



3rd Quarter Report '08

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



3rd Quarter Report '08

DIRECTORS' REVIEW

The Directors of the Company would like to present the un-audited financial statements of the Company for the period and quarter ended 31 March 2008.

Overview

The Sales of the company for the period were Rs. 809.180M as against Rs 652.737M during the same period of last year showing an increase of 24%. The higher sales volume has been mainly due to the increase in the company's selling prices as a result of the increase in the prices of raw materials. The increase in the sales turnover for the last quarter to Rs. 365.300 from Rs. 210.397, is an indication that the company is on the road to recovery.

The Gross Profit to Sales ratio shows a reduction from 14.9% to 9% indicating that the full impact of the continued increase in the prices of raw material could not be passed on to the customers.

The Selling and Distribution Expenses reduced by 51% and the Administration Expenses by 7% confirming the positive impact of the services agreements with Dalda Foods (Pvt) Ltd. Financial Charges decreased by 29% owing to prudent utilisation of the funds available.

There has been a pre tax loss of Rs. 16.499M as against Rs. 35.280M during the same period of last year. Also, the loss after taxation was Rs 19.661M as against Rs 37.737M, highlighting the impact of the presumptive tax regime.

Earning per share for the period under review is Rs (2.46) negative as compared to Rs (4.73) negative during the same quarter of last year.

Future Outlook

After signing the services agreement with Dalda Foods (Pvt.) Ltd, Wazir Ali Industries plans to implement strategies about consolidating the infrastructure and bringing improvement in coverage and availability of the brand.

The management is optimistic to re-establish Tullo as a leading brand in the category. Also, the company is in the process of developing strategies to fill the prevalent white spaces in the market.

Acknowledgements

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

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



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development financial institutions for their corporate support.

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

For and on behalf of the Board

Abdus Samad
Chief Executive Officer

Karachi, 24 April 2008



3rd Quarter Report '08

Condensed Unconsolidated Balance Sheet (Unaudited)

As at 31 March 2008

	Note	31 March 2008	(Audited) 30 June 2007
(Rupees in '000)			
Assets			
Non-current assets			
Property, plant and equipment	7	138,754	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		189,266	192,581
Current Assets			
Stores and spares		4,183	4,251
Stock-in-trade		153,296	104,905
Trade debts - unsecured, considered good		106,092	37,236
Due from related parties		7,217	6,061
Loans and advances - considered good		1,367	2,205
Advances, deposits, pre-payments and other receivables		7,911	8,426
Taxation - net		7,194	5,769
Cash and bank balances		17,126	12,867
Total current assets		304,386	181,720
Total Assets		493,651	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		(219,347)	(200,722)
		(139,487)	(120,862)
Surplus on revaluation of property, plant and equipment	8	121,361	122,397
Non - current liabilities			
Liabilities against asset subject to finance lease		-	124
Long term borrowings - secured	9	-	23,816
Long term deposits		760	760
Sub-ordinated loan - unsecured	10	150,000	-
Deferred taxation		9,002	9,560
Deferred liabilities - employee benefits		1,164	2,240
Total non-current liabilities		160,926	36,500
Current liabilities			
Current maturity of long term borrowings	9	23,412	21,413
Liabilities against assets subject to finance lease		291	324
Short term borrowings - secured		97,426	153,424
Mark-up payable on borrowings		4,329	5,012
Trade and other payables		225,393	156,093
Total current liabilities		350,850	336,266
Total equity and liabilities		493,651	374,301
Contingencies			
	11		

The annexed notes 1 to 14 form an integral part of these condensed unconsolidated financial statements.

Karachi: 24-April-08

Chief Executive Officer

Director



3rd Quarter Report '08

Condensed Unconsolidated Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2008

Note	Nine months period ended 31 March 2008	Nine months period ended 31 March 2007	Quarter ended 31 March 2008	Quarter ended 31 March 2007
	----- (Rupees in '000) -----			
Revenue - net	809,180	652,737	365,300	210,397
Cost of goods sold / services	(736,424)	(555,763)	(338,395)	(187,838)
Gross profit	72,756	96,974	26,905	22,558
Distribution and marketing expenses	(48,726)	(98,652)	(19,658)	(27,450)
Administration expenses	(18,296)	(19,596)	(3,697)	(6,651)
	(67,022)	(118,248)	(23,355)	(34,101)
Other (charges) / income	(8,568)	5,346	404	3,709
Operating (loss) / Profit	(2,834)	(15,928)	3,954	(7,835)
Financial charges	(13,665)	(19,352)	(3,007)	(6,084)
(Loss) / Profit before taxation	(16,499)	(35,280)	947	(13,918)
Taxation - current and deferred	(3,162)	(2,457)	(1,314)	(798)
Loss for the period	(19,661)	(37,737)	(367)	(14,716)
	(Rupees)		(Rupees)	
Loss per share - basic and diluted	(2.46)	(4.73)	(0.05)	(1.84)

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 14 form an integral part of these condensed unconsolidated financial statements.

Karachi: 24-April-08


Chief Executive Officer


Director



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Condensed Unconsolidated Statement of Changes in Equity (Unaudited) For the nine months period ended 31 March 2008

	Issued, subscribed & paid-up capital	Capital reserve Share premium	Revenue reserves		Total
			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 nine months period ended 31 March 2007					
Loss for the nine months period	-	-	-	(37,737)	(37,737)
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	3,013	3,013
Total recognised (expense) for the nine months period	-	-	-	(34,724)	(34,724)
Balance as at 31 March 2007	<u>76,057</u>	<u>14,449</u>	<u>66,067</u>	<u>(238,857)</u>	<u>(82,284)</u>
Balance as at 1 July 2007	79,860	10,646	66,067	(277,435)	(120,862)
Changes in equity for the nine months period ended 31 March 2008					
Loss for the nine months period	-	-	-	(19,661)	(19,661)
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,036	1,036
Total recognised (expense) for the nine months period	-	-	-	(18,625)	(18,625)
Balance as at 31 March 2008	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(296,060)</u>	<u>(139,487)</u>

The annexed notes 1 to 14 form an integral part of these condensed unconsolidated financial statements.

Karachi: 24-April-08

Chief Executive Officer

Director



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Condensed Unconsolidated Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2008

	Nine months period ended 31 March 2008	Nine months period ended 31 March 2007
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(16,499)	(35,280)
Adjustments for:		
- Depreciation	3,140	3,832
- Profit on sale of property, plant and equipment	(330)	1,229
- Financial charges	13,665	19,295
- Other charges	7,986	-
- Provision for deferred liabilities	416	293
- Workers' welfare fund	-	7
Operating profit / (loss) before working capital changes	8,378	(10,624)
Decrease / (increase) in stores and spares	68	(440)
(Increase) in stock in trade	(48,391)	(32,513)
(Increase) / Decrease in trade debts	(69,856)	3,523
Decrease / (Increase) in loans and advances	838	(3,620)
(Increase) in due from affiliated companies	(1,156)	-
Decrease / (increase) in advances, deposits, pre-payments and other receivables	515	(2,276)
Increase in trade and other payables	69,300	93,070
Cash generated from / (used in) operations	(40,303)	47,120
Compensated absences paid	(1,492)	(1,348)
Long term advances and security deposits	168	-
Financial charges paid	(21,327)	(19,211)
Income tax paid	(5,145)	(4,092)
Net cash from / (used in) operating activities	(68,099)	22,469
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(163)
Proceeds from sale of items of property, plant and equipment	330	(1,370)
Net cash from investing activities	330	(1,533)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment long term finance	(21,817)	(8,013)
Lease rentals paid	(157)	(294)
Sub-ordinated loan obtained	150,000	-
Short term borrowings (paid) / obtained	(55,998)	(19,261)
Net cash form / (used in) financing activities	72,028	(27,568)
Net increase / (decrease) in cash and cash equivalents	4,259	(6,632)
Cash and cash equivalents at beginning of the period	12,867	(80,473)
Cash and cash equivalents at end of the period	17,126	(87,105)
Cash and cash equivalents		
Cash and bank balances	17,126	12,932
Short term borrowings	-	(100,036)
	17,126	(87,103)

The annexed notes 1 to 14 form an integral part of these condensed unconsolidated financial statements.

Karachi: 24-April-08

Chief Executive Officer

Director



3rd Quarter Report '08

Wazir Ali Industries Limited

Notes to the Condensed Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2008

1. Status and nature of business

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.

2. Statement of Compliance

These condensed unconsolidated financial statements for the nine months period have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting"

3. Basis of presentation

These condensed unconsolidated financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34- Interim Financial Reporting", these accounts are being circulated to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

4. Significant accounting policies

The accounting policies adopted for the preparation of these condensed unconsolidated 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.

4.1 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 particular economic environment. Segment information is presented in respect of the Company's business and geographical segments.

5. 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.

6. 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.

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

		(Unaudited) 31 March 2008	(Audited) 30 June 2007
		(Rupees in '000)	
Operating fixed assets	7.1	137,655	140,802
Capital work-in-progress	7.2	1,099	1,099
		<u>138,754</u>	<u>141,901</u>



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7.1 Operating fixed assets

Opening book value	140,802	102,454
Increase due to revaluation / Addition	-	43,792
Disposals	(7)	(405)
Depreciation	(3,140)	(5,039)
	137,655	140,802

7.2 Capital work-in-progress

Opening value	1,099	936
Additions during the period	-	163
	1,099	1,099

8. 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.

9. Long term borrowings

From:

-Banking company - secured	9.1	-	17,816
-Related party - unsecured	9.2	-	6,000
		-	23,816

9.1 Banking company - secured

Balance as on 1 July	39,229	58,239
Repayments made during the period / year	(15,817)	(19,010)
	23,412	39,229
Current maturity	(23,412)	(21,413)
	-	17,816

9.1.1 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 a floor 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.

9.2 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.

10. 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.



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	Nine months period ended 31 March 2008		Nine months period ended 31 March 2007		Quarter ended 31 March 2008		Quarter ended 31 March 2007	
	Own	Total	Own	Total	Own	Total	Own	Total
Revenue - net	728,557	809,180	652,737	809,180	321,739	43,561	365,300	210,397
Cost of goods sold / services								
Opening balance of finished goods	81,825	81,825	11,404	81,825	50,529	50,529	50,529	46,295
Cost of goods manufactured / services provided	662,311	721,656	593,744	721,656	332,208	22,715	354,923	190,928
Available for sale	744,136	803,481	605,148	803,481	382,737	22,715	405,452	237,223
Closing balance of finished goods	(67,057)	(67,057)	(49,385)	(67,057)	(67,057)	-	(67,057)	(49,385)
Gross profit / (loss)	677,079	736,424	555,763	736,424	315,680	22,715	338,395	187,838
	51,478	21,278	96,975	72,756	6,059	20,846	26,905	22,558
Cost of goods manufactured / services provided:								
Opening stock of work in process	10,615	10,615	10,080	10,615	14,010	14,010	14,010	15,850
Raw materials consumed	* 617,506	637,609	489,422	637,609	326,607	7,753	334,360	155,825
Packing materials consumed	42,403	42,403	57,666	42,403	23,961	23,961	23,961	15,555
Stores and spares consumed	2,423	7,935	3,576	7,935	1,052	2,462	3,514	1,269
Salaries, wages and other benefits	16,302	24,889	22,550	24,889	5,874	3,094	8,968	7,902
Contribution to provident fund	360	360	566	360	-	-	-	187
Fuel and power	10,616	33,828	19,206	33,828	4,271	9,089	13,360	6,652
Repair and maintenance	1,036	1,036	684	1,036	468	468	468	153
Rent, rates and taxes	23	23	1	23	5	5	5	-
Insurance	659	659	558	659	237	237	237	211
Depreciation	2,370	2,370	2,500	2,370	789	789	789	791
Others	3,666	5,597	595	5,597	602	317	919	193
Closing stock of work in process	707,979	767,324	607,404	767,324	377,876	22,715	400,591	204,588
	(45,668)	(45,668)	(13,659)	(45,668)	(45,668)	-	(45,668)	(13,659)
	662,311	721,656	593,745	721,656	332,208	22,715	354,923	190,928

* This includes raw material of Rs. 184.479 million borrowed from Daldia Foods (Private) Limited.

12.1 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.

12.2 There was no toll manufacturing service upto 31 March 2007. Therefore, comparative information for the nine months period and quarter ended 31 March 2007 represents results of own manufacturing.

11. Contingencies

- 11.1 Claims against the Company not acknowledged as debts
 11.2 Bank guarantee

(Unaudited) 31 March 2008 (Rupees in '000)	(Audited) 30 June 2007
13,673	14,857
6,071	6,071



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13. 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 Industries Limited, 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 nine months are as follows:

	Nine months period ended	
	31 March 2008	31 March 2007
	(Rupees in '000)	
Contribution to staff retirement funds	486	1,561
Executive's remuneration	1,043	855
Sales / services rendered	1,835	5,083
Purchases / services availed	562,208	-
Common expenses allocated to subsidiary company	1,278	-
Common expenses allocated to related party	1,161	-
Common expenses allocated by related party	136	-
Cash receipts from associated company	27,835	-
Freight charges paid on behalf of associated company	4,908	-
Toll manufacturing fee	80,623	-
Financial charges	7,986	-
Fee charged under distribution and marketing agreement	18,134	-
Insurance premium paid	1,257	922
Rent expense	113	113

14. General

Figures have been rounded off to the nearest thousand rupees.

These condensed unconsolidated interim financial statements were approved in the Board of Directors meeting held on 24 April 2008.

Karachi: 24-April-08

Chief Executive Officer

Director



Wazir Ali Industries Limited

and its Subsidiary

Consolidated FINANCIAL STATEMENTS

(UN-AUDITED)

**NINE MONTHS PERIOD ENDED
MARCH 31, 2008**



3rd Quarter Report '08

DIRECTORS' REVIEW

The Directors of the Company would like to present the un-audited financial statements of the Company for the period and quarter ended 31 March 2008.

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The Sales of the company for the period were Rs. 809.180M as against Rs 652.737M during the same period of last year showing an increase of 24%. The higher sales volume has been mainly due to the increase in the company's selling prices as a result of the increase in the prices of raw materials. The increase in the sales turnover for the last quarter to Rs. 365.300 from Rs. 210.397, is an indication that the company is on the road to recovery.

The Gross Profit to Sales ratio shows a reduction from 14.9% to 9% indicating that the full impact of the continued increase in the prices of raw material could not be passed on to the customers.

The Selling and Distribution Expenses reduced by 51% and the Administration Expenses by 15% confirming the positive impact of the services agreements with Dalda Foods (Pvt) Ltd. Financial Charges decreased by 21% owing to prudent utilisation of the funds available.

There has been a pre tax loss of Rs. 23.160M as against Rs. 43.457M during the same period of last year. Also, the loss after taxation was Rs 26.322M as against Rs 45.914M, highlighting the impact of the presumptive tax regime.

Earning per share for the period under review is Rs (3.30) negative as compared to Rs (5.75) negative during the same quarter of last year.

Future Outlook

After signing the services agreement with Dalda Foods (Pvt.) Ltd, Wazir Ali Industries plans to implement strategies about consolidating the infrastructure and bringing improvement in coverage and availability of the brand.

The management is optimistic to re-establish Tullo as a leading brand in the category. Also, the company is in the process of developing strategies to fill the prevalent white spaces in the market.

Acknowledgements

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

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



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

For and on behalf of the Board

Abdus Samad
Chief Executive Officer

Karachi, 24 April 2008



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Condensed Consolidated Balance Sheet (Unaudited)

As at 31 March 2008

	Note	31 March 2008	(Audited) 30 June 2007
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Non-current assets			
Property, plant and equipment	7	138,754	141,901
Investment in 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		247,266	250,581
Current Assets			
Stores and spares		4,183	4,251
Stock-in-trade		153,296	104,905
Trade debts - unsecured, considered good		106,092	37,236
Due from related parties		1,077	1,369
Loans and advances - considered good		1,367	2,205
Advances, deposits, pre-payments and other receivables		7,911	8,426
Taxation - net		7,477	5,951
Cash and bank balances		28,495	28,262
Total current assets		309,897	192,605
Total Assets		557,163	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		(317,050)	(291,764)
		(237,190)	(211,904)
Surplus on revaluation of property, plant and equipment	8	206,743	207,779
Non - current liabilities			
Liabilities against asset subject to finance lease		-	124
Long term borrowings - secured	9	45,544	78,608
Long term deposits		760	760
Sub-ordinated loan - unsecured	10	150,000	-
Deferred taxation		16,090	16,648
Deferred liabilities - employee benefits		1,164	2,240
Total non-current liabilities		213,557	98,380
Current liabilities			
Current maturity of long term borrowings	9	35,368	24,121
Liabilities against assets subject to finance lease		291	324
Short term borrowings - secured		106,859	161,215
Mark-up payable on borrowings		6,096	7,135
Trade and other payables		225,437	156,137
Total current liabilities		374,052	348,932
Total equity and liabilities		557,163	443,186
Contingencies			
	11		

The annexed notes 1 to 14 form an integral part of these condensed unconsolidated financial statements.

Karachi: 24-April-08

Chief Executive Officer

Director



3rd Quarter Report '08

Condensed Consolidated Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2008

Note	Nine months period ended 31 March 2008	Nine months period ended 31 March 2007	Quarter ended 31 March 2008	Quarter ended 31 March 2007
	----- (Rupees in '000) -----			
Revenue - net	809,180	652,737	365,300	210,397
Cost of goods sold / services	(736,424)	(555,763)	(338,395)	(187,838)
Gross profit	72,756	96,975	26,905	22,558
Distribution and marketing expenses	(48,726)	(98,652)	(19,658)	(27,450)
Administration expenses	(19,587)	(23,123)	(4,089)	(10,178)
	(68,313)	(121,775)	(23,747)	(37,628)
Other (charges) / income	(7,522)	6,580	575	4,942
Operating (loss) / Profit	(3,079)	(18,220)	3,733	(10,128)
Financial charges	(20,081)	(25,237)	(5,144)	(11,969)
Loss before taxation	(23,160)	(43,457)	(1,411)	(22,097)
Taxation - current and deferred	(3,162)	(2,457)	(1,314)	(798)
Loss for the period	(26,322)	(45,914)	(2,725)	(22,894)
	(Rupees)		(Rupees)	
Loss per share - basic and diluted	(3.30)	(5.75)	(0.34)	(2.87)

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 14 form an integral part of these condensed consolidated financial statements.

Karachi: 24-April-08


Chief Executive Officer


Director



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Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the nine months period ended 31 March 2008

	Issued, subscribed & paid-up capital	Capital reserve Share premium	Revenue reserves		Total
			General reserves	Accumulated loss	
----- (Rupees in '000) -----					
Balance as at 1 July 2006	76,057	14,449	66,067	(297,480)	(140,907)
Changes in equity for the nine months period ended 31 March 2007					
Loss for the nine months period	-	-	-	(45,914)	(45,914)
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	3,013	3,013
Total recognised (expense) for the nine months period	-	-	-	(42,901)	(42,901)
Balance as at 31 March 2007	<u>76,057</u>	<u>14,449</u>	<u>66,067</u>	<u>(340,382)</u>	<u>(183,808)</u>
Balance as at 1 July 2007	79,860	10,646	66,067	(368,477)	(211,904)
Changes in equity for the nine months period ended 31 March 2008					
Loss for the nine months period	-	-	-	(26,322)	(26,322)
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	1,036	1,036
Total recognised (expense) for the nine months period	-	-	-	(25,286)	(25,286)
Balance as at 31 March 2008	<u>79,860</u>	<u>10,646</u>	<u>66,067</u>	<u>(393,763)</u>	<u>(237,190)</u>

The annexed notes 1 to 14 form an integral part of these condensed unconsolidated financial statements.

Karachi: 24-April-08

Chief Executive Officer

Director



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Condensed Consolidated Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2008

	Nine months period ended 31 March 2008	Nine months period ended 31 March 2007
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,160)	(43,457)
Adjustments for:		
- Depreciation	3,140	3,832
- Profit on sale of property, plant and equipment	(330)	1,229
- Financial charges	20,081	24,816
- Other charges	7,986	-
- Provision for deferred liabilities	416	293
- Workers' welfare fund	-	7
Operating profit / (loss) before working capital changes	8,133	(13,280)
Decrease / (increase) in stores and spares	68	(440)
(Increase) in stock in trade	(48,391)	(32,513)
(Increase) / Decrease in trade debts	(69,856)	3,523
(Increase) / Decrease in loans and advances	838	(3,620)
Decrease in due from affiliated companies	292	-
Decrease / (increase) in advances, deposits, pre-payments and other receivables	515	(1,000)
Increase in trade and other payables	69,300	91,408
Cash generated from / (used in) operations	(39,100)	44,078
Compensated absences paid	(1,492)	(1,348)
Long term advances and security deposits	168	-
Financial charges paid	(28,097)	(24,732)
Income tax paid	(5,246)	(4,215)
Net cash from / (used in) operating activities	(73,767)	13,783
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(163)
Proceeds from sale of items of property, plant and equipment	330	(1,370)
Net cash from investing activities	330	(1,533)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment long term finance	(21,817)	(8,013)
Lease rentals paid	(157)	(294)
Sub-ordinated loan obtained	150,000	-
Short term borrowings (paid) / obtained	(54,356)	(19,261)
Net cash from / (used in) financing activities	73,670	(27,568)
Net increase / (decrease) in cash and cash equivalents	234	(15,318)
Cash and cash equivalents at beginning of the period	28,262	(66,205)
Cash and cash equivalents at end of the period	28,495	(81,523)
Cash and cash equivalents		
Cash and bank balances	28,495	27,932
Short term borrowings	-	(109,455)
	28,495	(81,523)

The annexed notes 1 to 14 form an integral part of these condensed consolidated financial statements.

Karachi: 24-April-08

Chief Executive Officer

Director



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Wazir Ali Industries Limited

Notes to the Condensed Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2008

1. Status and nature of business

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.

- 1.1 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.

1.2 Basis of consolidation

Subsidiaries are those entities in which the parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has the power to elect and appoint more than 50% of its directors. The financial statements 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 balances and transactions have been eliminated.

2. Statement of Compliance

These condensed consolidated financial statements for the nine months period have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting"

3. Basis of presentation

These condensed consolidated financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34- Interim Financial Reporting", these accounts are being circulated to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

4. Significant accounting policies

The accounting policies adopted for the preparation of these condensed consolidated 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.

4.1 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 particular economic environment. Segment information is presented in respect of the Company's business and geographical segments.

5. 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.

6. 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.



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

		(Unaudited) 31 March 2008	(Audited) 30 June 2007
(Rupees in '000)			
Operating fixed assets	7.1	137,655	140,802
Capital work-in-progress	7.2	1,099	1,099
		<u>138,754</u>	<u>141,901</u>

7.1 Operating fixed assets

Opening book value	140,802	102,454
Increase due to revaluation / Addition	-	43,792
Disposals	(7)	(405)
Depreciation	(3,140)	(5,039)
	<u>137,655</u>	<u>140,802</u>

7.2 Capital work-in-progress

Opening value	1,099	936
Additions during the period	-	163
	<u>1,099</u>	<u>1,099</u>

8. 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)
	<u>215,745</u>	<u>217,339</u>
Less: related deferred tax liability	(9,002)	(9,560)
	<u>206,743</u>	<u>207,779</u>

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.

9. Long term borrowings

From:

-Banking company - secured	9.1	45,544	72,608
-Related party - unsecured	9.2	-	6,000
		<u>45,544</u>	<u>78,608</u>

9.1 Banking company - secured

Balance as on 1 July	96,729	115,739
Repayments made during the period / year	(15,817)	(19,010)
	<u>80,912</u>	<u>96,729</u>
Current maturity	(35,368)	(24,121)
	<u>45,544</u>	<u>72,608</u>



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- 9.1.1** 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 a floor 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.
- 9.1.2** 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 of repayment 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.
- 9.2** 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.
- 10. 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.



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(Unaudited) 31 March 2008 (Rupees in '000)	(Audited) 30 June 2007
13,673	14,857
6,071	6,071

11. Contingencies

- 11.1 Claims against the Company not acknowledged as debts
11.2 Bank guarantee

12. Information about segments

	Nine months period ended 31 March 2008		Nine months period ended 31 March 2007		Quarter ended 31 March 2008		Quarter ended 31 March 2007	
	Own Manufacturing	Total	Own Manufacturing	Total	Own Manufacturing	Total	Own Manufacturing	Total
Revenue - net	728,557	809,180	652,737	809,180	321,739	43,561	365,300	210,397
Cost of goods sold / services								
Opening balance of finished goods	81,825	81,825	11,404	11,404	50,529	50,529	46,295	46,295
Cost of goods manufactured / services provided	662,311	721,656	593,744	721,656	332,208	22,715	354,923	190,928
Available for sale	744,136	803,481	605,148	803,481	382,737	22,715	405,452	237,223
Closing balance of finished goods	(67,057)	-	(49,385)	-	(67,057)	-	(67,057)	(49,385)
Gross profit / (loss)	677,079	736,424	555,763	736,424	315,680	22,715	338,395	187,838
	51,478	21,278	96,975	21,278	6,059	20,846	26,905	22,558
Cost of goods manufactured / services provided:								
Opening stock of work in process	10,615	10,615	10,080	10,080	14,010	14,010	15,850	15,850
Raw materials consumed	* 617,506	637,609	489,422	637,609	326,607	7,753	334,360	155,825
Packing materials consumed	42,403	42,403	57,666	42,403	23,961	23,961	23,961	15,555
Stores and spares consumed	2,423	7,935	3,576	7,935	1,052	2,462	3,514	1,269
Salaries, wages and other benefits	16,302	24,889	22,550	24,889	5,874	3,094	8,968	7,902
Contribution to provident fund	360	360	566	360	-	-	-	187
Fuel and power	10,616	33,828	19,206	33,828	4,271	9,089	13,360	6,652
Repair and maintenance	1,036	1,036	684	1,036	468	468	468	153
Rent, rates and taxes	23	23	1	23	5	5	5	-
Insurance	659	659	558	659	237	237	237	211
Depreciation	2,370	2,370	2,500	2,370	789	789	789	791
Others	3,666	5,597	595	5,597	602	317	919	193
Closing stock of work in process	707,979	767,324	607,404	767,324	377,876	22,715	400,591	204,588
	(45,668)	(45,668)	(13,659)	(45,668)	(45,668)	(45,668)	(45,668)	(13,659)
	662,311	721,656	593,745	721,656	332,208	22,715	354,923	190,928

* This includes raw material of Rs. 184,479 million borrowed from Dalta Foods (Private) Limited.

12.1 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.

12.2 There was no toll manufacturing service upto 31 March 2007. Therefore, comparative information for the nine months period and quarter ended 31 March 2007 represents results of own manufacturing.



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13. 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 Industries Limited, 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 nine months are as follows:

	Nine months period ended	
	31 March 2008	31 March 2007
	(Rupees in '000)	
Contribution to staff retirement funds	486	1,561
Executive's remuneration	1,043	855
Sales / services rendered	1,835	5,083
Purchases / services availed	562,208	
Common expenses allocated to related party	1,161	-
Common expenses allocated by related party	136	-
Cash receipts from associated company	27,835	-
Freight charges paid on behalf of associated company	4,908	-
Toll manufacturing fee	80,623	-
Financial charges	7,986	-
Fee charged under distribution and marketing agreement	18,134	-
Insurance premium paid	1,257	922
Rent expense	113	113

14. General

Figures have been rounded off to the nearest thousand rupees.

These condensed unconsolidated financial statements were approved in the Board of Directors meeting held on 24 April 2008.

Karachi: 24-April-08

Chief Executive Officer

Director