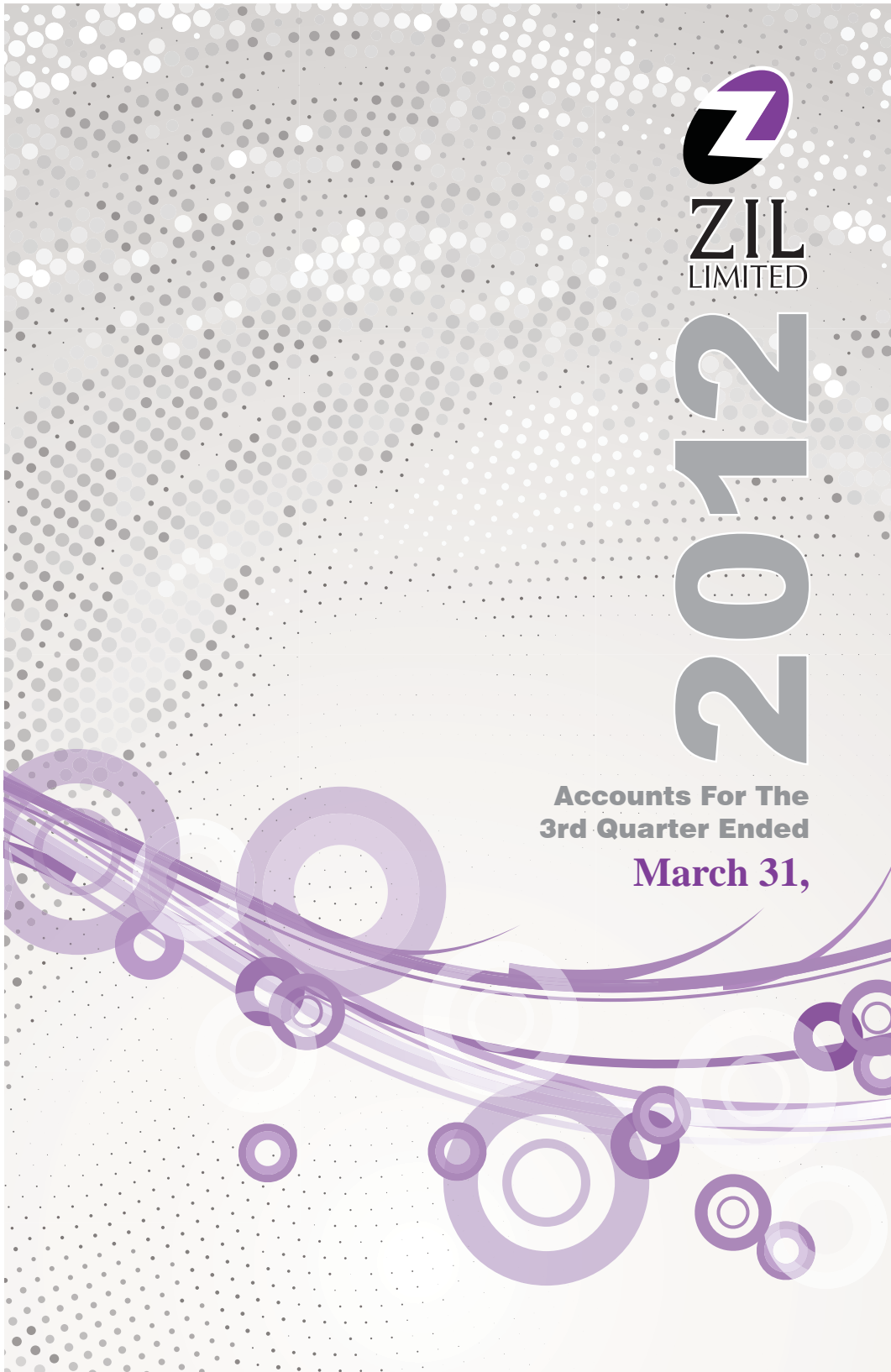




2012

Accounts For The
3rd Quarter Ended
March 31,





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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 period ended March 31, 2012.

Overview

Net sales revenue grew by 24% during July to March 2012 period. Sustained focus on input costs, a better product mix and active pricing decisions helped improve gross margins.

Financial results for the period under review are as follows:

	Nine months ended March 31, 2012	Nine months ended March 31, 2011
Gross Sales (Rs'000)	1,683,238	1,390,547
Net Sales (Rs'000)	1,336,861	1,076,049
Profit after taxation (Rs'000)	16,873	36,858
Earning Per share (Rs)	3.17	6.92

The company has continued to invest in its brands as innovation is at the core of our future strategy. Success has been met with some focused channel based promotions for the Capri portfolio as well as Opal by giving value to the consumers.

We are confident that in the long run this consumer centric strategy will deliver good results for all stakeholders.

Future Outlook

Demand for consumer goods especially those susceptible to seasonal impact, has adversely affected it due to prolonged winter season. Increasing inflation, poor security situation and power outages continue to pose significant challenges to the business. Despite all these hindrances, we are striving hard to grow within existing brand segment and in other associated skin care categories.

Acknowledgement

We wish to thank our customers for their continued support. We also take this opportunity to thank our suppliers, bankers and distributors for providing us their valuable support throughout the period. Finally we wish to thank our staff members, who have remained committed to deliver towards the growth of the Company.

For and on behalf of the Board

Ferial Ali Mehdi

Chief Executive Officer

Karachi: April 24, 2012



Condensed Interim Balance Sheet

As at 31 March 2012

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
Note	(Rs. in '000)	
NON-CURRENT ASSETS		
Property, plant and equipment	6 352,050	333,541
Intangible assets	7,659	7,906
Long term deposits	6,805	6,805
Long term loans to employees	805	950
CURRENT ASSETS		
Stores and spares	11,775	8,600
Stock-in-trade	7 526,762	370,943
Trade debts	33,381	29,780
Advances, deposits, prepayments and other receivables	83,538	61,788
Cash and bank balances	8 23,055	45,299
	658,511	516,410
CURRENT LIABILITIES		
Running finance	8.1 143,201	-
Short term loan & Murabaha	8.2 168,178	80,000
Trade and other payables	179,085	254,491
Taxation	27,921	24,910
	518,386	359,401
NET CURRENT ASSETS	140,125	157,009
NET ASSETS	507,443	506,211
FINANCED BY		
SHARE CAPITAL AND RESERVES		
Authorised capital 10,000,000 (30 June 2011: 10,000,000) ordinary shares of Rs. 10 each	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up capital	53,240	53,240
Reserves	<u>265,136</u>	<u>255,901</u>
	318,376	309,141
Surplus on revaluation of fixed assets - net of tax	90,936	93,948
NON-CURRENT LIABILITIES		
Long term deposits	450	450
Deferred staff liabilities	70,773	65,214
Deferred tax liability - net	<u>26,909</u>	<u>37,458</u>
	507,443	506,211
COMMITMENTS	9	

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

Ferial Ali Mehdi
Chairman / Chief Executive

Kemal Shoaib
Director



Condensed Interim Profit and Loss Account (Un-audited)

For the nine months period ended 31 March 2012

	Note	Nine months period ended		Three months period ended	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
(Rupees in '000)					
Net sales	10	1,336,861	1,076,049	262,626	316,756
Cost of Sales	11	(966,740)	(853,264)	(203,199)	(264,814)
Gross profit		370,120	222,784	59,426	51,942
Selling and distribution expenses		(252,434)	(114,711)	(65,420)	(33,577)
Administrative expenses		(75,821)	(52,132)	(24,510)	(18,741)
		(328,255)	(166,842)	(89,930)	(52,317)
		41,865	55,942	(30,504)	(376)
Other operating income		6,406	7,716	2,404	2,880
Other operating expenses		(7,070)	(5,111)	400	(815)
		41,201	58,547	(27,700)	1,689
Finance cost		(14,600)	(1,218)	(7,707)	(556)
Profit before taxation		26,602	57,329	(35,406)	1,134
Taxation		(9,729)	(20,471)	12,194	(684)
Profit after taxation		16,873	36,858	(23,212)	449
(Rupees)					
Earnings / (loss) per share - basic and diluted		3.17	6.92	(4.36)	0.08

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


Ferial Ali Mehdi
 Chairman / Chief Executive


Kemal Shoab
 Director



Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended 31 March 2012

	Nine months period ended		Three months period ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	----- (Rupees in '000) -----			
Profit / (loss) for the period	16,873	36,858	(23,212)	449
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>16,873</u>	<u>36,858</u>	<u>(23,212)</u>	<u>449</u>

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

Ferial Ali Mehdi
Chairman / Chief Executive

Kemal Shoab
Director



Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended 31 March 2012

	Note	Nine months period ended	
		31 March 2012	31 March 2011
		(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	(160,884)	(64,903)
Income tax paid		(23,402)	(21,680)
Gratuity paid		(2,722)	(5,822)
Retirement benefits paid		(1,509)	(2,923)
Profit received on short term deposit		371	2,680
Mark-up paid		(12,708)	(976)
		<u>(39,970)</u>	<u>(28,721)</u>
Net cash flows from operating activities		(200,853)	(93,624)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(46,553)	(21,089)
Short-term investments		-	5,000
Proceeds from disposal of fixed assets		4,430	6,236
Net cash flows from investing activities		(42,123)	(9,853)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(10,648)	(18,507)
Short term loan & murabaha		88,178	-
Net cash flows from financing activities		77,530	(18,507)
Net (decrease) / increase in cash and cash equivalents		(165,446)	(121,983)
Cash and cash equivalents at beginning of the period		45,299	103,246
Cash and cash equivalents at end of the period		<u>(120,147)</u>	<u>(18,737)</u>
Cash and cash equivalents comprise of			
Cash and bank balances		23,055	13,815
Running finance under mark up arrangements		(143,201)	(32,551)
		<u>(120,147)</u>	<u>(18,737)</u>

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

Ferial Ali Mehdi
Chairman / Chief Executive

Kemal Shoab
Director



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

For the nine months period ended March 31, 2012

	Issued, subscribed and paid up capital	Revenue reserves General reserve	Un-appro- priated profit	Total reserves	Total
	(Rs. in '000)				
Balance as at 1 July 2010	53,240	6,000	243,834	249,834	303,074
Transactions with owners recorded directly in equity					
Final dividend paid for the year ended 30 June 2010	-	-	(18,634)	(18,634)	(18,634)
Total comprehensive income for the nine months period ended 31 March 2011-Profit for the period	-	-	36,858	36,858	36,858
Transferred from surplus on revaluation of fixed assets -net of deferred Tax	-	-	3,170	3,170	3,170
	-	-	40,028	40,028	40,028
Balance as at 31 March 2011	53,240	6,000	265,228	271,228	324,468
Total comprehensive income for the three months period ended 30 June 2011	-	-	(16,435)	(16,435)	(16,435)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	1,108	1,108	1,108
	-	-	(15,327)	(15,327)	(15,327)
Balance as at 30 June 2011	53,240	6,000	249,901	255,901	309,141
Transactions with owners recorded directly in equity					
Final dividend paid for the year ended 30 June 2011	-	-	(10,648)	(10,648)	(10,648)
Total comprehensive income for the nine months period ended 31 March 2012-Profit for the period	-	-	16,873	16,873	16,873
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	3,010	3,010	3,010
	-	-	19,883	19,883	19,883
Balance as at 31 March 2012	53,240	6,000	259,136	265,136	318,376

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


Ferial Ali Mehdi
 Chairman / Chief Executive


Kemal Shoaib
 Director



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2012

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-IV, Clifton, Karachi.

2. BASIS FOR PRESENTATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the approved international accounting standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended 30 June 2011.

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

2.2 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. SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES

The preparation of condensed interim financial statements 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 Company's accounting policies and the key sources of estimation uncertainty were the same as those 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 Statements (Unaudited)

For the nine months period ended 31 March 2012

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rs. in '000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	328,940	328,213
Capital work-in-progress	6.2 23,109	5,328
	352,050	333,541

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	3,376	1,001	928
Furniture and fixtures	4,682	-	-
Computers	1,428	-	-
Vehicle	16,771	4,075	1,735
	<u>26,517</u>	<u>5,076</u>	<u>2,662</u>

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rs. in '000)	
6.2 Capital work-in-progress		
Opening balance	5,328	8,914
Additions during the period	46,245	57,846
	51,573	66,760
Transfers during the period	(28,464)	(61,432)
	23,109	5,328



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2012

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rs. in '000)	
7. STOCK-IN-TRADE		
Raw materials – in hand	156,673	114,779
– in transit	156,668	171,750
	313,341	286,529
Packing materials	23,883	22,708
Work-in-process	64,673	40,947
Finished goods	128,592	24,486
	530,489	374,670
Provision against slow moving stock-in-trade	(3,727)	(3,727)
	526,762	370,943
8. CASH AND BANK BALANCES		
Cash in hand	122	134
Demand draft in hand	11,908	37,557
Cash at banks in		
– current accounts	2,454	1,670
– profit and loss sharing account	376	5,938
– collection accounts	8,195	-
	11,025	7,608
	23,055	45,299
8.1	Running finance under mark up arrangement facility carries mark up rate of 1 month's KIBOR +1,25%	
8.2	Short term loan and murabaha financing carries mark up rate of period's KIBOR +0.5% to 0.95% respectively.	



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2012

9. CONTINGENCY AND COMMITMENT

9.1 Contingency

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

9.1.2 Post dated cheques of Rs. 135.692 million (30 June 2011: Rs. 132.587 million) have been issued to Collector of Customs against partial exemption of import levies.

9.2 Commitment

Commitments under letters of credit for the import of stock-in-trade items amounting to Rs. 15.365 million (30 June 2011: Rs.23.515 million).

Nine months period ended		Three months period ended	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

Note ----- (Rupees in '000) -----

10. NET SALES

Gross sales	1,683,238	1,390,547	340,665	403,702
Sales tax	(256,036)	(222,373)	(51,829)	(64,257)
Special excise duty	-	(12,348)	-	(4,139)
Trade promotion discount	(90,339)	(79,773)	(26,209)	(18,549)
Rebate and sales return	(2)	(4)	(1)	(1)
	(346,377)	(314,498)	(78,039)	(86,946)
	<u>1,336,861</u>	<u>1,076,049</u>	<u>262,626</u>	<u>316,756</u>



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2012

	Nine months period ended		Three months period ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
----- (Rupees in '000) -----				
11. COST OF SALES				
Raw and packing materials consumed	940,124	783,187	213,827	273,732
Stores and spares consumed	6,187	6,136	1,685	2,922
Salaries, wages and other benefits	71,656	58,877	23,155	19,823
Contribution to the provident fund	1,274	1,219	453	415
Repair and maintenance	2,092	846	697	78
Fuel and power	40,881	44,397	11,032	12,076
Rent, rates and taxes	805	138	50	70
Insurance	2,014	1,453	856	352
Product research and development	171	106	63	68
Traveling & conveyance	3,013	2,255	1,086	1,043
Printing & stationery	263	376	80	124
Postage & telephone	364	352	156	108
Legal charges	102	56	89	34
Professional fee	57	43	16	21
Subscription	15	71	11	16
Depreciation / Amortisation	16,415	13,925	5,482	4,714
Freight and handling material	6,466	3,167	1,823	1,852
Other expenses	2,674	1,738	616	617
	<u>1,094,572</u>	<u>918,341</u>	<u>261,176</u>	<u>318,064</u>
Opening stock of work-in-process	40,947	28,742	53,038	35,549
Closing stock of work-in-process	(64,673)	(31,165)	(64,673)	(31,165)
Cost of goods manufactured	<u>1,070,846</u>	<u>915,919</u>	<u>249,541</u>	<u>322,449</u>
Opening stock of finished goods	24,486	30,613	82,250	35,633
Closing stock of finished goods	(128,592)	(93,268)	(128,592)	(93,268)
	<u>966,740</u>	<u>853,264</u>	<u>203,199</u>	<u>264,814</u>



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2012

	Nine months period ended	
	31 March 2012	31 March 2011
	(Rs. in '000)	
12. CASH GENERATED FROM OPERATIONS		
Profit before taxation	26,602	57,329
Adjustments for:		
Mark-up expense	14,600	1,218
Depreciation / amortisation	25,876	19,891
Provision for gratuity	6,980	6,440
Provision for staff retirement benefits	2,807	2,750
Profit on short term deposit	(371)	(2,680)
Gain on disposal of fixed assets	(2,016)	(2,169)
	<u>47,876</u>	<u>25,450</u>
Operating profit before working capital changes	74,477	82,779
(Increase) / Decrease in operating assets:		
Stores and spares	(3,175)	(2,177)
Stock-in-trade	(155,822)	(17,477)
Trade debts	(3,600)	(17,904)
Loans and Advances	(150)	64
Long term advances and deposits	-	(3,087)
Advances, deposits, prepayments and other receivables	4,684	(36,182)
	<u>(158,063)</u>	<u>(76,763)</u>
Increase / (decrease) in operating liabilities:		
Trade and other payables	(77,298)	(70,918)
Cash generated from operations	<u>(160,884)</u>	<u>(64,903)</u>

13. TRANSACTIONS AND BALANCE WITH ASSOCIATED PARTIES

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



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 31 March 2012

	Nine months period ended	
	31 March 2012	31 March 2011
	(Rs. in '000)	
13.1. Transactions with related parties		
Associated Companies		
Sale of goods	164	272
Services rendered	870	716
Purchases of goods	3,397	2,397
Services received	6,463	5,616
Dividend paid	1,807	3,953
Staff Retirement Benefit Plans		
Contribution to employees' provident fund	2,967	2,473
Directors and Chief Executive Officer		
Remuneration	23,926	14,921
Dividend paid	2,993	4,273
Other Key Management Personnel		
Managerial remuneration (excluding directors and Chief Executive Officer)	20,484	11,733
	31 March 2012 (Un-audited)	30 June 2011 (Un-audited)
	(Rs. in '000)	
13.2. Balances with related parties:		
Trade and other receivables	315	-

14. GENERAL

14.1. These condensed financial statements were authorised for issue by the Board of Directors of the company in their meeting held on 24th April 2012.

14.2 Figures have been rounded off to the nearest of thousand of rupees.

Ferial Ali Mehdi
Chairman / Chief Executive

Kemal Shoab
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