ZIL LIMITED

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M. T. Khan Road, Karachi - Pakistan.
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Fax: +9221 35630266
Website: www.zil.com.pk

ANNUAL REPORT 2014

ZIL LIMITED

ZIL LIMITED

annual report 2014

A beautiful journey

ZIL Limited has been on a journey of beauty and natural care with women across Pakistan for decades. Offering quality products enriched with years of expertise, access to the best resource pool and commitment to excel at all levels, has enabled us to offer rewarding experiences to our consumers.

We take a look at the journey of the year and how rewarding it has been for us and for our consumers to belong to the ZIL family.

about us

ZIL with its brand, Capri, Palmy and Opal has grown to establish itself among the leading beauty companies of Pakistan. With our culture fostering continuous innovation and our team's longsighted vision, ZIL stands for change and growth. We are committed to bringing solutions that will enable the women of Pakistan to look beautiful and feel cared for.

Our flagship brand Capri is associated with natural care. Through consistent innovations we have enabled women across the country to enjoy the wonders of Capri's natural ingredients, at different price point, sizes and formats.

ZIL

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Corporate Data

Company Information

Board of Directors

Mrs. Feriel Ali Mehdi	Chairman
Mr. Mujahid Hamid	Non-Executive Director
Syed Hasnain Ali*	Non-Executive Director
Mr. Shahid Nazir Ahmed	Non-Executive Director
Mrs. Ameena Saiyid	Independent, Non-Executive Director
Mr. Saad Amanullah Khan**	Independent, Non-Executive Director
Mr. Kemal Shoaib***	Non-Executive Director
Mr. Mubashir Hasan Ansari	Chief Executive Officer

* Joined in place of Syed Yawar Ali who resigned on July 10, 2014.
** Joined in place of Mr. Zafar Ahmed Siddiqui who resigned on March16, 2015.
*** Joined in place of Mr. Munaf Ibrahim who resigned on August 25, 2014.

Board Audit Committee

Mr. Saad Amanullah Khan*	Chairman
Mrs. Feriel Ali Mehdi	Member
Mr. Shahid Nazir Ahmed	Member

* Replaced Mr. Zafar Ahmed Siddiqui who resigned on March 16, 2015.

Human Resource & Remuneration Committee

Mrs. Feriel Ali Mehdi	Chairman
Mr. Kemal Shoaib*	Member
Syed Hasnain Ali	Member
Mr. Mubashir Hasan Ansari	Member

* Replaced Mr. Zafar Ahmed Siddiqui who resigned on March 16, 2015.

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

Ground Floor, Bahria Complex III,
M. T. Khan Road, Karachi - Pakistan.
Tel: +9221 35630251-60
Fax: +9221 35630266
Website: www.zil.com.pk

Factory

Link Hali Road, Hyderabad – 71000

Bankers

BankIslami Pakistan Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank
Soneri Bank Limited

Shares Registrars

THK Associates (Pvt) Limited
2nd Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road, Karachi.

Vision

Give individuals, families and communities propositions that enrich their lives, across categories.

Mission

We will ensure growth & profitability by extending our product portfolio in other categories of HPC business in domestic & international markets.

We will continuously improve our system and products to enhance customer satisfaction.

We will continue with our committment to operate business in an ethical manner.

Hence the key drivers will be to:

Develop & motivate ZIL people to build a high performance culture

Deliver high quality branded and innovative products and services to raise customer satisfaction

Simplify business processes and reduce complexity to achieve business growth

Optimize resources to ensure competitiveness

Ensure regulatory and statutory compliance and embed best practices of corporate governance

Core Values

Integrity - We do what we say

Teamwork - Collaboration makes us stronger

Respect – For all individuals & diversities

Passion – Commitment with hearts & minds

Leadership – Inspiring towards a better future

Responsibility – Towards business as well as society

Excellence – Deliver the best

Learning – For continuous improvement

Code of Conduct

It is the fundamental policy of ZIL Limited to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards. The company has adopted comprehensive Code of Conduct (herein after called 'Code') to provide guidance to foster a culture of uprightness, accountability & high standards of personal and professional veracity and to promote integrity for the board, senior management and other employees.

The company carefully checks for compliance with the Code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measure if and when required.

Persons to whom this Code Applies

- All Directors, executives, officers and employees of ZIL Limited;
- All persons, whether or not employees, who are at any time acting as agents or affiliates, contractor or representatives of ZIL Limited who act for the company countrywide, within all sectors, regions, areas and functions.

Persons responsible for Implementation

Board Responsibilities

This Code has been developed and approved by the Board of Directors of ZIL (the "Board"). The Board shall periodically review the adequacy and appropriateness of and compliance with this Code and implement any changes it believes are necessary or desirable in order to achieve its purposes.

Management Responsibilities

The Chief Executive Officer of ZIL is responsible for ensuring that ZIL conducts business in accordance with this Code. The Chief Executive Officer shall communicate the strong support of senior management for this Code and shall endeavor to foster a strong "culture of compliance".

General Principles:

- Relationships amongst employees, at all levels, must be truthful, trustworthy and honest.
- Compliance with the law, regulations, statutory provisions and company's policies & procedures is a constant commitment and duty of all ZIL employees.
- The Company's business and activities have to be carried out in a transparent, honest and fair manner. Any discrimination because of race, color, religion, gender, age, nationality, marital status or physical disability is rejected.
- Employees must be committed to customer satisfaction and strive to provide quality in all business dealings.
- Employees must avoid any investment, arrangement or other association, whether their own, an immediate family or household member, which could give the appearance of, or actually interfere with, the independent exercise of sound business judgment in the best interests of the Company, or otherwise represents a real or apparent conflict of interest between the interests of the employee and those of the Company.

Business Ethics

The Company and each of its employees, wherever they may be located, must conduct their affairs with uncompromising honesty and integrity. Employees are expected to be honest and ethical in dealing with each other, with clients, suppliers and all other third parties.

Misconduct cannot be excused because it was directed or requested by another. Any illegal, dishonest or unethical act must immediately be reported to the competent authority for remedial and corrective action.

Compliance with Laws

General

It is the Company's policy to comply with all laws, rules and regulations that are applicable to business in Pakistan.

Corporate and Taxation Laws

It is the Company's policy to adhere with all applicable corporate, and taxation laws, rules, regulations and directives for the time being enforced.

Employment laws

It is the Company's policy to comply with applicable employment laws, including those governing working conditions, wages, benefits, and minimum age for employment.

Environmental Laws

It is the Company's policy to comply with all applicable laws and regulations for the protection of the environment.

Fair Competition and Antitrust Laws

The Company must comply with all fair competition and antitrust laws to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition.

Conflicts of Interest

Employees must not engage in activities or transactions which may give rise, or which may be seen to have given rise, to conflict between their personal interests and the interest of the Company.

There is a likely conflict of interest if employees:

- cause the Company to engage in business transactions with relatives or friends;
- use nonpublic information of the Company, customer or supplier for personal gain by employees, relatives or friends (including securities transactions based on such information);
- have more than a modest financial interest in the Company's suppliers, customers or competitors;
- receive a loan, or guarantee of obligations, from the Company (other than as specifically allowed) or a third party as a result of position within the Company;
- compete, or prepare to compete, with the Company while still employed by the Company; or
- perform work (with or without compensation) for a competitor, governmental or regulatory entity, customer or supplier of the Company, or do any work for a third party that may adversely affect performance or judgment on the job or diminish ability to devote the necessary time and attention to the duties.

Gifts, Bribes and Kickbacks

Bribes, kickbacks or other payments, (other than received in the normal course of business including travel or entertainment) which are intended to influence a business decision or compromise independent judgment are strictly prohibited.

Accepting cash or cash equivalents, including cheques, money orders, vouchers, gift certificates, loans, stock or stock options that might place an employee under obligation is forbidden. Employees must politely but firmly decline any such offer.

Employee found guilty of paying or receiving bribes, gifts or kickbacks should be promptly reported to the appropriate authorities.

Financial Integrity

All financial books, records and accounts must accurately reflect transactions and events and conform to generally accepted accounting principles and to the Company's system of internal controls.

Information must not be falsified or concealed under any circumstances. Examples of unethical financial or accounting practices include:

- Making false entries that intentionally hide or disguise the true nature of any transaction;
- Improperly accelerating or deferring the recording of expenses or revenues to achieve financial results or goals;
- Maintaining any undisclosed or unrecorded funds or "off the book" assets;
- Establishing or maintaining improper, misleading, incomplete or fraudulent account documentation or financial reporting;
- Making any payment for purposes other than those described in documents supporting the payment; and
- Signing any documents believed to be inaccurate or untruthful.

Protection and Proper Use of the Company Property

Employees must safeguard the Company property from loss or theft, and should not take such property for unauthorized personal use. The Company property includes confidential information, software, computers, office equipment, and supplies.

Confidentiality of Information

Employees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company's activities to the press, to any outside source or to employees who are not entitled to such information.

Record Retention

The company's business records shall be maintained for a period specified in the law and in accordance with specific policies.

Securities Trading

Trading in the securities of the Company by the employee, or any of his relatives or friends, while possessing "inside" information related to that company is strictly prohibited.

Political Affiliations

ZIL Limited is an independent organization free from any political affiliation. No funds or assets of the Company may be contributed to any political party or organization or any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

Reporting Ethical Violations

All matters of ethical / legal violations, accounting or auditing matters, fraud, misconduct or other instances of unauthorized behavior should be promptly reported to the competent authorities in the manner prescribed / laid down by such authorities. Confidentiality would be strictly maintained in all such reported cases. Protection will also be provided from any kind of retaliation / consequence for all reports made in good faith.

Workplace Safety

Every employee at work must take reasonable care for the health and safety of himself / herself and others who may be affected by his / her acts or omissions at work; and co-operate with the Company in its efforts to protect the health and safety of its employees and visitors.

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any employee that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, humiliating, offensive or hostile environment.

Corporate Social Responsibility

Energy Conservation

Here at ZIL, we have incorporated internal strategies to reduce energy consumption.

- Employees are encouraged to minimize the use of air conditioning, switch of room or cubicle lights, printers, monitors and other electronics when not required.
- Fuel limits are regularly evaluated and amended in concurrence to contemporary needs.
- Additionally a number of initiatives have been taken in factories, depots and haulage to conserve energy.
- Power factor is improved and monitored for heavy machines.
- Inverters are being installed at high torque electric motors to reduce consumption.
- Effective load management on boiler operation and keeping the boiler shut down for 02 days a month.

Environment Protection Measures

- Sewerage and drain is ensured free of any acid or alkali and other chemicals used in soap making process as per EPA standard.
- Exhaust from boiler Chimney is maintained with in standard limit of Cox, Sox and temperature.

Consumer Protection Measures

At the heart of what we do at ZIL are our valued customers. We have in place several measures to ensure our customers benefit from the highest standards of quality and that we engage in continuous dialogue with them.

- Our products are manufactured using natural ingredients, which are disclosed on the packing of each item.
- At ZIL we follow ISO-9001 quality standard in order to enhance defective free products.
- Positive release criteria is defined and implemented at all process stages.
- The company maintains an email address for any queries or complaints. These are evaluated and responded to with the proper care and attention.
- Consumers also contact the company directly or via sales agents
- Regular surveys and home visits are also conducted to gain the general response of the consumers at large.

Occupational Health & Safety

We at ZIL Limited recognize our legal and moral responsibility for Hygiene and Safety in work place and are committed to constantly improving and providing a well maintained healthy and safe environment to all employees, contractors and visitors.

We also endeavor to ensure that our community and its members are not placed at risk by any of our operational activities.

A comprehensive and well maintained safety system under the supervision of General Manager Supply Chain is established.

Safety committee and shift wise rescue teams are also established.

The program will ensure that:

1. Dedicated people are resourced for safety program & organization
2. People are aware of Emergency preparation, Risk management.
3. People are trained on key safety components, permit to work system and PPE.
4. People are involved up to floor level.
5. Safety program results are properly tracked, reviewed and shared across the organization
6. Reward and recognition program is applicable on safety achievements

Business Ethics & Anti-Corruption Measures

ZIL has a number of preventive measures and frequent activities to ensure that the employees uphold the Code of Conduct of the company. These measures and activities are frequently re-evaluated and amended to modernize current the existing ethical system. The Code of Conduct is scrupulously followed throughout the organization.

Corporate Philanthropy

In response to Pakistan's worst national calamity of floods in July 2010, each of the company's employees contributed a day's salary for the flood victims, in addition to a general donation. A substantial amount of rations and medicines were donated via Pakistan Medical Association Karachi by means of the raised funds.

The amount of the local employee contributions was matched by the company. These funds were shared among ZIL employees who were affected by the calamity.

Corporate Governance

Board of Directors

Left to Right:
Mr. Mujahid Hamid, Mrs. Feriel Ali Mehdi, Mrs. Ameena Saiyid, Mr. Kemal Shoaib,
Mr. Shahid Nazir Ahmed, Syed Hasnain Ali, Mr. Mubashir Hasan Ansari, Mr. Saad Amanullah (not in picture)

Directors' Profile

Mrs. Feriel Ali Mehdi

Mrs. Feriel Ali Mehdi took over the reins of the company as CEO in November 1998. She remained at the position till December 2012. She is acting as Chairman since July 2007. She has lead the turnaround of ZIL Limited by turning a constantly loss making business into a profitable entity and wiped out all accumulated losses within 3 years of becoming the CEO.

Mrs. Mehdi holds a Bachelors degree in Economics from Karachi University. She started her career at Wazir Ali Industries as a Marketing Trainee and rapidly climbed up the corporate ladder to become Brand Manager. She has had exposure on all the levels in Marketing and chiefly looked after the Cooking Oil category of the business.

In 1996, Mrs. Mehdi resigned from Wazir Ali to join ZIL Limited. She took over as the Marketing Manager looking after the entire range of the products and later excelled to the position of Director Marketing. She took over as Managing Director in 1998 and streamlined costs, processes and benchmarked various aspects of the business to make it more state-of-the-art. This resulted in lowering the losses and eventually with her team to turnaround the company by mid-2003. They grew the business from a Rs. 390mn net turnover in 1999 to a Rs. 1.6 bn by 2011. She has recently put into place a new team to invigorate, innovate and eventually grow the business into a more diverse and strong FMCG company.

She attended IMD's Orchestrating Winning Performance Program (OWP) in 2006 and gained intensive exposure to current thinking on today's key management issues. Mrs. Mehdi is certified member of Pakistan Institute of Corporate Governance (PICG) and also held the position of the Director at its Board of Directors.

Mr. Mujahid Hamid

Mr. Hamid is an internationally experienced business consultant who provides strategy consulting services to clients across a range of industries, including consumer products, media, entertainment, and health care. He holds a Masters in Business Administration (Marketing) from IBA, Karachi.

Mr. Hamid has occupied various senior executive positions in Pakistan and the Far East, including serving as Chairman and CEO of Unilever HPC China from 1998 to 2001. He has completed a ten year tenure as a member of the Board of Governors of Shaukat Khanum Cancer Hospital and is currently serving as a Director on the Board of Directors of Engro Foods Ltd.

Syed Hasnain Ali

Mr. Syed Hasnain Ali is CEO of HY Enterprises Pvt. Ltd, running a diversified group of companies that are involved in several industries including commercial printing, educational services, retail, etc. At ZIL, his experience and business insight will be valuable in charting a course towards greater expansion, profitability and strategic growth for the company.

Mr. Hasnain received his Bachelors Degree in Communication and Business Studies from the University of Buckingham, and went on to complete a Post-Graduate Diploma in Service Management. He began his professional career at Nestle Pakistan Ltd. as a training coordinator in the HR department, and launched the HY Group of Companies from 2007.

Mr. Hasnain has also served on the board of Wazir Ali Industries and is a member of the Lahore Chamber of Commerce and Industry.

Mrs. Ameena Saiyid

Ameena Saiyid OBE is the current Managing Director of Oxford University Press in Pakistan. She became the head of OUP Pakistan in 1988, thereby becoming the first woman to ever head a multinational company in Pakistan.

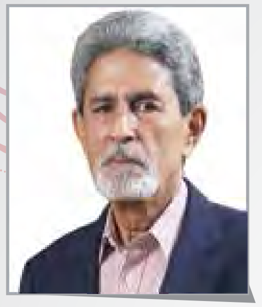
She has completely transformed OUP Pakistan and built up its publishing programme to such an extent that it now publishes a book a week from the earlier days of a book a year. These books disseminate information and research on Pakistan and project a soft and positive image of the country internationally.

She is also the founder of the Karachi Literature Festival, the first of its kind to be held in Pakistan. The objective of the KLF is to promote and project authors, particularly Pakistani authors, and to attract the general public to books and reading.

In 2005, she became the first Pakistani woman to be awarded the Order of the British Empire for her services to women's rights, education, and intellectual property rights in Pakistan, and to Anglo-Pakistan relations.

In February 2013, Saiyid was conferred the prestigious French award "Knight of the Order of Arts and Letters" for her work in promoting literary culture

Directors' Profile



Mr. Shahid Nazir Ahmed

Commencing in 1965, Shahid N. Ahmed has had a long association with ZIL Ltd and its predecessor companies WIL and TCL. As product Development Manager and Manager Marketing (1965 to 1979) he was part of a team which developed and launched Capri, New Capri and Sandaleen Soaps, Nova and Treet Platinum Razor Blades, Treet Shaving Cream. In the handling of FMCG, Shahid Nazir Ahmed was committed to honest research analysis, creative thinking and clear-cut projection.

Shahid Nazir Ahmed served as Director Marketing of ZIL and WIL in 1998 and 1999 and has been on ZIL's Board since 2003.

Shahid Nazir Ahmed has also served Mohammad Farooq Textile Mill for 18 years (1980 to 1997) as Director Marketing and Director Planning and Development gaining rich experience in textile marketing in both domestic and foreign markets. He also looked after Production Planning and Product Development for the company and served on its Board.

After leaving active service Shahid Nazir Ahmed has been functioning as a consultant.

Mr. Kemal Shoaib

Mr. Kemal Shoaib holds a M.S. degree in Chemical Engineering from M.I.T., Cambridge, Massachusetts. He is currently a Consultant on the Capital Market and serves on the Board of several companies. He is Chairman, International Steels Ltd, Safeway Funds Ltd., and International Advertising (Pvt.) Ltd. He is also a Director of Century Paper & Board Mills Limited, Mind Sports Association of Pakistan and Al-Aman Holdings (Pvt.) Limited

He has over 55years experience in corporate life and he has been associated as Director, CEO or Senior Executive of prestigious organizations such as Wyeth Laboratories (Pakistan) Ltd., Bank of Credit and Commerce Intl., S.A. London, Independence Bank, California, Commerce Bank Ltd., Shoaib Capital Ltd. and Indus Bank Ltd.

Mr. Saad Amanullah Khan

Saad has nearly three decades of experience of working for Gillette Pakistan as CEO and Procter & Gamble in senior executive positions. He is a graduate of the University of Michigan MBA (Class of 1987) and holds two engineering degrees.

Elected twice as President of American Business Council (ABC), the largest single-country business chamber in Pakistan, Saad was also elected twice to the Executive Committee of Overseas Investors Chamber of Commerce and Industry (OICCI), the largest foreign business chamber. Saad is an active social worker involved in I am Karachi Consortium, Pakistan Innovation Foundation (PIF), National Entrepreneurship Working Group (NEW-G), South East Asia Leadership Academy (SEALA), Helper of HOPE and Agha Khan Hospital's Patient Welfare Committee.

He is also President of Public Interest Law Authority of Pakistan, a civil rights organization. He is also Board Member of Patient Aid Foundation, a private group helping the largest public hospital in the region Jinnah Post Graduate Medical Center (JPMC); LettuceBee Kids, an organization helping the cause of street kids; Naya Jeevan working to offer health insurance to urban poor; AIESEC which provides young people with leadership opportunities to develop into global leaders; National University of Sciences & Technology's (Islamabad) Corporate Advisory Council (CAC) Society of Human Resources Management; Ladiesfund Board (women empowerment); Possibilities Schools and EcoEnergy.

Saad is Advisor to NOWPDP (people with disabilities) and Teach for Pakistan (graduates as teachers). He has Conceptualized, led and delivered Rs 1 billion from USAID to the Bolton Market victims in an efficient and transparent manner under the umbrella of American Business Council. He is a Certified member of the Pakistan Institute of Corporate Governance (PICG).

Mr. Mubashir Hasan Ansari

Mr. Ansari is an MBA from the University College of Wales, UK. He started his career journey from Unilever in 1991. He stayed with Unilever for 10 years; during this tenure he demonstrated his leadership capabilities in marketing as well as sales function.

His earlier international and local appointments covered leading multinational and national organizations including ICI, Savola, English Biscuits Manufactures and Shan foods where he has held leadership roles in Middle East region and in Pakistan.

Mr. Ansari has vast experience in growing existing business and introducing new products in FMCG industry. Most of his achievements have emerged from developing people, seeking opportunities for collaboration and managing leadership transition in changing environment.

He has built and delivered strategic and operational capabilities in diversified categories including personal care, household cleaning products, hot beverages, edible oils and fats, culinary, spreads, sauces, drinks, desserts, biscuits and recipe mixes.

From Left to Right

Mr. Ata-ur-Rehman Shaikh
GM Finance

Mrs. Farahnaz Shaikh
GM Marketing

Mr. Mubashir Hasan Ansari
CEO

Mr. Amir Saeed
GM Sales

Mr. Waqar Ali
Head of Human Resources

Syed Shiblee Abdullah (not in picture)
GM Supply Chain

BOARD AUDIT COMMITTEE

The Board Audit Committee assists the BOD in fulfilling its responsibilities, including reviewing the financial reporting process, the system of internal control over financial reporting, the risk management and internal audit process and the company's process for monitoring compliance with laws and regulations.

The audit committee comprises of following non-executive directors:

- Mr. Saad Amanullah Khan, Chairman*
- Mr. Shahid Nazir Ahmed, Member
- Mrs. Feriel Ali Mehdi, Member

* Replaced Mr. Zafar Ahmed Siddiqui who resigned on March 16, 2015

HUMAN RESOURCE & REMUNERATION COMMITTEE

The company has established the HR&R committee. The Chairman and majority of members of the committee are non-executive members. All relevant issues of appointment & remuneration are fully disclosed, deliberated and decided at the meetings of the committee. The Head of HR, Mr. Waqar Ali, acts as the secretary of the committee.

The committee comprises of following Directors:

- Mrs. Feriel Ali Mehdi, Chairman
- Mr. Kemal Shoaib, Member*
- Syed Hasnain Ali, Member
- Mr. Mubashir Hasan Ansari, Member

* Replaced Mr. Zafar Ahmed Siddiqui who resigned on March 16, 2015

MANAGEMENT COMMITTEE

The management committee provides direction and leadership to the organization by:

- Setting the strategic direction
- Formulating policies and implementing risk management and internal control procedures
- Ensuring effective management of resources
- Monitoring activities to ensure objectives are met in a transparent, ethical manner in line with the values of the organization.

The management committee comprises of:

Mr. Mubashir Hasan Ansari	Chief Executive Officer
Mr. Ata-ur-Rehman Shaikh	General Manager Finance
Mr. Waqar Ali	Head of Human Resource
Syed Shiblee Abdullah	General Manager Supply Chain
Mrs. Farahnaz Shaikh	General Manager Marketing
Mr. Amir Saeed	General Manager Sales

Meetings

Board of Directors

Five meetings of the Board of Directors of the Company were held on February 25, April 22, August 26, October 27 and December 22, 2014. Following was the attendance of the members

	No. of meetings attended	Leave of absence granted	
Mrs. Feriel Ali Mehdi	4	1	
Mr. Mujahid Hamid	3	2	
Syed Yawar Ali	2	-	Resigned on July 10, 2014.
Mr. Shahid Nazir Ahmed	5	-	
Mr. Zafar Ahmed Siddiqui	4	1	Resigned on March 16, 2015.
Mr. Munaf Ibrahim	1	1	Resigned on August 25, 2014.
Mrs. Ameena Saiyid	1	4	
Syed Hasnain Ali	3	-	Appointed in place of Syed Yawar Ali
Mr. Kemal Shoaib	2	-	Appointed in place of Munaf Ibrahim

Leave of absence was granted to the members who could not attend the Board meetings.

Board Audit Committee

Four meetings of the Board Audit Committee of the Company were held on February 24, April 22, August 26 and October 27, 2014. Following was the attendance of the members

	No. of meetings attended	Leave of absence granted
Mr. Zafar Ahmed Siddiqui	4	-
Mrs. Feriel Ali Mehdi	2	2
Mr. Shahid Nazir Ahmed	4	-

Leave of absence was granted to the members who could not attend the meetings of the Audit Committee.

HR&R Committee

Three meetings of the Board HR&R Committee of the Company were held on February 24, August 26 and December 22, 2014. Following was the attendance of the members

	No. of meetings attended	Leave of absence granted
Mrs. Feriel Ali Mehdi	2	1
Mr. Zafar Ahmed Siddiqui	2	1
Syed Yawar Ali	1	-
Syed Hasnain Ali	2	-

Leave of absence was granted to the members who could not attend the meetings of the HR&R Committee.

Statement of Compliance

with the Code of Corporate Governance of ZIL Limited for the year ended 31 December 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 35 of listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Zafar Ahmed Siddiqui* Mrs. Ameena Saiyid
Non- Executive Directors	Mrs. Feriel Ali Mehdi Mr. Mujahid Hamid Syed Hasnain Ali Mr. Shahid Nazir Ahmed Mr. Kemal Shoaib

The independent directors meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Two casual vacancies occurring in the board on 10 July 2014 & 25 August 2014 were filled up by the Directors within 90 days.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it through the company along with its supporting policies and procedures.

6. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.

8. The meetings of the board were presided over by the Chairman and in her absence by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. No formal Code of Corporate Governance Leadership Skills (CGLS) training was organized for any director as the directors already posses required training or qualification and experience as required by CCG.

10. No new appointment of Chief Financial Officer, Company Secretary or Head of Internal Audit was made during the year. The changes in remuneration including the terms and conditions of Chief Financial Officer, Company Secretary or Head of Internal Audit were duly approved by the board.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of

* Resigned on March 16, 2015. Mr. Saad Amanullah Khan joined in his place w.e.f. March 17, 2015.

shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises four members (including CEO), of whom three are non executive directors and the chairman of the committee is also a non-executive director.

18. The board has outsourced the internal audit function to M/s M. Yousuf Adil Saleem & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, relevant employees and stock exchanges.

22. Material/price sensitive information has been disseminated amongst all the market participant at once through the Stock Exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board of Directors

Mubashir Hasan Ansari
Chief Executive Officer

Dated: 16 March 2015

Review Report to the Members

on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of **ZIL Limited** ("the Company") for the year ended 31 December 2014 to comply with the requirements of Listing Regulations of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2014.

Date: March 16, 2014

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

Brand Portfolio

Capri Soap

Capri was re-launched in 2011. With it the brand was able to take its first step towards contemporizing the brand. Three years down the line Capri has become more relevant by extending its offering through consumer friendly SKUs and by offering variants of consumer's choice. While Capri continues to enjoy tremendous loyalty amongst consumers, it seeks to enlarge its franchise by attracting new younger users.

Capri Handwash

Capri entered the Handwash segment in 2011. This addition to the portfolio was made to further build image of the brand. It is available in 4 colors corresponding with the soap range. Capri Handwash has established a loyal fan base in 4 years because of its state of the art formulation, luxurious lather and lingering fragrance keeping hands silky soft and is available at all top end stores in urban hubs across Pakistan.

Capri Facewash

Capri facewash was launched in 2014 in 3 variants, Vitals, White glory and Oil lockout for different skin types. The launch was supported with POS, retail communication and brand ambassador program. The facewash received a tremendous response as soon as it hit the market due to its selection of the most popular variants addressing crucial skin concerns of the Pakistani youth. It was supported through hoardings and attractive POS material at key outlets in select towns.

Capri Prohealth Soap

Capri Pro- health soap was launched in September 2012 as a germicidal proposition under the brand Capri. The vision has been to attract Capri users who use an antibacterial soap in conjunction with our own beauty soap. The proposition was of natural ingredients giving the consumer "healthy and moisturized skin" and the ingredients chosen .i.e. aloe vera for moisturization and neem for germ protection, has been validated as a sound proposition when tested with a sample of consumers. Capri Pro Health is available in all SKUs.

Capri Prohealth Hand Sanitizer

Capri pro-health hand sanitizer was launched in a category which itself is in nascent stages. It was launched under the Pro Health banner in 2013. With its aspirational packaging and natural offering, Pro health Hand sanitizer caters to the growing urban trend on hygiene on the move.

Opal

Opal, a one of its kind proposition, is a multipack soap available in beauty and antibacterial. Offering consumers economy, Opal is available in three attractive colors and pleasant floral fragrance liked by the consumer of this class. Opal is an established brand that has been acknowledged for many years by its loyal consumers.

Palmy

Palmy, a multifaceted brand, was launced in 1970 aiming to bridge the gap between cheap and premium brands. Positioned as an affordable proposition, Palmy has given its customers quality. The brand was relaunched in 2014 with improved packaging and fragrance and continues to attract consumers with its brand promise and positioning.

Directors' Review

The Directors of the Company are pleased to present the Annual Report together with audited financial statements of the company for the year ended December 31, 2014.

Financial Performance

2014 proved to be a very tough and challenging year for the Company. Several factors comprising political unrest, difficult economic and security conditions affected the performance of the Company. Continued aggressive activities of competitors and unprecedented rise in imports also played a role in the negative growth for the year.

Gross sales declined by 16.5% to Rs.1.8 billion as compared to Rs.2.1 billion in 2013. All the major brands registered a decline in volumes and performed less than the expectations as consumers opted for heavily promoted brands and imported soap players strengthened their distribution network.

Gross margins also dropped by seven percentage points to 22% as compared to 29% in the previous year. This was a result of increase in prices of main raw materials of the company in the local as well as international market which could not be passed on to the consumers.

Selling and Distribution Expenses grew as, despite difficult monetary situation, company maintained the necessary level of advertising spent on its brands. This also had an adverse effect on the bottom-line of the company.

Administrative Expenses, though, impacted positively on the financial results as optimal use of fixed resources resulted in saving of 10% in the expense head as compared to previous year.

The net profit of the company fell from Rs.32.85 million in 2013 to a loss of Rs.103.5 million for the year ended December 31, 2014.

Earnings per share are at the level of Rs. (16.9) per share as at December 31, 2014.

Summary of Financial Performance

	2014	2013
Gross Sales	1,753 M	2,100 M
Gross Profit Margin	22%	29%
Net Profit / (Loss)	(103.5) M	32.85 M
Earnings / (Loss) Per Share	(16.9)	5.36

Dividend

Keeping in view the profitability of the company, the Board of Directors has decided not to pay dividend for the year ended December 31, 2014. Last year the company paid a cash dividend of Rs. 1.5 per share (equivalent to 15%) and bonus share issue in the proportion of 15 shares for every 100 shares held.

Administrative Expenses impacted positively on the financial results as optimal use of fixed resources resulted in saving of 10% in the expense head as compared to previous year.

Corporate Governance

ZIL limited is committed to upholding high standards of good corporate governance without exception. The Directors are pleased to state that the company has adopted and is compliant with Code of Corporate Governance as required by SECP and formed as part of stock exchange's listing regulations.

Corporate and Financial Reporting Framework

The management of ZIL Limited is committed to good corporate governance, and complying with the best practices. As required under Code of Corporate Governance, the Directors are pleased to state as follows:

a. The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b. Proper books of account of the company have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the company's ability to continue as a going concern.

g. There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.

h. No formal code of corporate governance leadership skills training was organized for any director as all the directors already posses required training or qualification and experience as required by the code.

i. Statements regarding the following are annexed or disclosed separately in the report

   a. Key operating & financial data for last six years

   b. Pattern of shareholding

   c. Trading in shares of the company by its directors, executives and their spouses and minor children

   d. Meetings of the board of directors, board audit committee and HR & R committee attendance by each director

Trading of Shares

The Code of Corporate Governance requires all trades in the shares of the company carried out by its directors, executives and their spouses and minor children shall be disclosed. The Company has disclosed all trading of shares by the directors in the report. The Board of Directors has approved all such trading. The BOD has approved the threshold for defining executives in terms of clause (xvi) of code of corporate governance, consequent to which all defined executives are subject to additional regulatory requirements for trading and disclosing their transactions in company shares.

Casual Vacancy

On July 10, 2014, Syed Yawar Ali resigned from the membership of the Board of Directors and chairmanship of HR&R committee of BOD. Syed Hasnain Ali joined the Board of Directors in his place, whereas Mrs. Feriel Ali replaced him as the chairman of the HR&R committee of the BOD.

Mr. Munaf Ibrahim resigned from the Board on August 25, 2014. Subsequently Mr. Kemal Shoaib was welcomed by the board to fill the vacancy on the Board of Directors of the company.

Human Resource & Remuneration Committee

The company's HR&R committee is fully functioning with its chairman and majority of members being non-executive directors. All issues of remuneration are fully disclosed, deliberated and decided at the meetings of HR&R committee.

The Head of HR acts as the secretary of the meeting. The committee held three meetings during the period.

Board Audit Committee

The Audit committee comprises three members including the chairman. Two members of the committee are non-executive directors, including the Chairman who is an independent director.

The audit committee held four meetings during the period. The Chief Financial Officer, Internal Auditors as well as External Auditors were invited to the meetings.

Internal Audit

The Company has outsourced its internal audit function to a Chartered Accountants firm namely M.Yousuf Adil Saleem & Co. a member firm of Deloitte Touche Tohmatsu Limited. Head of Internal Audit acts as coordinator between Deloitte and the Board Audit Committee as required by the Code of Corporate Governance.

External Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants are due to retire and being eligible, offer themselves for reappointment for the year 2015. They have confirmed achieving satisfactory rating by the Institute of Chartered

> Notwithstanding socio political, economic and security challenges, favorable demographic, lifestyle and consumption patterns in the near future are expected to drive the growth of the company at a respectable pace.

Accountants of Pakistan (ICAP) and compliance with the guideline on the code of ethics of the International Federation of Accountants as adopted by ICAP.

As suggested by the Board Audit Committee, the Board of Directors has recommended their re-appointment as the auditors of the company for the year 2015.

Gratuity and Provident Fund

The Company is operating a Provident Fund and an approved Gratuity Scheme. The provident fund has been appropriately invested in the allowed securities and is audited annually by independent auditors. The value of investments of Provident Fund as at June 30, 2014 is Rs.92.6 million.

Future Outlook

Notwithstanding socio political, economic and security challenges, favorable demographic, lifestyle and consumption patterns in the near future are expected to drive the growth of the company at a respectable pace. Our understanding of the consumers, focus on quality and continuous improvement and cost efficiencies will help us in tapping the available opportunities.

Acknowledgements

The Directors would like to thank consumers who have trust in products of the company and continue to support the progress of the Company. The company is immensely proud of its employees for their passion, commitment and devotion. The company greatly values the support and cooperation received from suppliers, distributors, bankers and all stakeholders who are contributing towards the continued growth of the Company.

For and on behalf of the Board

Mubashir Hasan Ansari
Chief Executive Officer

Karachi; March 16, 2015

Vertical Analysis of Financial Statements

Balance Sheet	Dec-14		Dec-13	
	Rs. In '000	%	Rs. In '000	%
Non-Current Assets	418,098	50.69	421,606	42.98
Current Assets	406,650	49.31	559,234	57.02
Total Assets	824,748	100	980,840	100
Equity	373,085	45.24	487,354	49.69
Non-Current Liabilities	83,119	10.08	115,188	11.74
Current Liabilities	368,544	44.69	378,298	38.57
Total Equity and Liabilities	824,748	100	980,840	100

Profit and Loss Account	Dec-14		Dec-13	
	Rs. In '000	%	Rs. In '000	%
Net sales	1,298,182	100.00	1,621,071	100.00
Cost of sales	(1,016,412)	(78.30)	(1,157,371)	(71.40)
Gross Profit	281,770	21.70	463,700	28.60
Selling and distribution expenses	(309,289)	(23.82)	(274,324)	(16.92)
Administrative expenses	(109,088)	(8.40)	(120,773)	(7.45)
	(136,607)	(10.52)	68,603	4.23
Other operating income	4,878	0.38	3,144	0.19
Other operating expense	-	0.00	(3,843)	(0.24)
	(131,729)	(10.15)	67,904	4.19
Financial expenses	(27,115)	(2.09)	(18,802)	(1.16)
Profit / (Loss) before tax	(158,844)	(12.24)	49,102	3.03
Taxation	55,375	4.27	(16,257)	(1.00)
Profit / (Loss) for the year	(103,469)	(7.97)	32,845	2.03

	Dec-12*		Jun-12		Jun-11		Jun-10	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
	378,408	43.75	374,026	38.47	349,202	40.34	296,943	38.94
	486,603	56.25	598,182	61.53	516,410	59.66	465,717	61.06
	865,011	100	972,208	100	865,612	100	762,660	100
	421,285	48.70	422,908	43.50	403,089	46.57	386,381	50.66
	106,746	12.34	96,853	9.96	103,122	11.91	90,164	11.82
	336,980	38.96	452,447	46.54	359,401	41.52	286,115	37.52
	865,011	100	972,208	100	865,612	100	762,660	100

	Dec-12*		Jun-12		Jun-11		Jun-10	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
	816,393	100.00	1,829,255	100.00	1,566,091	100.00	1,289,891	100.00
	(595,034)	(72.89)	(1,323,117)	(72.33)	(1,226,184)	(78.30)	(951,249)	(73.75)
	221,359	27.11	506,138	27.67	339,907	21.70	338,642	26.25
	(143,207)	(17.54)	(332,027)	(18.15)	(224,017)	(14.30)	(243,349)	(18.87)
	(51,378)	(6.29)	(102,195)	(5.59)	(77,145)	(4.93)	(49,554)	(3.84)
	26,774	3.28	71,916	3.93	38,745	2.47	45,739	3.55
	2,266	0.28	8,361	0.46	4,440	0.28	12,973	1.01
	(3,829)	(0.47)	(9,773)	(0.53)	(5,388)	(0.34)	(9,786)	(0.76)
	25,211	3.09	70,505	3.85	37,797	2.41	48,926	3.79
	(9,764)	(1.20)	(23,002)	(1.26)	(4,715)	(0.30)	(696)	(0.05)
	15,447	1.89	47,503	2.60	33,082	2.11	48,230	3.74
	(2,169)	(0.27)	(17,035)	(0.93)	(12,659)	(0.81)	(17,144)	(1.33)
	13,278	1.63	30,468	1.67	20,423	1.30	31,086	2.41

* The figures pertain to the financial statements of six month transitional period ended December 31, 2012 and, therefore, are not comparable

Horizontal Analysis of Financial Statements

Balance Sheet	Dec-14	Dec-13	Dec-12*	Jun-12
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000
Non-Current Assets	418,098	421,606	378,408	374,026
Current Assets	406,650	559,234	486,603	598,182
Total Assets	824,748	980,840	865,011	972,208
Equity	373,085	487,354	421,285	422,908
Non-Current Liabilities	83,119	115,188	106,746	96,853
Current Liabilities	368,544	378,298	336,980	452,447
Total Equity and Liabilities	824,748	980,840	865,011	972,208

Profit and Loss Account	Dec-14	Dec-13	Dec-12*	Jun-12
Net sales	1,298,182	1,621,071	816,393	1,829,255
Cost of sales	(1,016,412)	(1,157,371)	(595,034)	(1,323,117)
Gross Profit	281,770	463,700	221,359	506,138
Selling and distribution expenses	(309,289)	(274,324)	(143,207)	(332,027)
Administrative expenses	(109,088)	(120,773)	(51,378)	(102,195)
	(136,607)	68,603	26,774	71,916
Other operating income	4,878	3,144	2,266	8,361
Other operating expense	-	(3,843)	(3,829)	(9,773)
	(131,729)	67,904	25,211	70,505
Financial expenses	(27,115)	(18,802)	(9,764)	(23,002)
Profit / (Loss) before tax	(158,844)	49,102	15,447	47,503
Taxation	55,375	(16,257)	(2,169)	(17,035)
Profit / (Loss) for the year	(103,469)	32,845	13,278	30,468

SUMMARY OF CASH FLOWS	Dec-14	Dec-13	Dec-12*	Jun-12
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000
Net cash flows from operating activities	4,396	(59,748)	57,760	18,603
Net cash flows from investing activities	(22,616)	(26,071)	(21,583)	(57,566)
Net cash flows from financing activities	(5,949)	116,930	(70,648)	39,352
Net change in cash and cash equivalents	(24,169)	31,111	(34,471)	389

* The figures pertain to the financial statements of six month transitional period ended December 31, 2012 and, therefore, are not comparable

Jun-11 Rs. In '000	Jun-10 Rs. In '000	Dec-14	Dec-13	Dec-12*	Jun-12	Jun-11	Jun-10
		% increase/ (decrease) over preceeding year					
349,202	296,943	(0.83)	11.42	1.17	7.11	17.60	1.32
516,410	465,717	(27.28)	14.93	(18.65)	15.83	10.88	7.37
865,612	762,660	(15.91)	13.39	(11.03)	12.31	13.50	4.93
403,089	386,381	(23.45)	15.68	(0.38)	4.92	4.32	5.41
103,122	90,164	(27.84)	7.91	10.21	(6.08)	14.37	3.80
359,401	286,115	(2.58)	12.26	(25.52)	25.89	25.61	4.64
865,612	762,660	(15.91)	13.39	(11.03)	12.31	13.50	4.93
Jun-11	Jun-10	Dec-14	Dec-13	Dec-12*	Jun-12	Jun-11	Jun-10
1,566,091	1,289,891	(19.92)	98.57	(55.37)	16.80	21.41	(4.46)
(1,226,184)	(951,249)	(12.18)	94.51	(55.03)	7.91	28.90	(4.00)
339,907	338,642	(39.23)	109.48	(56.27)	48.90	0.37	(5.74)
(224,017)	(243,349)	12.75	91.56	(56.87)	48.22	(7.94)	8.83
(77,145)	(49,554)	(9.68)	135.07	(49.73)	32.47	55.68	27.40
38,745	45,739	(299.13)	156.23	(62.77)	85.61	(15.29)	(52.73)
4,440	12,973	55.15	38.75	(72.90)	88.31	(65.77)	92.16
(5,388)	(9,786)	(100.00)	0.37	(60.82)	81.38	(44.94)	(40.67)
37,797	48,926	(293.99)	169.34	(64.24)	86.53	(22.75)	(43.77)
(4,715)	(696)	44.21	92.56	(57.55)	387.85	577.44	(89.58)
33,082	48,230	(423.50)	217.87	(67.48)	43.59	(31.41)	(39.96)
(12,659)	(17,144)	(440.62)	649.52	(87.27)	34.57	(26.16)	(41.05)
20,423	31,086	(415.02)	147.36	(56.42)	49.18	(34.30)	(39.34)

Jun-11 Rs. In '000	Jun-10 Rs. In '000	Dec-14	Dec-13	Dec-12*	Jun-12	Jun-11	Jun-10
		% increase/ (decrease) over preceeding year					
(67,768)	(5,657)	(107.36)	(203.44)	210.49	(127.45)	1097.95	(104.07)
(51,666)	(21,412)	(13.25)	20.79	(62.51)	11.42	141.29	10.54
61,487	(19,258)	(105.09)	(265.51)	(279.53)	(36.00)	(419.28)	342.92
(57,947)	(46,327)	(177.69)	(190.25)	(8961.44)	(100.67)	25.08	(140.14)

* The figures pertain to the financial statements of six month transitional period ended December 31, 2012 and, therefore, are not comparable

Ratios of Last Six Years

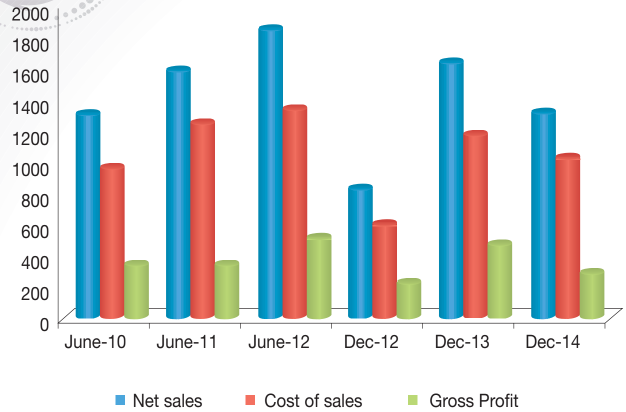
	Unit	Dec-14
Rate of return		
Return on assets	%	(12.55)
Return on equity	%	(27.73)
Return on capital employed	%	(28.88)
Interest cover	Times	(5.04)
Profitability		
Gross profit margin	%	21.70
Net profit to sales	%	(7.97)
EBITDA	Rs.	(92,430)
EBITDA Margin to sales	%	(7.12)
Liquidity		
Current ratio		1.10
Quick ratio		0.33
Financial gearing		
Debt-Equity ratio	Times	1.21
Debt to Assets	%	54.76%
Capital Efficiency		
Debtor turnover/ No. of days in receivables	Days	8
Inventory turnover/ No. of days in inventory	Days	102
Creditor turnover/ No. of days in payables	Days	26
Operating cycle	Days	84
Fixed assets turnover ratio	Times	3.30
Total asset turnover	Times	1.57
Investment measures per ordinary share		
Earnings	Rs.	
Price earning ratio	Times	(16.9)
Cash dividend	Rs.	(5.88)
Dividend yield	%	0.00
Dividend payout	%	0.00
Dividend cover	Times	-
Breakup value including surplus on revaluation	Rs.	60.94
Breakup value excluding surplus on revaluation	Rs.	41.03
Market value - year end	Rs.	99.39
Market value - high	Rs.	165.02
Market value - low	Rs.	85.00
Market value - average	Rs.	113.19

Dec-13	Dec-12*	Jun-12	Jun-11	Jun-10
3.35	1.54	3.13	2.36	4.08
6.74	3.15	7.20	5.07	12.48
11.27	4.77	13.56	7.47	10.27
3.65	2.74	3.13	8.22	65.72
28.60	27.11	27.67	21.70	26.25
2.03	1.63	1.67	1.30	2.41
107,108	44,267	105,688	66,183	75,236
6.61	5.42	5.78	4.23	5.83
1.48	1.44	1.32	1.44	1.63
0.49	0.48	0.40	0.40	0.64
1.01	1.05	1.30	1.15	0.97
50.31%	51.30%	56.50%	53.43%	49.34%
13	13	11	7	6
117	101	115	110	108
23	36	38	33	53
108	78	88	85	61
3.95	2.23	5.09	4.70	4.74
1.65	0.94	1.88	1.81	1.69
5.36	2.49	5.72	3.84	5.84
21.27	41.87	18.18	15.41	6.87
1.50	1.50	3.00	2.00	3.50
1.32	1.44	2.88	3.38	8.72
27.99	60.24	52.45	52.08	59.93
2.06	1.66	1.91	1.92	1.67
91.54	79.23	79.43	75.71	72.57
67.79	62.68	62.54	58.07	56.93
114.00	104.3	104.0	59.19	40.13
205.00	120.81	104.4	68.07	76.59
81.99	31.01	31.48	35.19	40.13
107.64	102.86	53.37	52.82	57.80

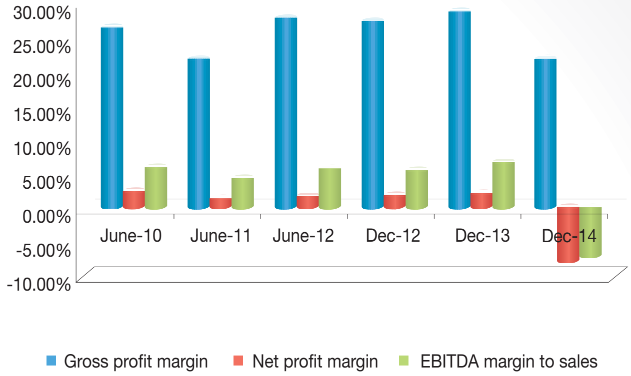
* The figures pertain to the financial statements of six month transitional period ended December 31, 2012 and, therefore, are not comparable

Graphical Presentation

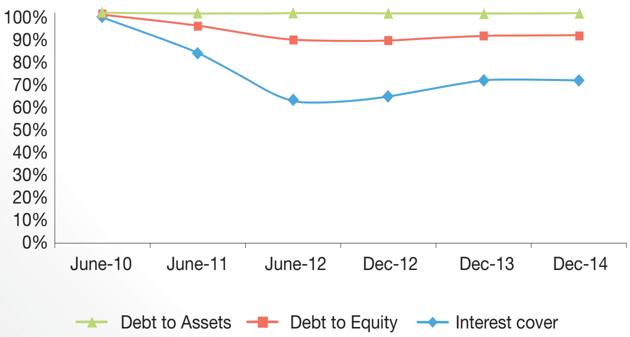
SALES, COST OF SALES & GROSS PROFIT



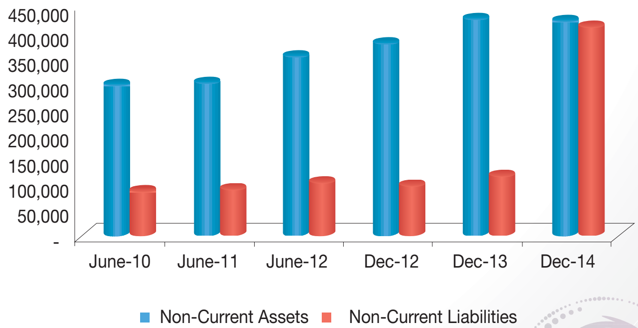
PROFITABILITY



DEBT MANAGEMENT RATIOS

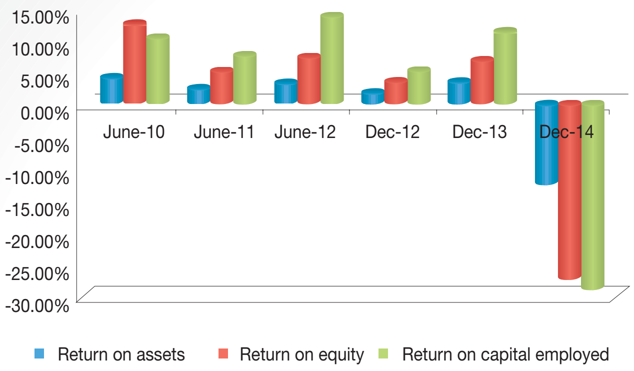


NON-CURRENT ASSETS & LIABILITES

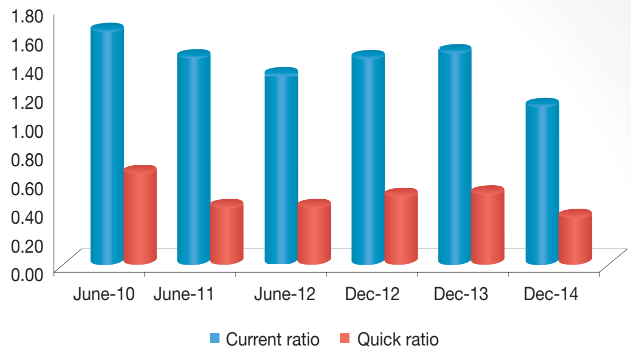


ZIL LIMITED

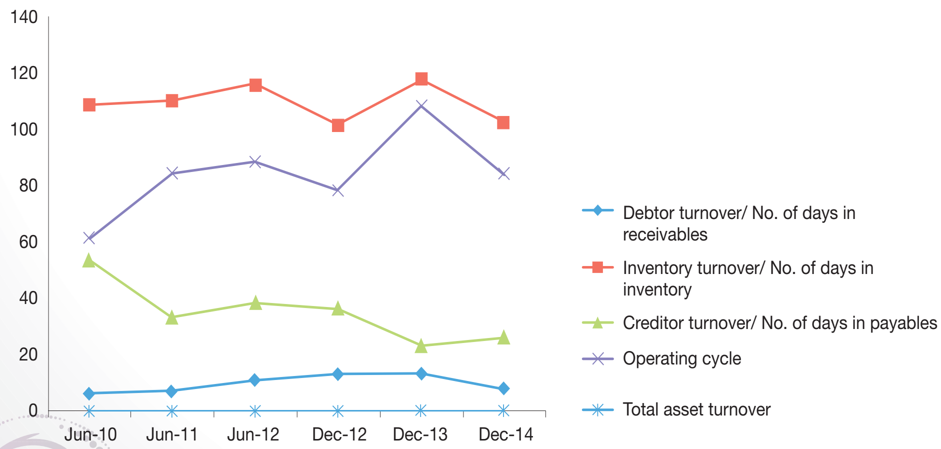
RATE OF RETURN



LIQUIDITY



ASSET MANAGEMENT RATIOS

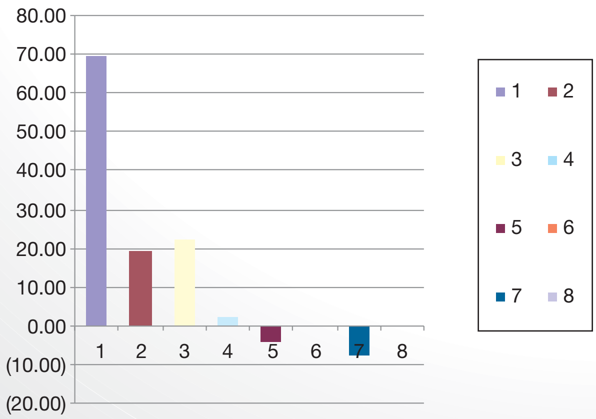


ZIL LIMITED

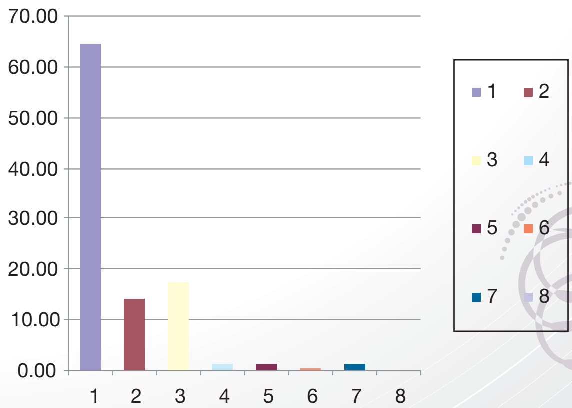
Statement of Value Addition

	Dec-14		Dec-13	
	Rs. In '000	%	Rs. In '000	%
Wealth Generated				
Net sales	1,298,182	99.63	1,621,071	99.81
Other operating income	4,878	0.37	3,144	0.19
	1,303,060	100	1,624,215	100
Distribution of Wealth				
Cost of sales and services (excluding employees remuneration and other duties)	901,863	69.21	1,045,029	64.34
Selling, distribution and administrative expenses (excluding employees remuneration and other duties)	246,948	18.95	227,022	13.98
Employees remuneration	285,944	21.94	280,358	17.26
Finance cost	27,114	2.08	18,803	1.16
Government tax and levies (includes income tax, WPPF and WWF)	(55,375)	(4.25)	20,098	1.24
Dividend to shareholders	0	0.00	7,986	0.49
Retained for future growth	(103,469)	(7.94)	24,859	1.53
Charity and donation	35	0.00	60	0.00
	1,303,060	100	1,624,215	100

Distribution of Wealth Dec-2014



Distribution of Wealth Dec-2013



ZIL LIMITED

Financial Statements

We have audited the annexed balance sheet of **ZIL Limited** ("the Company") as at 31 December 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of the loss, cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance 1980.

Date: March 16, 2014

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

As at 31 December 2014

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	4	393,709	410,118
Intangible assets	5	1,395	3,801
Long term deposits	6	6,506	7,458
Long term loans to employees	7	448	229
Deferred tax asset - net	20	16,040	-
Total non-current assets		418,098	421,606
CURRENT ASSETS			
Stores and spares - net	8	13,631	11,791
Stock-in-trade - net	9	284,473	372,349
Trade debts - net	10	29,030	58,336
Advances, prepayments and other receivables	11	61,357	74,430
Cash and bank balances	12	18,159	42,328
Total current assets		406,650	559,234
CURRENT LIABILITIES			
Trade and other payables	13	152,947	145,397
Short term borrowing	14	201,982	200,000
Taxation	16.3	13,615	32,901
Total current liabilities		368,544	378,298
NET CURRENT ASSETS		38,106	180,936
NET ASSETS		456,204	602,542
FINANCED BY			
SHARE CAPITAL AND RESERVES			
Authorised capital			
10,000,000 (2013: 10,000,000) ordinary shares of Rs. 10 each		100,000	100,000
Issued, subscribed and paid up capital	17	61,226	53,240
Reserves		189,969	307,650
		251,195	360,890
Surplus on revaluation of fixed assets - net of tax	18	121,890	126,464
NON-CURRENT LIABILITIES			
Long term deposits		450	450
Deferred staff liabilities	19	82,669	73,786
Deferred tax liability- net	20	-	40,952
Total non-current liabilities		83,119	115,188
CONTINGENCIES AND COMMITMENTS	21		
		456,204	602,542

The annexed notes from 1 to 39 form an integral part of these financial statements.

Feriel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer

ZIL LIMITED

Profit and Loss Account

For the year ended 31 December 2014

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Net sales	22	1,298,182	1,621,071
Cost of sales	23	(1,016,412)	(1,157,371)
Gross profit		281,770	463,700
Selling and distribution expenses	24	(309,289)	(274,324)
Administrative expenses	25	(109,088)	(120,773)
		(418,377)	(395,097)
		(136,607)	68,603
Other operating income	26	4,878	3,144
Other operating expenses	27	-	(3,843)
		(131,729)	67,904
Financial expenses	28	(27,115)	(18,802)
(Loss) / Profit before taxation		(158,844)	49,102
Taxation	16.1	55,375	(16,257)
(Loss) / Profit for the year		(103,469)	32,845
		(Rupees)	
			(Restated)
(Loss) / earnings per share- basic and diluted	29	(16.90)	5.36

The annexed notes from 1 to 39 form an integral part of these financial statements.

Feriel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer

ZIL LIMITED

Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Profit for the year		(103,469)	32,845
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Actuarial loss on defined benefit obligations	19.5	(4,330)	(931)
Related deferred tax reversal	20	1,516	326
		(2,814)	(605)
Total comprehensive income for the year		(106,283)	32,240

The annexed notes from 1 to 39 form an integral part of these financial statements.

Feriel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer

ZIL LIMITED

Statement of Cash Flows

For the year ended 31 December 2014

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(158,844)	49,102
Adjustments for:			
Mark-up expense	28	27,115	18,802
Depreciation and amortization	4.4	39,299	39,204
Provision against impaired debts	10.2	2,000	1,000
Provision for gratuity	19.7	11,799	9,605
Provision for staff retirement benefits	19.7	3,542	3,460
Provision for slow moving stores and spares	8.1	-	1,900
Provision for slow moving stock	9.2	5,717	5,580
Reversal of provision on sales of provided stock	9.2	(252)	(4,942)
Return on bank deposits	26	(86)	(65)
Gain on disposal of fixed assets	26	2,132	(2,673)
		91,266	71,871
Operating (loss) / profit before working capital changes		(67,578)	120,973
Decrease / (increase) in operating assets:			
Stores and spares		(1,840)	93
Stock-in-trade		82,411	(47,191)
Trade debts		27,306	(3,790)
Loans to employees		(414)	130
Long term advances and deposits		952	(623)
Advances, prepayments and other receivables		1,518	(1,582)
		109,933	(52,963)
Increase / (decrease) in operating liabilities:			
Trade and other payables		5,699	(85,960)
Cash generated from / (used in) operations		48,054	(17,950)
Income tax paid		(7,637)	(10,894)
Gratuity paid	19.5	(6,063)	(10,343)
Retirement benefits paid	19.5	(4,725)	(3,013)
Profit received on short term deposits	26	86	65
Mark-up paid		(25,319)	(17,613)
		(43,658)	(41,798)
Net cash flows generated from / (used in) operating activities		4,396	(59,748)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(31,220)	(33,230)
Proceeds from disposal of fixed assets	4.3	8,604	7,159
Net cash flows used in investing activities		(22,616)	(26,071)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(7,931)	(8,070)
Short term loan		1,982	125,000
		(5,949)	116,930
Net (decrease) / increase in cash and cash equivalents		(24,169)	31,111
Cash and cash equivalents at beginning of the year		42,328	11,217
Cash and cash equivalents at end of the year	12	18,159	42,328

The annexed notes from 1 to 39 form an integral part of these financial statements.

Feriel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer

Statement of Changes in Equity

For the year ended 31 December 2014

	Issued, subscribed and paid up capital	Revenue reserve		Total reserves	Total
		General reserve	Unappropriated profit		
	------------------------	(Rupees in '000)		------------------------	
Balance as at 1 January 2013	53,240	6,000	273,931	279,931	333,171
Total comprehensive income for the year					
Profit for the year ended 31 December 2013	-	-	32,845	32,845	32,845
Other comprehensive income - net of tax	-	-	(605)	(605)	(605)
Transactions with owners:					
- Final cash dividend paid @ 15% for the year ended 31 December 2012	-	-	(7,986)	(7,986)	(7,986)
Transferred from surplus on revaluation of (recognised directly in equity)	-	-	3,465	3,465	3,465
Balance as at 31 December 2013	53,240	6,000	301,650	307,650	360,890
Total comprehensive income for the year					
Profit / (Loss) for the year ended 31 December 2014	-	-	(103,469)	(103,469)	(103,469)
Other comprehensive income - net of tax	-	-	(2,814)	(2,814)	(2,814)
Transactions with owners:					
- Bonus shares issue @ 15% for the year ended 31 December 2013	7,986	-	(7,986)	(7,986)	-
- Final cash dividend paid @ 15% for the year ended 31 December 2013	-	-	(7,986)	(7,986)	(7,986)
Transferred from surplus on revaluation of fixed assets - incremental depreciation (recognised directly in equity)	-	-	4,574	4,574	4,574
Balance as at 31 December 2014	61,226	6,000	183,969	189,969	251,195

The annexed notes from 1 to 39 form an integral part of these financial statements.

Feriel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer

ZIL LIMITED

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 manufacture and sale of home and personal care products.

The registered office of the company is situated at Ground Floor, Bahria Complex III, M.T. Khan Road, Karachi

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain class of property, plant and equipment (i.e. Land, Building and plant and machinery) have been included at revalued amount.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee which is also Company's functional currency and has been rounded to the nearest thousand.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are set forth below:

2.4.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.2 Staff gratuity and retirement benefits

Certain actuarial assumptions have been adopted (as disclosed in note 19 to these financial statements) for the actuarial valuation of staff gratuity and retirement benefits. Changes in these assumptions in future years may affect the liability under these schemes in those years.

2.4.3 Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock in trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade with a corresponding affect on the amortization change and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditure to make the sale.

2.4.4 Trade debts and other receivables

The company's management reviews its trade debtors on a continuous basis to identify receivables where collection of amount is no longer probable. These estimates are based on historical experience and are subject to change in the conditions at the time of actual recovery.

2.4.5 Property, plant and equipment

The company reviews the rate of depreciation, useful lives, residual value and value of assets for possible impairment on annual basis. Any change in the estimates in future years might affect the carrying amount of the respective items of property, plant and equipment with a corresponding effect on the depreciation change and impairment.

2.4.6 Intangible assets

The company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amount of intangible assets with the corresponding effect on the amortization change and impairment.

2.5 STANDARDS AND IFRIC INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2015:

- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). These amendments address an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. The amendments have no effect on the Company's financial statements.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 01 January, 2016) introduce restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments have no impact on Company’s financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 01 January, 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 01 January 2016. The adoption of this standard would have no impact on Company's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 01 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has been now named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 01 January 2016. The adoption of this standard would have no impact on Company's financial statements.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 01 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or join ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard would have no impact on Company's financial statements.

- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 01 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard would have no impact on Company's financial statements.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 01 January 2016) will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments have no impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 01 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 01 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- Annual Improvement 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 01 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'.

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination.

- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria.

- Amendments to IAS 16'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

- Annual Improvement 2012-2014 cycles (amendments are effective for annual periods beginning on or after 01 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from 'held for distribution to owners' to 'held for sale or vice versa without any time lag', then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere, should be cross referred.

3. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

Owned

Freehold land is stated at revalued amount. Building on freehold land and plant, machinery and equipments are measured at revalued amounts, which is the fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. Other operating fixed assets (including capital spares) are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation on operating fixed assets, other than freehold land, is charged under the reducing balance method at rates specified in note 4. Depreciation on addition is charged from the month in which asset is available for use, and no depreciation is charged in the month in which the asset is disposed off.

Assets, which have been fully depreciated, are retained in the books at a nominal value of Re.1. Gains or losses on disposal of operating fixed assets, if any, are taken to profit and loss account When revalued assets are sold, the relevant remaining surplus is transferred directly by the Company to its profit and loss account.

Normal repairs and maintenance is charged to the profit and loss account during the financial period in which they are incurred, as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Surplus on revaluation of building and plant, machinery and equipments to the extent of incremental depreciation charged there on is transferred from surplus on revaluation of building and plant, machinery and equipments to retained earnings (unappropriated profit), net of deferred tax.

Leased

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are stated at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, if any.

Leased assets are depreciated over the useful lives of the assets. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost (less impairment losses, if any) and consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their acquisition, erection, construction and installation directly attributable to capital work-in-progress, determined by the management. The assets are transferred to relevant category of operating fixed assets when they are available for use.

3.2 Intangible assets

Intangible assets (comprising of computer softwares) are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised under the straight line method at the rate of thirty percent per annum.

Cost that are directly associated with identifiable software products and have probable economic benefit beyond one year are recognised as intangible assets.

Cost associated with maintaining computer software products are recognised as an expense when incurred.

In respect of additions and deletions of intangible assets during the year, amortization is charged from the month of acquisition and up to the month preceding the deletion, respectively.

3.3 Staff Retirement benefits

a) Gratuity scheme - defined benefit plan

The company operates an unfunded gratuity scheme for its eligible employees. The permanent employees who have completed four years of service with the company are eligible employees for this scheme. Provision is made in the financial statements based on actuarial valuation (conducted at balance sheet date 31 December 2014) using the projected unit credit method. Remeasurement of the defined benefit liability, which comprises actuarial gain and losses are recognised immediately in other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then net defined benefit liability (asset), taking into account and change in the net defined benefit liability (asset) during the year as a result of contribution and benefit payments. Net interest expense and other expense related to defined benefit plans are recognised in profit and loss account.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit and loss account. The company recognises gain and loss on the settlement of a defined benefit plan when the settlement occurs.

b) Retirement benefit scheme - defined benefit plan

In addition, the Company also operates an un-funded retirement benefit scheme for its eligible employees. The employees who were on Company's permanent payroll on or before 30 June 1999 and had completed ten years of services with the Company are eligible for benefits under this scheme. Provision is made in these financial statements based on the actuarial valuation (conducted at the balance sheet date - 31 December 2014) using the Projected Unit Credit Method.

Remeasurement of the defined benefit liability, which comprises actuarial gain and losses are recognised immediately in other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then net defined benefit liability (asset), taking into account and change in the net defined benefit liability (asset) during the year as a result of contribution and benefit payments. Net interest expense and other expense related to defined benefit plans are recognised in profit and loss account.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit and loss account. The company recognises gain and loss on the settlement of a defined benefit plan when the settlement occurs.

c) Provident fund - defined contribution plan

The Company operates an approved provident fund scheme for its eligible employees. The Company and the employees make equal monthly contributions at ten percent of the basic salary.

3.4 Compensated absences

The Company also makes provision in the financial statements for its liability towards compensated absences based on the leaves accumulated up to the balance sheet date in accordance with the service rules.

3.5 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

i) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and tax rebates, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years.

ii) Deferred

Deferred taxation is recognised, using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amounts of deferred tax recognised is based on the expected manner of the realisation or settlement of the carrying amount of assets and liabilities, using rates of taxation enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Deferred tax assets, are reduced to the extent that they are no longer probable that the related tax benefit will be realised.

The Company also recognises deferred tax liability on surplus on revaluation of fixed assets which is adjusted and the related surplus in accordance with the requirements of International Accounting Standard 12 'Income Taxes'.

3.6 Stores and spares

These are stated at lower of moving average cost and net realizable value except items in transit which are stated at invoice value plus other charges incurred thereon. Provision is made for slow moving items where necessary and is recognised in the profit and loss account.

Net realizable value is the estimated selling price in the ordinary course of the business less estimated costs necessary to make a sale.

3.7 Stock-in-trade

These are valued at lower of cost and net realisable value. Cost of raw materials, packing materials, work in process and finished goods is determined under average cost basis, except that in case of stock in transit, it is determined at invoice value and other charges incurred thereon.

Cost of finished goods consists of materials, labour and applicable production overheads. However, the work-in- process is valued at material cost only as conversion costs are immaterial.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

3.8 Trade debts and other receivables

These are stated at cost less impairment losses, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivable are written off when considered irrecoverable.

3.9 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash / demand draft in hand, balances with banks and short term placements readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents also include bank overdrafts and form an integral part of the Company's cash management.

3.10 Revenue recognition

- Revenue from sale of goods is measured at fair value of the consideration received or receivable. Domestic sales are recognised as revenue on dispatch of goods to customers. Export sales are recognised as revenue on the basis of goods shipped to customers.

- Profit on debt instruments and term deposits with banks are recognised using the effective yield method on a time proportion basis.

- Dividend income on equity instruments is recognised when a right to receive the dividend is established.

- Gain or loss on sale of mutual fund units / certificates is accounted for in the period in which it arises.

3.11 Trade and other payables

Liabilities for trade and other amounts payable are recognised and carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.12 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.13 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account.

3.14 Financial instruments

All financial assets and liabilities are initially measured at fair value, and subsequently measured at fair value or amortized cost as the case may be. The Company derecognises the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

3.15 Off-setting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

3.16 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial assets is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.17 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the profit and loss account over the period of the borrowings on an effective mark-up basis.

Borrowing costs are recognized as an expense in the period in which they are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of that qualifying asset.

3.18 Dividend and appropriations

Dividends and reserve appropriations are recognised in the period in which these are declared / approved.

3.19 Earning per share

The Company presents basic and diluted earnings per shares (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to share holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to share holders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	384,627	405,190
Capital work-in-progress	4.2	9,082	4,928
		393,709	410,118

4.1 Operating assets

31 December 2014

		COST				Rate	DEPRECIATION				Written down
		As at 1 January 2014	Addition	(Disposal)	As at 31 December 2014	%	As at 1 January 2014	Charge for the Year	(Disposal)	As at 31 December 2014	value as on 31 December 2014
		(Rupees in '000)					(Rupees in '000)				
Freehold land	4.5	62,726	-	-	62,726	-	-	-	-	-	62,726
Leasehold land	4.5	55,000	-	-	55,000	2.44	-	1,342	-	1,342	53,658
Building on freehold land	4.5	39,149	2,476	-	41,625	10	-	4,029	-	4,029	37,596
Building on leasehold land	4.5	2,226	-	-	2,226	10	-	223	-	223	2,003
Lease hold improvements		3,068	-	-	3,068	10	1,695	137	-	1,832	1,236
Plant, machinery and equipment	4.5	171,216	7,952	-	179,168	10	-	17,429	-	17,429	161,739
Capital spares		12,165	1,465	-	13,630	10	5,058	757	-	5,815	7,815
Furniture and fixtures		25,529	542	(8,948)	17,123	10	6,639	1,906	(2,803)	5,742	11,381
Vehicles		66,694	11,047	(9,458)	68,283	20	25,759	8,776	(5,168)	29,367	38,916
Computers		18,659	3,484	(746)	21,397	30	12,101	2,191	(445)	13,847	7,550
Professional books		31	-	-	31	30	21	3	-	24	7
		456,463	**26,966**	**(19,152)**	**464,277**		**51,273**	**36,793**	**(8,416)**	**79,650**	**384,627**

31 December 2013

	COST						Rate	DEPRECIATION					Written down
	As at 1 January 2013	Addition	(Disposal)	Adjustment	Surplus on Revaluation	As at 31 December 2013	%	As at 1 January 2013	Charge for the Year	(Disposal)	Adjustment	As at 31 December 2013	value as on 31 December 2013
	(Rupees in '000)							(Rupees in '000)					
Freehold land	42,000	-	-	-	20,726	62,726	-	-	-	-	-	-	62,726
Leasehold land	42,140	-	-	(2,559)	15,419	55,000	2	1,716	843	-	(2,559)	-	55,000
Building on freehold land	29,204	12,258	-	(9,604)	7,291	39,149	10	6,632	2,972	-	(9,604)	-	39,149
Building on leasehold land	2,069	-	-	(490)	647	2,226	10	314	176	-	(490)	-	2,226
Lease hold improvements	3,068	-	-	-	-	3,068	10	1,542	153	-	-	1,695	1,373
Plant, machinery and equipment	271,008	11,375	-	(120,254)	9,087	171,216	10	102,740	17,514	-	(120,254)	-	171,216
Capital spares	9,876	2,289	-	-	-	12,165	10	4,345	713	-	-	5,058	7,107
Furniture and fixtures	25,174	355	-	-	-	25,529	10	4,566	2,073	-	-	6,639	18,890
Vehicles	59,527	16,537	(9,370)	-	-	66,694	20	21,749	8,894	(4,884)	-	25,759	40,935
Computers	15,950	2,709	-	-	-	18,659	30	9,598	2,503	-	-	12,101	6,558
Professional books	31	-	-	-	-	31	30	16	5	-	-	21	10
	500,047	45,523	(9,370)	(132,907)	53,170	456,463		153,218	35,846	(4,884)	(132,907)	51,273	405,190

4.2 Capital work-in-progress

	COST			
	As at 31 December 2013	Addition	(Transfers to operating assets)	As at 31 December 2014
	-----(Rupees in '000)-----			
Plant, machinery and equipments	3,016	10,012	(7,952)	5,076
Capital spares	-	1,465	(1,465)	-
Building on freehold land	1,855	621	(2,476)	-
Furniture and fixtures	57	3,432	(542)	2,947
Vehicles	-	12,106	(11,047)	1,059
Intangibles	-	100	(100)	-
Computers	-	3,484	(3,484)	-
	4,928	31,220	(27,066)	9,082

4.3 Disposal of operating fixed assets

	Year of purchase	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Sold to / settled from	Address
		----- (Rupees in '000) -----							
Vehicles									
Suzuki Alto	2010	667	404	263	500	237	As per policy	Waqar Uddin (Employee)	69/II, 5th Commercial Street, Phase IV, DHA, Karachi
Honda Civic	2010	1,935	1,066	869	1,550	681	As per policy	Mujahid Hamid (Ex - Employee)	44/11, 10th Street Khayaban-e-Mujahid DHA Phase V, Karachi
Datsun Van	1983	153	153	-	140	140	As per policy	Momin Khan (Employee)	Grain Godown, Hali Road, Hyderabad
Toyota Corolla	2011	1,529	706	823	1,300	477	Insurance Claim	IGI Insurance Company Ltd.	7th Floor, The Forum, Suite Nos. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan
Suzuki Cultus	2012	995	447	548	548	-	As per policy	Anum Anwar (Ex - Employee)	A-13, Block 2, Gulshan-e-Iqbal Karachi
Suzuki Cultus	2012	655	550	105	475	370	Negotiation	Haji Ali Motors	Shop#8, Al-Madina Apartments, M.A. Jinnah Road, Karachi
Suzuki Cultus	2009	642	432	210	505	295	Negotiation	Taj Motors	Near Akbari Ground, Gizri Road, Karachi
Suzuki Cultus	2009	884	626	258	615	357	Negotiation	Haji Ali Motors	Shop#8, Al-Madina Apartments, M.A. Jinnah Road, Karachi
Suzuki Cultus	2009	959	679	280	652	372	Negotiation	Haji Ali Motors	Shop#8, Al-Madina Apartments, M.A. Jinnah Road, Karachi
Suzuki Cultus	2014	1,039	105	934	934	-	As per policy	Mufaddil Khambati (Ex - Employee)	3rd Floor Saifi Manzil New Chali Altaf Hussain Hali Road
		9,458	**5,168**	**4,290**	**7,219**	**2,929**			
Furniture and fixture									
Various	2011	8,948	2,803	6,145	1,200	(4,945)	Negotiation	Chand Qayyum	5th Zamzama Street, Clifton, Karachi
		8,948	**2,803**	**6,145**	**1,200**	**(4,945)**			

ZIL LIMITED

	Year of purchase	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Sold to / settled from	Address
		---------------- (Rupees in '000) ----------------							
Computers									
Dell Vostro Ci3	2011	54	39	15	9	(6)	As per policy	Muhammad Irfan (Employee)	A-606 Block H, North Nazimabad Karachi
Dell Vostro Ci3	2011	54	39	15	9	(6)	As per policy	Anis Chogalla (Employee)	Building B-2, Flat B-12, Memon Complex, Block-M N.Nazimabad, Karachi
Dell Vostro Ci3	2011	54	39	15	9	(6)	As per policy	Sajid Pervez (Employee)	D-10 Najma Squre Block 13 -B-Gulshan-E-Iqbal, Karachi
Dell Vostro Ci3	2011	54	39	15	9	(6)	As per policy	Ehsaan Ul Haq (Employee)	A-185, Area 36-B, Zamanabad Landhi 4, Karachi
Dell Vostro Ci3	2011	66	45	21	13	(8)	As per policy	Ata Ur Rehman (Employee)	R-675/17 Incholi Housing Society F.B Area, Karachi
Dell Vostro Ci7	2011	85	60	25	15	(10)	As per policy	Nazim Baddar (Employee)	Flat No. A-7, Al-Shams Plaza, Gulshan-e-Iqbal, Block 6, Karachi
Dell Vostro Ci3	2010	55	40	15	9	(6)	As per policy	Muhammad Ibrahim (Employee)	150-C, Gulshan-e-Zeal Pak Society Site, Hyderabad
Dell Vostro Ci3	2011	54	38	16	9	(7)	As per policy	Asad Ali Malik (Employee)	H. No. 26-C, Block A, Unit No. 10 Latifabad, Hyderabad
Dell Vostro Ci3	2011	54	38	16	6	(10)	As per policy	Syed Arshad Ali (Employee)	H. No. 300, Block A, Unit No. 10, Latifabad, Hyderabad
Dell Inspiron Ci7	2012	74	38	36	30	(6)	As per policy	Mujahid Hamid (Ex - Employee)	44/11, 10th Street Khayaban -e-Mujahid DHA Phase V, Karachi
Samsun Galaxy S3	2013	58	17	41	9	(32)	As per policy	Mujahid Hamid (Ex - Employee)	44/11, 10th Street Khayaban -e-Mujahid DHA Phase V, Karachi
Samsun Galaxy S3	2013	48	12	36	26	(10)	As per policy	Nida Noor (Employee)	B-19, Hasan Homes Block 5, Clifton, Karachi
Samsun Galaxy S3	2014	36	1	35	32	(3)	Insurance Claim	IGI Insurance Company Ltd.	7th Floor, The Forum, Suite Nos. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan
		746	**445**	**301**	**185**	**(116)**			
31 December 2014		**19,152**	**8,416**	**10,736**	**8,604**	**(2,132)**			
31 December 2013		9,370	4,884	4,486	7,159	2,673			

4.4 Depreciation on property, plant and equipment and amortisation of intangible asset (note 5) for the year has been allocated as follows:

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Depreciation for the year on property, plant and equipment	4.1	36,793	35,846
Amortisation of intangible asset for the year	5	2,506	3,358
		39,299	39,204
Cost of sales	23	22,355	22,931
Selling and distribution expenses	24	6,846	6,864
Administrative expenses	25	10,098	9,409
		39,299	39,204

4.5 Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. The latest valuation was carried out on 31 December 2013 by an independent valuer, M/s Arif Evaluators on the basis of market value. This valuation of assets is based on market information from relevant sources, including recent sale / purchase of similar assets, and manufacturing and construction cost of such assets presently. The present condition of the asset, the level of maintenance and the remaining useful life of the asset has also been considered.

4.6 Had there been no revaluation, the related figures of land, buildings and plant & machinery as at 31 December 2014 would have been as follows:

	(Rupees in '000)
Free hold land	29
Lease hold land	17,603
Buildings on free hold land	19,142
Buildings on lease hold land	1,421
Plant, machinery and equipment	125,798
	163,993

5. INTANGIBLE ASSETS

31 December 2014

	COST			Rate %	AMORTIZATION			Written down value as on 31 December 2014
	As at 1 January 2014	Addition/ (disposal)	As at 31 December 2014		As at 1 January 2014	For the year	As at 31 December 2014	
Computer software and licenses	**14,865**	**100**	**14,965**	**30**	**11,064**	**2,506**	**13,570**	**1,395**

31 December 2013

	COST			Rate %	AMORTIZATION			Written down value as on 31 December 2013
	As at 1 January 2013	Additions/ (disposals)	As at 31 December 2013		As at 1 January 2013	For the year	As at 31 December 2013	
Computer software and licenses	12,963	1,902	14,865	30	7,706	3,358	11,064	3,801

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
6. LONG TERM DEPOSITS - considered good			
Deposits:			
- against letter of guarantee		650	2,756
- against office premises		2,771	1,678
- to Central Depository Company of Pakistan Limited		13	13
- to Sui Southern Gas Company Limited		2,786	2,725
- others		364	364
		6,584	7,536
Provision held		(78)	(78)
		6,506	7,458
7. LONG TERM LOANS TO EMPLOYEES - Considered good - secured			
Non-executive employees	7.1	1,034	620
Receivable within one year		(586)	(391)
		448	229

7.1 These mark-up free loans have been given to the non-executive employees for purchase of motorcycles as per Company's Motor Cycle loan policy. These are recoverable in 36 to 57 equal monthly instalments and are secured against employees' provident fund balances.

	Note	31 December 2014	31 December 2013
8. STORES AND SPARES - net			
Stores		13,942	13,738
Spares		4,603	2,967
		18,545	16,705
Provision against slow moving stores and spares	8.1	(4,914)	(4,914)
		13,631	11,791
8.1 Provision against slow moving stores and spares			
Opening balance		4,914	3,014
Charge for the year		-	1,900
Balance as at 31 December		4,914	4,914
9. STOCK-IN-TRADE - net			
Raw material - in hand	9.1	121,029	174,550
- in transit		58,301	61,364
		179,330	235,914
Packing material		8,689	21,562
Work-in-process		54,331	44,801
Finished goods		54,876	77,360
		297,226	379,637
Provision against slow moving and obsolete stock	9.2	(12,753)	(7,288)
		284,473	372,349

9.1 This includes stocks aggregating Rs. 4.96 million (31 December 2013: Rs. 4.206 million) stated at their net realizable values as against their cost of Rs. 6.295 million (31 December 2013: Rs. 7.336 million).

	Note	**31 December 2014**	31 December 2013
		(Rupees in '000)	
9.2 Provision against slow moving and obsolete stock			
Opening Balance		7,288	6,650
Reversal of provision on sales of provided stock		(252)	(4,942)
Charge for the year		5,717	5,580
Balance as at 31 December		12,753	7,288
10. TRADE DEBTS - net			
Considered good	10.1	29,030	58,336
Considered doubtful		4,133	2,133
		33,163	60,469
Provision against impaired debts	10.2	(4,133)	(2,133)
		29,030	58,336

10.1 As at 31 December 2014, there are no related party balances. At 31 December 2013, Rs. 0.057 million was due from Treet Corporation Limited.

10.1.1 The above balances are mark-up free and unsecured. The aging of above related party balance at the balance sheet date is as follows:

Past due 1-180 days		-	57
10.2 Provision against impaired debts			
Opening Balance		2,133	1,133
Charge for the year		2,000	1,000
Balance as at 31 December		4,133	2,133
11. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good:			
- taxation		51,816	63,566
- to suppliers and contractors		3,641	4,341
Less: Provision held		(803)	(803)
		2,838	3,538
- to sales staff		508	508
Current maturity of loans to employees	7	586	391
Special Excise Duty receivable		-	206
Prepayments		3,658	4,149
Other receivables		1,951	2,072
		61,357	74,430

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	

12. CASH AND BANK BALANCES

	Note	31 December 2014	31 December 2013
Cash in hand		68	84
Cash at banks in - current accounts		5,445	10,270
- collection accounts		12,555	31,924
- profit and loss sharing accounts	12.1	91	50
		18,091	42,244
		18,159	42,328

12.1 These carry interest / mark-up rate ranging from 6% to 6.5% per annum (31 December 2013: 6.5% to 7% per annum).

13. TRADE AND OTHER PAYABLES

	Note	31 December 2014	31 December 2013
Trade creditors		72,482	72,520
Accrued expenses		31,814	40,428
Advances from customers		22,586	15,100
Sales tax payable		11,113	5,417
Worker's Profit Participation Fund	13.1	-	2,647
Worker's Welfare Fund		728	2,273
Accrued mark-up		4,957	3,161
Other liabilities		8,358	2,997
Dividend payable		57	60
Unclaimed dividend		852	794
		152,947	145,397

13.1 Workers' Profit Participation Fund

	Note	31 December 2014	31 December 2013
Opening Balance		2,647	915
Contribution during the year	27	-	2,647
Payments during the year		(2,647)	(915)
Balance as at 31 December		-	2,647

14. SHORT TERM BORROWING

	Note	31 December 2014	31 December 2013
Islamic Financing	14.1	200,000	200,000
Running Finance	14.1	1,982	-
		201,982	200,000

14.1 During the year the Company availed Islamic finance (Murabaha, Karobar, Istisna and Salam facility) and running finance facility from several scheduled banks to meet working capital requirements and to facilitate manufacturing of finished goods respectively. These facilities carry mark-up ranging between 1 month KIBOR + 0.7% per annum to 6 month KIBOR + 0.5% per annum (31 December 2013: 1 month KIBOR + 1.25% per annum to 3 month KIBOR + 0.5% per annum) and is repayable latest by 21 May 2015 (31 December 2013: 20 March 2014). The facility is secured by pari passu charge on current assets of the Company.

15. UNUTILISED CREDIT FACILITIES

15.1 At 31 December 2014, unutilised facilities for running finance under mark-up arrangements available from certain banks aggregated to Rs.728 million (31 December 2013: Rs. 529 million). These are secured against current assets of the Company and are valid up to 31 May 2015 (31 December 2013: 31 March 2014).

15.2 At 31 December 2014, unutilised letter of credit facilities from certain banks amounted to Rs. 901.699 million (31 December 2013: Rs. 761.493 million). These are secured against the import bills of the Company. Total facilities sanctioned to the Company amounted to Rs. 960 million (31 December 2013: Rs. 870 million).

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
16. TAXATION			
16.1 Details of tax charge for the year			
Current			
- for the year		33	19,287
- for prior year		68	196
		101	19,483
Deferred	20	(55,476)	(3,226)
		(55,375)	16,257
16.2 Relationship between income tax expense and accounting profit			
Profit / (Loss) before tax		(158,844)	49,102
Tax at the applicable tax rate of 33% (31 December 2013: 34%)		(52,419)	16,695
Effect of changes in tax rates		(2,863)	-
Effect of lower tax rate on insurance commission		58	(191)
Tax effect of expenses that are not allowable in determining the taxable income		12	20
Effect of tax credit		(364)	(716)
Others		201	449
Tax expense		(55,375)	16,257

16.3 The returns of income have been filed up to and including tax year 2014 (corresponding to financial year ended 31 December 2013), while the income tax assessments have been finalized up to and including tax year 2004. The return of income for tax year 2005 to 2013 have been filed under the Universal Self Assessment Scheme and are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 unless selected for audit by the taxation authorities.

The tax authorities served a notice to the Company under section 177 of the Income tax Ordinance, 2001, dated 14 March 2012 for the purpose of conducting audit in respect of tax year 2011 and requested certain information to be furnished by the Company. The replies to the aforesaid notice were filed by the Company during the year ended 31 December 2013 and subsequently no further order is received from tax authorities during the current year.

Return for financial year ended 30 June 2007 was selected for audit under section 177 of Income Tax Ordinance 2001 and an amended assessment order was passed in which certain disallowances were made by the taxation authorities (tax effect of which amounts to Rs. 2.8 million). The Company has filed an appeal against the subject order before the Appellate Commissioner of Income Tax (ACIT). The ACIT has decided the appeal in favour of the Company and allowed Rs.1.740 million (tax effect) which were disallowed by the amended assessment order. The department has filed an appeal against the said decision before the Income Tax Appellate Tribunal (ITAT). ITAT has decided the case in favour of the Company through order date 8 December 2014.

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

31 December 2014	31 December 2013		31 December 2014	31 December 2013
(Numbers of shares)			(Rupees in'000)	
3,550,000	3,550,000	Fully paid ordinary shares of Rs.10 each issued for cash	35,500	35,500
50,000	50,000	Fully paid ordinary shares of Rs.10 each issued for consideration other than cash	500	500
2,522,600	1,724,000	Fully paid ordinary shares of Rs.10 each issued as bonus shares	25,226	17,240
6,122,600	5,324,000		61,226	53,240

At 31 December 2014, there are no associated companies. As at 31 December 2013, 173,691 shares of the company were held by associated companies.

18. SURPLUS ON REVALUATION OF FIXED ASSETS- net of tax

This represent surplus arising on revaluation of freehold land, leasehold land, building and plant & machinery net of deferred tax thereon.

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Opening balance		160,766	112,927
Surplus on revaluation carried out during the year	4.1	-	53,170
Transferred to accumulated profit in respect of incremental depreciation charged during the year		(4,574)	(3,465)
Related deferred tax liability	20	(2,463)	(1,866)
		153,729	160,766
Less:			
Related deferred tax liability at beginning of the year		34,302	24,813
Related to revaluation made during the year		-	11,355
On incremental depreciation for the year		(2,463)	(1,866)
		31,839	34,302
Closing balance		121,890	126,464

19. DEFERRED STAFF LIABILITIES

19.1 Gratuity and staff retirement benefit schemes

The Company operates two unfunded defined benefit plans namely gratuity scheme and staff retirement benefit scheme for its permanent eligible employees. Gratuity / retirement benefit is payable under the scheme to employees on cessation of employment on the following grounds:

- Death
- Retirement
- Resignation

19.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2014	2013
	------- (Number)	-------
- Gratuity Schemes	198	205
- Retirement benefit scheme	65	75

19.3 Principal actuarial assumptions

The latest actuarial valuations of the above gratuity / retirement benefit schemes were carried out as at 31 December 2014 under the Project Unit Credit Method. Principal actuarial assumptions used in the valuation of the schemes are as follows:

	Gratuity Scheme		**Staff retirement benefits scheme**	
	31 December 2014 (%)	31 December 2013 (%)	**31 December 2014 (%)**	31 December 2013 (%)
	------------- **(Rupees in '000)**			-------------
Financial assumptions				
Valuation discount rate	10.5	12.5	10.5	12.5
Salary increase rate	10.5	12.5	10.5	12.5
Demographic assumptions				
Mortality rate	**SLIC (2001- 2005)**	SLIC (2001- 2005)	**SLIC (2001- 2005)**	SLIC (2001- 2005)
Employee turnover rate	age 20 = 110.16 age 25 = 73.44 age 30 = 51.41 age 35 = 32.83 age 40 = 16.42 age 45 = 8.21 age 50 = 4.75 age 55 = 0 age 60 = 1000	age 20 = 110 age 25 = 96 age 30 = 74 age 35 = 46 age 40 = 24 age 45 = 12 age 50 = 10 age 55 = 0 age 60 = 1000	age 20 = 110.16 age 25 = 73.44 age 30 = 51.41 age 35 = 32.83 age 40 = 16.42 age 45 = 8.21 age 50 = 4.75 age 55 = 0 age 60 = 1000	age 20 = 27.5 age 25 = 24 age 30 = 18.5 age 35 = 11.5 age 40 = 6 age 45 = 3 age 50 = 2.5 age 55 = 0 age 60 = 1000

19.4 Payable to defined benefit schemes

	Note	Gratuity Scheme 31 December 2014	Gratuity Scheme 31 December 2013	Staff retirement benefits scheme 31 December 2014	Staff retirement benefits scheme 31 December 2013	Total 31 December 2014	Total 31 December 2013
		(Rupees in '000)					
Payable to defined benefit schemes	19.5	59,721	49,866	22,948	23,920	82,669	73,786

19.5 Movement in liability recognized

	Note	Gratuity Scheme 31 December 2014	Gratuity Scheme 31 December 2013	Staff retirement benefits scheme 31 December 2014	Staff retirement benefits scheme 31 December 2013	Total 31 December 2014	Total 31 December 2013
Opening balance		49,866	48,031	23,920	25,115	73,786	73,146
Recognised in other comprehensive income	19.8	4,119	2,573	211	(1,642)	4,330	931
Recognized in profit and loss account	19.7	11,799	9,605	3,542	3,460	15,341	13,065
Benefits paid during the year		(6,063)	(10,343)	(4,725)	(3,013)	(10,788)	(13,356)
Closing balance		59,721	49,866	22,948	23,920	82,669	73,786

19.6 Reconciliation of the present value of the defined benefit obligations

	Gratuity Scheme 31 December 2014	Gratuity Scheme 31 December 2013	Staff retirement benefits scheme 31 December 2014	Staff retirement benefits scheme 31 December 2013	Total 31 December 2014	Total 31 December 2013
	(Rupees in '000)					
Present value of obligation - Opening	49,866	48,031	23,920	25,115	73,786	73,146
Current service cost	5,944	4,676	847	745	6,791	5,421
Interest cost	5,855	4,929	2,695	2,715	8,550	7,644
Benefits paid	(6,063)	(10,343)	(4,725)	(3,013)	(10,788)	(13,356)
Re-measurement: Actuarial losses / (gains) on obligation	4,119	2,573	211	(1,642)	4,330	931
Present value of obligation - Closing	59,721	49,866	22,948	23,920	82,669	73,786

19.7 Amount recognised in profit and loss

The following amounts have been charged to the profit and loss account in respect of defined benefit plan and other benefits:

	Gratuity Scheme		Staff retirement benefits scheme		Total	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013	**31 December 2014**	31 December 2013
	-----	-----	**(Rupees in '000)**	-----	-----	-----
Current service cost	5,944	4,676	847	745	6,791	5,421
Interest cost	5,855	4,929	2,695	2,715	8,550	7,644
	11,799	9,605	3,542	3,460	15,341	13,065

19.8 Re-measurements recognised in other comprehensive income

	Gratuity Scheme		Staff retirement benefits scheme		Total	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013	**31 December 2014**	31 December 2013
	-----	-----	**(Rupees in '000)**	-----	-----	-----
Actuarial losses / (gains) on obligation						
- Financial assumptions	1,195	176	459	34	1,654	210
- Experience adjustment	2,924	2,397	(248)	(1,676)	2,676	721
Total re-measurements recognised in other comprehensive income	4,119	2,573	211	(1,642)	4,330	931

19.9 Expected accrual of expenses in respect of gratuity scheme and retirement benefit scheme in the next financial year on the advice of the actuary are as follows:

	(Rupees in '000)
Gratuity scheme	11,372
Staff retirement benefits scheme	2,983

19.10 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

	Present value obligation		Rate effect	
	Gratuity Scheme	Staff retirement benefits scheme	**Gratuity Scheme**	Staff retirement benefits scheme
	----- (Rupees in '000) -----			
Discount rate effect				
Original liability	59,721	22,948	10.50%	10.50%
1% increase	55,205	22,137	11.50%	11.50%
1% Decrease	64,943	23,813	9.50%	9.50%
Salary increase rate effect				
Original liability	59,721	22,948	10.50%	10.50%
1% increase	65,177	23,905	11.50%	11.50%
1% Decrease	54,925	22,036	9.50%	9.50%

If Life Expectancy increases by one year

	Gratuity Scheme	Staff retirement benefits scheme
	----- (Rupees in '000) -----	
Original liability	59,721	22,948
1% increase	59,721	22,933
Current duration (years)	11.63	5.39

The sensitivity analysis prepared presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

19.11 Maturity profile

	31 December 2014	31 December 2013
	(Rupees in '000)	
The weighted average duration of the obligation (in years)	11.63	5.39

20. DEFERRED TAX LIABILITY - net

Deferred tax liability comprises of taxable / deductible temporary differences in respect of the following:

	Balance at 1 January 2013	Recognized in profit and loss	Recognized in other comprehensive income	Revaluation Surplus	Balance at 31 December 2013	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 31 December 2014
	(Rupees in '000)							
Taxable temporary difference:								
-on accelerated tax depreciation	38,023	(222)	-	-	37,801	(3,111)	-	34,690
-on surplus - fixed assets	24,813	(1,866)	-	11,355	34,302	(2,463)	-	31,839
Deductible temporary differences:								
-on provision for defined benefit plan	25,601	(103)	326	-	25,824	1,594	1,516	28,934
-on provision against slow moving stock and doubtful debts	4,086	1,241	-	-	5,327	2,611	-	7,938
-on tax loss for the year	-	-	-	-	-	45,697	-	45,697
Net deferred tax liability / (asset)	33,149	(3,226)	(326)	11,355	40,952	(55,476)	(1,516)	(16,040)

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 Bank guarantees have been issued in favour of Sui Southern Gas Company Limited for the supply of gas aggregating to Rs. 7.02 million (31 December 2013: Rs. 7.02 million). Bank guarantees have also been issued in favour of Pakistan State Oil for issuance of PSO fleet cards aggregating to Rs. 1.3 million (31 December 2013: Rs. 1.3 million).

21.1.2 Post dated cheques of Rs. 42.413 million (31 December 2013: Rs. 68.66 million) have been issued to Collector of Customs against partial exemption of import levies.

21.1.3 Section 113(2)(c) was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated 7 May 2013, whereby it was held that the benefit of carry forward of Minimum Tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than Minimum Tax. Therefore, where there is no tax payable due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability. As per the provisions of Income Tax Ordinance 2001, minimum tax for the year ended 31 December 2014, Rs. 14.093 million has not been recorded.

The Company based on tax advisor's advice considered that certain strong grounds are available whereby the aforesaid decision can be challenged in a Larger Bench of the SHC or the Supreme Court of Pakistan. A leave to appeal against the aforesaid decision has already been filed before the Supreme Court of Pakistan by other companies which is pending for hearing. In view of above, the Company is confident that the ultimate outcome in this regard would be favourable. Hence no provision in this respect has been made in these financial statements.

21.2 Commitments

21.2.1 Commitments under letters of credit for the import of stock in trade items at 31 December 2014 amounted to Rs. 1.019 million (31 December 2013: Rs. 88.042 million).

22. NET SALES

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Gross sales		1,753,431	2,099,765
Sales tax		(279,939)	(329,642)
Trade discount		(169,432)	(148,600)
Rebate and sales return		(5,878)	(452)
		(455,249)	(478,694)
		1,298,182	1,621,071

22.1 Principal business of the Company is sale of home and personal care products, majority of which are taxed as per third schedule of Sales Tax Act, 1990 (retail price basis). Value for the application of sales tax amounted to Rs. 1.650 billion (31 December 2013: Rs. 1.954 billion).

23. COST OF SALES

	Note	31 December 2014	31 December 2013
Raw and packing material consumed	23.1	766,452	919,696
Salaries, wages and other benefits	23.2	112,177	110,205
Fuel and power		49,357	58,779
Water charges		4,196	2,368
Depreciation / amortisation	4.4	22,355	22,931
Provision for slow moving and obsolete stock	9.2	4,030	5,368
Stores and spares consumed		7,121	7,889
Freight and handling material		4,865	6,543
Rent, rates and taxes		2,096	188
Travelling and conveyance		4,670	4,591
Insurance		3,463	3,126
Contribution to the provident fund		2,375	2,137
Repairs and maintenance		1,548	1,689
Postage, telegrams and telephones		625	657
Printing and stationery		313	368
Subscription		5	16
Product research and development		49	387
Legal charges		58	41
Provision for slow moving stores and spares	8.1	-	1,900
Toll manufacturing		3,971	911
Obsolete finished goods	9.2	1,687	212
Packing material written-off		11,615	1,897
Other expenses		430	1,377
		1,003,458	1,153,276
Opening stock of work-in-process		44,801	46,825
Closing stock of work-in-process	9	(54,331)	(44,801)
Cost of good manufactured		993,928	1,155,300
Opening stock of finished goods		77,360	79,431
Closing stock of finished goods	9	(54,876)	(77,360)
		1,016,412	1,157,371

		Note	31 December 2014	31 December 2013
23.1	Raw and packing material consumed		(Rupees in '000)	
	Opening stock		196,112	78,400
	Purchases		700,058	1,037,408
			896,170	1,115,808
	Closing stock		(129,718)	(196,112)
			766,452	919,696

23.2 Salaries, wages and other benefits include Rs. 11.315 million (31 December 2013: Rs. 9.908 million) in respect of the accrual for defined benefit obligations of the Company.

24. SELLING AND DISTRIBUTION EXPENSES

	Note	31 December 2014	31 December 2013
Advertising		89,879	73,104
Salaries, wages and other benefits	24.1	106,743	86,385
Freight, distribution and handling		53,344	55,266
Travelling and conveyance		21,986	20,799
Product research and development		8,361	13,176
Insurance		2,865	2,858
Depreciation / amortisation	4.4	6,846	6,864
Postage and telephones		2,459	3,287
Rent, rates and taxes		4,522	3,938
Repairs and maintenance		452	418
Printing and stationery		579	582
Contribution to the provident fund		2,408	1,870
Legal and professional charges		2,000	32
Utilities		1,004	849
Meetings related expenses		3,673	1,529
Other expenses		2,168	3,367
		309,289	274,324

24.1 These include Rs. 2.128 million (31 December 2013: Rs. 1.870 million) in respect of the accrual for defined benefit obligations of the Company.

25. ADMINISTRATIVE EXPENSES

	Note	31 December 2014	31 December 2013
Salaries, wages and other benefits	25.1	60,729	78,443
Depreciation / amortisation	4.4	10,098	9,409
Professional fee		4,321	2,760
Rent, rates and taxes		14,049	10,302
Fuel and power		1,986	2,996
Printing and stationery		1,663	1,452
Travelling and conveyance		5,424	5,396
Repairs and maintenance		470	1,561
Postage and telephones		2,036	2,541
Contribution to the provident fund		1,513	1,317
Provision against impaired debts	10.2	2,000	1,000
Trainings and seminars		469	324
Insurance		997	754
Auditors' remuneration	25.2	846	740
Directors' fee		640	600
Legal charges		273	21
Charity and donation		35	60
Computer expenses		165	114
Other expenses		1,374	983
		109,088	120,773

25.1 These include Rs. 1.898 million (31 December 2013: Rs. 1.287 million) in respect of the accrual for defined benefit obligations of the Company.

		Note	31 December 2014	31 December 2013
			(Rupees in '000)	
25.2	Auditors' remuneration			
	Audit fee		500	500
	Fee for half yearly review		125	125
	Fee for the review of Code of Corporate Governance		55	55
	Out of pocket expenses		166	60
			846	740
26.	OTHER OPERATING INCOME			
	Return / income on financial assets			
	Return on bank deposits		86	65
	Income from non-financial assets			
	Gain / (loss) on disposal of fixed assets	4.3	(2,132)	2,673
	Foreign exchange gain / (loss)		2,865	(5,096)
	Scrap sales	26.1	3,782	3,722
	Insurance claim		-	938
	Insurance commission		277	796
	Others		-	46
			4,878	3,144
26.1	Gross Scrap Sales		4,425	4,278
	Less: Sales Tax		(643)	(556)
	Net Scrap Sales		3,782	3,722
27.	OTHER OPERATING EXPENSES			
	Workers' Welfare Fund		-	1,196
	Workers' Profit Participation Fund	13.1	-	2,647
			-	3,843
28.	FINANCIAL EXPENSES			
	Mark-up on:			
	- Short term borrowings/Running finance	28.1	25,804	16,644
	Bank charges and commission		1,311	2,158
			27,115	18,802

28.1 These carry interest / mark-up rate ranging from 10.14% to 11.28% per annum (31 December 2013: 9.61% to 11.13% per annum).

	Note	31 December 2014	31 December 2013
29. EARNINGS PER SHARE- basic and diluted		(Rupees in '000)	
(Loss) / Profit for the year		(103,469)	32,845
		(Number of shares)	(Restated)
Weighted average number of ordinary shares		6,122,600	6,122,600
		(Rupees)	(Restated)
(Loss) / earnings per share		(16.90)	5.36

29.1 Comparatives figure of earnings per share has been restated due to issuance of 798,600 bonus shares during the year.

29.2 Diluted earnings per share has not been presented as the company has not issued any instrument which would have an impact on earnings per share when exercised.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive		Directors		Executives			
					Key Management Personnel		Others	
	Year ended 31 December 2014	Year ended 31 December 2013	Year ended 31 December 2014	Year ended 31 December 2013	Year ended 31 December 2014	Year ended 31 December 2013	Year ended 31 December 2014	Year ended 31 December 2013
	(Rupees in '000)							
Remuneration	4,477	3,283	14,875	23,712	11,832	12,073	14,965	12,031
Provident fund	448	358	-	-	1,183	1,207	1,497	997
Special pay	3,009	2,207	-	-	7,952	8,115	10,061	8,288
Housing and utilities	2,550	1,892	39	59	6,649	6,838	8,705	6,970
Medical	34	51	102	141	386	327	817	492
Incentive	597	375	2,015	8,838	1,820	891	1,952	760
Gratuity	-	-	-	-	-	290	-	488
Leave Encashment	-	-	1,171	-	-	-	-	-
	11,115	8,166	18,202	32,750	29,822	29,741	37,997	30,026
Number of persons	1	1	2	2	6	6	20	15

The chief executive and certain executives of the Company are provided with free use of cars and medical facilities in accordance with their entitlements.

30.1 Remuneration of non-executive directors

In addition to the above, aggregate amount charged in these financial statements for director's fee paid to non-executive directors was Rs. 0.64 million (31 December 2013: Rs. 0.60 million).

31. PROVIDENT FUND

The details of net assets and investments of the provident fund are as follows:

	30 June 2014 (unaudited)	30 June 2013 (audited)
	(Rupees in '000)	
Size of the Fund - Net assets	100,409	95,697
Actual investment made	91,917	91,228
Fair value / amortised cost of the investments	92,627	89,149
Percentage of investments made - based on fair value / amortised cost	92%	93%

Break-up of investments is as follows:

	30 June 2014	30 June 2013	**30 June 2014**	30 June 2013
	(Rupees in '000)		(% of total investment)	
Government Securities	10,576	35,754	11%	40%
Certificates of Investment	25,000	10,000	27%	11%
Certificates of Musharaka	45,000	30,000	49%	34%
Mutual funds	10,134	12,112	11%	14%
Cash and bank balances	1,917	1,283	2%	1%
	92,627	89,149	100%	100%

The above investments out of provident fund have been made in accordance with the requirement of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

32. FINANCIAL INSTRUMENTS

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

32.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date is as follows:

	Note	**31 December 2014**	31 December 2013
		(Rupees in '000)	
Long term deposits	6	6,506	7,458
Loans to employees	7 & 11	1,034	620
Trade debts	10	29,030	58,336
Other receivables	11	1,951	2,072
Bank balances	12	18,091	42,244
		56,612	110,730

All the above exposure relates to domestic customers / entities or individuals only.

The maximum exposure to credit risk of the above financial assets at the balance sheet date by type of customer / entity, etc. is as follows:

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Distributors / retailers		29,030	58,336
Banks		18,741	45,000
Others		8,841	7,394
		56,612	110,730

As at the year end the Company's most significant trade debts customers included a distributor / retailer from whom Rs.19.316 million was due (31 December 2013: Rs.41.889 million).

The details of the credit ratings of bank balances as at 31 December 2014 are as follows:

	Rating			
	Short term	Long term	**Rating Agency**	2014 (Rupees in '000)
MCB Bank Limited	A1+	AAA	PACRA	1,755
Bank Islami Pakistan Limited	A1	A	PACRA	14
Habib Bank Limited	A-1+	AAA	JCR-VIS	13,747
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	91
National Bank Pakistan	A-1+	AAA	JCR-VIS	837
Soneri Bank Limited	A1+	AA-	PACRA	1,647
				18,091

Management of credit risk

To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary). Cash is held only with reputable banks with high quality credit worthiness.

Impairment losses and past due balances

The age analysis of trade debts at the balance sheet date was as follows:

	31 December 2014		31 December 2013	
	Gross	**Impairment loss**	Gross	Impairment loss
	(Rupees in '000)		(Rupees in '000)	
Past due 1-60 days	14,078	-	45,219	-
Past due 61 days -1 year	14,060	-	12,032	-
More than one year	5,025	4,133	3,218	2,133
Total	33,163	4,133	60,469	2,133

Based on the past experience, consideration of financial position, past tracks records and recoveries, the Company believes that trade debts past due do not require any impairment except as provided in these financial statements. None of the other financial assets are past due or impaired. Movement of provision against trade debts is disclosed in note 10.2.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	31 December 2014			
	Carrying amount	Contractual cash flows	**12 months or less**	More than 12 months
	--------------------(Rupees in '000)--------------------			
Non-Derivative Financial Liabilities				
Long term deposits	450	450	-	450
Short term borrowing	201,982	201,982	201,982	-
Trade and other payables	118,520	118,520	118,520	-
	320,952	320,952	320,502	450

	31 December 2013			
	Carrying amount	Contractual cash flows	**12 months or less**	More than 12 months
	--------------------(Rupees in '000)--------------------			
Non-Derivative Financial Liabilities				
Long term deposits	450	450	-	450
Short term borrowing	200,000	200,000	200,000	-
Trade and other payables	119,960	119,960	119,960	-
	320,410	320,410	319,960	450

32.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

32.3.1 Currency risk

Foreign currency risk is the risk that the value of financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where payables exist due to transactions entered in foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on trade credit liability that is denominated in a foreign currency (primarily U.S. Dollar). The Company's exposure to foreign currency risk is as follows:

	31 December 2014		31 December 2013	
	(Rupees in '000)	US Dollars	**(Rupees in '000)**	US Dollars
Bills payable	33,071	328,738	20,465	194,534
Gross balance sheet exposure	33,071	328,738	20,465	194,534
Estimated committed purchases as at the year end	1,019	10,129	88,042	836,900
Gross exposure	34,090	338,867	108,507	1,031,434

Above net exposure is payable by the Company in Rupees at the rate on which these are settled by the Company. Currently, the Company does not obtains forward cover against the net exposure.

The following significant exchange rates applied during the year:

	Average rates		Balance sheet date rate	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
Rupees / US Dollars	102.90	101.61	100.60	105.20

Sensitivity risk

A five percent strengthening / (weakening) of the Rupee against US Dollar at the year ended 31 December 2014 would have increased / (decreased) equity and profit and loss account by Rs. 1.654 million (31 December 2013: Rs. 1.023 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis is performed on the same basis for December 2013.

32.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's interest rate exposure arises on deposits with banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	Carrying amount	
	31 December 2014	31 December 2013
	(Rupees in '000)	
Variable rate instruments		
Financial assets	91	50
Financial liabilities	201,982	200,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and the equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would not have a material impact on equity and profit for the year ended 31 December 2014 and 31 December 2013.

32.3.3 Other price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than arising from interest rate risk and currency risk) whether these changes are caused by factors specific to the financial instruments or its issuer or factors affecting similar financial instruments traded in financial markets. The Company is not exposed to other price risk.

32.3.4 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company is not subject to externally imposed capital requirements.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to the shareholders or issue bonus / new shares.

	Note	**31 December 2014**	31 December 2013
		(Rupees in '000)	
The gearing ratios are as follows:			
Total borrowings	14	201,982	200,000
Less: Cash and bank balances	12	(18,159)	(42,328)
Net debt		183,823	157,672
Total equity		251,195	360,890
Total capital		435,018	518,562
Gearing ratio		42%	30%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

Consistent with other companies in the industry, the Company monitors the capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as sum of equity shown in balance sheet and net debt.

32.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for stakeholders.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.
- senior management ensures that the Company's staff have adequate training and experience and fosters effective communication related to operational risk management.

32.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values.

33. PLANT CAPACITY AND PRODUCTION

	31 December 2014	31 December 2013
	(Metric Tons)	
Soap		
Assessed / rated	10,500	10,500
Actual production	5,264	6,805

Due to the growing competition and easy availability of foreign brands of soap, the assessed plant capacity could not be fully utilized.

34. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies with common directors, major shareholders, staff retirement funds, directors and key management personnel. Transaction with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. Details of transactions with related parties are as follows:

	Note	31 December 2014	31 December 2013
		(Rupees in '000)	
Associated Companies			
Sale of goods		-	109
Purchase of goods		1,442	2,689
Services received		655	8,084
Dividend paid		521	261
Other related parties			
Contribution to the employees' provident fund	34.1	6,296	5,324
Directors and Chief Executive Officer (Key management personnel)			
Dividend paid		7,553	2,986
Balances with related parties:			
Associated Companies			
Trade debts (unsecured, considered goods)	10.1	-	57

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

34.2 Details of remuneration of key management personnel in accordance with their terms of employment are given in note 30.

34.3 Other transactions with related parties are at agreed terms and dividend payments are at the rates approved by the shareholders.

35. OPERATING SEGMENT

These financial statements have 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 year.

Revenue from major customer is Rs. 163 million (31 December 2013: Rs.182.495 million), which account for more than 9.29% (31 December 2013: 9%) of total revenue of the company.

The Company is domiciled in Pakistan. The Company's revenue is generated substantially from the sale of home and personal care products.

All non-current assets of the Company at the year ended 31 December 2014 are located in Pakistan.

36. NUMBER OF EMPLOYEES

The number of employees as on the year end were 204 and average number of employees during the year were 208.

37. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on March 16, 2015 has proposed a cash dividend of Rs. NIL (31 December 2013: Rs.1.5 per share amounting to Rs. 7.986 million) and bonus share NIL (31 December 2013: 7.986 million) for the year ended December 31, 2014.

38. CORRESPONDING FIGURES

Following reclassifications have been made in these financial statements in order to give better and more appropriate presentation:

	From	To	Note	31 December 2013 (Rupees in '000)
Cost of Sales	Other expenses	Water charges	23	2,368
Selling and distribution expenses	Other expenses	Meetings & related expenses	24	1,529
Foreign exchange loss	Other operating expenses	Other operating income	26	5,096

39. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue in the Board of Directors meeting held on March 16, 2015.

Feriel Ali Mehdi
Chairman

Mubashir Hasan Ansari
Chief Executive Officer

Shareholders' Information

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty-fifth Annual General Meeting of ZIL Limited will be held on Monday, April 27, 2015 at 9:00 am at The Royal Rodale, Plot No. Tc-V, 34th Street, Khayaban-e-Sehar, Phase -V Ext., DHA, Karachi, Pakistan to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on Friday, April 18, 2014.

2. To receive, consider and approve the Audited Financial Statements of the Company for the year ended December 31, 2014 and the Directors'and Auditors` report thereon.

3. To appoint Auditors and fix their remuneration.

By order of the Board

Ata-ur-Rehman Shaikh
Company Secretary

Karachi: March 16, 2015

NOTES:

1. The Share Transfer Books of the Company will remain closed from April 21, 2015 to April 27, 2015 (both days inclusive).

2. A member entitled to attend and vote at the general meeting is entitled to appoint another person as proxy to attend and vote in his place, in the case of company, by a representative duly authorized.

3. The instrument appointing a proxy must be received at the registered office of the Company not less than forty-eight hours before the time of the meeting.

4. Members are requested to notify the change in their addresses, if any, immediately to the Share Registrars of the company, M/s THK Associates (Pvt) Ltd. Second Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi 75530.

5. CDC Account Holders will further have to follow the guidelines as laid down by the Securities & Exchange Commission of Pakistan.

CDC & Physical as on December 31, 2014

Number of shareholders	Share Holding From	Share Holding To	Total shares held	Percentage
896	1	100	16,500	0.2695
245	101	500	65,339	1.0672
67	501	1000	47,816	0.7810
79	1001	5000	179,578	2.9330
15	5001	10000	94,433	1.5424
4	10001	15000	46,672	0.7623
2	15001	20000	34,393	0.5617
3	20001	25000	71,058	1.1606
2	30001	35000	68,771	1.1232
2	35001	40000	70,954	1.1589
1	115001	120000	115,155	1.8808
2	195001	200000	395,429	6.4585
1	240001	245000	240,533	3.9286
1	365001	370000	367,622	6.0043
1	390001	395000	391,987	6.4023
1	590001	595000	590,886	9.6509
1	595001	600000	599,265	9.7878
1	690001	695000	692,056	11.3033
1	970001	975000	971,290	15.8640
1	1060001	1065000	1,062,863	17.3597
1326			6,122,600	100.0000

Pattern of Shareholding

CDC & Physical as on December 31, 2014

Categories of Shareholders	Number of shareholders	Number of shares held	Percentage
Directors			
Mrs. Feriel Ali- Mehdi	3	609,785	9.9596
Mr. Mujahid Hamid	1	692,056	11.3033
Mr. Shahid Nazir Ahmed	1	764	0.0125
Mr. Zafar Ahmed Siddiqui	1	575	0.0094
Mrs. Ameena Saiyid	1	586	0.0096
Syed Hasnain Ali	1	562	0.0092
Mr. Kemal Shoaib	1	500	0.0082
Executives	Nil	-	
Mutual Funds			
Golden Arrow Selected Stocks Fund Limited	1	115,155	1.8808
Banks; DFIs; NBFCs; Insurance, Takaful, Modarbas & Pension Funds			
National Bank of Pakistan	1	220	0.0036
MCB Bank Limited - Treasury	1	35,117	0.5736
CDC - Trustee National Investment (Unit)Trust	1	391,987	6.4023
State Life Insurance Corp. Of Pakistan	1	34,863	0.5694
IGI Insurance Limited	1	199,169	3.2530
Shareholders holding five percent or more voting rights More Voting Interest In The Company			
Mrs. Fakhre Jehan Begum	2	1,096,771	17.9135
Syed Muhammad Zeyd Ali	1	590,886	9.6509
Syed Yawar Ali	4	994,411	16.2416
Mr. Munaf Ibrahim	1	599,265	9.7878
General Public:			
a. Local	1278	704,007	11.4985
b. Foreign	9	15,363	0.2509
Others			
Joint Stock Companies	15	40,526	0.6619
Abandoned Properties	1	32	0.0005
	1326	6,122,600	100.0000

CDC & Physical as on December 31, 2014

Additional Information

Information on shareholding required under reporting framework of the Code of Corporate Governance is as follows:

Shareholders' Category	No. of shareholders	No. of shares held
Mutual Funds		
Golden Arrow Selected Stocks Fund Limited	1	115,155
Directors and their spouses and minor children		
Mrs. Feriel Ali- Mehdi	3	609785
Mr. Mujahid Hamid	1	692056
Mr. Shahid Nazir Ahmed	1	764
Mr. Zafar Ahmed Siddiqui	1	575
Mrs. Ameena Saiyid	1	586
Syed Hasnain Ali	1	562
Mr. Kemal Shoaib	1	500
Executives		Nil
Public Sector Companies & corporations		Nil
Banks, DFIs, NBFCs, Insurance, Takaful, Modarabas & Pension Funds	5	661,356
Shareholders holding five percent or more voting rights		
Mrs. Fakhre Jehan Begum	2	1,096,771
Syed Muhammad Zeyd Ali	1	590,886
Syed Yawar Ali	4	994,411
Mr. Munaf Ibrahim	1	599,265
CDC - Trustee National Investment (Unit)Trust	1	391,987

Trading of shares by Chief Executive Officer, Directors, Chief Financial Officer & Company Secretary, Executives, their spouses and minor children:

Purchase of shares	No. of shares
Mrs. Feriel Ali - Mehdi, Chairman	3,000
Sale of shares	
Mr. Mujahid Hamid	575

Shareholders' Information

Registered Office

Ground Floor, Bahria Complex III,
M. T. Khan Road,
Karachi, Pakistan.
Tel: +9221 35630251 - 60
Fax: +9221 35630266

Shares Registrar

M/s THK Associates (Pvt) Limited,
2nd Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road, Karachi 75530.
UAN: +92 (21) 111-000-322 , Fax: +92(21) 35655595

Listing on Stock Exchanges

ZIL Limited equity shares are listed on Karachi and Lahore Stock Exchanges.

Listing Fees

The annual listing fee for the financial year 2014-15 has been paid to all the two stock exchanges within the prescribed time limit.

Stock Code

The stock code for dealing in equity shares of ZIL Limited at Karachi and Lahore Stock Exchanges is ZIL.

Shares Registrar

ZIL Limited shares department is operated by THK Associates (Pvt) Limited. It is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the registration functions.

The share registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialized of shares, shares transfers, transmissions, issuance of duplicate/revalidated dividend warrants, issue of duplicate / replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Shares Registrar.

Statutory Compliance

During the year, the company has complied with all applicable provisions, filed all returns/forms and furnished all relevant particulars as required under The Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) regulations and the listing requirements.

Dividend

Keeping in view the profitability of the company, the Board of Directors has decided not to pay dividend for the year ended December 31, 2014. Last year the company paid a cash dividend of Rs. 1.5 per share (equivalent to 15%) and bonus share issue in the proportion of 15 shares for every 100 shares held.

Earnings per Share

(Loss) / earning per share basic and diluted for the year rupees (16.9), [2013: rupees 5.36 restated].

Annual General Meeting

The annual shareholders' meeting will be held on Monday, April 27, 2015 at 9:00 am at The Royal Rodale, Plot No. Tc-V, 34th Street, Khayaban-e-Sehar, Phase -V Ext., DHA, Karachi, Pakistan. Shareholders as of April 27, 2015are encouraged to participate.

Book Closure Dates

The Share Transfer Books of the Company will remain closed from April 21, 2015 to April 27, 2015 (both days inclusive).

Shareholder's Grievances

To date none of the shareholders has filed any letter of complaint against any service provided by the company to its shareholders.

Legal Proceedings

No case has ever been filed by shareholders against the Company for non-receipt of shares.

General Meeting & Voting Rights

Pursuant to section 158 of the Companies Ordinance, 1984, ZIL Limited holds a General Meeting of shareholders at least once a year. Every shareholders has right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi and Lahore.

Shareholders having holding of at least 10% of voting rights may also apply to the Board of directors to call for meeting of shareholders, and if Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All ordinary shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of the "One Member-one Vote". If majority of shareholders raise their hands in favour of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in a Company is "One share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

Proxies

Pursuant to Section 161 of the Companies Ordinance, 1984 and according to the Memorandum and Articles of Association of the Company, every shareholders of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his/her proxy to attend and vote instead of him/her.

Every notice calling a General meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the company not less then forty-eight hours before the meeting.

Web Presence

Updated information regarding the company can be accessed at ZIL Limited website, www.zil.com.pk. The website contains the latest financial results of the company together with Company's profile, the corporate philosophy and major products.

Quarterly Reports

The Company publishes interim reports for the first, second and third quarters of the financial year. The interim reports for the preceding year can be accessed at ZIL's website www.zil.com.pk or printed copies can be obtained by writing to the Company Secretary.

Annual Report

The Annual Report of the Company summarizes the Company's performance during the year and provides an outlook for the future.

The Annual report may be downloaded from the Company's website:www.zil.com.pk or printed copies can be obtained by writing to:

The Company Secretary
ZIL Limited
Ground Floor, Bahria Complex III,
M. T. Khan Road, Karachi, Pakistan.
Tel: +9221 35630251 - 60
Fax: +9221 35630266

Contact Us

Shareholders can email at info@zil.com.pk for any comments or questions about company or brands.

Annexures

Form of Proxy

The Secretary
ZIL Limited
Ground Floor,
Bahria Complex III,
M.T. Khan Road, Karachi.

I/We ....

of..being a member of ZIL Limited and holding.......................... ordinary

shares as per Share Register Folio No. and / or CDC Participant I.D. No ....

and Sub-Account No ....hereby appoint..

of ....or failing him ....of ....as

my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Monday April 27, 2015, at 09:00 am at The Royal Rodale, Plot No. Tc-V, 34th Street, Khayaban-e-Sehar, Phase-V Ext., DHA, Karachi, Pakistan and at any adjournment thereof.

Signed this ....day of 2015

Witnesses:

1. Signature:
   Name:
   Address:

CNIC or
Passport No.

2. Signature:
   Name:
   Address:

CNIC or
Passport No.

Signature on
Rupees Five
Revenue Stamp

The Signature should agree with the specimen registered with the Company.

Signature of Proxy

Notes:

The instrument appointing a proxy must be received at the registered office of the Company not less than forty-eight hours before the meeting.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

Electronic Transmission Consent Form

The Securities & Exchange Commission of Pakistan through SRO 787(1)/2014 of September 8,2014 allowed the company to circulate its annual balance sheet and profit & loss accounts, auditor's report and directors' report etc. (Audited Financial Statements) along with Company's Notice of Annual General Meeting through email are requested to complete the requisite form below.

CDC shareholders are requested to submit their Electronic Transmission Consent Form along with their CNIC directly to their broker (participant)/CDC; while shareholders having physical shares are to send the forms and a copy of their CNIC to the company's Registrar, THK Associates (Pvt) Limited, 2nd Floor, State Life Building No. 3 Dr. Ziauddin Ahmed Road , Karachi 75530.

Electronic Transmission Consent Form

Pursuant to the directions given by the Securities & Exchange Commission of Pakistan through its SRO 787(1)/2014 of September 8,2014,I Mr./Ms.-- S/o,D/o,W/o-- -- hereby consent to have the ZIL Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below :

Name of Member/Shareholder	
Folio/CDC Account Number	
CNIC	
Email Address	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of the Meeting.

____
Signature of Member/Shareholder

Date:__________________

Request For Video Conferencing Facility Form

Members can also avail video conference facility in Lahore. If the Company receives consent at least 10 days prior to date of meeting, from members holding in aggregate 10% or more shareholding and residing at either Lahore and/or Islamabad to participate in the meeting through video conference, the company may arrange video conference facility in Lahore.

In this regard please fill up the following form and submit it to registered address of the Company 10 days before holding of the annual general meeting.

I/We,_______________________________of______________being a member of ZIL Limited., holder of

________________ ordinary share(s) as per Register Folio No./CDC/Ac No.-___________________________

hereby opt for video conference facility at Lahore.

____

Signature of Member/Shareholder

Date:_______________