



**Accounts For The Half Year Ended
December 31, 2010**



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Corporate Information

Board of Directors

Mrs. Feriel 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

3rd Floor, Kandawala Building,
M. A. Jinnah Road, Karachi - 74400
<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

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, 2010.

Overview

The Company achieved gross sales revenue of Rs 987 million during the six month period registering an increase of 18% over Rs. 836 million generated during same period last year, mainly due to a 15% increase in sales volume.

Raw material costs remained exceptionally high causing a negative effect on the gross margins which declined to 23% as compared to 29% earned during the comparative period in previous year. It is expected that these will persist in the 2nd half also keeping gross margins under severe pressure.

The selling and distribution expenses, which were high in 2009 because of 40th year celebrations, remained at maintenance levels this year.

Administrative expenses increased to 33million because of strategic changes that company is undertaking which, among others, include shifting to a new head office situated in a prime location of the city.

Profit after tax of the company grew to 36.4 million as compared to 14.0 million during corresponding period preceding year.

	2010	2009
	(Rs '000)	
Gross Sales	986,845	835,606
Net Sales	759,293	662,009
Profit after taxation	36,409	14,027

Earning per Share

Earning per share for the period under review is Rs 6.84 as compared to Rs 2.63 last year.

Future Outlook

The company is determined to improve its market position through innovation, enhanced consumer understanding and better communication.

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 24, 2011

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 2010 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 accounts 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 2010 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 2010 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date : February 24, 2011

Karachi.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Condensed Interim Balance Sheet
As at 31 December 2010



	Unaudited 31 December 2010	Audited 30 June 2010 Restated
ASSETS	Note	(Rs. in '000)
NON-CURRENT ASSETS		
Property, plant and equipment	6	310,065
Intangible assets		2,649
Long term deposits		5,849
Long term loans to employees		214
		296
		296,943
CURRENT ASSETS		
Stores and spares		9,259
Stock-in-trade	7	260,520
Trade debts	8	27,874
Advances, prepayments and other receivables	9	61,300
Short term investments		-
Cash and bank balances	10	50,549
		409,502
CURRENT LIABILITIES		
Trade and other payables	11	176,484
Taxation		35,571
		212,055
NET CURRENT ASSETS		197,447
NET ASSETS		516,224
FINANCED BY:		
SHARE CAPITAL AND RESERVES		
Authorised capital 10,000,000 (30 June 2010: 10,000,000) ordinary shares of Rs. 10 each		100,000
		100,000
Issued, subscribed and paid up capital		53,240
Reserves		269,674
		303,074
Surplus on revaluation of fixed assets - net of tax	12	96,159
NON-CURRENT LIABILITIES		83,307
Long-term deposits		450
Deferred staff benefit liabilities		62,373
Deferred tax liability - net		34,328
		90,164
		476,545
CONTINGENCY AND COMMITMENT	13	

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

Ferieh Ali Mehdi
Chairman / Chief Executive

Kemal Shoaib
Director

Condensed Interim Profit and Loss
Accounts (Un-audited)
For the six months period ended 31 December 2010



	Note	Six months period ended		Three months period ended	
		31 December 2010	31 December 2009	31 December 2010	31 December 2009
		(Rupees in '000)			
Net sales	14	759,293	662,009	364,325	316,147
Cost of sales	15	(588,450)	(470,251)	(282,720)	(227,113)
Gross profit		170,843	191,758	81,605	89,034
Selling and distribution cost	16	(81,134)	(150,899)	(38,841)	(89,436)
Administrative expenses		(33,391)	(21,154)	(18,288)	(10,426)
		(114,525)	(172,053)	(57,129)	(99,862)
		56,318	19,705	24,476	(10,828)
Other income		4,836	8,254	2,741	3,446
Other expenses		(4,296)	(5,931)	(1,406)	(1,062)
		56,858	22,028	25,811	(8,444)
Finance cost		(662)	(276)	(501)	(175)
Profit before taxation		56,196	21,752	25,310	(8,619)
Taxation		(19,787)	(7,725)	(8,343)	2,983
Profit / (loss) for the period		36,409	14,027	16,967	(5,636)
Earnings / (loss) per share - basic and diluted Rupees		6.84	2.63	3.19	(1.06)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


Ferial Ali Mehdi
Chairman / Chief Executive


Kemal Shoab
Director

Condensed Interim Statement of
Comprehensive Income (Unaudited)
For the six months period ended 31 December 2010



	Six months period ended		Three months period ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	----- (Rupees in '000) -----			
Profit / (loss) for the period	36,409	14,027	16,967	(5,636)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>36,409</u>	<u>14,027</u>	<u>16,967</u>	<u>(5,636)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

Ferial Ali Mehdi
Chairman / Chief Executive

Kemal Shoaib
Director

Condensed Interim Cash Flow
Statement (Un-audited)
For the six months period ended 31 December 2010



Six months period ended
31 December 2010 31 December 2009
(Rs. in '000)

CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	56,196	21,752
Adjustments for:		
Mark-up expense	662	276
Depreciation / amortization	12,981	12,961
Provision for gratuity	4,294	3,473
Provision for staff retirement benefits	1,833	1,655
Return on investments	(649)	(3,242)
Profit on short term deposit	(1,377)	(2,603)
Loss on disposal of fixed assets	(1,949)	(152)
	15,795	12,368
Operating profit before working capital changes	71,991	34,120
<i>(Increase) / decrease in operating assets:</i>		
Stores and spares	(1,397)	(777)
Stock-in-trade	21,761	(74,632)
Trade debts	(6,594)	1,351
Loans and advances	(2,878)	61
Advances, deposits, prepayments and other receivables	(24,572)	(8,598)
	(13,680)	(82,595)
<i>(Decrease) / increase in operating liabilities:</i>		
Trade and other payables	(73,281)	7,629
	(14,970)	(40,846)
Income tax paid	(12,513)	(21,035)
Gratuity paid	(3,636)	(2,170)
Retirement benefits paid	(1,087)	(1,925)
Profit received on investments	1,377	3,242
Profit received on short term deposits	456	2,602
Mark-up paid	(662)	(377)
	(16,065)	(19,663)
Net cash flows from operating activities	(31,035)	(60,509)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(11,922)	(5,747)
Short term investment	5,000	-
Proceeds from disposal of fixed assets	3,703	580
Net cash flows from investing activities	(3,219)	(5,167)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(18,443)	(19,184)
Net cash flows from financing activities	(18,443)	(19,184)
Net decrease in cash and cash equivalents	(52,697)	(84,860)
Cash and cash equivalents at beginning of the period	103,246	149,573
Cash and cash equivalents at end of the period	50,549	64,713
Cash and cash equivalents comprises of:		
Cash and bank balances	50,549	49,713
Short term investments	-	15,000
	50,549	64,713

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


Ferial Ali Mehdi
Chairman / Chief Executive


Kemal Shoaib
Director

Condensed Interim Statement of
Changes in Equity (Un-audited)
For the six months period ended 31 December 2010



	Issued, subscribed and paid-up capital	Reserves		Total reserves	Total
		General reserve	Unappropriated profit		
----- (Rs. in '000) -----					
Balance as at 1 July 2009	48,400	6,000	233,263	239,263	287,663
Changes in equity for the six months period ended 31 December 2009					
Total comprehensive income for the six months period ended 31 December 2009 - profit for the period	-	-	14,027	14,027	14,027
<i>Transactions with owners recognised directly in equity</i>					
Bonus shares issued for the year ended 30 June 2009	4,840	-	(4,840)	(4,840)	-
Final cash dividend for the year ended 30 June 2009	-	-	(19,360)	(19,360)	(19,360)
Transfer from surplus on revaluation of fixed assets - net of deferred tax	4,840	-	(24,200)	(24,200)	(19,360)
Transfer from surplus on revaluation of fixed assets - net of deferred tax	-	-	1,843	1,843	1,843
Balance as at 31 December 2009	53,240	6,000	224,933	230,933	284,173
Changes in equity for the six months period ended 31 December 2009					
Total comprehensive income for the six months period ended 30 June 2010 - profit for the period	-	-	17,059	17,059	17,059
Transfer from surplus on revaluation of fixed assets - net of deferred tax	-	-	1,842	1,842	1,842
Balance as at 30 June 2010	53,240	6,000	243,834	249,834	303,074
Total comprehensive income for the six months period ended 31 December 2010 - profit for the period	-	-	36,409	36,409	36,409
<i>Transactions with owners recorded directly in equity</i>					
- Final cash dividend paid for the year ended 30 June 2010	-	-	(18,634)	(18,634)	(18,634)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	2,065	2,065	2,065
Balance as at 31 December 2010	53,240	6,000	263,674	269,674	322,914

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Ferial Ali Mehdi
Chairman / Chief Executive


Kemal Shoab
Director

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 toilet and washing soaps.

The registered office of the company is situated at 3rd Floor, Kandawala Building, M.A. Jinnah Road, 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 2010.

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 and Lahore Stock Exchanges.

2.2 Functional and presentation currency

This condensed interim financial information are 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 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 2010 except as follows:

Change in accounting policy

Improvements to International Accounting Standard 17 (Leases) became effective from the annual period beginning on or after 01 January 2010. The application of this standard has resulted in the reclassification of leasehold land from long term prepayments to lease assets. The policy has been applied retrospectively in accordance with transitional provisions of the IAS 17.

As per the accounting policy of the Company, land is carried under revaluation model therefore, above mentioned leasehold was revalued as of 31 December 2010 by an independent valuer M/s Amanullah Associates on the basis of market value. This valuation has been incorporated in the condensed interim financial information as of 31 December 2010 and has resulted in a surplus of Rs. 22.949 million before tax. If the Company had continued to account for leasehold land as long term prepayment, the effect on the condensed interim financial information would have been as follows:

Notes to the Condensed Interim Financial
Information (Un-audited)
For the six months period ended 31 December 2010



- Non current assets would decrease by Rs. 22.949 million
- Surplus on equity would decrease by Rs. 14.917 million
- Deferred tax liability would decrease by Rs. 8.032 million

Corresponding figures have been rearranged and reclassified for the purposes of comparison and better presentation as follows:

Reclassification from component	Reclassification to component	(Rupees in '000)
Long term prepayments	Leasehold land	<u>19,384</u>

Adoption of new accounting policy - Ijarah

During the period, the Company has acquired vehicle under ijarah arrangement with First Habib Modaraba. Islamic Financial Accounting Standard (IFAS) 2 - Ijarah requires rental payments due under these arrangements to be recognised as an expense in the profit and loss account on a straight line basis over the ijarah (lease) term under the accrual basis.

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 2010.

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 2010.

6. PROPERTY, PLANT AND EQUIPMENT

		Unaudited 31 December 2010	Audited 30 June 2010
		(Rs. in '000)	
Operating fixed assets	6.1	299,445	282,371
Capital work-in-progress	6.2	10,620	8,914
		<u>310,065</u>	<u>291,285</u>

Notes to the Condensed Interim Financial
Information (Un-audited)
For the six months period ended 31 December 2010



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	577	-	-
Plant, machinery & equipment	2,952	-	-
Furniture and fixtures	438	-	-
Computers	963	-	-
Vehicles	3,846	3,521	1,877
	<u>8,776</u>	<u>3,521</u>	<u>1,877</u>
		Unaudited 31 December 2010	Audited 30 June 2010
		(Rs. in '000)	

6.2 Capital work-in-progress

Opening balance		8,914	12,342
Additions during the period	6.2.1	<u>10,482</u>	<u>19,891</u>
		19,396	32,233
Transfers during the period		<u>(8,776)</u>	<u>(23,319)</u>
		<u>10,620</u>	<u>8,914</u>

6.2.1 This includes advance given for sales and distribution system, advance given for purchase of vehicles and installation of certain items of plant and machinery amounting to Rs. 2.497 million, Rs. 2.328 million and Rs. 3.852 million respectively.

7. STOCK-IN-TRADE

Raw material - in hand	50,785	72,653
- in transit	<u>127,175</u>	<u>143,121</u>
	177,960	215,774
Packing material	19,759	16,806
Work-in-progress	35,549	28,743
Finished goods	<u>35,633</u>	<u>30,613</u>
	268,901	291,936
Provision against slow moving items of stock-in-trade	<u>(8,381)</u>	<u>(9,655)</u>
	<u>260,520</u>	<u>282,281</u>

Notes to the Condensed Interim Financial
Information (Un-audited)
For the six months period ended 31 December 2010



	Unaudited 31 December 2010	Audited 30 June 2010
	(Rs. in '000)	
8. TRADE DEBTS		
Considered good	27,874	21,280
Considered doubtful	1,133	1,133
	<u>29,007</u>	<u>22,413</u>
Provision against doubtful debts	<u>(1,133)</u>	<u>(1,133)</u>
	<u>27,874</u>	<u>21,280</u>
9. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Advances - considered good:		
- Suppliers and contractors - net	14,205	3,252
Less: Provision held	(803)	(803)
	13,402	2,449
- Taxation	33,783	42,264
- To sales staff	531	146
Current maturity of loans to employees	284	195
Mark-up accrued on bank deposits	193	207
Prepayments	8,838	300
Other receivables	4,269	487
	<u>61,300</u>	<u>46,048</u>
10. CASH AND BANK BALANCES		
Cash in hand	178	61
Demand drafts in hand	19,829	13,394
Cash at banks in - current accounts	2,738	898
- profit and loss sharing accounts	27,804	33,893
- term deposit receipts	-	55,000
	<u>30,542</u>	<u>89,791</u>
	<u>50,549</u>	<u>103,246</u>
11. TRADE AND OTHER PAYABLES		
Trade credit liability	58,382	138,544
Accrued expenses	83,174	62,924
Advances from customers	10,654	27,712
Sales tax payable	10,638	8,617
Worker's welfare fund	1,989	2,064
Worker's profit participation fund	3,023	2,611
Special excise duty payable	686	682
Dividend payable	661	470
Unclaimed dividend	23	23
Accrued markup liability	34	34
Other liabilities	7,220	6,019
	<u>176,484</u>	<u>249,700</u>

Notes to the Condensed Interim Financial
Information (Un-audited)
For the six months period ended 31 December 2010



12. SURPLUS ON REVALUATION OF FIXED ASSETS - net of tax (on freehold / leasehold land, building and plant and machinery)

	Unaudited 31 December 2010	Audited 30 June 2010
	(Rs. in '000)	
Balance as on 1 July 2010	105,532	98,728
Surplus arising due to revaluation on 31 December 2010	22,949	12,474
Transferred to accumulated profit in respect of incremental depreciation charged during the period	(2,065)	(3,685)
Related deferred tax liability	(1,111)	(1,985)
	125,305	105,532
Less:		
Related deferred tax liability at the beginning of the period	22,225	19,844
On revaluation carried out during the period	8,032	4,366
On incremental depreciation for the period	(1,111)	(1,985)
	29,146	22,225
Balance as on 31 December 2010	96,159	83,307

13. CONTINGENCY AND COMMITMENT

13.1 Contingency

- 13.1.1 Bank guarantees aggregating to Rs. 7.02 million (30 June 2010 : Rs.7.02 million) have been issued in favour of Sui Southern Gas Company Limited for the supply of natural gas.
- 13.1.2 Post dated cheques of Rs. 127.715 million (30 June 2010 : Rs. 70.221 million) have been issued to Collector of Customs against partial exemption of import levies.

13.2 Commitment

- 13.2.1 Commitment under letters of credit for the import of stock-in-trade items amounted to Rs. 29.315 million (30 June 2010 : Rs. 64.834 million).
- 13.2.2 Commitments for ijarah arrangements not later than one year amounting to Rs. 0.708 million.

Notes to the Condensed Interim Financial
Information (Un-audited)
For the six months period ended 31 December 2010



	Six months period ended		Three months period ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
----- (Rupees in '000) -----				
14. NET SALES				
Gross sales	986,845	835,606	477,247	394,179
Sales tax	(158,116)	(126,205)	(76,707)	(59,298)
Special excise duty	(8,209)	(6,980)	(3,969)	(3,284)
Trade promotion discount	(61,224)	(40,410)	(32,246)	(15,450)
Rebate and sales return	(3)	(2)	-	-
	<u>(227,552)</u>	<u>(173,597)</u>	<u>(112,922)</u>	<u>(78,032)</u>
	<u>759,293</u>	<u>662,009</u>	<u>364,325</u>	<u>316,147</u>
15. COST OF SALES				
Raw and packing material consumed	509,455	415,375	257,437	222,340
Stores and spares consumed	3,214	2,798	1,791	1,213
Salaries, wages and other benefits	39,054	37,824	19,724	18,877
Contribution to the provident fund	804	761	401	378
Repairs and maintenance	768	598	422	325
Fuel and power	32,321	23,731	14,911	10,341
Rent, rates and taxes	68	1,924	18	1,528
Insurance	1,101	1,116	542	560
Product research and development	38	192	23	79
Travelling and conveyance	1,212	1,027	768	577
Printing and stationery	252	206	174	127
Postage, telegrams and telephones	244	229	94	119
Legal charges	22	15	14	10
Professional fee	22	5	-	5
Entertainment	115	45	78	19
Subscription	55	31	53	12
Depreciation / amortisation	9,211	9,611	4,608	4,793
Freight and handling material	1,315	1,804	695	942
Other expenses	1,006	825	551	374
	<u>600,277</u>	<u>498,117</u>	<u>302,304</u>	<u>262,619</u>
Opening stock of work-in-process	28,742	25,436	27,835	21,860
Closing stock of work-in-process	(35,549)	(25,430)	(35,549)	(25,430)
Cost of good manufactured	<u>593,470</u>	<u>498,123</u>	<u>294,590</u>	<u>259,049</u>
Opening stock of finished goods	30,613	28,773	23,763	24,709
Closing stock of finished goods	(35,633)	(56,645)	(35,633)	(56,645)
	<u>(5,020)</u>	<u>(27,872)</u>	<u>(11,870)</u>	<u>(31,936)</u>
	<u>588,450</u>	<u>470,251</u>	<u>282,720</u>	<u>227,113</u>

Notes to the Condensed Interim Financial
Information (Un-audited)
For the six months period ended 31 December 2010



<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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>

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

16. SELLING AND DISTRIBUTION COST

Salaries, wages and other benefits	23,763	21,567	12,793	10,882
Utilities	140	95	64	32
Contribution to the provident fund	516	485	256	240
Repairs and maintenance	502	530	290	285
Rent, rates and taxes	640	924	328	295
Depreciation / amortisation	1,334	1,010	695	510
Professional fee	99	295	24	295
Postage and telegram	724	832	402	442
Printing and stationery	616	450	442	239
Travelling and conveyance	4,058	3,967	2,159	2,062
Insurance	1,317	1,394	610	423
Advertising	15,048	98,668	1,032	63,956
Freight, distribution and handling	21,399	17,301	11,443	8,669
Product research and development	10,020	2,970	7,692	962
Other expenses	958	411	611	144
	<u>81,134</u>	<u>150,899</u>	<u>38,841</u>	<u>89,436</u>

17. TRANSACTIONS WITH RELATED PARTIES

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

	<u>Six months period ended</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2010</u>	<u>2009</u>
	(Rs. in '000)	
Associated Companies		
Sale of goods	<u>233</u>	<u>62</u>
Purchase of goods	<u>1,632</u>	<u>-</u>
Services rendered	<u>568</u>	<u>435</u>
Services received	<u>4,997</u>	<u>-</u>
Insurance premium paid	<u>3,860</u>	<u>-</u>
Dividend paid	<u>3,953</u>	<u>4,346</u>
Bonus shares issued	<u>-</u>	<u>869</u>
Other related parties		
Contribution to the employees' provident fund	<u>1,729</u>	<u>1,596</u>
Directors and Chief Executive Officer (Key management personnel)		
Remuneration	<u>10,065</u>	<u>2,780</u>
Dividend paid	<u>4,273</u>	<u>3,922</u>

Notes to the Condensed Interim Financial Information (Un-audited)
For the six months period ended 31 December 2010



	<u>Six months period ended</u>	
	<u>31 December 2010</u>	<u>31 December 2009</u>
	(Rs. in '000)	
Other Key Management Personnel		
Managerial remuneration (excluding directors and Chief Executive Officer)	<u>8,447</u>	<u>8,326</u>
Balances with related parties:		
	<u>Unaudited 31 December 2010</u>	<u>Audited 30 June 2010</u>
	(Rs. in '000)	
Associated Companies		
Trade debts (unsecured, considered goods)	<u>205</u>	<u>347</u>
Other payables	<u>526</u>	<u>-</u>

- 17.1 Contribution to the provident fund is made in accordance with the requirements of staff service rules.
- 17.2 Remuneration to key management personnel is in accordance with the terms of their employment.
- 17.3 Other transactions with the related parties are at the agreed terms.

18. OPERATING SEGMENT

This condensed interim financial information has been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no change in the reportable segments during the period.

The Company is domiciled in Pakistan. The Company's revenue is generated substantially from the sale of toilet and washing soaps.

All non-current assets of the Company at 31 December 2010 are located in Pakistan.

19. GENERAL

- 19.1 This condensed interim financial information are unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended 31 December 2010 and 31 December 2009 in this condensed interim financial information have not been reviewed by the auditors.
- 19.2 This condensed interim financial information were authorised for issue on February 24, 2011 by the board of directors of the Company.

Fariel Ali Mehdi
Chairman / Chief Executive

Kemal Shoab
Director



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