-Related party - unsecured	*12.2*	**-**	6,000
			55,443	78,608

12.1	**Banking company - secured**		
	Balance as on 1 July	**96,729**	115,739
	Repayments made during the period / year	**(10,387)**	(19,010)
		86,342	96,729
	Current maturity	**(30,899)**	(24,121)
		55,443	72,608

12.1.1 This represents term finance facility obtained from ABN Amro Bank (formerly Prime Commercial Bank Limited) Karachi amounting to Rs. 80 million (June 2007: Rs. 80 million) repayable in 16 quarterly instalments alongwith mark-up over a term of 5 years, including one year grace period ofrepayment of principal. The loan carries mark-up at rate of 3 months KIBOR plus 200 bps with afloor of 12% per annum. The facility is secured against first parri passu charge of Rs. 135 million on present and future assets of the Company including freehold land, building, machinery, stock in trade and trade debts.

12.1.2 This includes facility obtained from ABN Amro Bank (formerly Prime Commercial Bank Limited) Karachi by the Subsidiary amounting to Rs. 57.500 million (30 June 2007: Rs. 57.500 million). The loan is repayable in 60 equal monthly installments alongwith mark-up over a term of 5 years, including two years grace period ofrepayment of principal. The loan carries mark-up at rate of 3 months KIBOR plus 2% with a floor of 10%p.a. The loan facility is secured against first mortgage charge of Rs. 87.5 million on present and future assets(land / building) of the subsidiary company and first hypothecation charge over current assets.

12.2 This represents loan obtained from a director of the Company during the last year. The loan carries mark-up at the rate of 10 % per annum. This loan has been settled subsequent to the period end.

13. Sub-ordinated loan - unsecured

This loan has been borrowed from Dalda Foods (Private) Limited. The loan is unsecured and isrepayable in 20 equal quarterly instalments after the expiry of 2 years grace period. It carries mark-up at the rate of 6 months KIBOR plus 1.5 per annum.

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
14. Short term borrowings - secured		(Rupees in '000)	
Running finance against mark-up arrangement	*14.1*	**9,433**	127,630
Finance against trust receipt (FATR)	*14.2*	**34,388**	33,585
		43,821	161,215

14.1 Facilities for finance against trust receipt from certain banks at 31 December 2007 amounted to Rs.40 million (30 June 2007: Rs. 40 million). These facilities carry mark-up rate of 3 months KIBOR plus 200 bps with a floor of 11 % per annum (30 June 2007: 3 months KIBOR plus 2 % with a floor of 8 %per annum) and are secured against securities specified in note 12.1.1 and import documents.

The Subsidiary Company has running finance facilities under mark-up arrangement of Rs. 10 million (30 June 2007: Rs. 10 million) from ABN Amro Bank (Formerly Prime Commercial Bank Limited) at mark-up rate of 3 months KIBOR plus 2% with a floor of 10% p.a. The loan facility is secured against first hypothecation charge over current assets.

14.2 Facilities for opening letters of credit from certain banks at 31 December 2007 amounted to Rs. 75million (30 June 2007: Rs. 75 million). The facility of Rs. 45 million is secured against securities specified in 12.1.1 and import documents and facility of Rs. 30 million is secured against 10 % cash margin, import documents, present and future charge over fixed and current assets of Rs. 8.334 million and Rs. 30 million respectively. Facilities utilised as at 31 December 2007 amounted to Rs.11.297 million (30 June 2007: Rs. 19.158 million).

14.3 In addition, the Company also has guarantee facilities of Rs. 6.071 million (30 June 2007: Rs. 6.071 million) from banks. Facility utilised as at 31 December 2007 amounted to Rs. 6.071 million (30 June2007: Rs. 6.071 million). This is secured against cash margin of Rs. 6.071 million (30 June 2007: Rs.6.071 million).

15. Trade and other payables			
Trade payables for:			
- Goods		**2,134**	81,613
- Expenses		**5,628**	5,445
- Inland letters of credits		**9,015**	19,750
		16,777	106,808
Accrued expenses		**23,372**	18,039
Advances from customers		**12,252**	12,198
Unclaimed dividends		**533**	533
Excise duty and sales tax payable		**-**	214
Due to related parties	*15.1*	**189,550**	16,548
Other liabilities		**817**	1,797
		243,301	156,137

15.1 This represents unsecured balance payable to Dalda Foods (Private) Limited - an associated company amounting to Rs.189.544 million (30 June 2007: 16.504 million).

		(Unaudited) 31 December 2007	(Audited) 30 June 2007
16.	**Contingencies**	**(Rupees in '000)**	
16.1	Claims against the Company not acknowledged as debts	**13,673**	14,857
16.2	Bank guarantee	**6,071**	6,071

17. Information about segments

	Six months period ended 31 December 2007 – Own Manufacturing	Six months period ended 31 December 2007 – Toll Manufacturing	Six months period ended 31 December 2007 – Total	Six months period ended 31 December 2006	Quarter ended 31 December 2007 – Own Manufacturing	Quarter ended 31 December 2007 – Toll Manufacturing	Quarter ended 31 December 2007 – Total	Quarter ended 31 December 2006
	(Rupees in '000)							
Revenue - net	**406,818**	**37,062**	**443,880**	442,341	**200,198**	**22,989**	**223,187**	192,048
Cost of goods sold / services								
Opening balance of finished goods	**81,825**	**-**	**81,825**	11,404	**57,045**	**-**	**57,045**	13,973
Cost of goods manufactured / services provided	**330,103**	**36,630**	**366,733**	402,414	**188,525**	**15,178**	**203,703**	202,481
Available for sale	**411,928**	**36,630**	**448,558**	413,818	**245,570**	**15,178**	**260,748**	216,454
Closing balance of finished goods	**(50,529)**	**-**	**(50,529)**	(46,295)	**(50,529)**	**-**	**(50,529)**	(46,295)
	361,399	**36,630**	**398,029**	367,523	**195,041**	**15,178**	**210,219**	170,159
Gross profit / (loss)	**45,419**	**432**	**45,851**	74,818	**5,157**	**7,811**	**12,968**	21,889
Cost of goods manufactured / services provided:								
Opening stock of work in process	**10,615**	**-**	**10,615**	10,080	**4,654**	**-**	**4,654**	12,960
Raw materials consumed	* **290,899**	**12,350**	**303,249**	333,597	**180,011**	**-**	**180,011**	168,536
Packing materials consumed	**18,442**	**-**	**18,442**	42,112	**7,721**	**-**	**7,721**	20,268
Stores and spares consumed	**1,371**	**3,050**	**4,421**	2,306	**591**	**1,416**	**2,007**	1,319
Salaries, wages and other benefits	**10,428**	**5,493**	**15,921**	14,648	**2,023**	**4,840**	**6,863**	7,245
Contribution to provident fund	**360**	**-**	**360**	378	**167**	**-**	**167**	185
Fuel and power	**6,345**	**14,123**	**20,468**	12,554	**3,054**	**7,308**	**10,362**	6,532
Repair and maintenance	**568**	**-**	**568**	531	**369**		**369**	283
Rent, rates and taxes	**18**	**-**	**18**	1	**1**	**-**	**1**	1
Insurance	**422**	**-**	**422**	347	**211**	**-**	**211**	211
Depreciation	**1,581**	**-**	**1,581**	1,710	**748**	**-**	**748**	791
Others	**3,064**	**1,614**	**4,678**	-	**2,985**	**1,614**	**4,582**	-
	344,133	**36,630**	**380,743**	418,264	**202,535**	**15,178**	**217,713**	218,331
Closing stock of work in process	**(14,010)**	**-**	**(14,010)**	(15,850)	**(14,010)**	**-**	**(14,010)**	(15,850)
	330,130	**36,630**	**366,733**	402,414	**188,525**	**15,178**	**203,703**	202,481

* This includes raw material of Rs. 182.278 million borrowed from Dalda Foods (Private) Limited.

17.1 Variable costs incurred during the period have been allocated based on tonnages produced under toll manufacturing agreement. Reasonable basis for allocation of fixed costs to toll manufacturing segment are being developed, hence all fixed costs have been included in own manufacturing segment.

17.2 There was no toll manufacturing service upto 31 December 2006. Therefore, comparative information for the six months period and quarter ended 31 December 2006 represents results of own manufacturing.

18. Distribution and marketing expenses

These include charges amounting to Rs. 11.164 million paid to DFL for marketing and distribution activities based on fixed rates provided in the agreement (refer note 1.2). During the period, marketing and distribution activities of the Company have been performed by DFL; therefore, freight and sales promotion expenses of the Company have been reduced to Rs. 11.164 million (six months period ended 31 December 2006: Rs. 52.613 million).

19. Other (charges) / income

These include Rs. 7.986 million (six months period ended 31 December 2006: Rs. Nil) on accountof remeasurement of liability against inventory borrowed from Dalda Foods (Private) Limited and Rs. 1 million (six months period ended 31 December 2006: Rs. Nil) for provision for bad debts.

20. Transactions with related parties

The related parties and associated undertakings comprise local associated companies, staff retirement funds, directors and key management personnel.

Associated companies with whom such transactions have taken place include Zulfeqar IndustriesLimited, IGI Insurance Company Limited, Mapak Qasim Edible Oils, Shakoo (Private) Limited and Treet Corporation Limited. These are associated companies as they are either under the same management and / or with common directors. The Company continues to have a policy whereby all transactions with related parties and associated undertakings are entered into at arm's length prices using the comparable uncontrolled price method for purchases and sales and cost plus method for other transactions. Contributions to the defined contribution plan (provident fund) are made as per the terms of employment. Further, remuneration to key management personnel are as per the terms of their employment.

Transactions with related parties during the six months are as follows:

	Six months period ended	
	31 December 2007	31 December 2006
	(Rupees in '000)	
Contribution to staff retirement funds	**486**	1,561
Executive's remuneration	**608**	620
Sales / services rendered	**712**	1,524
Purchases / services availed	**239,729**	234
Common expenses allocated to related party	**797**	-
Common expenses allocated by related party	**136**	-
Cash receipts from associated company	**26,335**	-
Freight charges paid on behalf of associated company	**3,532**	-
Toll manufacturing fee	**37,062**	-
Financial charges	**7,986**	-
Fee charged under distribution and marketing agreement - refer note 1.2	**11,164**	-
Insurance premium paid	**-**	922
Rent expense	**63**	75

21. Date of authorisation

These condensed consolidated interim financial statements were approved in the Board of Directors meeting held on 10 March 2008.

Karachi: 10-Mar-08

Chief Executive Officer

Director