

Accounts For The Half Year Ended
June 30, 2013



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Corporate Information

Board of Directors

Mrs. Ferial Ali Mehdi
Chairman

Mr. Mujahid Hamid
Director

Syed Yawar Ali
Director

Mr. Shahid Nazir Ahmed
Director

Mr. Zafar Ahmed Siddiqui
Director

Mrs. Aameena Saiyid
Director

Mr. Munaf Ibrahim
Director

Mr. Mubashir Hasan Ansari
Chief Executive Officer

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. Zafar Ahmed Siddiqui
Chairman

Mr. Shahid Nazir Ahmed
Member

Mrs. Ferial Ali Mehdi
Member

HR&R COMMITTEE

Syed Yawar Ali
Chairman

Mr. Zafar Ahmed Siddiqui
Member

Mrs. Ferial Ali Mehdi
Member

Mr. Mubashir Hasan Ansari
Member

Bankers

Faysal Bank Limited
Habib Bank Limited
National Bank of Pakistan Limited
MCB Bank 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 June 30, 2013.

Financial Overview

Financial results for the period under review are as follows:

	Six months period ended June 30, 2013	Six months period ended June 30, 2012	Increase/ Decrease (%)
		(Rupees in '000)	
Sales	763,830	755,020	1.2%
Gross Profit	218,626	195,123	12.0%
Selling & Distribution Costs	145,864	145,087	0.5%
Administrative Expenses	61,867	50,956	21.4%
Profit / (loss) from operations	1,977	(14,973)	113.2%
Profit after Tax	1,145	(10,085)	111.4%
Earnings per Share	0.22	(1.89)	111.6%

The first half of the year 2013 saw deterioration in law & order situation throughout the country. Being an election year, the political environment also remained very volatile right from beginning till the date of general elections .i.e. May 11, 2013. Despite these difficult business conditions, the company achieved a revenue growth of 1.2% for the half year ended June 30, 2013.

The gross profit registered a significant increase of 12% over similar period last year due to better product mix and different cost effective initiatives undertaken by the management.

Selling & Distribution costs remained at the same level as for the corresponding period previous year.

Administrative expenses increased by 21.4% owing to enhanced cost of hiring & retaining of new talent and upward revision of government regulated prices of petroleum products.

The net profit after tax registered a turnaround to record a profit of Rs 1.1 million as compared to loss of around Rs.10 million during the same period previous year. This was achieved due to better product mix, controlling costs and efficient use of financial resources. Earnings per Share, resultantly, also remained in the positive figure during the six months period ended June 30, 2013.

Future Outlook

Going forward, the economic condition of the country is expected to improve as a new government is in place after a successful general election in the country. However, issues such as growing energy costs, weakening currency and upward revision in taxes in the recent budget will be the key challenges. Competition which has been very aggressive is expected to become more intense. The company will nonetheless continue to invest in the existing brands through improvements in sales & distribution, trade & consumer promotions and Innovation.

Acknowledgement

We thank our customers for their trust in our brands and our shareholders, bankers, suppliers and distributors for continued support. We also thank our employees for their relentless efforts and acknowledge their commitment and loyalty.

For and on behalf of the Board

Mubashir Hasan Ansari
Chief Executive Officer

Karachi: August 20, 2013



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 30 June 2013 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 "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the six months period ended 30 June 2012, quarter ended 30 June 2013 and 2012 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date : August 20, 2013

Karachi.

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



Condensed Interim Balance Sheet (Un-audited)

As at 30 June 2013

	Unaudited 30 June 2013	Audited 31 December 2012
	(Rs. in '000)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	367,834	365,952
Intangible assets	3,658	5,257
Long term deposits	6,838	6,835
Long term loans to employees	618	364
	<u>378,948</u>	<u>378,408</u>
CURRENT ASSETS		
Stores and spares	14,026	13,784
Stock-in-trade	336,194	325,796
Trade debts	79,313	55,546
Advances, prepayments and other receivables	72,665	80,260
Cash and bank balances	23,568	11,217
	<u>525,766</u>	<u>486,603</u>
CURRENT LIABILITIES		
Trade and other payables	173,470	230,252
Short term borrowing	200,000	75,000
Taxation	13,615	31,728
	<u>387,085</u>	<u>336,980</u>
NET CURRENT ASSETS	138,681	149,623
NET ASSETS	<u>517,629</u>	<u>528,031</u>
FINANCED BY:		
SHARE CAPITAL AND RESERVES		
Authorised capital 10,000,000 (31 December 2012: 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>274,857</u>	<u>279,931</u>
	328,097	333,171
Surplus on revaluation of fixed assets - net of tax	86,347	88,114
NON-CURRENT LIABILITIES		
Long-term deposits	450	450
Deferred staff benefit liabilities	68,946	73,147
Deferred tax liability - net	33,789	33,149
	<u>103,185</u>	<u>106,746</u>
CONTINGENCY AND COMMITMENT	<u>517,629</u>	<u>528,031</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Ferieel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer



Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended 30 June 2013

		Six months period ended		Three months period ended	
		30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
	Note	----- (Rupees in '000) -----			
Net sales	13	763,830	755,020	381,023	492,394
Cost of sales	14	(545,204)	(559,897)	(270,910)	(356,376)
Gross profit		218,626	195,123	110,113	136,018
Selling and distribution cost		(145,864)	(145,087)	(71,768)	(79,630)
Administrative expenses		(61,867)	(50,956)	(30,576)	(26,410)
		(207,731)	(196,043)	(102,344)	(106,040)
		10,895	(920)	7,769	29,978
Other income		1,946	4,359	721	1,955
Other expenses		(1,545)	(2,303)	(1,177)	(2,703)
		11,296	1,136	7,313	29,230
Finance cost		(9,319)	(16,109)	(5,531)	(8,402)
Profit before taxation		1,977	(14,973)	1,782	20,828
Taxation		(832)	4,888	(1,269)	(7,306)
Profit / (loss) for the period		1,145	(10,085)	513	13,522
Earnings / (loss) per share - basic and diluted Rupees		0.22	(1.89)	0.10	2.54

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Ferial Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer



Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2013

	Six months period ended		Three months period ended	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
	----- (Rupees in '000) -----			
Profit / (loss) after tax for the period	1,145	(10,085)	513	13,522
Actuarial gain on staff retirement benefits plan	-	467	-	234
Total comprehensive income / loss for the period	<u>1,145</u>	<u>(9,618)</u>	<u>513</u>	<u>13,756</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Ferial Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer



Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended 30 June 2013

	<u>Six months period ended</u>	
	30 June 2013	30 June 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	1,977	(14,973)
Adjustments for:		
Mark-up expense	9,319	16,108
Depreciation / amortisation	18,654	18,272
Provision for gratuity	4,989	4,296
Provision for staff retirement benefits	1,817	1,859
Provision for slow moving stores and spares	-	574
Provision for slow moving stock in trade	-	3,767
Reversal of provision on sales of provided stock	(1,002)	-
Mark-up on short term deposit	(34)	(104)
Gain on disposal of fixed assets	(293)	(1,569)
	<u>33,450</u>	<u>43,203</u>
Operating profit before working capital changes	<u>35,427</u>	<u>28,230</u>
<i>(Increase) / decrease in operating assets:</i>		
Stores and spares	(242)	(1,829)
Stock-in-trade	(9,396)	(9,431)
Trade debts	(23,767)	(19,450)
Long term loan to employees	(254)	(151)
Long term deposit	(3)	(30)
Advances, prepayments and other receivables	2,528	1,925
	<u>(31,134)</u>	<u>(28,966)</u>
<i>(Decrease) / increase in operating liabilities:</i>		
Trade and other payables	(57,695)	86,863
	<u>(53,402)</u>	<u>86,127</u>
Income tax paid	(13,238)	(9,143)
Gratuity paid	(8,300)	(2,032)
Staff retirement benefits paid	(2,706)	(573)
Profit received on short term deposits	34	104
Mark-up paid	(8,339)	(15,895)
	<u>(32,549)</u>	<u>(27,539)</u>
Net cash (used in) / generated from operating activities	<u>(85,951)</u>	<u>58,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(20,926)	(51,609)
Proceeds from disposal of fixed assets	2,281	3,757
Net cash used in investing activities	<u>(18,645)</u>	<u>(47,852)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,053)	-
Short term borrowing	125,000	60,000
Net cash generated from financing activities	<u>116,947</u>	<u>60,000</u>
Net increase in cash and cash equivalents	<u>12,351</u>	<u>70,736</u>
Cash and cash equivalents at beginning of the period	<u>11,217</u>	<u>(25,048)</u>
Cash and cash equivalents at end of the period	<u><u>23,568</u></u>	<u><u>45,688</u></u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Ferial Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer



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

For the six months period ended 30 June 2013

	Issued, subscribed and paid up capital	Reserves General reserves	Un-appro- priated profit	Total reserves	Total
	(Rs. in '000)				
Balance as at 1 January 2012	53,240	6,000	281,345	287,345	340,585
Total comprehensive income for the period					
(Loss) for the six months period ended 30 June 2012	-	-	(10,085)	(10,085)	(10,085)
Other comprehensive income					
Actuarial gain on staff retirement benefits plan	-	-	467	467	467
Transfer from surplus on revaluation of fixed assets - net of deferred tax					
	-	-	2,006	2,006	2,006
Balance as at 30 June 2012	<u>53,240</u>	<u>6,000</u>	<u>273,733</u>	<u>279,733</u>	<u>332,973</u>
Balance as at 1 January 2013	53,240	6,000	273,931	279,931	333,171
Total comprehensive income for the period					
Profit for the six months period ended 30 June 2013	-	-	1,145	1,145	1,145
Transactions with owners:					
- Final cash dividend paid for the six months period ended 31 December 2012 @ 15%	-	-	(7,986)	(7,986)	(7,986)
Transferred from surplus on revaluation of fixed assets - net of deferred tax					
	-	-	1,767	1,767	1,767
Balance as at 30 June 2013	<u>53,240</u>	<u>6,000</u>	<u>268,857</u>	<u>274,857</u>	<u>328,097</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Ferial Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

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.

- 1.2 In 2012, the financial year end of the Company was changed from 30 June to 31 December. The Commissioner of Inland Revenue (Federal Board of Revenue) had approved the change in tax year through its letter no. CIR/EC/LTU/KHI/2012/573-A, dated 31 December 2012.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the six months period ended 30 June 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the provisions of and directives issued under Companies Ordinance, 1984. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984 have been followed.

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. However, a limited scope review has been carried out by the auditors. Further, the figures in the condensed interim financial information for the quarter ended 30 June 2012 and 30 June 2013 have not been reviewed by the auditors.

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the six months period ended 31 December 2012.

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.



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

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 six months period ended 31 December 2012 except for change in accounting policy due to revision of IAS 19 "Employee Benefit" as fully explained in note 3.1 below.

3.1 Change in accounting policy- Staff retirement benefits

During the period the Company has adopted IAS-19 (Revised) effective from January 1, 2013. The significant changes to IAS 19 are as follows:

- For defined benefit plans, the option to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognised in other comprehensive income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.
- The distinction between short-term and long-term employee benefits is based on the expected timing of settlement rather than the employee's entitlement to the benefits.
- The revised standard has new or revised disclosure requirements. The disclosures now include quantitative information regarding the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

The adoption of the said amendments has resulted in a change in the Company's accounting policy related to recognition of actuarial gains and losses (note 19 to the financial statements for the six months period ended 31 December 2012). Consequently the Company now recognizes all actuarial gains and losses directly in other comprehensive income with no subsequent recycling through the profit and loss account instead of recognising all actuarial gains and losses in profit and loss account as being done previously.

3.1.1 Summary of quantitative impact

The effect of change in accounting policy with respect to IAS 19 on the condensed interim profit or loss account and condensed interim comprehensive income for the six months period ended 30 June 2012 are as follows:



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

	-----Unaudited-----		
	As previously reported	Defined Benefit plans	As restated
	------(Rupees in 000)'-----		
Revenue	755,020	-	755,020
Cost of sales	(559,576)	(321)	(559,897)
Selling and distribution expenses	(145,013)	(74)	(145,087)
Administrative expense	(50,884)	(72)	(50,956)
Other income	4,359	-	4,359
Other expenses	(2,303)	-	(2,303)
Finance cost	(16,109)	-	(16,109)
Tax expense	4,888	-	4,888
Loss for the period	<u>(9,618)</u>	<u>(467)</u>	<u>(10,085)</u>
Other comprehensive income for the period - Actuarial gain on staff retirement benefit plans	-	467	467
Total comprehensive loss for the period	<u>(9,618)</u>	<u>-</u>	<u>(9,618)</u>
Loss per share - basic and diluted	<u>(1.81)</u>		<u>(1.89)</u>

4. ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates

Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited separate financial statements of the Company as at and for the six months' period ended 31 December 2012.

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 six months' period ended 31 December 2012.



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

		Unaudited 30 June 2013	Audited 31 December 2012
		(Rs. in '000)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	360,766	346,829
Capital work-in-progress	6.2	7,068	19,123
		<u>367,834</u>	<u>365,952</u>
6.1 Operating fixed assets			
Following are the additions and disposals of fixed assets during the current period:			
	Additions	Disposals	
		Cost	Accumulated depreciation
	------(Rupees in 000)-----		
Building on freehold land	12,258	-	-
Plant, machinery & equipment	7,452	-	-
Capital Spares	1,506	-	-
Computers	2,343	-	-
Vehicle	9,422	3,870	(1,882)
	<u>32,981</u>	<u>3,870</u>	<u>(1,882)</u>
		Unaudited 30 June 2013	Audited 31 December 2012
		(Rs. in '000)	
6.2 Capital work-in-progress			
Opening balance		19,123	32,880
Additions during the period		20,926	22,997
		<u>40,049</u>	<u>55,877</u>
Transfers during the period		(32,981)	(36,754)
		<u>7,068</u>	<u>19,123</u>
7. STOCK-IN-TRADE			
Raw material - in hand		90,791	56,474
- in transit		95,740	127,790
		<u>186,531</u>	<u>184,264</u>
Packing material		28,663	21,926
Work-in-progress		37,711	46,825
Finished goods		88,937	79,431
		<u>341,842</u>	<u>332,446</u>
Provision against slow moving items of stock-in-trade		(5,648)	(6,650)
		<u>336,194</u>	<u>325,796</u>



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

	Unaudited 30 June 2013	Audited 31 December 2012
8. TRADE DEBTS	(Rs. in '000)	
Considered good	79,313	55,546
Considered doubtful	1,133	1,133
	<u>80,446</u>	<u>56,679</u>
Provision against doubtful debts	(1,133)	(1,133)
	<u>79,313</u>	<u>55,546</u>
9. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Advances - considered good:		
- Suppliers and contractors - net	3,908	3,322
Less: Provision held	(803)	(803)
	<u>3,105</u>	<u>2,519</u>
- Taxation	65,916	70,983
- To sales staff	508	508
Current maturity of loans to employees	380	386
Special Excise Duty	206	206
Prepayments	743	4,099
Other receivables	1,807	1,559
	<u>72,665</u>	<u>80,260</u>
10. CASH AND BANK BALANCES		
Cash in hand	171	283
Cash at banks in - current accounts	6,830	4,032
- collection accounts	16,498	6,137
- profit and loss sharing accounts 10.1	69	765
	<u>23,397</u>	<u>10,934</u>
	<u>23,568</u>	<u>11,217</u>

10.1 These carry interest/mark-up rate at 6.0% per annum (31 December 2012: 6.0% to 6.02%) per annum.



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

	Unaudited 30 June 2013	Audited 31 December 2012
11. TRADE AND OTHER PAYABLES	(Rs. in '000)	
Trade creditors	32,216	116,059
Accrued expenses	94,432	61,096
Advances from customers	11,523	10,894
Sales tax payable	24,265	24,073
Worker's welfare fund	1,118	2,474
Worker's profit participation fund	106	915
Dividend payable	77	240
Unclaimed dividend	794	698
Accrued markup liability	2,952	1,972
Other liabilities	5,987	11,831
	<u>173,470</u>	<u>230,252</u>

12. CONTINGENCY AND COMMITMENT

12.1 Contingency

12.1.1 Bank guarantees aggregating to Rs. 7.02 million (31 December 2012 : Rs.7.02 million) have been issued in favour of Sui Southern Gas Company Limited for the supply of natural gas.

Post dated cheques of Rs 47.16 million (31 December 2012 : Rs. 47 million) have been issued to Collector of Customs against partial exemption of import levies.

12.2 Commitment

Commitment under letters of credit for the import of stock-in-trade items amounted to Rs.79.73 million (31 December 2012 : Rs.135.179 million).

Six months period ended		Three months period ended	
30 June 2013	30 June 2012	30 June 2013	30 June 2012
----- (Rupees in '000) -----			

13. NET SALES

Gross sales	969,651	939,435	485,114	598,770
Sales tax	148,637	142,768	75,135	90,939
Trade promotion discount	57,109	41,629	28,953	15,420
Rebate and sales return	75	18	3	17
	<u>(205,821)</u>	<u>(184,415)</u>	<u>(104,091)</u>	<u>(106,376)</u>
	<u>763,830</u>	<u>755,020</u>	<u>381,023</u>	<u>492,394</u>



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

	Six months period ended		Three months period ended	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
----- (Rupees in '000) -----				
14. COST OF SALES				
Raw and packing material consumed	436,140	460,326	181,557	244,806
Stores and spares consumed	3,654	3,728	1,573	2,043
Salaries, wages and other benefits	54,657	46,148	25,214	22,672
Contribution to the provident fund	1,180	916	609	463
Repairs and maintenance	718	1,104	297	407
Fuel and power	27,558	29,050	11,747	18,018
Rent, rates and taxes	33	63	-	13
Insurance	1,565	1,796	788	940
Product research and development	289	44	140	181
Travelling and conveyance	2,488	2,241	1,291	1,155
Printing and stationery	194	174	129	94
Postage, telegrams and telephones	368	326	169	170
Legal charges	18	95	9	6
Professional fee	-	46	-	30
Subscription	14	14	3	3
Depreciation / amortisation	11,146	10,817	5,636	5,335
Freight and handling material	3,071	2,756	1,513	1,033
Provision for slow moving stock in trade	-	3,767	-	3,767
Provision for slow moving stores	-	574	-	574
Other expenses	2,503	37	1,624	814
	545,596	564,022	232,299	302,524
Opening stock of work-in-process	46,825	53,038	50,650	64,673
Closing stock of work-in-process	(37,711)	(55,331)	(37,711)	(55,331)
Cost of good manufactured	554,710	561,729	245,238	311,866
Opening stock of finished goods	79,431	82,250	114,609	128,592
Closing stock of finished goods	(88,937)	(84,082)	(88,937)	(84,082)
	(9,506)	(1,832)	25,672	44,510
	545,204	559,897	270,910	356,376



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

15. TRANSACTIONS WITH RELATED PARTIES

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

	Six months period ended	
	30 June 2013	30 June 2012
	(Rs. in '000)	
Associated Companies		
Sale of goods	<u>55</u>	<u>89</u>
Purchase of goods	<u>1,339</u>	<u>1,202</u>
Services rendered	<u>-</u>	<u>190</u>
Services received	<u>1,912</u>	<u>1,779</u>
Dividend paid	<u>261</u>	<u>-</u>
Other related parties		
Contribution to the employees' provident fund	<u>2,939</u>	<u>2,332</u>
Directors and Chief Executive Officer (Key management personnel)		
Remuneration	<u>15,856</u>	<u>21,122</u>
Dividend paid	<u>2,986</u>	<u>-</u>
Other Key Management Personnel		
Managerial remuneration (excluding directors and Chief Executive Officer)	<u>29,126</u>	<u>14,628</u>
	Unaudited 30 June 2013	Audited 31 December 2012
Balances with related parties:	(Rs. in '000)	
Associated Companies		
Trade debts (unsecured, considered goods)	<u>93</u>	<u>152</u>
Other payables	<u>227</u>	<u>-</u>



Notes to the Condensed Interim Financial Information (Un-audited)

For the six months period ended 30 June 2013

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

16. GENERAL

- 16.1 This condensed interim financial information are unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended 31 March 2013, 31 March 2012 and for the the six months period ended 30 June 2012 in this condensed interim financial information have not been reviewed by the auditors.
- 16.2 This condensed interim financial information were authorised for issue on August 20, 2013 by the board of directors of the Company.

Handwritten signature of Ferial Ali Mehdi.

Ferial Ali Mehdi
Chairman

Handwritten signature of Mubashir Hasan Ansari.

Mubashir Hasan Ansari
Chief Executive Officer



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