



1st Quarter Report '07

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN/CHIEF EXECUTIVE OFFICER Syed Yawar Ali

DIRECTORS

Syeda Ferial R.Ali
Syed Naseem Ahmad
Mr. Mohammed Bashir Janmohammed
Mr. Abdul Rasheed Janmohammed
Mr. Perwaiz Hasan Khan
Mr. Abdus Samad
Syed Hasnain Ali

BOARD AUDIT COMMITTEE

CHAIRMAN

Syeda Ferial R.Ali

MEMBERS

Mr. Abdul Rasheed Janmohammed
Mr. Abdus Samad
Syed Hasnain Ali

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



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DIRECTORS' REVIEW

The Directors of the Company would like to present the Un-Audited Financial Statements of the Company for the Quarter ended 30 September 2007.

Overview

The management's decision of out-sourcing the marketing, services and administrative functions have paid dividends. Although the Sales Turnover was Rs. 206.620(M) as compared to Rs. 250.293(M) for the same period of last year showing a decline of 17.5%, the company improved on its budgeted targets for the quarter by 8.9%.

The Gross Profit ratio has decreased to 15.91% from 21.15% compared with that of the same quarter of last year, mainly due to the continued increases in the raw material prices.

The Administrative and General Expenses have decreased by 12.9% showing the effectiveness of the management's policy of controlling expenses. Selling and Distribution Expenses were lower by 58.6% owing to joint marketing arrangements. The Financial Charges reduced by 1.04% as a result of better utilisation of suppliers' credits.

Earnings per share for the period are Rs 0.38 positive as compared to Rs 0.26 negative, during the same period of last year.

Future Outlook

Following the strategy of consolidating the infrastructure and bringing distribution network improvement, our vision is to re-establish the brand identity for Tullo as the leading brand in its category with a strong and rich heritage of tradition. For this, activations are already in the pipeline aiming to leverage the infrastructure improvements by covering the prevalent white spaces in the market.

Acknowledgements

We are grateful to our customers for adhering to 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 Quality Image and our bankers, development financial institutions for their corporate support.

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

For and on behalf of the Board

Syed Yawar Ali
Chief Executive Officer

Karachi: 24 October 2007



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Balance Sheet

As at 30 September 2007

	30 September 2007 (Un-audited)	30 June 2007 (Audited)
	(Rupees in thousands)	
Non-current assets		
Property, plant and equipment	141,003	141,901
Investment in subsidiary	50,000	50,000
Long term loans to employees - secured, considered good	249	249
Long term advances and security deposits - secured, considered good	431	431
	191,684	192,581
Current assets		
Stores and spares	3,287	4,251
Stock-in-trade	92,982	104,905
Goods in transit	-	-
Trade debts - unsecured, considered good	86,917	37,236
Loans and advances - considered good	1,646	2,205
Deposits, prepayments and other receivables	16,037	14,487
Taxation - net	5,587	5,769
Cash and bank balances	15,841	12,867
	222,297	181,720
Current liabilities		
Trade and other payables	201,349	156,093
Mark-up payable on borrowings	8,419	5,012
Short term borrowings - secured	147,918	53,424
Current maturity of long term liabilities	22,371	21,737
	380,057	336,266
Net current liabilities	(157,760)	(154,546)
Net assets	33,924	38,035
Authorised capital (8 million ordinary shares of Rs 10 each)	80,000	80,000
Share capital and reserves		
Issued, subscribed and paid up capital	79,860	79,860
Capital reserves	10,646	10,646
Revenue reserves	(207,496)	(211,368)
	(116,990)	(120,862)
Surplus on revaluation of fixed assets	121,558	122,397
Non-current Liabilities		
Long term finance - secured	18,054	23,816
Liabilities against asset subject to finance lease	139	124
Long term deposits	760	760
Deferred tax liabilities	9,560	9,560
Deferred liability for compensated absences	843	2,240
	29,356	36,500
Contingencies and commitments		
	33,924	38,035

These accounts should be read in conjunction with the attached notes 1 to 12

Karachi: 24-Oct-07

Chief Executive Officer

Director



1st Quarter Report '07

Profit and Loss Account (unaudited)

For the Three months period ended 30 September 2007

		Quarter ended 30 September 2007	Quarter ended 30 September 2006
		(Rupees in thousands)	
Sales - net	9	206,620	250,293
Less Cost of goods sold	10	(173,737)	(197,363)
Gross profit		32,882	52,930
Distribution expenses		17,502	42,229
Administrative and general expenses		5,665	6,504
		23,167	48,733
Operating profit		9,716	4,197
Other operating income		463	696
Profit from operation		10,179	4,893
Finance cost		5,914	5,976
Profit/(loss) before taxation		4,265	(1,083)
Provision for taxation - current year		(1,232)	(875)
Loss after taxation		3,032	1,958
Loss per share - basic and diluted		0.38	(0.26)

These accounts should be read in conjunction with the attached notes 1 to 12

Karachi: 24-Oct-07

Chief Executive Officer

Director



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Unconsolidated Cash Flow Statement- (Un-audited) For the Three months period ended 30 September 2007

	September 2007	September 2006
Cash flows from operating activities		
Profit/(Loss) before taxation	4,265	(1,083)
Adjustments for:		
Depreciation	833	1,345
Gain on disposal of fixed assets	-	(633)
Financial charges	5,914	5,821
	11,012	5,450
Changes in operating assets/liabilities		
(Increase)/decrease in stores and spares	964	(551)
(Increase)/decrease in stock in trade	11,923	(692)
(Increase)/decrease in trade debts	(49,681)	(14,361)
Decrease/(increase) in long term loans to employees	0	(2,510)
(Increase) in long term security deposits	(0)	(28)
(Increase)/decrease in deposits, prepayments and other receivables	(2,812)	(3,364)
(Increase)/decrease in loans and advances	11	-
Increase in trade and other payables	44,156	15,320
	4,561	(6,186)
Staff Retirement Benefit Grayuity Paid	-	(78)
Staff Retirement Benefit Deferred Liability Paid	(1,397)	(15)
Financial charges paid	(2,507)	(3,825)
Income tax paid	(1,569)	(1,276)
	(5,473)	(5,193)
Net cash flows (used in) / from operating activities	10,100	(5,930)
Cash flows from investing activities		
Increase in Work in Progress	(163)	(163)
Proceeds from sale of property, plant and equipment	1,630	910
Net cash flows from / (used in) investing activities	1,467	747
Cash flows from financing activities		
Lease Payment	(99)	(88)
Long Term Finance	(5,117)	(9,301)
Shaort Term Borrowings (FATR)	2,129	(4,497)
Net cash flows (used in) financing activities	(3,087)	(13,886)
Net (decrease)/increase in cash and cash equivalents	8,480	(19,069)
Cash and cash equivalents at beginning of the period	(140,557)	(76,948)
Cash and cash equivalents at end of the period	(132,077)	(96,016)

These accounts should be read in conjunction with the attached notes 1 to 12

Karachi: 24-Oct-07

Chief Executive Officer

Director



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Unconsolidated Statement of Changes in Equity

For the Three months period ended 30 September 2007

	Issued subscribed and paid-up capital	Capital Reserve (Share premium)	Revenue reserve		Total
			Revenue reserve	Accumulated loss	
Balance as at 30 June 2006	76,057	14,449	66,067	(204,133)	(47,560)
Loss for the Quarter July - Sep. 2006	-	-	-	(1,958)	(1,958)
Transferred from surplus on revaluation of fixed assets	-	-	-	900	900
Balance as at 30 September 2006	76,057	14,449	66,067	(205,191)	(48,618)
Balance as at 30 June 2007	79,860	10,646	66,067	(277,435)	(120,862)
Profit for the Quarter July - Sep. 2007	-	-	-	3,032	3,032
Transferred from surplus on revaluation of fixed assets	-	-	-	840	840
Balance as at 30 September 2007	79,860	10,646	66,067	(273,563)	(116,990)

These accounts should be read in conjunction with the attached notes 1 to 12.

Karachi: 24-Oct-07

Chief Executive Officer

Director



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Notes to the Financial Statements (unaudited) For the Three months period ended 30 September 2007

1 Status and nature of business

Wazir Ali Industries Limited 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 the manufacture and sale of vanaspati ghee and cooking oils. The Company remained under the administrative control of Ghee Corporation of Pakistan (Private) Limited upto 19 December 1992, the date of its privatization under the policy of the government, through the Privatization Commission (Ministry of Finance), Government of Pakistan. The present management acquired the control of Wazir Ali Industries Limited under a sale agreement with "Privatization Commission" dated 28 October 1992.

2 Basis of presentation

These condensed interim 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.

3 Summary of significant accounting policies

The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the annual audited financial statements of the Company for the year ended 30 June 2007

4 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2007.

5 Surplus on revaluation of fixed assets

	30 September 2007	30 June 2007
	(Rupees in thousands)	
Opening balance	122,398	91,523
Revaluation during the period	-	43,793
Surplus transferred to accumulated loss in respect of incremental depreciation charged on related assets during the period	(840)	(3,358)
	<u>121,559</u>	<u>131,958</u>
Less: Related deferred tax liabilities	-	(9,560)
	<u>121,559</u>	<u>122,398</u>

This represents surplus arising on revaluation of freehold land, building and plant and machinery of the Company. The revaluation was carried out by an independent valuer, M/s Iqbal Nanjee & Co.



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6 Long Term Finance - Secured

This represents facility obtained from ABN AMRO Bank (formerly Prime Commercial Bank Limited) Karachi. The loan is repayable in 16 equal quarterly installments along with markup over a term of 5 years, including one year grace period of repayment of principal. The loan carries markup at the rate of 3 months KIBOR plus 2 % with a floor of 12 % per annum. The loan facility is secured against first pari passu charge on present and future assets of the Company including freehold land, building, machinery, stock in trade and trade debts.

7 Long Term Finance - Unsecured

This represents a loan obtained from Syeda Ferial R. Ali (Director) and is repayable in full alongwith mark-up at 10% p.a over 3 years. The loan may be paid earlier depending on the liquidity position of the company.

8 Contingencies and Commitments

- 8.1 Claims against the company not acknowledged as debts
8.2 Bank guarantee

30 September 2007	30 June 2007
(Rupees in thousands)	
14,857	14,857
6,071	6,071

9 Sales - Net

- Sales
Sales tax
Leakages and damages

Quarter ended 30 September 2007	Quarter ended 30 September 2006
(Rupees in thousands)	
209,048	272,373
-	(20,406)
(2,428)	(1,674)
206,620	250,293

10 Cost of goods sold

- Opening balance of Finished goods
Cost of goods manufactured
Available for sale
Closing balance of Finished goods

Note 10.1

81,825	11,404
148,957	199,933
230,782	211,336
(57,045)	(13,973)
173,737	197,363



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	Quarter ended 30 September 2007 (Rupees in thousands)	Quarter ended 30 September 2006
10.1 Cost of goods manufactured		
Opening balance of Work in process	10,616	10,080
Raw materials consumed	123,238	165,061
Packing materials consumed	10,721	21,844
Stores and spares consumed	2,414	988
Salaries, wages and other benefits	9,058	7,403
Contribution to provident fund	193	193
Fuel and power	10,106	6,022
Repair and maintenance	199	247
Rent, rates and taxes		17
Marking Fee		77
Insurance	211	136
Depreciation	833	919
Toll Manufacturing	(14,073)	-
	153,611	212,892
Closing balance of Work in process	(4,654)	(12,960)
	148,957	199,933

11 Related party transactions

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



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	Three months period ended	
	30 September 2007	30 September 2006
	(Rupees in thousands)	
Contribution to staff retirement funds	245	353
Chief executive's remuneration	316	359
Sales/services rendered	14,634	655
Purchases/services availed	66,003	70
Allocation of common expenses to related parties	368	1,062
Allocation of common expenses by related parties	480	44
Settlement of liability	-	44
Rent expense	38	38

12 General

Figures have been rounded off to the nearest thousand rupees.

These financial statements were approved in the Board of Directors meeting held on 24-October-2007

Karachi: 24-Oct-07

Chief Executive Officer

Director



Wazir Ali Industries Limited

and its Subsidiary

Consolidated FINANCIAL STATEMENTS

(UN-AUDITED)

**Three MONTHS PERIOD ENDED
September 30, 2007**



1st Quarter Report '07

Consolidated Balance Sheet

As at 30 September 2007

	30 September 2007 (Un-audited)	30 June 2007 (Audited)
	(Rupees in thousands)	
Non-current assets		
Property, plant and equipment	141,003	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 - secured, considered good	431	431
	249,684	250,581
Current assets		
Stores and spares	3,287	4,251
Stock-in-trade	92,982	104,905
Trade debts - unsecured, considered good	86,917	37,236
Loans and advances - considered good	1,646	2,205
Deposits, prepayments and other receivables	10,867	9,795
Taxation - net	5,813	5,951
Cash and bank balances	31,524	28,262
	233,036	192,605
Current liabilities		
Trade and other payables	201,349	156,137
Mark-up payable on borrowings	11,232	7,135
Short term borrowings - secured	157,168	161,215
Current maturity of long term liabilities	27,803	24,445
	397,552	348,932
Net current liabilities	(164,516)	(156,327)
Net assets	85,167	94,254
Authorised capital (8 million ordinary shares of Rs 10 each)	80,000	80,000
Share capital and reserves		
Issued, subscribed and paid up capital	79,860	79,860
Capital reserves	10,646	10,646
Revenue reserves	(300,790)	(302,410)
	(210,284)	(211,904)
Surplus on revaluation of fixed assets	206,939	207,779
Non-current Liabilities		
Long term finance - secured	70,122	78,608
Liabilities against asset subject to finance lease	139	124
Long term deposits	760	760
Deferred tax liabilities	16,648	16,647
Deferred liability for compensated absences	843	2,240
	88,512	98,379
Contingencies and commitments	85,167	94,254

These accounts should be read in conjunction with the attached notes 1 to 13.



Karachi: 24-Oct-07

Chief Executive Officer



Director



1st Quarter Report '07

Consolidated Profit and Loss Account (unaudited)

For the Three months period ended 30 September 2007

	Quarter ended 30 September 2007	Quarter ended 30 September 2006
	(Rupees in thousands)	
Sales - net	206,620	250,293
Less Cost of goods sold	(173,737)	(197,363)
Gross profit	32,883	52,930
Selling & Distribution expenses	17,502	42,229
Administrative and general expenses	6,145	7,528
	23,647	49,757
Operating profit	9,237	3,173
Other operating income	795	696
Profit from operation	10,032	3,869
Finance cost	8,019	7,838
Profit/(loss) before taxation	2,013	(3,969)
Provision for taxation - current year	(1,232)	(875)
Profit/(Loss) after taxation	780	(4,844)
Profit/(Loss) per share - basic and diluted	0.010	(0.064)

These accounts should be read in conjunction with the attached notes 1 to 12

Karachi: 24-Oct-07

Chief Executive Officer

Director



1st Quarter Report '07

Consolidated Cash Flow Statement - (Un-audited)
For the Three months period ended 30 September 2007

	September 2007	September 2006
	(Rupees in '000)	
Cash flows from operating activities		
Profit/(Loss) before taxation	2,013	(3,968)
Adjustments for:		
Depreciation	833	1,345
Gain on disposal of fixed assets	-	(633)
Financial charges	8,045	7,682
	10,891	4,426
Changes in operating assets/liabilities		
(Increase)/decrease in stores and spares	964	(551)
(Increase)/decrease in stock in trade	11,923	(692)
(Increase)/decrease in trade debts	(49,681)	(14,361)
Decrease/(increase) in long term loans to employees	-	(2,510)
(Increase) in long term security deposits	-	(28)
(Increase)/decrease in deposits, prepayments and other receivables	(1,572)	(2,322)
(Increase)/decrease in loans and advances	11	-
(Decrease) / Increase in trade and other payables	44,065	17,163
	5,710	(3,300)
Staff Retirement Benefit Grayuity Paid	-	(78)
Staff Retirement Benefit Deferred Liability Paid	(1,397)	(15)
Financial charges paid	(4,706)	(5,686)
Income tax paid	(1,569)	(1,276)
	(7,672)	(7,055)
Net cash flows (used in) / from operating activities	8,929	(5,930)
Cash flows from investing activities		
Increase in Work in Progress	(163)	(163)
Proceeds from sale of property, plant and equipment	1,630	910
Net cash flows from / (used in) investing activities	1,467	747
Cash flows from financing activities		
Lease Payment	(99)	(88)
Long Term Finance	(5,117)	(9,301)
Short Term Borrowings (FATR)	2,129	(4,497)
Net cash flows (used in) financing activities	(3,087)	(13,886)
Net (decrease)/increase in cash and cash equivalents	7,309	(19,069)
Cash and cash equivalents at beginning of the period	(132,953)	(62,680)
Cash and cash equivalents at end of the period	(125,644)	(81,748)

These accounts should be read in conjunction with the attached notes 1 to 13

Karachi: 24-Oct-07

Chief Executive Officer

Director



1st Quarter Report '07

Consolidated Statement of Changes in Equity (unaudited)

For the Three months period ended 30 September 2007

	Issued subscribed and paid-up capital	Capital Reserve (Share premium)	Revenue reserve		(Rupees in '000) Total
			Revenue reserve	Accumulated loss	
Balance as at 30 June 2006	76,057	14,449	66,067	(297,480)	(140,907)
Loss for the Quarter July - Sep. 2006	-	-	-	(4,844)	(4,844)
Transferred from surplus on revaluation of fixed assets	-	-	-	900	900
Balance as at 30 September 2006	76,057	14,449	66,067	(301,424)	(144,851)
Balance as at 30 June 2007	79,860	10,646	66,067	(368,477)	(211,904)
Profit for the Quarter July - Sep. 2007	-	-	-	780	780
Transferred from surplus on revaluation of fixed assets	-	-	-	840	840
Balance as at 30 September 2007	79,860	10,646	66,067	(366,857)	(210,284)

These accounts should be read in conjunction with the attached notes 1 to 13.

Karachi: 24-Oct-07

Chief Executive Officer

Director



1st Quarter Report '07

Consolidated Notes to the Financial Statements (unaudited) For the Three months period ended 30 September 2007

1 Status and nature of business

Wazir Ali Industries Limited 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 the manufacture and sale of vanaspati ghee and cooking oils. The Company remained under the administrative control of Ghee Corporation of Pakistan (Private) Limited upto 19 December 1992, the date of its privatization under the policy of the government, through the Privatization Commission (Ministry of Finance), Government of Pakistan. The present management acquired the control of Wazir Ali Industries Limited under a sale agreement with "Privatization Commission" dated 28 October 1992.

2 Basis of presentation

These condensed interim 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.

3 Summary of significant accounting policies

The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the annual audited financial statements of the Company for the year ended 30 June 2007

4 Basis of Consolidation

Subsidiaries are those companies in which the company directly or indirectly controls, beneficially owns or hold more than 50 percent of the voting securities or otherwise has the power to elect and appoint more than 50 percent of its directors. The company has following subsidiary.

	Percentage of shareholding
Wazir Ali Ventures (Private) Limited	100 percent

The financial statements of the subsidiary is included in the consolidated financial statements from the date the control commences until the date that control ceases. In preparing consolidated financial statements, financial statements of the company and its subsidiary are combined on a line by line basis by adding together like of assets, liabilities, equity, income and expenses. Significant inter company transactions are eliminated.

5 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2007



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6 Surplus on revaluation of fixed assets

	30 September 2007	30 June 2007
	(Rupees in thousands)	
Opening balance	207,779	176,905
Revaluation during the period	-	43,792
Surplus transferred to accumulated loss in respect of incremental depreciation charged on related assets during the period	(840)	(3,358)
Less:	206,939	217,339
Less: Related deferred tax liabilities	-	(9,560)
	206,939	207,779

7 Long term finance-Secured

This represents facility obtained from ABN Amro Bank (formerlo Prime Commercial Bank Limited) Karachi. The loan is repayable in 16 equal quarterly installments along with markup over a term of 5 years, including one year grace period of repayment of principal. The loan carries markup at the rate of 3 month KIBOR plus 2% with a floor of 12% per annum. The loan facility is secured against first pari passu charge on present and future assets of the company including freehold land, building, machinery, stock in trade and trade debts.

8 Long term finance-un Secured

This represents a loan obtained from Syeda Feriel R. Ali (Director) and is repayable in full alongwith mark-up at 10% p.a over 3 years. The loan may be paid earlier depending on the liquidity position of the company.

9 Contingencies and Commitments

	Quarter ended 30 September 2007	Quarter ended 30 September 2006
	(Rupees in thousands)	
10.1 Claims against the company not acknowledged as debts	14,857	14,857
10.2 Bank guarantee	6,071	6,071

	Quarter ended 30 September 2007	Quarter ended 30 September 2006
	(Rupees in thousands)	
10 SALES - NET		
Sales	209,048	272,373
Sales tax	-	(20,406)
Leakages and damages	(2,428)	(1,674)
	206,620	250,293
11 COST OF GOODS SOLD		
Opening balance of Finished goods	81,825	11,404
Cost of goods manufactured <i>11.1</i>	148,957	199,933
Available for sale	230,782	211,336
Closing balance of Finished goods	(57,045)	(13,973)
	173,737	197,363



1st Quarter Report '07

	Quarter ended 30 September 2007 (Rupees in thousands)	Quarter ended 31 March 2006
11.1 Cost of goods manufactured		
Opening balance of Work in process	10,616	10,080
Raw materials consumed	123,238	165,061
Packing materials consumed	10,721	21,844
Stores and spares consumed	2,414	988
Salaries, wages and other benefits	9,058	7,403
Contribution to provident fund	193	193
Fuel and power	10,106	6,022
Repair and maintenance	199	247
Rent, rates and taxes	17	-
Marking Fee	77	-
Insurance	211	136
Depreciation	833	919
Toll Manufacturing	(14,073)	-
	153,611	212,892
Closing balance of Work in process	(4,654)	(12,960)
	148,957	199,933

12 Related party transactions

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



1st Quarter Report '07

	Three months period ended	
	30 September 2007	30 September 2006
	(Rupees in thousands)	
Contribution to staff retirement funds	245	353
Chief executive's remuneration	316	359
Sales/services rendered	14,634	655
Purchases/services availed	66,003	70
Allocation of common expenses to related parties	368	1,062
Settlement of liability	-	44
Rent expense	38	38

13 General

Figures have been rounded off to the nearest thousand rupees.

These financial statements were approved in the Board of Directors meeting held on 24-October-2007

Karachi: 24-Oct-07

Chief Executive Officer

Director