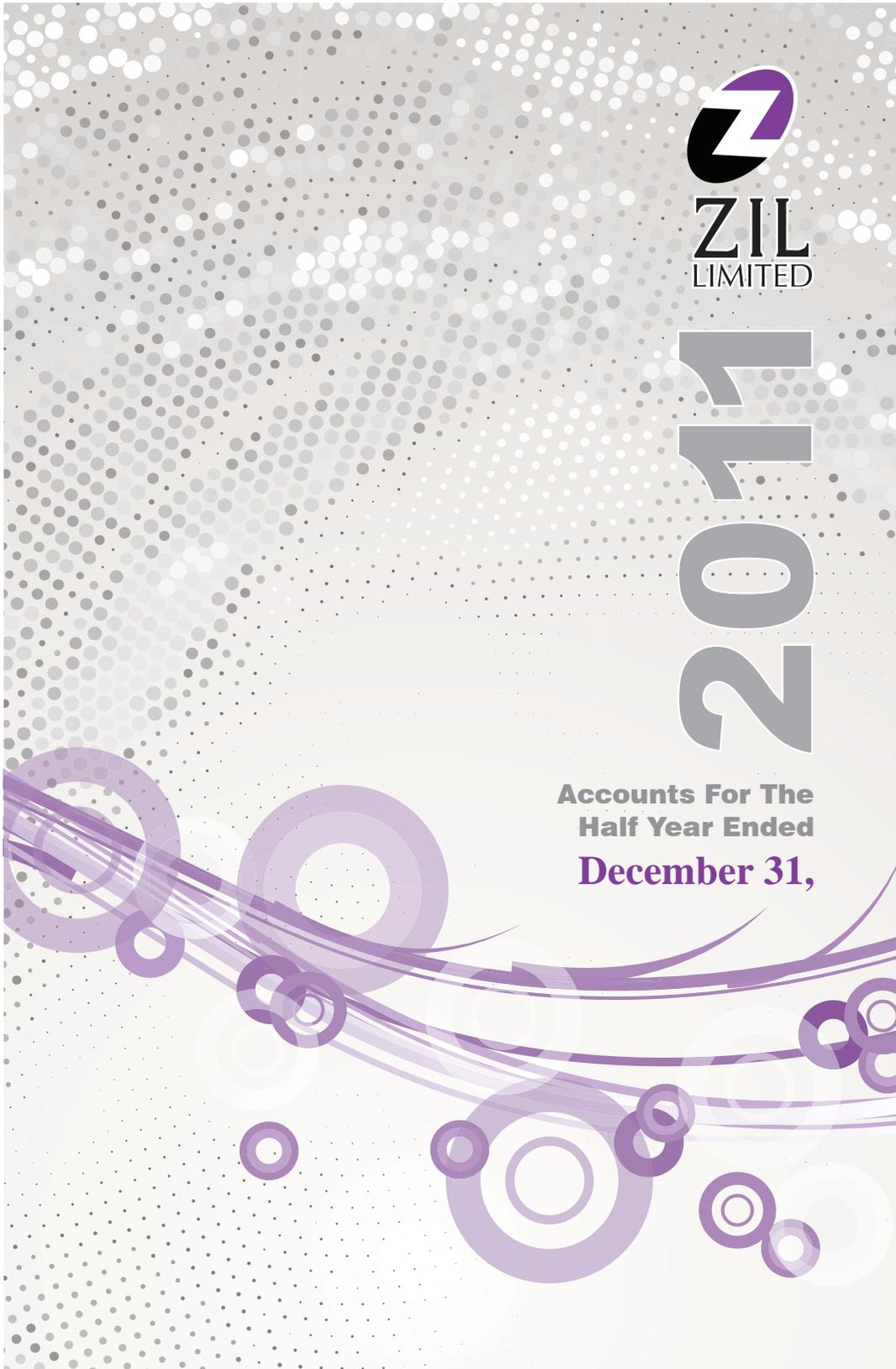




2011

Accounts For The  
Half Year Ended  
December 31,





## Content

Corporate Information	02
Directors' Review	03
Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information	04
Condensed Interim Balance Sheet	05
Condensed Interim Profit and Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Information	10



## Corporate Information

### Board of Directors

Mrs. Ferial Ali Mehdi  
Chairman / Chief Executive Officer

Mr. Mujahid Hamid  
Director

Syed Yawar Ali  
Director

Mr. Shahid Nazir Ahmed  
Director

Mr. Zafar Ahmed Siddiqui  
Director

Mr. Omer Ehtisham  
Director

Mr. Kemal Shoaib  
Director (Nominee NIT)

Mr. Amir Zia  
Director (Nominee Treet Corporation Ltd.)

### Company Secretary & Chief Financial Officer

Mr. Ata-ur-Rehman Shaikh

### Statutory Auditors

KPMG Taseer Hadi & Co  
Chartered Accountants

### Legal Advisors

Hussain & Haider, Advocates

### Registered Office

12th Floor, Executive Tower, Dolmen City, Marine Drive,  
Block IV, Clifton, Karachi-Pakistan  
<http://www.zil.com.pk>

### Factory

Link Hali Road, Hyderabad - 71000

### Board Audit Committee

Mr. Kemal Shoaib  
Chairman

Mr. Shahid Nazir Ahmed  
Member

Mr. Omer Ehtisham  
Member

### Bankers

Faysal Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan Limited  
Standard Chartered Bank  
Bank Al-Habib Limited  
BankIslami Pakistan Limited

### Shares Registrars

THK Associates (Pvt) Limited  
Ground Floor, State Life Building No. 3,  
Dr. Ziauddin Ahmed Road, Karachi.



## Directors' Review

The Directors of the Company are pleased to present the unaudited financial results of the company for the half year ended December 31, 2011.

### Overview

The company's top line grew by 36% to Rs.1,342 million during July to December 2011 as compared with Rs.987 million in the same period last year. The growth resulted from 440 tons volumetric increase in Capri coupled with improvement in retail prices.

Selling and distribution expenses, which were at maintenance level during six-month period last year, included essential spending on innovative and competitive advertising carried out to support the re-launch of the flagship brand of the company-Capri, and its line extensions such as Capri Hand wash and Capri Face wash.

Administrative expenses consisted of costs related to payroll and new office renovation.

Profit after tax of the company grew to 40.1 million as compared to 36.4 million during corresponding period last year.

	Three months period ended		Six months period ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Gross sales	704,529	477,247	1,342,573	986,845
Net Sales	568,479	364,325	1,074,235	759,293
Profit after Tax	58,289	16,967	40,085	36,409

### Earning per Share

Earning per share for the period under review is Rs 7.53 as compared to Rs 6.84 last year.

### Future Outlook

The company is focused to improve its competitiveness and market presence by exploring all possible opportunities through innovation and better consumer understanding.

### Acknowledgements:

The Directors would like to express their gratitude to the shareholders, distributors & bankers for their continued support and encouragement and also place on record their appreciation of the valuable services rendered by the officers, staff and field force of the Company.

For and on behalf of the Board

Ferial Ali Mehdi

Chief Executive Officer

Karachi: February 14, 2012



## **Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information**

### ***Introduction***

We have reviewed the accompanying condensed interim balance sheet of **ZIL Limited** ("the Company") as at 31 December 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (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 for interim financial reporting. 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 International Standards on Auditing 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 condensed interim financial information as at and for the six months period ended 31 December 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 31 December 2011 and 31 December 2010 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

**Date : February 14, 2012**

**Karachi.**

---

**KPMG Taseer Hadi & Co.  
Chartered Accountants  
Mazhar Saleem**



## Condensed Interim Balance Sheet

As at 31 December 2011

	31 December 2011 (Un-audited)	30 June 2011 (Audited)
	Note	(Rs. in '000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6	333,541
Intangible assets		7,906
Long term deposits		6,805
Long term loans to employees		950
		<u>342,690</u>
<b>CURRENT ASSETS</b>		
Stores and spares		8,600
Stock-in-trade	7	370,943
Trade debts		29,780
Advances, prepayments and other receivables	8	61,788
Cash and bank balances	9	45,299
		<u>516,410</u>
<b>CURRENT LIABILITIES</b>		
Short term running finance under mark-up arrangements	10	-
Trade and other payables	11	254,491
Short term borrowing		80,000
Taxation		24,910
		<u>359,401</u>
<b>NET CURRENT ASSETS</b>		<u>157,009</u>
<b>NET ASSETS</b>		<u>506,211</u>
<b>FINANCED BY:</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital 10,000,000 (30 June 2011: 10,000,000) ordinary shares of Rs. 10 each		100,000
Issued, subscribed and paid up capital		53,240
Reserves		255,901
		<u>309,141</u>
Surplus on revaluation of fixed assets - net of tax		93,948
<b>NON-CURRENT LIABILITIES</b>		450
Long-term deposits		65,214
Deferred staff benefit liabilities		37,458
Deferred tax liability - net		103,122
		<u>506,211</u>
<b>CONTINGENCIES AND COMMITMENT</b>	12	

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

  
**Fariel Ali Mehdi**  
 Chairman / Chief Executive

  
**Shahid Nazir Ahmed**  
 Director



## Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended 31 December 2011

	Note	Six months period ended		Three months period ended	
		31 December 2011	31 December 2010	31 December 2011	31 December 2010
(Rupees in '000)					
Net sales	13	1,074,235	759,293	568,479	364,325
Cost of sales	14	(763,541)	(588,450)	(391,332)	(282,720)
Gross profit		310,694	170,843	177,147	81,605
Selling and distribution cost	15	(187,014)	(81,134)	(49,778)	(38,841)
Administrative expenses		(51,311)	(33,391)	(28,932)	(18,288)
		(238,325)	(114,525)	(78,710)	(57,129)
		72,369	56,318	98,437	24,476
Other income		4,002	4,836	2,452	2,741
Other expenses		(7,470)	(4,296)	(7,889)	(1,406)
		68,901	56,858	93,000	25,811
Finance cost		(6,893)	(662)	(3,253)	(501)
Profit before taxation		62,008	56,196	89,747	25,310
Taxation		(21,923)	(19,787)	(31,458)	(8,343)
Profit for the period		40,085	36,409	58,289	16,967
(Rupees)					
Earnings per share - basic and diluted		7.53	6.84	10.95	3.19

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

  
**Ferial Ali Mehdi**  
 Chairman / Chief Executive

  
**Shahid Nazir Ahmed**  
 Director



## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 31 December 2011

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>----- (Rupees in '000) -----</u>			
Profit for the period	<b>40,085</b>	36,409	<b>58,289</b>	16,967
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><b>40,085</b></u>	<u>36,409</u>	<u><b>58,289</b></u>	<u>16,967</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

**Fariel Ali Mehdi**  
Chairman / Chief Executive

**Shahid Nazir Ahmed**  
Director



## Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended 31 December 2011

	<u>Six months period ended</u>	
	31 December 2011	31 December 2010
	(Rs. in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	62,008	56,196
Adjustments for:		
Finance cost	6,893	662
Depreciation and amortisation	16,913	12,981
Provision for gratuity	4,654	4,294
Provision for staff retirement benefits	1,872	1,833
Return on investments	-	(649)
Profit on short term deposit	(329)	(1,377)
Gain on disposal of fixed assets	(1,135)	(1,949)
	<u>28,868</u>	<u>15,795</u>
Operating profit before working capital changes	90,876	71,991
(Increase) / decrease in current assets:		
Stores and spares	(2,562)	(1,397)
Stock-in-trade	(41,967)	21,761
Trade debts	(4,989)	(6,594)
Loans and advances	152	(2,878)
Advances, prepayments and other receivables	2,945	(24,572)
	<u>(46,421)</u>	<u>(13,680)</u>
Decrease in current liability:		
Trade and other payables	(55,521)	(73,281)
	<u>(11,066)</u>	<u>(14,970)</u>
Income tax paid	(18,207)	(12,513)
Gratuity paid	(2,061)	(3,636)
Retirement benefits paid	(935)	(1,087)
Profit received on investments	-	1,377
Profit received on short term deposits	329	456
Mark-up paid	(8,044)	(662)
	<u>(28,918)</u>	<u>(16,065)</u>
<b>Net cash used in operating activities</b>	<u>(39,984)</u>	<u>(31,035)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(12,909)	(11,922)
Short term investment	-	5,000
Proceeds from disposal of operating fixed assets	3,195	3,703
Net cash used in investing activities	<u>(9,714)</u>	<u>(3,219)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term loan	(10,000)	-
Dividend paid	(10,648)	(18,443)
<b>Net cash used in financing activities</b>	<u>(20,648)</u>	<u>(18,443)</u>
Net decrease in cash and cash equivalents	<u>(70,346)</u>	<u>(52,697)</u>
Cash and cash equivalents at beginning of the period	45,299	103,246
<b>Cash and cash equivalents at end of the period</b>	<u>(25,047)</u>	<u>50,549</u>
<b>Cash and cash equivalents comprises of:</b>		
Cash and bank balances	8,821	50,549
Short term running finance under mark-up arrangements	(33,868)	-
	<u>(25,047)</u>	<u>50,549</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

**Fariel Ali Mehdi**  
Chairman / Chief Executive

**Shahid Nazir Ahmed**  
Director



## Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended 31 December 2011

	Issued, subscribed and paid up capital	Reserves		Total reserves	Total
		General reserves	Un-appro- priated profit		
(Rs. in '000)					
<b>Balance as at 30 June 2010</b>	53,240	6,000	243,834	249,834	303,074
Total comprehensive income for the six months period ended 31 December 2010	-	-	36,409	36,409	36,409
<b>Transactions with owners recorded directly in equity</b>					
Final cash dividend for the year ended 30 June 2010	-	-	(18,634)	(18,634)	(18,634)
Transfer from surplus on revaluation of fixed assets - net of deferred tax	-	-	2,065	2,065	2,065
<b>Balance as at 31 December 2010</b>	53,240	6,000	263,674	269,674	322,914
Total comprehensive income for the six months period ended 30 June 2011	-	-	(15,986)	(15,986)	(15,986)
Transfer from surplus on revaluation of fixed assets - net of deferred tax	-	-	2,212	2,212	2,212
<b>Balance as at 30 June 2011</b>	53,240	6,000	249,901	255,901	309,141
Total comprehensive income for the six months period ended 31 December 2011	-	-	40,085	40,085	40,085
<b>Transactions with owners recorded directly in equity</b>					
Final cash dividend for the year ended 30 June 2011	-	-	(10,648)	(10,648)	(10,648)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	2,007	2,007	2,007
<b>Balance as at 31 December 2011</b>	<b>53,240</b>	<b>6,000</b>	<b>281,345</b>	<b>287,345</b>	<b>340,585</b>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

  
**Fariel Ali Mehdi**  
 Chairman / Chief Executive

  
**Shahid Nazir Ahmed**  
 Director



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

### 1. STATUS AND NATURE OF BUSINESS

ZIL Limited ("the Company") was incorporated as a private limited company in February 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and was subsequently converted into a public limited company in November 1986. Its shares are listed on the Karachi and Lahore Stock Exchanges. The principal activity of the Company is the manufacture and sale of home and personal care products

The registered office of the company is situated at 12th floor, Executive Tower, Dolmen City Marine Drive, Block-4, Clifton, Karachi.

### 2. BASIS OF PRESENTATION

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended 30 June 2011.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi, Lahore and Islamabad Stock Exchanges.

The comparative balance sheet presented in this condensed interim financial statements as at 30 June 2011 has been extracted from the audited financial statements of the Company for the year ended 30 June 2011, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statements for the six months period ended 31 December 2010 have been subjected to a review but not audit.

#### 2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand rupees.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2011.

### 4. ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions 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 accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as for the year ended 30 June 2011.

### 5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

		31 December 2011 (Un-audited)	30 June 2011 (Audited)
		(Rs. in '000)	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	326,859	328,213
Capital work-in-progress	6.2	63	5,328
		<u>326,922</u>	<u>333,541</u>

### 6.1 Operating fixed assets

Following are the additions and disposals of fixed assets during the current period:

	Additions	Disposals	
		Cost	Accumulated depreciation
	(Rs. in '000)		
Building on freehold land	260	-	-
Plant, machinery & equipment	2,789	-	-
Furniture and fixtures	3,249	-	-
Computers	1,224	-	-
Vehicle	8,649	3,486	1,438
	<u>16,171</u>	<u>3,486</u>	<u>1,438</u>

	31 December 2011 (Un-audited)	30 June 2011 (Audited)
	(Rs. in '000)	
<b>6.2 Capital work-in-progress</b>		
Opening balance	5,328	8,914
Additions during the period	<u>9,938</u>	<u>57,846</u>
	15,266	66,760
Transfers during the period	<u>(15,203)</u>	<u>(61,432)</u>
	<u>63</u>	<u>5,328</u>

### 7. STOCK-IN-TRADE

Raw material - in hand	132,115	114,779
- in transit	<u>126,558</u>	<u>171,750</u>
	258,673	286,529
Packing material	22,670	22,708
Work-in-progress	53,038	40,947
Finished goods	<u>82,251</u>	<u>24,486</u>
	416,632	374,670
Provision against slow moving items of stock-in-trade	<u>(3,727)</u>	<u>(3,727)</u>
	<u>412,905</u>	<u>370,943</u>



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

	31 December 2011 (Un-audited)	30 June 2011 (Audited)
	(Rs. in '000)	
<b>8. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances - considered good:		
- Suppliers and contractors	5,058	4,315
Less: Provision	(803)	(803)
	<u>4,255</u>	<u>3,512</u>
- Taxation	66,375	48,168
- To sales staff	508	508
Current maturity of loans to employees	513	217
Mark-up accrued on bank deposits	-	41
Prepayments	4,002	5,428
Other receivables	1,693	3,914
	<u>77,346</u>	<u>61,788</u>
<b>9. CASH AND BANK BALANCES</b>		
Cash in hand	311	134
Demand drafts in hand	-	37,557
Cash at bank		
- current accounts	3,139	1,670
- profit and loss sharing accounts	9.1 5,371	5,938
	<u>8,510</u>	<u>7,608</u>
	<u>8,821</u>	<u>45,299</u>

9.1 These carry interest / mark-up rate ranging from 6.3% to 6.42% per annum (30 June 2011: 6.3% to 6.42% per annum).

### 10. SHORT TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

The Company has arranged short-term running finance facility from National Bank of Pakistan Limited. The overall facility amounts to Rs. 200 million (30 June 2011: Rs. 200 million). The rate of mark-up on the running finance facility ranges between 3 months' KIBOR + 1.25% to 1.75%. The facility is expiring on 31 March 2012 and is renewable.



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

	31 December 2011 (Un-audited)	30 June 2011 (Audited)
<b>(Rs. in '000)</b>		
<b>11. TRADE AND OTHER PAYABLES</b>		
Trade creditors	66,512	110,090
Accrued expenses	86,908	84,388
Advances from customers	7,799	20,242
Sales tax payable	19,295	23,750
Workers' welfare fund	2,865	1,408
Workers' profit participation fund	3,338	580
Special excise duty payable	-	4,424
Dividend payable	-	591
Unclaimed dividend	614	23
Accrued mark-up	1,905	3,056
Other liabilities	8,584	5,939
	<u>197,820</u>	<u>254,491</u>

## 12. CONTINGENCIES AND COMMITMENT

### 12.1 Contingencies

12.1.1 Bank guarantees aggregating to Rs. 7.02 million (30 June 2011 : Rs. 7.02 million) have been issued in favour of Sui Southern Gas Company Limited for the supply of natural gas.

12.1.2 Post dated cheques of Rs. 143 million (30 June 2011 : Rs. 132.587 million) have been issued to Collector of Customs against partial exemption of import levies.

### 12.2 Commitments

12.2.1 Commitment under letters of credit for the import of stock-in-trade items amounted to Rs. 18 million (30 June 2011 : Rs. 23.515 million).

	Six months period ended		Three months period ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Note	----- (Rupees in '000) -----			

## 13. NET SALES

Gross sales	1,342,573	986,845	704,529	477,247
Sales tax	(204,207)	(158,116)	(107,197)	(76,707)
Special excise duty	-	(8,209)	-	(3,969)
Trade promotion discount	(64,130)	(61,224)	(28,853)	(32,246)
Rebate and sales return	(1)	(3)	-	-
	<u>(268,338)</u>	<u>(227,552)</u>	<u>(136,050)</u>	<u>(112,922)</u>
	<u>1,074,235</u>	<u>759,293</u>	<u>568,479</u>	<u>364,325</u>



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	----- (Rupees in '000) -----			
<b>14. COST OF SALES</b>				
Raw and packing material consumed	723,904	509,455	356,056	257,437
Stores and spares consumed	4,502	3,214	1,111	1,791
Salaries, wages and other benefits	48,501	39,054	23,977	19,724
Contribution to the provident fund	821	804	410	401
Repairs and maintenance	1,395	768	1,062	422
Fuel and power	29,849	32,321	16,055	14,911
Rent, rates and taxes	755	68	562	18
Insurance	1,158	1,101	304	542
Product research and development	1,008	38	962	23
Travelling and conveyance	1,927	1,212	969	768
Printing and stationery	183	252	109	174
Postage, telegrams and telephones	208	244	87	94
Legal charges	13	22	6	14
Professional fee	41	22	-	-
Entertainment	-	115	-	78
Subscription	4	55	1	53
Depreciation / amortisation	10,933	9,211	5,487	4,608
Freight and handling material	4,643	1,315	2,731	695
Other expenses	3,551	1,006	1,840	551
	<u>833,396</u>	<u>600,277</u>	<u>411,729</u>	<u>302,304</u>
Opening stock of work-in-process	40,947	28,742	56,484	27,835
Closing stock of work-in-process	(53,038)	(35,549)	(53,038)	(35,549)
Cost of good manufactured	<u>821,305</u>	<u>593,470</u>	<u>415,175</u>	<u>294,590</u>
Opening stock of finished goods	24,486	30,613	58,407	23,763
Closing stock of finished goods	(82,250)	(35,633)	(82,250)	(35,633)
	<u>(57,764)</u>	<u>(5,020)</u>	<u>(23,843)</u>	<u>(11,870)</u>
	<u>763,541</u>	<u>588,450</u>	<u>391,332</u>	<u>282,720</u>



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

	Six months period ended		Three months period ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
----- (Rupees in '000) -----				
<b>15. SELLING AND DISTRIBUTION COST</b>				
Salaries, wages and other benefits	31,230	23,763	16,517	12,793
Utilities	200	140	102	64
Contribution to the provident fund	767	516	392	256
Repairs and maintenance	90	502	41	290
Rent, rates and taxes	1,261	640	551	328
Depreciation / amortisation	2,267	1,334	1,168	695
Professional fee	150	99	89	24
Postage and telegram	1,384	724	690	402
Printing and stationery	264	616	138	442
Travelling and conveyance	9,010	4,058	4,600	2,159
Insurance	1,719	1,317	896	610
Advertising	108,365	15,048	6,283	1,032
Freight, distribution and handling	25,480	21,399	14,025	11,443
Product research and development	3,184	10,020	3,138	7,692
Other expenses	1,643	958	1,147	611
	<u>187,014</u>	<u>81,134</u>	<u>49,778</u>	<u>38,841</u>

## 16. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise Treet Corporation Limited, Wazir Ali Industries Limited, IGI Insurance Company Limited, Employees Provident Fund, directors and key management personnel. Details of transactions with related parties, are as follows:

	Six months period ended	
	31 December 2011	31 December 2010
(Rs. in '000)		
<b>Associated Companies</b>		
Sale of goods	<u>120</u>	<u>233</u>
Purchase of goods	<u>2,642</u>	<u>1,632</u>
Services rendered	<u>737</u>	<u>568</u>
Services received	<u>456</u>	<u>4,997</u>
Insurance premium paid	<u>5,056</u>	<u>3,860</u>
Dividend paid	<u>1,807</u>	<u>3,953</u>



## Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

	<b>Six months period ended</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	<b>(Rs. in '000)</b>	
<b>Other related parties</b>		
Contribution to the employees' provident fund	<u>2,056</u>	<u>1,729</u>
<b>Directors and Chief Executive Officer (Key management personnel)</b>		
Remuneration	<u>18,451</u>	<u>10,065</u>
Dividend paid	<u>2,993</u>	<u>4,273</u>
<b>Other Key Management Personnel</b>		
Managerial remuneration (excluding directors and Chief Executive Officer)	<u>13,191</u>	<u>8,447</u>
<b>Balances with related parties:</b>		
<b>Associated Companies</b>		
Trade debts (unsecured, considered good)	<u>0.32</u>	<u>0.08</u>

**16.1** Contribution to the provident fund is made in accordance with the requirements of staff service rules.

**16.2** Remuneration to key management personnel is in accordance with the terms of their employment.

**16.3** Other transactions with the related parties are at the agreed terms.

### 17. GENERAL

**17.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the three months period ended 31 December 2011 and 31 December 2010 in this condensed interim financial information have not been reviewed by the auditors.

**17.2** This condensed interim financial information was authorised for issue on February 14, 2012 by the board of directors of the Company.

**Ferial Ali Mehdi**  
Chairman / Chief Executive

**Shahid Nazir Ahmed**  
Director



12th Floor, Executive Tower, Dolmen City, Marine Drive,  
Block IV, Clifton, Karachi - Pakistan.  
Tel: +9221 35297570-77 Fax: +9221 35297585  
Website: [www.zil.com.pk](http://www.zil.com.pk)