ZIL

LIMITED

annual report 2018

Rising Higher

With a history of soap manufacturing and marketing expertise, ZIL Limited has remained committed to provide high quality skin cleansing and laundry solution to consumers in Pakistan. The Company is synonymous with experience, expertise and deeply rooted ethical values in the country. A highly collaborative, cross functional culture has enabled ZIL to evolve into an agile, innovative and closely knit organization which is result driven and consumers centric in thinking. The journey so far has been a remarkable one where the Company continues to delight consumers with offerings in keeping with their needs, while rewarding stakeholders and partners with a commitment to grow year on year.

About Us

ZIL Limited, with its soap brands Capri, Lily, Palmy, Opal, Capri Hand wash range and King Swan Laundry soap has established itself as a leading company of Pakistan in the cleansing category. Understanding changes in consumer needs and lifestyle, it constantly improves the quality and standard of products while introducing new variants in the market. Our team's agility and startegic vision has enabled us to grow and prosper in this dynamic market environment.

ZIL Management

Activity Calendar 2018

Independence Day Celebration 2018

Highest Sales Celebration 2018

Syed Asad Ali Awards 2018

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Board of Directors

Mrs. Feriel Ali Mehdi	Chairman, Non-Executive Director
Mr. Mubashir Hasan Ansari	Executive Director & Chief Executive Officer
Mr. Saad Amanullah Khan	Independent, Non-Executive Director
Mr. Kemal Shoaib	Non-Executive Director
Mr. Syed Hasnain Ali	Non-Executive Director
Mr. M. Qaysar Alam*	Independent, Non-Executive Director
Mr. Muhammad Salman H.Chawala** (Nominee NIT)	Independent, Non-Executive Director

* Joined in place of Mr. Mujahid Hamid who reisgned on May 2018.
** Joined in place of Mr. Qaisar Mufti (Nominee NIT) who resigned on Dec 2017.

Board Audit Committee

Mr. Saad Amanullah Khan	Chairman
Mrs. Feriel Ali Mehdi	Member
Mr. Muhammad Salman H.Chawala (Nominee NIT)	Member

* Replaced Mr. Qaisar Mufti (Nominee NIT) who resigned on Dec 2017.

Human Resource & Remuneration Committee

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

Company Secretary & Chief Financial officer

Mr. Ata-ur-Rehman Shaikh

Statutory Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

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
Email: info@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 Associated (Pvt) Limited
1st Floor, 40-C, Block-6
P.E.C.H.S., Karachi
www.thk.com.pk
Phone: +92 (21) 111-000-322

Our Vision

" To be admired as a leading and innovative consumer goods company offering delightful propositions that rivals any other major company".

Our Mission

"Enrich everyday lives of individuals, families and communities by providing products which offer quality, convenience and affordability".

Core Values

Sustainability

We consider balancing long-term goals with short-term needs

Customer Centric

Understanding & satisfying customer needs, wants & expectations

Innovation

We add value to delight our customers

Learning

Outstanding quality through continuous improvement

Empowerment

Grow our people to be autonomous, responsible and engaged.

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

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.

Our Human Resources

Our success is dependent on attracting and retaining high-performance teams. We believe our people provide the core enduring advantage to us to constantly improve, innovate and grow. Through the year, we worked on various HR initiatives and processes to ensure that our induction schemes, training and development methodologies. Compensation strategies and performance appraisal systems remained robust and in line with best practices. Our key area of focus for the year 2018 remained diversity and inclusion capability development, competency realignment, talent development, health and wellness amongst other key areas.

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.

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.

Water is reproduced and used in Plantation

- Recycling of contaminated water is ensured to remove any contamination and the recycled water is then used for the plantation purpose within the factory.

Corporate Memberships

- **Karachi Chamber of Commerce & Industry**
  www.kcci.com.pk
- **Pakistan Institute of Corporate Governance**
  www.picg.org.pk
- **Hyderabad Chamber of Commerce & Industry**
- **WWF - Pakistan**
  www.wwfpak.org
- **Marketing Association of Pakistan**
  www.map.org.pk
- **Pakistan Soap Manufacturers Association**
  www.psma.com.pk
- **Pakistan Advertising Society (PAS)**
  www.pas.org.pk

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Corporate Governance

Board of Directors

Mrs. Feriel Ali Mehdi

Mr. Mubashir Hasan Ansari

Mr. Saad Amanullah Khan

Mr. Kemal Shoaib

Syed Hasnain Ali

Mr. M. Qaysar Alam

Mr. Muhammad Salman
H. Chawala

Directors' Profile

Mrs. Feriel Ali Mehdi

Mr. Mubashir Hasan Ansari

Mrs. Feriel Ali Mehdi took over the reins of the company as the CEO in November 1998. She remained at the position till December 2012. She is the acting Chairman of the company 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 bachelor's 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 she 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 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).

Mr. Mubashir H. Ansari joined ZIL Limited in April 2011 as GM-Marketing and Sales. He was promoted to the position of CEO in January 2013. Since his appointment as CEO, he has successfully managed to lead the change and increase sales, which made the bottom line positive.

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

His 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 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, and biscuits.

He attended IMD's Orchestrating Winning Performance Program (OWP) in 2015 and gained exposure to thinking on current leadership challenges and key management issues. Mr. Ansari is also a certified director from Pakistan Institute of Corporate Governance (PICG).

Mr. Saad Amanullah Khan

Mr. Kemal Shoaib

Mr.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, Mr.Saad was also elected twice to the Executive Committee of Overseas Investors Chamber of Commerce and Industry (OICCI), the largest foreign business chamber. Mr.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 the President of Public Interest Law Authority of Pakistan, a civil rights organization. He is also a 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.

Mr.Saad is an 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. Kemal Shoaib holds an M.S. degree in Chemical Engineering from M.I.T., Cambridge, Masschusetts. He is currently a Consultant on the Capital Market and serves on the board of several companies including International Steels Ltd, Century Paper & Board Mills Ltd. and International Advertising (Pvt.) Ltd. He has been associated with prestigious organizations such as Wyeth Laboratories (Pakistan) Ltd., Bank of Credit and Commerce Intl., S.A. London, Independence Bank, California, Commerce Bank Ltd., Al-Aman Holding (Pvt.) Ltd., Safeway Fund Ltd., and Indus Bank Limited.

Syed Hasnain Ali

M. Qaysar Alam

Syed Hasnain Ali is the 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 bachelor's degree in Communication and Business Studies from the University of Buckingham, and he 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 in 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.

He is certified member of the PICG.

M. Qaysar Alam is on the Board of Directors of GS1 and Al Shaheer Corporation Ltd., Member Pakistan Advisory Board ISCEA Pakistan and Director ISCAR, President Supply Chain Association of Pakistan. Supply Chain Consultant, Trainer and speaker.

Worked for 29 years at Unilever Pakistan Ltd., where, for the last 8 years served as Vice President responsible for Supply Chain, its strategies and operations. He was on the Boards of Directors Unilever and Unilever Foods, Member Audit Committees and Management Committee of the Company.

Key architect of Unilever Pakistan's Supply Chain structure and processes making it forward looking, achieving efficiencies in service, cost and flow. Developed a dynamic and agile team to meet the current and future challenges. Earlier worked at Exxon Pakistan, ARAMCO SA and taught Petroleum Engineering at KU.

Mr. Muhammad Salman H. Chawala

Mr. Salman has over 15 years of experience for working in various sectors including pharmaceutical, agriculture, chemical, engineering, and finance. He played an instrumental role at senior management level in business development, corporate governance, corporate affairs, and general management. Currently, he is associated with NIT and is also representing the organization as a board member. Salman holds a master's degree in Business Administration from IBA – Karachi and is also an Associate Member of Institute of Corporate Secretaries of Pakistan.

Management Committee

Mr. Mubashir Hasan Ansari
Director / CEO

Mr. Ata-ur-Rehman Shaikh
GM Finance

Syed Shiblee Abdullah
GM Supply Chain

Mr. Shabbir Hussain
National Sales Manager

Mrs. Sehrish Rehan
Marketing Manager

Mr. Faisal Ajmal
Head of Human Resources

Board and Management Committees

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. Muhammad Salman H. Chawala, (Nominee NIT), Member*
- Mrs. Feriel Ali Mehdi, Member

BOARD HUMAN RESOURCE & RENUMERATION COMMITTEE

The company has established the HR&R committee. The Chairman and majority of members of the committee are non - executive directors. All relevant issues of appointment & remuneration are fully disclosed, deliberated and decided at the meetings of the committee.

The committee comprises of following Directors:

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

MANAGEMENT COMMITTEE

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

- Setting the strategic direction
- Formulation 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
Syed Shiblee Abdullah	General Manager Supply Chain
Mr. Shabbir Hussain	National Sales Manager
Mrs. Sahrish Rehan	Marketing Manager
Mr. Faisal Ajmal	Head of Human Resources

*Mr. Muhammad Salman H. Chawala was appointed on the board of the Company effective from 01 January 2018 in place of Mr. Qaisar Mufti who had resigned effective from 31 December 2017.

Brand Portfolio


KING SWAN
FAMILY PACK
CAPRI
MEGA SAVINGS
For Refreshing Fragrant Hands
For Delightful Fragrant Hands
For Velvety & Fragrant Hands
For Silky & Fragrant Hands
Lily
VALUE PACK = 4+ 1 SOAP FREE
Opal

Capri Soap

Year 2018 has been a remarkable year for Capri as it achieved ever highest sales volume breaking the 50 years sales records.

Consistent quality of Capri supported by its attractive packaging and pleasant fragrances has started becoming preference of many consumers in the premium segment responding to the changing consumer needs and market dynamics. Capri offered bundle consumer promotions on its large and family pack SKUs to attract the new consumers and delight the existing consumers.

In 2018,Capri was not only supported with digital presence but also ATL advertising was enhanced with better onscreen visibility having program integration, scrolls,logos,PIPs and break bumpers.

On digital our presence continued to grow with interesting competitions and engaging conversations with the young women of Pakistan. We introduced the platform of " I am a Capri Woman" to enhance the brand relevance with young consumer base.

Capri Hand wash

Capri hand washes offer the skin softening benefits of natural ingredients in each of its 4 colors; thus giving an ever growing clientele the amazing benefit of soft smooth hands and lingering fragrance after every wash. Capri Hand Wash was launched in 2011, and is available in White, Pink, Blue and Green colors that offer natural ingredient benefits. It is available in top end stores in urban hubs across Pakistan.

Lily

Lily beauty soap was introduced in May 2018 in the economy segment of soaps to strengthen ZIL presence in this segment. Lily is a perfect combination of moisturising floral extracts and milk protein that gives soft and fragrant experience to the skin. Its exotic floral fragrance gives a long lasting impression of flowers and has started becoming a choice of many consumers in the economy segment. With its attractive packaging design and fragrance, Lily has been accepted well in the market not only by the consumers but trade as well.

Palmy

Palmy was launched in 1970 in the popular segment to bridge the gap between cheap and premium beauty soap brands. Later in 2014, It was relaunched in improved packaging and with better fragrance which continued to attract its limited consumer base untill June 2018 when it got replaced with Lily beauty soap.

Opal

Opal offers its consumers a unique combination of value for money, quality and variety. Its a multisoap pack that comprises of mix of attractive color soaps for the whole family. The Beauty variant offers soft skin benefits with pleasant floral fragrance whereas the antibacterial variant offers hygiene for the whole family with its refreshing fragrance and neem extracts. In Sept. 2018 Opal was converted to "Opal 4+1 promotional pack" to further strengthen the value for money proposition of this brand. Since then, the brand is depicting considerable improvement in sales.

King Swan

King Swan has been growing at a constant pace, winning consumers, and making laundry simple and easy. With the introduction of King Swan, we have not only successfully diversified our offerings but also utilized our years of experience in personal wash to create a reliable fabric care brand.

Chairman's Review Report

CHAIRMAN'S REVIEW REPORT

As required under the section 192 (4) of Companies Act, 2017 I am pleased to present the progress of the Company for the Year 2018. The purpose of Chairman's Report is to evaluate the overall performance of the Board of Directors and their effectiveness in directing the Company towards achieving its objectives.

During the year growth over last year is noteworthy the gross revenue of Rs 2.5Bn was achieved growing by 20% over 2017. It is due to the stewardship of CEO and his management team that ZIL Limited has shown remarkable performance in the year 2018 by achieving highest ever sales of the flagship brand and showing significant growth over the last year.

The board of directors of ZIL Limited consists of a good diversity of experience, skills and knowledge which enabled the board to fulfill its fiduciary duties and responsibilities with objectivity and sagacity .The Board of Directors of ZIL Limited has formed two committees namely HR&R and Audit Committee which have implemented a strong governance framework that supports an effective and prudent management of business matters

The Audit Committee is delegated with the objective to maintain a system that ensures compliance with statutory and regulatory requirements and inculcates the integrity and strength of the financial and operational controls. As ZIL Limited regards its people as its irreplaceable assets, the HR Committee is entrusted to continuously strive towards betterment of HR Management and embed company's vision and mission in organizational culture.

Two changes occurred in the Board when Mr. Salman Chawala (Nominee NIT) replaced Mr. Qaisar Mufti (Nominee NIT) in January 2018 and Mr. Qaysar Alam was appointed to the board upon resignation of Mr. Mujahid Hamid in May 2018. I would like to put on record appreciation of contributions made by Mr. Qaiser Mufti and Mujahid Hamid while on the board.

The board has a formal and transparent remuneration policy which is adhered to for the board members' remuneration

During the year Board of Directors and its committees have met frequently to discharge their responsibilities and worked with a marked level of diligence and proficiency to best advice and guide the Company towards achieving its goals to the fullest potential. It is ensured that meeting's agenda and supporting material are circulated in sufficient time prior to the meetings and reasonable time is available for discussion of the same during the meeting.

A formal and effective mechanism is in place for an annual evaluation of the board's own performance, based on which an annual self-assessment is also carried out during the year to determine the effectiveness and performance of the Board of Directors. The purpose of this evaluation was to objectively measure and ensure the board's overall performance and effectiveness and to identify the gaps for improvement.

The board has ensured that executive and non-executive directors are equally involved in the strategic matters, and have put in place controls that ensure alignment with vision and mission statement and overall corporate strategy of the company.

I express my gratitude to all members of the board who discharged their duties with utmost diligence and provided their valuable inputs; I look forward to their future contributions to enable the ZIL family to reach even greater horizons.

Karachi: March 27, 2019

Feriel Ali Mehdi
(Chairman)

Directors' Report

Directors' Report

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, 2018.

Business Sector Review

Improvement in political stability and security were some of the positive factors during the year, while abrupt rupee devaluation of 26%, inadequate energy supply to industrial sector, setting up vague macro economic financial targets, additional levies and regulatory duties by the Government eroded growth. However our understanding and analysis of market, consumer trust, and widespread market presence has accelerated meaningful growth fueled by commitment.

Company Business Performance & Future Outlook

The Company's gross revenue grew by 20% in 2018 from Rs. 2.142 billion to Rs. 2.569 billion. The growth was achieved on account of our consistent efforts to improve sales operations, running effective trade and consumer promotional activities, effective and efficient media spending on traditional and digital marketing channels and choosing of appropriate pricing strategies.

2018 has been a challenging year as the cost pressures increased due to rupee devaluation and fuel price increases. Despite these challenges the Company was able to maintain same margin due to cost control measures and appropriate price increases. This enabled us to achieve a perceptible Gross Profit of 28.3% i.e. Rs. 537M.

An increase of 15% in selling & distribution and 13% in administrative expenses was observed during the year, as we continued to further invest in the brand and strengthen our sales and distribution. Overall controlled cost behavior was witnessed through improved operational efficiency. Profit after tax for the year has risen to Rs. 27.9 m from Rs. 16.9 m an increase of 66% over last year.

In addition to growth over last year we also surpassed our Internal Budget notably, as both gross revenue and profit after tax was over achieved by 3% and 12% respectively.

There are challenges including the continuous increase in regulatory duties and rupee devaluation but the Management continues to focus on its vision of growth through sustainable business plans and will deliver improved value to stakeholders.

Dividend

Keeping in view the profitability of the company, the Board of Directors are pleased to propose 15% cash dividend for the year ended December 31, 2018, which will be presented at the Annual General Meeting on 29 April 2019 before the members for final approval.

Summary of Financial Performance

	2018	2017
Gross Sales	2,569 M	2,142 M
Net Sales	1,895 M	1,599 M
Gross Profit %	28.3%	28.2%
Selling & Distribution Expenses	345 M	300 M
Administrative Expenses	118 M	105 M
Financial Expenses	18M	18M
Profit and Loss after Taxation	27.9M	16.9 M
EPS	4.56	2.76

Impact of Company's Business on Environment

The modernization of business and continuous improvement in processes has enabled the company to improve in terms of environmental diligence. Supply chain through its continuous efforts and dedication has moved from hazardous environmental processes to those that are ecologically friendly and in line with the corporate beliefs of ZIL which strives to be a responsible corporate citizen through its scope of work.

Principal Activities of the Company

The principal activity of the company is manufacturing and sale of home and personal care products.

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.

Corporate and Financial Reporting Framework

The management of ZIL Limited is committed to good corporate governance, and complying with the best practices. 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 accordingly. 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 there from 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 departure from the best practices of corporate governance.

h. All directors, other than exempted, have already completed director's training programme.

i. Statements regarding the following are annexed or disclosed separately in the report:
   - i. Key operating & financial data for last six years
   - ii. Pattern of shareholding
   - iii. Meetings of the board of directors, Board Audit Committee and HR & R committee and respective 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. During the year, Mrs. Feriel Ali Mehdi (Director and Chairman) purchased 517,000 shares, whereas 1,096,771 shares transmitted in her name as successor from her deceased mother. Mr. Mujahid Hamid (than Director) sold his 500,000 shares and Mr. M. Qaysar Alam (Director) purchased 500 shares of the company before his appointment on board. No other directors, CEO, CFO, Company Secretary, Head of Internal Audit and any other executives and their spouses and minor children traded in the shares of the Company.

The BOD has approved the threshold for defining executives in terms of clause 5.6.1(d) of PSX listing regulations, consequent to which all defined executives who directly reports to CEO are subject to additional regulatory requirements for trading and disclosing their transactions in company shares.

Change in Directorship

After resignation of Mr. Qaisar Mufti (Nominee NIT), Mr. M. Salman H. Chawala (Nominee NIT) appointed on board as director in January 2018. In May 2018, Mr. Mujahid Hamid resigned from the board and upon this casual vacancy, board has appointed Mr. M. Qaysar Alam as director.

The board would like to record its appreciation for the contributions made by Mr. Qaisar Mufti and Mujahid Hamid.

Risk Framework and Adequacy of Internal Financial Controls

ZIL Limited, is a risk averse company, it has an overall low risk appetite i.e. it is unwilling to take unwanted and unnecessary big risk while achieving its strategic objectives. The controls are designed to provide an assurance about the organization's financial performance, reliability & legitimacy of financial statistics, proficiency of company's operations and compliance to applicable local as well as international standards, laws and regulations. Management has provided an assurance to the shareholders and Board of Directors that the company is operating under effective and efficient internal control systems devised in a structured way. These internal financial controls ensure the Company's adherence to policies & SOPs, while supporting overall organization objectives.

Directors' responsibility In Respect of Adequacy of Internal Financial Controls

The responsibility to govern the adequacy of internal financial controls is on the Board of Directors for which the Board is pleased to ensure that the company has sound system of internal controls in place which in turn is commendably implemented and sustained at all levels of the company.

Board Audit Committee

For the purpose of above, the board also encompasses with an Audit committee comprises three members including the chairman. Members of the committee are non-executive directors, including its chairman, who is also an independent director. The audit committee held four meetings during the period as per the requirement of applicable laws and Corporate Governance Regulations. The Chief Financial Officer, Internal Auditors as well as External Auditors were invited to the meetings. Head of internal audit acted as a secretary of the committee.

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.

Remuneration Policy for Non-Executive Directors

The Non-Executive Directors (including Independent directors) are paid Rs. 20,000 as fee for attending each meeting. In addition, travelling & boarding expense are also reimbursed on actual basis. Monthly emoluments are paid to Chairman along with company maintained car and other benefits incidental or relating to the office in accordance with approved policy. Meeting fee and emoluments paid during the year are disclosed in Note 31 to the Financial Statements.

Board has approved formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the board and its committees and performing of extra services, including the holding of the office of chairman and all payments to directors are made according to that approved policy.

Internal Audit

The Corporate Governance encompasses with the compelling need of an adequately resourced internal audit function. In term of this, the Company has outsourced its internal audit function to a renowned Chartered Accountants firm of namely Deloitte Yousuf Adil, Chartered Accountants, a member firm of Deloitte Touche Tohmatsu Limited. The outsourcing has provided the company an independent review on its internal controls that helps the company & further its aim to remain competent. 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 2019. They have confirmed:

- No shares of ZIL Limited are held by the audit firm or any of its partners and their spouses and minor children.
- Audit firm achieved satisfactory rating under The Quality Control Review Program of The Institute of Chartered Accountants of Pakistan (ICAP) and is registered with the Audit Oversight Board of Pakistan.
- Audit firm and its partners are compliant with the guideline on the code of ethics of the International Federation of Accountants as adopted by ICAP.
- Audit firm has not provided other services except in accordance with PSX listing regulations.

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 2019.

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 December 31, 2018 is 103.271 million.

Composition of the Board

Statement regarding total number as well as composition of directors and names of members of board committees are annexed separately in the annual report.

Corporate Social Responsibility

Activities undertaken by the company with regard to corporate social responsibility are annexed separately in the annual report.

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 growth of the Company.

For and on behalf of the Board

Mubashir Hasan Ansari
Director / CEO

For and on behalf of the Board

Saad Amanullah Khan
Director

Dated: March 27, 2019

Board Meetings

Meetings of the Board of directors January to December 2018

Five meetings of the Board of Directors of the Company were held on March 20 & 21, April 26, August 20 and October 29, 2018. Following was the attendance of the directors:

Director	No. of meetings attended	Leave of absence granted
Mrs. Feriel Ali Mehdi	5	-
Mr. Mubashir Hasan Ansari	5	-
Syed Hasnain Ali	4	1
Mr. Saad Amanullah Khan	5	-
Mr. Kemal Shoaib	5	-
Mr. Mujahid Hamid	-	3
Mr. M. Salman H. Chawala (Nominee NIT)	5	-
Mr. M. Qaisar Alam	2	-

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

AUDIT COMMITTEE

Meetings of the Board Audit Committee January to December 2018

Four meetings of the Board Audit Committee of the Company were held on March 21, April 26, August 20 and October 29, 2018. Following was the attendance of the members:

Director	No. of meetings attended	Leave of absence granted
Mr. Saad Amanullah Khan	4	-
Mrs. Feriel Ali Mehdi	4	-
Mr. M. Salman H. Chawala (Nominee NIT)	4	-

Meetings of the Board HR&R Committee January to December 2018

Two meetings of the Board HR&R Committee of the Company were held on March 19 and August 16, 2018.

Director	No. of meetings attended	Leave of absence granted
Mr. Kemal Shoaib	2	-
Mrs. Feriel Ali Mehdi	2	-
Syed Hasnain Ali	2	-
Mr. Mubashir Hasan Ansari	2	-

جنوری تا دسمبر 2018 بورڈ آف ڈائریکٹرز کے اجلاس اور حاضری

کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس 20 اور 21 مارچ، 26 اپریل، 20 اگست، 29 اکتوبر 2018 کو منعقد ہوئے۔ ڈائریکٹرز کی حاضریاں مندرجہ ذیل رہیں:

	اجلاس میں شرکت کی تعداد	رخصت منظور کی گئی
محترمہ فیریل علی مہدی	5	-
جناب مبشر حسن انصاری	5	-
سید حسنین علی	4	1
جناب سعد امان اللہ خان	5	-
جناب کمال شعیب	5	-
جناب مجاہد حمید	-	3
جناب ایم سلمان ایچ چاؤلہ (نامزد کردہ NIT)	5	-
جناب قیصر عالم	2	-

وہ ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہ کر سکے انکی رخصت منظور کی گئی۔

آڈٹ کمیٹی

جنوری تا دسمبر 2018 بورڈ آڈٹ کمیٹی کے اجلاس

کمپنی کے بورڈ آڈٹ کمیٹی کے چار اجلاس 21 مارچ، 26 اپریل، 20 اگست، 29 اکتوبر 2018 کو منعقد ہوئے۔ ڈائریکٹرز کی حاضریاں مندرجہ ذیل رہیں:

جناب سعد امان اللہ خان	4	-
محترمہ فیریل علی مہدی	4	-
جناب ایم سلمان ایچ چاؤلہ (نامزد کردہ NIT)	4	-

ایچ آر اینڈ آر کمیٹی

جنوری تا دسمبر 2018 ایچ آر اینڈ آر کمیٹی کے اجلاس

کمپنی کی ایچ آر اینڈ آر کمیٹی کا اجلاس 19 مارچ اور 16 اگست کو منعقد ہوا۔ ڈائریکٹرز کی حاضریاں مندرجہ ذیل رہیں:

جناب کمال شعیب	2	-
محترمہ فیریل علی مہدی	2	-
سید حسنین علی	2	-
جناب مبشر حسن انصاری	2	-

ایکسٹرنل آڈیٹرز:

موجودہ آڈیٹرز، کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سبکدوش ہوتے ہوئے اور اہل ہونے کے ناطے خود کو 2019 کے آڈٹ کے لئے دوبارہ تعیناتی کے لئے پیش کرتے ہیں۔

انہوں نے تصدیق کی ہے کہ:

- آڈٹ فرم یا اس کے پارٹنرز اور ان کے ازدواج یا نابالغ بچے زیڈ آئی ایل کے حصص نہیں رکھتے۔
- آڈٹ فرم انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی اطمینان بخش ریٹنگ کی حامل ہے اور آڈٹ اوورسائٹ بورڈ آف پاکستان سے رجسٹرڈ ہے۔
- آڈٹ فرم اور اس کے پارٹنرز آئی سی اے پی کے توثیق کردہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے رہنما اصولوں اور ضابطہء اخلاق کے پابند ہیں۔
- آڈٹ فرم، کمپنی کو ایسی کوئی خدمات فراہم نہیں کرتی جو پاکستان اسٹاک ایکسچینج کی لسٹنگ کے ضوابط کے خلاف ہو۔

بورڈ آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز سال 2019 کے لیے کمپنی کے آڈیٹرز کے طور پر ان کے تقرر کے لئے سفارش کرتا ہے۔

گریجویٹی اور پراویڈنٹ فنڈ:

کمپنی پراویڈنٹ فنڈ اور گریجویٹی کی منظور شدہ اسکیم فراہم کر رہی ہے۔ پراویڈنٹ فنڈ کی مناسب طور پر سرمایہ کاری جائز سکیوریٹیز میں کی گئی ہے اور اس کا سالانہ آڈٹ آزاد آڈیٹرز کرتے ہیں۔ 31 دسمبر 2018 کو پراویڈنٹ فنڈ میں سرمایہ کاری کی رقم 103.271 ملین روپے ہے۔

بورڈ آف ڈائریکٹرز کی ہیت ترکیبی:

بورڈ کی ہیئت ترکیبی، اس کے ارکان کی تعداد اور بورڈ کمیٹیوں کے ارکان کے نام سالانہ رپوٹ میں علیحدہ ضمیمے کے طور پر دیئے گئے ہیں۔

کارپوریٹ سوشل ریسپانسبلیٹی:

کارپوریٹ سوشل ریسپانسبلیٹی کے تحت کی گئی سرگرمیوں کی تفصیل سالانہ رپورٹ کے علیحدہ ضمیمے میں شامل ہے۔

اعتراف:

ڈائریکٹرز ان صارفین کا شکریہ ادا کرنا چاہیں گے جنہوں نے کمپنی کی مصنوعات پر بھروسہ کیا اور کمپنی کے ساتھ تعاون کرتے رہے۔ کمپنی کو اپنے ملازمین کے جذبے، عزم اور خلوص پر بے انتہا فخر ہے۔ سپلائرز، ڈسٹری بیوٹرز، بینکرز اور تمام اسٹیک ہولڈرز کے تعاون اور مدد کو کمپنی انتہائی قدر کی نگاہ سے دیکھتی ہے جو کمپنی کی ترقی میں اپنا کردار ادا کر رہے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

(مبشر حسن انصاری)
ڈائریکٹر / چیف ایگزیکٹو آفیسر

منجانب بورڈ آف ڈائریکٹرز

(سعد امان اللہ خان)
ڈائریکٹر

کراچی: 27 مارچ 2019

کارکردگی، مالیاتی اعداد و شمار کے قانونی طور پر جائز اور قابلِ اعتماد ہونے، کمپنی آپریشنز کی استعداد اور مقامی اور بین الاقوامی معیارات اور ضابطوں کی پابندی کی ضمانت دیتے ہیں۔ انتظامیہ نے شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کو ضمانت دی ہے کہ کمپنی نہایت منظم طور پر تشکیل دیے گئے، موثر اور کارگر داخلی کنٹرول سسٹم کے تحت کام کر رہی ہے۔ یہ داخلی مالیاتی کنٹرول کمپنی کی پالیسیوں اور کام کے معیاری طریقوں (SPOs) کے ساتھ ساتھ کمپنی کے مجموعی مقاصد کو مستحکم کرتے ہیں۔

داخلی مالیاتی کنٹرول کی موزونیت سے متعلق ڈائریکٹرز کی ذمے داری:

موزوں داخلی مالیتی کنٹرول کی تشکیل کی ذمے داری ڈائریکٹرز کی ہے جس کے لیے بورڈ مسرت کے ساتھ یقین دہانی کراتا ہے کہ کمپنی کا مستحکم مالیاتی کنٹرول موجود ہے اور قابلِ تعریف طور پر اس کا نفاذ کیا جاتا ہے اور یہ کمپنی کی ہر سطح پر پائیدار ثابت ہوا ہے۔

بورڈ آڈٹ کمیٹی:

مذکورہ بالا مقصد کے لیے بورڈ کی آڈٹ کمیٹی بشمول چیئرمین تین ممبرز پر مشتمل ہے۔ چیئرمین سمیت، جو ایک آزاد ڈائریکٹر ہیں، کمیٹی کے تمام ممبرز، نان ایگزیکٹیو ڈائرکٹرز ہیں۔

کارپوریٹ گورننس اور قابلِ اطلاق قانون کے مطابق سالِ گزشتہ کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے، جن میں چیف فنانشل آفیسر، انٹرنل آڈیٹرز اور ایکسٹرنل آڈیٹرز کو بھی مدعو کیا گیا۔ انٹرنل آڈیٹر کے سربراہ نے کمیٹی کے سیکریٹری کے فرائض انجام دیے۔

ہیومن ریسورس اور معاوضہ کمیٹی:

کمپنی کی ایچ آر اینڈ آر کمیٹی اپنے چیئرمین کے ساتھ پوری طرح سے کام کر رہی ہے اور اس کے ممبران کی اکثریت نان ایگزیکٹیو ڈائریکٹرز ہیں۔ معاوضے کے تمام امور کے اظہار، مشاورت اور فیصلے ایچ آر اینڈ آر کمیٹی کے اجلاس میں کیے جاتے ہیں۔

غیر ایگزیکٹیو ڈائریکٹرز کے مشاہرے کی پالیسی:

غیر ایگزیکٹیو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) کو ہر میٹنگ میں شرکت پر 20,000 روپے ادا کیے جاتے ہیں۔ علاوہ ازیں سفر اور طعام و قیام کے اصل اخراجات کی ادائیگی بھی کی جاتی ہے۔ چیئرمین کو ماہانہ مشاہرے کے علاوہ کمپنی کی کار اور ان کے عہدے کی مناسبت سے کمپنی کے منظور کردہ دیگر فوائد مہیا کیے جاتے ہیں۔ سال کے دوران ادا کی گئی میٹنگوں کی فیس اور دیگر مشاہرہ جات کی تفصیل مالیاتی گوشوارے کے نوٹ نمبر 31 میں ظاہر کی گئی ہے۔

بورڈ میٹنگوں اور کمیٹیوں کے اجلاسوں میں شرکت کرنے اور اضافی خدمات فراہم کرنے والے ڈائریکٹرز، بشمول چیئرمین کے عہدے پر کام کرنے والے کے لیے کمپنی نے باقاعدہ پالیسی اور شفاف طریقہ کار منظور کیا ہے اور تمام ادائیگیاں اس منظور شدہ پالیسی کے مطابق ہی کی جاتی ہیں۔

انٹرنل آڈٹ:

کارپوریٹ گورننس کے مطابق انٹرنل آڈٹ کا عمل مناسب وسائل کی دستیابی کے ساتھ انجام دیا جانا ضروری ہے۔ اس حوالے سے کمپنی نے انٹرنل آڈٹ کا کام معروف چارٹرڈ اکاؤنٹنٹس فرم ڈیلوآٹ ٹوچے ہاماتو سولمیٹڈ کی ممبر فرم ڈیلوآٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کو دیا ہے۔ آڈٹ کی ذمے داری بیرونی وسیلے کو سونپنے سے کمپنی کو اپنے داخلی کنٹرول کا آزادانہ جائزے کا موقع ملا جو کمپنی کو اپنے اس مقصد کو حاصل کرنے میں مددگار ثابت ہوا کہ اپنی اہلیت قائم رکھی جائے۔

کارپوریٹ گورننس کے ضابطے کے مطابق انٹرنل آڈٹ کے سربراہ نے ڈیلوآٹ اور بورڈ کے درمیان رابطہ کار کے فرائض انجام دیے۔

d. مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ کے معیارات کا نفاذ کیا گیا ہے جو پاکستان میں بھی رائج ہیں اور کسی قسم کے انحراف کی مناسب انداز میں تفصیل بیان کی گئی ہے۔

e. اندرونی کنٹرول کے سسٹم کا ڈیزائن عمدہ ہے اور اس کا نفاذ اور نگرانی مؤثر ہے۔

f. کاروبار کے مستقبل کے حوالے سے کمپنی کی قابلیت پر کسی قسم کے شبہات نہیں ہیں۔

g. کارپوریٹ گورننس کی بہترین مشقوں میں جن کی تفصیل لسٹنگ کے قواعد میں ضبط ہے سے کسی قسم کا انحراف نہیں کیا گیا ہے۔

h. مستثنیٰ ڈائریکٹران کے علاوہ تمام ڈائریکٹران نے مجوزہ تربیتی نشست میں شرکت کرلی ہے۔

i. مندرجہ ذیل کے حوالے سے گوشواروں کو رپورٹ میں علیحدہ سے دکھایا گیا یا منسلک کیا گیا ہے۔

i. پچھلے چھ سالوں کا اہم آپریشنل اور مالیاتی نتیجہ

ii. شیئر ہولڈنگ کی ساخت

iii. بورڈ آف ڈائریکٹرز، بورڈ آڈٹ کمیٹی اور ایچ آر اینڈ آر کمیٹی میں ہر ڈائریکٹر کی شرکت

حصص کا کاروبار:

کارپوریٹ گورننس کے ضابطے کا تقاضا ہے کہ ڈائریکٹرز، ایگزیکٹیوز اور ان کے ازدواج اور نابالغ بچوں کے تمام حصص کی خرید و فروخت افشا کی جائے۔ سال کے دوران مسز فیریل علی مہدی (ڈائریکٹر اور چیئرمین) نے 517,000 شیئرز خریدے جبکہ 1,096,771 شیئرز ان کی والدہ کے انتقال کے بعد وراثت میں ان کے نام منتقل ہوئے۔ جناب مجاہد حامد (اُس وقت ڈائریکٹر) نے اپنے 500,000 حصص فروخت کیے اور جناب قیصر عالم (ڈائریکٹر) نے کمپنی کے بورڈ میں اپنی تقرری سے پہلے کمپنی کے 500 حصص خریدے۔ ان کے علاوہ کسی بھی ڈائریکٹر، سی ای او، سی ایف او، کمپنی سیکریٹری، ہیڈ آف انٹرنل آڈٹ یا کسی اور ایگزیکٹیو اور ان کے ازدواج یا نابالغ بچوں نے کمپنی کے حصص کا کاروبار نہیں کیا۔

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن کی شق 5.6.1(d) کے مطابق بورڈ آف ڈائریکٹرز نے ایگزیکٹیو کی حد کی تعریف کی منظوری دی جس کے نتیجے میں ایگزیکٹیو کی تعریف پر پورا اترنے والے ان تمام افراد کے لیے، جو سی ای او کو براہ راست رپورٹ کرتے ہیں، ضروری ہے کہ اضافی ریگولیٹری ضرورت پوری کرنے کے لیے کمپنی کے حصص کی تمام خرید و فروخت ظاہر کریں۔

ڈائریکٹرشپ میں ردوبدل:

جناب قیصر مفتی (این آئی ٹی کے نامزد کردہ) کے استعفیٰ کے بعد، جناب سلمان چاولہ (این آئی ٹی کے نامزد کردہ) کو جنوری 2018 میں بطور ڈائریکٹر مقرر کیا گیا۔ مئی 2018 میں جناب مجاہد حامد نے بورڈ کی رکنیت سے استعفیٰ دیدیا جس کے بعد بورڈ نے اس اتفاقی اسامی پر جناب قیصر عالم کو ڈائریکٹر مقرر کیا۔

بورڈ جناب قیصر مفتی اور جناب مجاہد حامد کی کمپنی کے لیے کی گئی خدمات کا معترف ہے۔

خطرات کے اندیشوں کا ضابطہ (رسک فریم ورک) اور داخلی مالیاتی کنٹرول کی موزونیت:

زل لمیٹڈ (ZIL Ltd.) خطرات کے اندیشوں سے دور رہنے والی کمپنی ہے، خطرات کو کم سے کم رکھنا کمپنی کے مزاج کا حصہ ہے، اس کا مطلب ہے ہم اپنے تزویراتی اہداف حاصل کرنے کے لیے غیر ضروری طور پر بڑے خطرات مول نہیں لیتے۔ اس کے کنٹرولز اس طرح وضع کیے گئے ہیں کہ یہ ادارے کی مالیاتی

مالیاتی کارکردگی کا خلاصہ:

2018	2017	
2,569 ملین	2,142 ملین	مجموعی غیر خالص فروخت
1,895 ملین	1,599 ملین	خالص فروخت
28.3%	28.2%	مجموعی غیر خالص منافع
345 ملین	300 ملین	فروخت اور ڈسٹری بیوشن کے اخراجات
118 ملین	105 ملین	انتظامی اخراجات
18 ملین	18 ملین	مالیاتی اخراجات
27.9 ملین	16.9 ملین	بعد از ٹیکس منافع
4.56	2.76	ای پی ایس

ڈویڈنڈ:

کمپنی کے منافع کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز 31 دسمبر 2018 کو ختم ہونے والے سال کے لئے 15% ڈویڈنڈ پیش کرنے میں خوشی محسوس کرتے ہیں۔ جو حتمی منظوری کے لئے ممبران کے سامنے 29 اپریل 2019 کو سالانہ عمومی اجلاس میں پیش کیا جائے گا۔

کمپنی کے کاروبار کے ماحول پر اثرات:

نئے تقاضوں کے مطابق کاروبار میں ندرت لانے اور کام کے طریقوں کو ترقی دینے کی مسلسل کوششوں سے کمپنی اس قابل ہوگئی ہے کہ ماحول کے تحفظ کو بہتر بنایا جاسکے۔ سپلائی چین کی سعی مسلسل اور لگن سے ماحول کے لئے نقصان دہ کام کے طریقوں کو ماحول دوست طریقوں سے بدل دیا ہے۔ جو ZIL کے اس کارپوریٹ یقین کے مطابق ہے کہ اپنے دائرہ کار کے ذریعے ذمے دار کارپوریٹ شہری کا کردار احسن طور پر ادا کیا جائے۔

کمپنی کی اہم سرگرمیاں:

کمپنی کی اہم کاروباری سرگرمیوں میں گھریلو اور ذاتی استعمال کی مصنوعات کی تیاری اور فروخت شامل ہیں۔

کارپوریٹ گورننس:

ZIL کا عزم ہے کہ کسی استثنیٰ کے بغیر اعلیٰ معیار کو برقرار رکھتے ہوئے اچھی کارپوریٹ گورننس کو قائم رکھے۔ ڈائریکٹرز یہ بات بتاتے ہوئے خوشی محسوس کرتے ہیں کہ سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو مطلوبہ کارپوریٹ گورننس کے ضابطے کی تعمیل کو کمپنی اپنا چکی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ZIL کی انتظامیہ اچھی کارپوریٹ گورننس اور بہترین مشقوں کے ذریعے تعمیل کے حوالے سے پرعزم ہے۔ مطلوبہ کارپوریٹ گورننس کے ضابطے کے تحت ڈائریکٹرز مندرجہ ذیل کو بیان کرتے ہوئے خوشی محسوس کرتے ہیں:

a. انتظامیہ کی جانب سے تیار کیے جانے والے مالیاتی گوشواروں میں اس کے معمولات، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو عمدہ اور درست طریقے سے پیش کیا گیا ہے۔
b. کمپنی کی جانب سے درست کھاتوں کا موزوں استعمال کیا گیا ہے۔
c. مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی پالیسیوں کا مستقل انداز میں نفاذ کیا گیا ہے اور اکاؤنٹنگ پالیسیوں میں کسی قسم کی بھی تبدیلی کو مالیاتی گوشواروں میں بتایا گیا ہے۔ اکاؤنٹنگ کے تخمینوں کا دارومدار معقول اور محتاط فیصلوں پر مبنی ہے۔

ڈائریکٹرز رپورٹ

زل لمیٹڈ کمپنی کے ڈائریکٹرز مسرت کے ساتھ سالانہ رپورٹ مع کمپنی کا آڈٹ شدہ مالیاتی گوشوارہ برائے سال مختتمہ 31 دسمبر 2018، پیش کرتے ہیں۔

کاروباری شعبے کا جائزہ:

سیاسی استحکام اور سیکورٹی کی بہتر صورت حال سال کے دوران ہونے والی بعض مثبت تبدیلیاں ہیں، لیکن روپے کی قدر میں 26 فیصد کمی، صنعتی شعبے کو توانائی کی ناکافی فراہمی، میکرواکنامک مالیات کے غیر واضح اہداف، حکومت کی طرف سے ٹیکسوں اور ریگولیٹری ڈیوٹیز میں اضافے سے معاشی نشو ونما پر منفی اثرات ہوئے۔ تاہم مارکیٹ کے بارے میں ہماری سمجھ بوجھ اور تجزیے، صارفین کے اعتماد اور منڈی میں وسیع تر موجودگی سے معنی خیز نمو ممکن ہوئی جسے ہمارے پختہ عزم نے مہمیز کیا۔

کمپنی کی کاروباری کارکردگی اور مستقبل کے امکانات:

2018 میں کمپنی کی مجموعی فروختگی 20 فیصد اضافے کے ساتھ 2.142 ارب روپے سے بڑھ کر 2.569 ارب روپے ہوگئی۔ نمو میں یہ اضافہ سیلز آپریشنز کو بہتر بنانے کی مسلسل کوشش، کاروبار کو موثر طور پر چلانے، کنزیومر پروموشنل سرگرمیوں، روایتی اور ڈیجیٹل میڈیا چینلز پر موثر اور کارگر اخراجات اور قیمتوں کے تعین کی موزوں حکمت عملی کی وجہ سے ممکن ہوا۔

2018 ایک مشکل سال رہا کیوں کہ روپے کی قدر میں کمی اور تیل کی قیمت میں اضافے سے لاگت پر دباؤ رہا۔ ان مشکلات کے باوجود کمپنی نے لاگت پر قابو رکھتے ہوئے قیمتوں میں مناسب اضافہ کیا اور اپنے منافع کو برقرار رکھا۔ ان اقدامات کی وجہ سے ہم 28.3 فیصد، یعنی 537 ملین روپے کا مجموعی غیر خالص منافع حاصل کرنے میں کامیاب ہوئے۔

برانڈ میں مزید سرمایہ کاری اور سیلز وڈسٹری بیوشن کو مستحکم کرنے کی جاری کوششوں کے ساتھ سال کے دوران سیل اور ڈسٹری بیوشن میں 15 فیصد اور انتظامی اخراجات میں 13 فیصد اضافہ ہوا۔ آپریشنل کارکردگی کو بہتر بنا کر لاگت پر قابو پایا گیا۔ اس سال بعد از ٹیکس منافع 16.9 ملین روپے سے بڑھ کر 27.9 ملین روپے ہوگیا جو گزشتہ سال کے مقابلے میں 66 فیصد زیادہ ہے۔

پچھلے سال کے مقابلے میں بہتر کارکردگی کے ساتھ ساتھ ہم نے اپنے اہداف کو بھی کامیابی سے حاصل کیا اور بجٹ کے مقابلے میں مجموعی فروختگی اور بعد از ٹیکس منافع میں اضافے کی شرح بالترتیب 3% اور 12% رہی۔

ریگولیٹری ڈیوٹیز اور روپے کی قدر میں کمی سمیت چیلنجز موجود ہیں، لیکن انتظامیہ پائیدار کاروباری منصوبوں کے ذریعے ترقی کے وژن پر توجہ مرکوز رکھے گی اور اپنے شراکت داروں کو پہلے سے بہتر قدر مہیا کرے گی۔

Vertical Analysis of Financial Statements

Statement of Financial Position (Balance Sheet)	Dec-18 Rs. In '000'	Dec-18 %	Dec-17 Rs. In '000'	Dec-17 %
Non-Current Assets	720,399	64.99	499,847	57.41
Current Assets	388,138	35.01	370,807	42.59
Total Assets	1,108,537	100	870,654	100
Equity	567,467	51.19	351,917	40.42
Non-Current Liabilities	104,075	9.39	103,013	11.83
Current Liabilities	436,995	39.42	415,724	47.75
Total Equity and Liabilities	1,108,537	100.00	870,654	100.00

Profit and Loss Account

	Dec-18 Rs. In '000'	Dec-18 %	Dec-17 Rs. In '000'	Dec-17 %
Net sales	1,894,705	100.00	1,599,376	100.00
Cost of sales	(1,357,923)	(71.67)	(1,148,227)	(71.79)
Gross Profit	536,782	28.33	451,149	28.21
Selling and distribution expenses	(344,873)	(18.20)	(300,353)	(18.78)
Administrative expenses	(117,950)	(6.23)	(104,712)	(6.55)
	73,959	3.90	46,084	2.88
Other operating income	15,003	0.79	20,382	1.27
Other operating expense	(11,680)	(0.62)	(7,146)	(0.45)
	77,282	4.08	59,320	3.71
Financial expenses	(18,125)	(0.96)	(18,092)	(1.13)
Profit before tax	59,157	3.12	41,228	2.58
Taxation	(31,224)	(1.65)	(24,352)	(1.52)
Profit for the year	27,933	1.47	16,876	1.06

Dec-16		Dec-15		Dec-14		Dec-13		Dec-12*	
Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%
520,601	62.23	432,572	54.99	418,098	50.69	421,606	42.98	378,408	43.75
315,923	37.77	354,125	45.01	406,650	49.31	559,234	57.02	486,603	56.25
836,524	100.00	786,697	100.00	824,748	100	980,840	100	865,011	100
342,537	40.95	254,469	32.35	373,085	45.24	487,354	49.69	421,285	48.70
91,702	10.96	91,078	11.58	83,119	10.08	115,188	11.74	106,746	12.34
402,285	48.09	441,150	56.08	368,544	44.69	378,298	38.57	336,980	38.96
836,524	100.00	786,697	100.00	824,748	100	980,840	100	865,011	100

Dec-16		Dec-15		Dec-14		Dec-13		Dec-12*	
Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%
1,463,042	100.00	1,342,843	100.00	1,298,182	100.00	1,621,071	100.00	816,393	100.00
(1,055,056)	(72.11)	(1,095,917)	(81.61)	(1,016,412)	(78.30)	(1,157,371)	(71.40)	(595,034)	(72.89)
407,986	27.89	246,926	18.39	281,770	21.70	463,700	28.60	221,359	27.11
(284,889)	(19.47)	(277,597)	(20.67)	(309,289)	(23.82)	(274,324)	(16.92)	(143,207)	(17.54)
(102,947)	(7.04)	(91,734)	(6.83)	(109,088)	(8.40)	(120,773)	(7.45)	(51,378)	(6.29)
20,150	1.38	(122,405)	(9.12)	(136,607)	(10.52)	68,603	4.23	26,774	3.28
6,457	0.44	4,860	0.36	4,878	0.38	3,144	0.19	2,266	0.28
(558)	(0.04)	(2,123)	(0.16)	-	0.00	(3,843)	(0.24)	(3,829)	(0.47)
26,049	1.78	(119,668)	(8.91)	(131,729)	(10.15)	67,904	4.19	25,211	3.09
(20,006)	(1.37)	(22,913)	(1.71)	(27,115)	(2.09)	(18,802)	(1.16)	(9,764)	(1.20)
6,043	0.41	(142,581)	(10.62)	(158,844)	(12.24)	49,102	3.03	15,447	1.89
(2,107)	(0.14)	22,019	1.64	55,375	4.27	(16,257)	(1.00)	(2,169)	(0.27)
3,936	0.27	(120,562)	(8.98)	(103,469)	(7.97)	32,845	2.03	13,278	1.63

* 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

Statement of Financial Position (Balance Sheet)

	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14
	Rs. In '000'	Rs. In '000'	Rs. In '000'	Rs. In '000'	Rs. In '000'
Non-Current Assets	720,399	499,847	520,601	432,572	418,098
Current Assets	388,138	370,807	315,923	354,125	406,650
Total Assets	1,108,537	870,654	836,524	786,697	824,748
Equity	567,467	351,917	342,537	254,469	373,085
Non-Current Liabilities	104,075	103,013	91,702	91,078	83,119
Current Liabilities	436,995	415,724	402,285	441,150	368,544
Total Equity and Liabilities	1,108,537	870,654	836,524	786,697	824,748

Profit and Loss Account

	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14
Net sales	1,894,705	1,599,376	1,463,042	1,342,843	1,298,182
Cost of sales	(1,357,923)	(1,148,227)	(1,055,056)	(1,095,917)	(1,016,412)
Gross Profit	536,782	451,149	407,986	246,926	281,770
Selling and distribution expenses	(344,873)	(300,353)	(284,889)	(277,597)	(309,289)
Administrative expenses	(117,950)	(104,712)	(102,947)	(91,734)	(109,088)
	73,959	46,084	20,150	(122,405)	(136,607)
Other operating income	15,003	20,382	6,457	4,860	4,878
Other operating expense	(11,680)	(7,146)	(558)	(2,123)	-
	77,282	59,320	26,049	(119,668)	(131,729)
Financial expenses	(18,125)	(18,092)	(20,006)	(22,913)	(27,115)
Profit before tax	59,157	41,228	6,043	(142,581)	(158,844)
Taxation	(31,224)	(24,352)	(2,107)	22,019	55,375
Profit for the year	27,933	16,876	3,936	(120,562)	(103,469)

SUMMARY OF CASH FLOWS

	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14
	Rs. In '000'	Rs. In '000'	Rs. In '000'	Rs. In '000'	Rs. In '000'
Net cash flows from operating activities	80,302	59,006	99,678	(59,731)	4,396
Net cash flows from investing activities	(40,719)	(41,456)	(39,998)	(8,072)	(22,616)
Net cash flows from financing activities	(28,531)	(23,004)	(20,053)	50,000	(5,949)
Net change in cash and cash equivalents	11,052	(5,454)	39,627	(17,803)	(24,169)

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

Dec-13	Dec-12*	% increase/ (decrease) over preceeding year						
Rs. In '000'	Rs. In '000'	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13	Dec-12*
421,606	378,408	44.12	(3.99)	20.35	3.46	(0.83)	11.42	1.17
559,234	486,603	4.67	17.37	(10.79)	(12.92)	(27.28)	14.93	(18.65)
980,840	865,011	27.32	4.08	6.33	(4.61)	(15.91)	13.39	(11.03)
487,354	421,285	61.25	2.74	34.61	(31.79)	(23.45)	15.68	(0.38)
115,188	106,746	1.03	12.33	0.69	9.58	(27.84)	7.91	10.21
378,298	336,980	5.12	3.34	(8.81)	19.70	(2.58)	12.26	(25.52)
980,840	865,011	27.32	4.08	6.33	(4.61)	(15.91)	13.39	(11.03)

Dec-13	Dec-12*	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13	Dec-12*
1,621,071	816,393	18.47	9.32	8.95	3.44	(19.92)	98.57	(55.37)
(1,157,371)	(595,034)	18.26	8.83	(3.73)	7.82	(12.18)	94.51	(55.03)
463,700	221,359	18.98	10.58	65.23	(12.37)	(39.23)	109.48	(56.27)
(274,324)	(143,207)	14.82	5.43	2.63	(10.25)	12.75	91.56	(56.87)
(120,773)	(51,378)	12.64	1.71	12.22	(15.91)	(9.68)	135.07	(49.73)
68,603	26,774	60.49	128.70	116.46	10.40	(299.13)	156.23	(62.77)
3,144	2,266	(26.39)	215.66	32.86	(0.37)	55.15	38.75	(72.90)
(3,843)	(3,829)	63.45	1,180.65	(73.72)	-	(100.00)	0.37	(60.82)
67,904	25,211	30.28	127.72	121.77	9.16	(293.99)	169.34	(64.24)
(18,802)	(9,764)	0.18	(9.57)	(12.69)	(15.50)	44.21	92.56	(57.55)
49,102	15,447	43.49	582.24	(104.24)	(10.24)	(423.50)	217.87	(67.48)
(16,257)	(2,169)	28.22	1,055.77	(109.57)	(60.24)	(440.62)	649.52	(87.27)
32,845	13,278	65.52	328.76	103.26	16.52	(415.02)	147.36	(56.42)

Dec-13	Dec-12*	% increase/ (decrease) over preceeding year						
Rs. In '000'	Rs. In '000'	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13	Dec-12*
(59,748)	57,760	36.09	(40.80)	(266.88)	(1,458.76)	(107.36)	(203.44)	210.49
(26,071)	(21,583)	(1.78)	3.65	395.52	(64.31)	(13.25)	20.79	62.51
116,930	(70,648)	24.03	14.72	(140.11)	(940.48)	(105.09)	(265.51)	(279.53)
31,111	(34,471)	302.64	(113.76)	(322.59)	(26.34)	(177.69)	(190.25)	(8961.44)

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

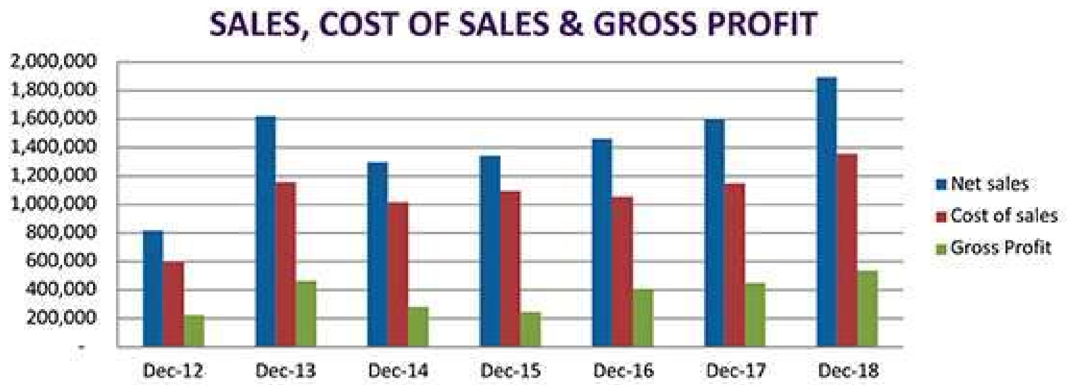
Ratios of last Six Years

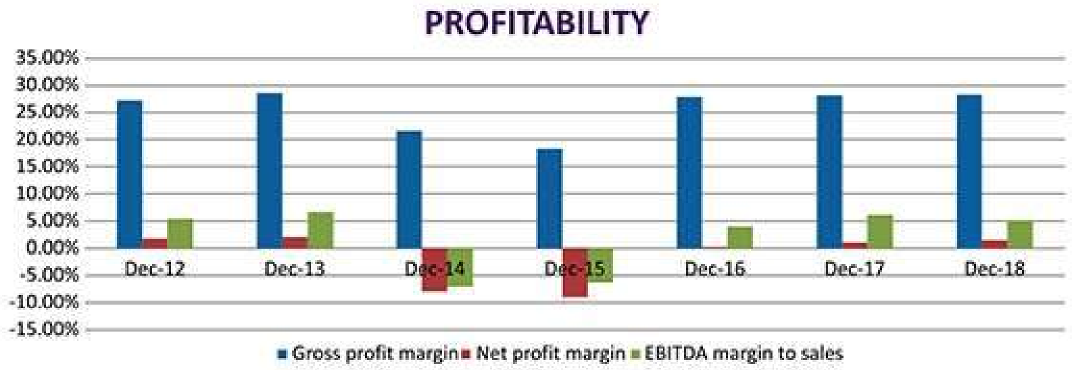
Financial Ratios

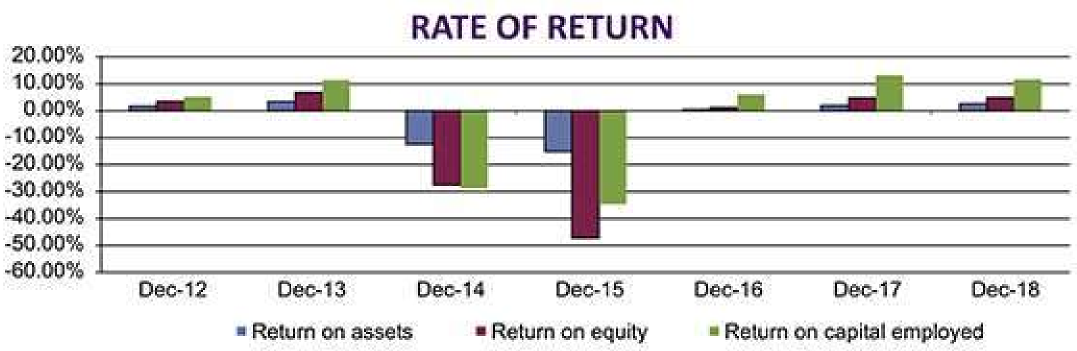
	Unit	Dec-18
Rate of return		
Return on assets	%	2.52
Return on equity	%	4.92
Return on capital employed	%	11.51
Interest cover	Times	4.08
Profitability		
Gross profit margin	%	28.33
Net profit to sales	%	1.47
EBITDA	Rs.	119,323
EBITDA Margin to sales	%	6.30
Liquidity		
Current ratio		0.89
Quick ratio		0.46
Financial gearing		
Debt-Equity ratio	Times	0.95
Debt to Assets	%	48.81%
Capital Efficiency		
Debtor turnover/ No. of days in receivables	Days	9
Inventory turnover/ No. of days in inventory	Days	50
Creditor turnover/ No. of days in payables	Days	16
Operating cycle	Days	43
Fixed assets turnover ratio	Times	2.65
Total asset turnover ratio	Times	1.71
Investment measures per ordinary share		
Earnings	Rs.	4.56
Price earning ratio	Times	16.44
Cash dividend	Rs.	1.50
Dividend yield	%	2.00
Dividend payout	%	32.89
Dividend cover	Times	3.04
Breakup value including surplus on revaluation	Rs.	92.68
Breakup value excluding surplus on revaluation	Rs.	30.14
Market value - year end	Rs.	75
Market value - high	Rs.	144
Market value - low	Rs.	64
Market value - average	Rs.	100

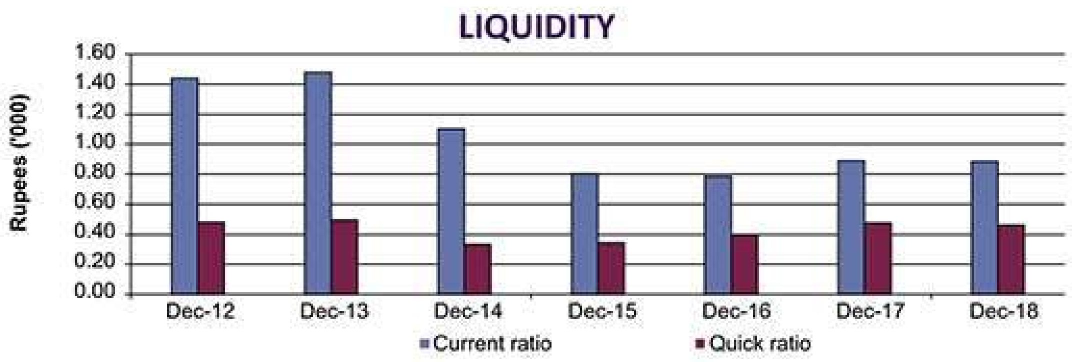
Dec-17	Dec-16	Dec-15	Dec-14	Dec-13	Dec-12
1.94	0.47	(15.33)	(12.55)	3.35	1.54
4.80	1.15	(47.38)	(27.73)	6.74	3.15
13.04	6.00	(34.63)	(28.88)	11.27	4.77
2.55	1.01	(5.34)	(5.04)	3.65	2.74
28.21	27.89	18.39	21.70	28.60	27.11
1.06	0.27	(8.98)	(7.97)	2.03	1.63
97,505	58,875	(84,474)	(92,430)	107,108	44,267
6.10	4.02	(6.29)	(7.12)	6.61	5.42
0.89	0.79	0.80	1.10	1.48	1.44
0.47	0.40	0.34	0.33	0.49	0.48
1.47	1.44	2.09	1.21	1.01	1.05
59.58%	59.05%	67.65%	54.76%	50.31%	51.30%
8	6	12	8	13	13
55	63	70	102	117	101
16	21	23	26	23	36
47	48	59	84	108	78
3.30	3.03	3.65	3.30	3.95	2.23
1.84	1.75	1.71	1.57	1.65	0.94
2.76	0.64	(19.69)	(16.90)	5.36	2.49
32.61	143.73	(3.96)	(5.88)	21.27	41.87
1.25	0.50	0.00	0.00	1.50	1.50
1.39	0.54	0.00	0.00	1.32	1.44
45.29	78.13	0.00	0.00	27.99	60.24
2.21	1.29	-	-	2.06	1.66
57.48	55.95	41.56	60.94	91.54	79.23
25.96	22.73	21.65	41.03	67.79	62.68
90	91.99	78.00	99.39	114.00	104.3
199	134.02	101.43	165.02	205.00	120.81
74	77.00	43.51	85.00	81.99	31.01
121	86.40	68.87	113.09	107.64	102.86

Graphical Presentation

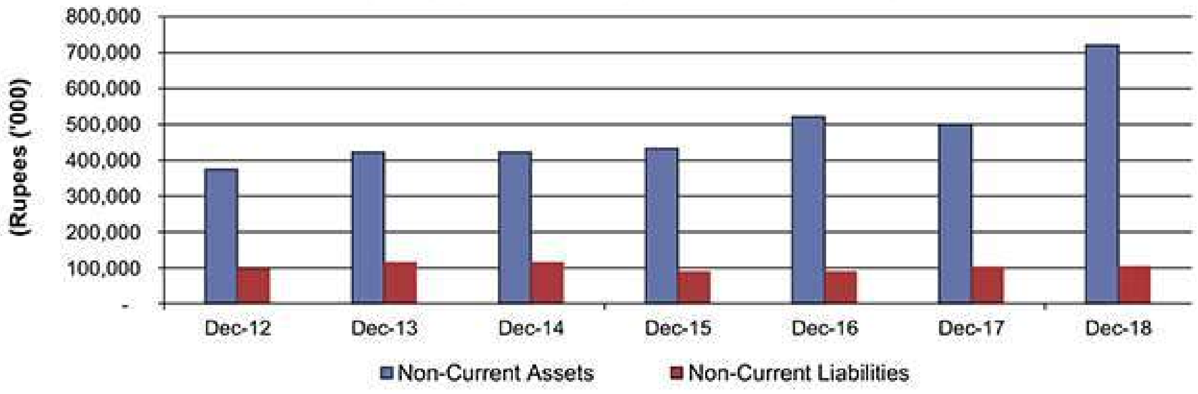




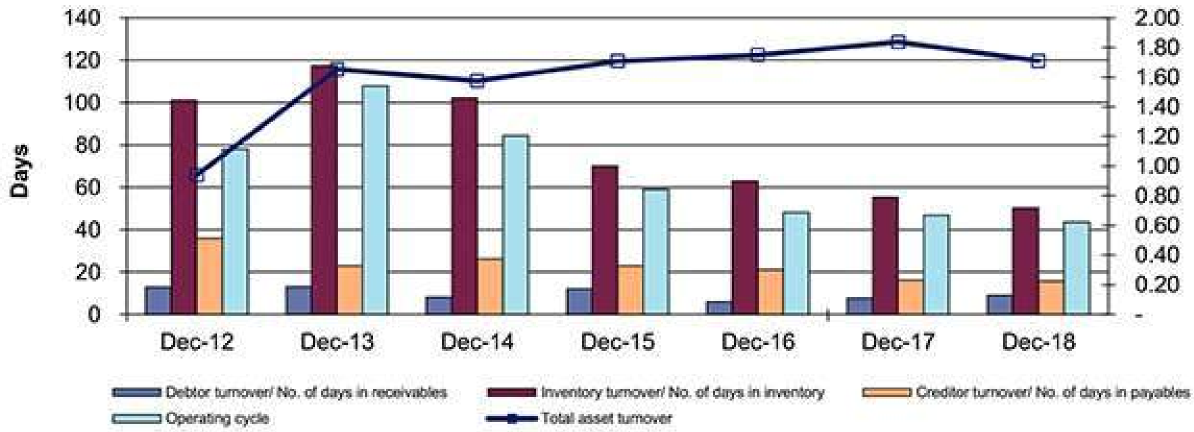




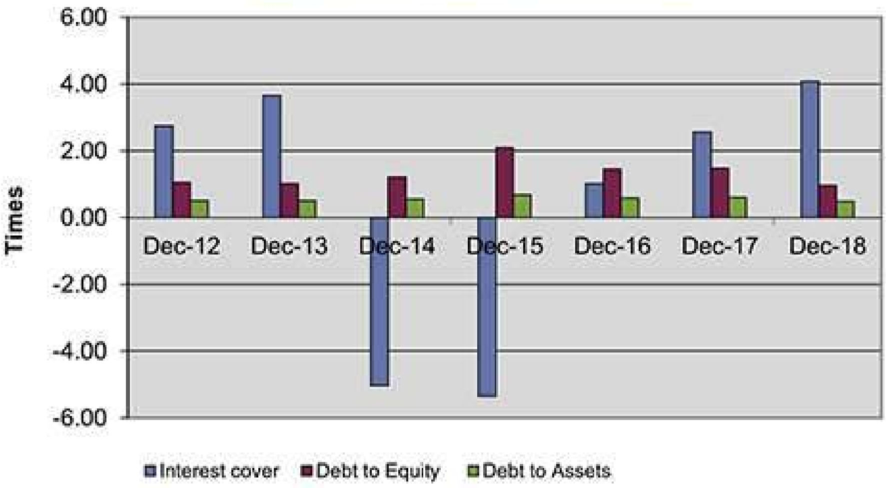
NON-CURRENT ASSETS & LIABILITIES



ASSETS MANAGEMENT RATIOS



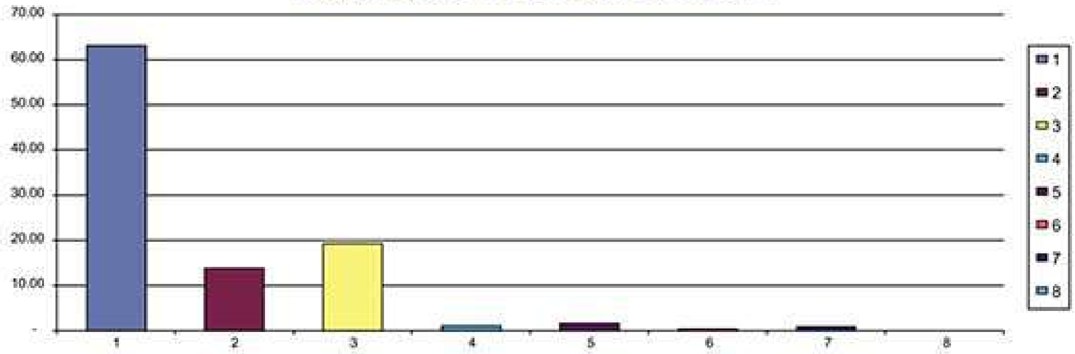
DEBT MANAGEMENT RATIOS



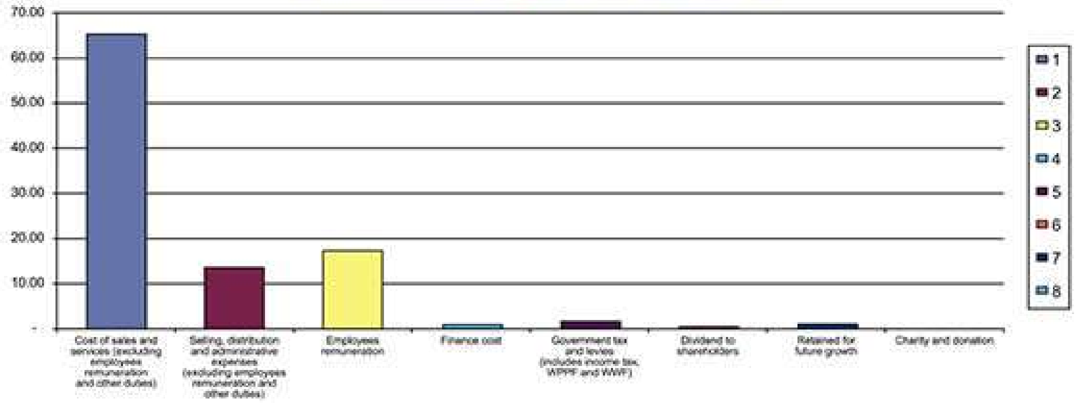
Statement of Value Addition

	Dec-18 Rs. In '000	Dec-18 %	Dec-17 Rs. In '000	Dec-17 %
Wealth Generated				
Net sales	1,894,705	99.21	1,599,376	98.74
Other operating income	15,003	0.79	20,382	1.26
	1,909,708	100	1,619,758	100
Distribution of Wealth				
Cost of sales and services (excluding employees remuneration and other duties)	1,244,626	65.17	1,021,530	63.07
Selling, distribution and administrative expenses (excluding employees remuneration and other duties)	257,520	13.48	224,639	13.87
Employees remuneration	330,187	17.29	312,922	19.32
Finance cost	18,125	0.95	18,092	1.12
Government tax and levies (includes income tax,WPPF and WWF)	31,317	1.64	25,699	1.59
Dividend to shareholders	7,654	0.40	3,062	0.19
Retained for future growth	20,279	1.06	13,814	0.85
Charity and donation	-	-	-	-
	1,909,708	100.00	1,619,758	100.00

Distribution of Wealth Dec-2017



Distribution of Wealth Dec-2018



Pattern of Shareholding

Central Depository Company and Physical as at December 31, 2018

Number of Shareholders	Having Shares From	To	Shares Held	Percentage
881	1	100	15,387	0.2513
231	101	500	64,728	1.0572
71	501	1000	59,052	0.9645
77	1001	5000	181,517	2.9647
19	5001	10000	133,958	2.1879
6	10001	15000	77,238	1.2615
3	15001	20000	53,143	0.8680
3	20001	25000	72,240	1.1799
1	30001	35000	34,863	0.5694
2	35001	40000	75,097	1.2266
1	50001	55000	53,000	0.8656
1	55001	60000	60,000	0.9800
1	155001	160000	156,200	2.5512
1	175001	180000	178,000	2.9073
1	190001	195000	192,056	3.1368
1	195001	200000	199,169	3.2530
1	220001	225000	222,900	3.6406
1	355001	360000	356,987	5.8306
1	590001	595000	591,236	9.6566
1	905001	910000	907,033	14.8145
1	970001	975000	971,290	15.8640
1	1465001	1470000	1,467,506	23.9687
1306			**6,122,600**	**100.0000**

Pattern of Shareholding

Categories of Shareholders as at December 31, 2018

S.No.	Categories of Shareholders	Number of Shares held	Percentage
1.	DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN	2,379,231	38.8598
2.	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS	220	0.0036
3.	INSURANCE COMPANY	34,863	0.5694
4.	MUTUAL FUND	356,987	5.8306
5.	GENERAL PUBLIC		
	a. Local	2,991,087	48.8532
	b. Foreign	87,869	1.4352
6.	OTHERS	272,343	4.4482
		6,122,600	**100.0000**

Key Shareholding

As at December 31, 2018

Sr. No	Categories of Shareholders	Shares Held	Percentage
I	**ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES**	NIL	NIL
II	**MUTUAL FUNDS**		
	CDC - Trustee National Investment (Unit) Trust	356,987	5.8306
III	**DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN**		
	1. Mrs. Feriel Ali Mehdi - Director / Chairman	2,376,169	38.8098
	2. Mr. Mubashir Hasan Ansari - Director / Chief Executive Officer	500	0.0082
	3. Syed Hasnain Ali - Director	562	0.0092
	4. Mr. Muhammad Qaysar Alam - Director	500	0.0082
	5. Mr. Saad Amanullah Khan - Director	1,000	0.0163
	6. Mr. Kemal Shoaib - Director	500	0.0082
	7. Mr. Salman H. Chawala - Director (Nominee NIT)	NIL	NIL
IV	**EXECUTIVES**	NIL	NIL
V	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS**	307,426	5.0212
VI	**SHAREHOLDERS HOLDING 5% OR MORE VOTING RIGHTS IN THE COMPANY**		
	1. Mrs. Feriel Ali Mehdi	2,376,169	38.8098
	2. Syed Yawar Ali	994,411	16.2416
	3. Syed Muhammad Zeyd Ali	591,236	9.6566
	4. CDC - Trustee National Investment (Unit) Trust	356,987	5.8306

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2017

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 07 as per the following:

   a. Male: 06
   b. Female: 01

2. The composition of board is as follows:
   a) Independent Directors: 03
   b) Other Non-executive Director: 03
   c) Executive Directors: 01

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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

5. 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.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Company stands complied with the requirements of having half of directors on its boars are certified under Directors Training Program as prescribed by the Regulations. Currently five directors of the company have above cited certification and remaining two directors are exempted from the requirements of this program. During the year, the board did not arrange any further training program for its directors.

10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The changes in remuneration including terms and conditions of employment of the Chief Financial Officer, Company Secretary and Head of Internal Audit were approved by the Board and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The board has formed committees comprising of members given below:

    a) Audit Committee (Name of members and Chairman)

Mr. Saad Amanullah Khan	Chairman
Mrs. Feriel Ali Mehdi	Member
Mr. Salman Husain Chawala	Member

    b) HR and Remuneration Committee (Name of members and Chairman)

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

The Listed Companies (Code of Corporate Governance) Regulations, 2017 requires that at least one member of the HR and Remuneration Committee shall be an independent director and the Chairman shall be an independent director Currently the above Committee does not have an independent director arrangements for which are to be made by the Company.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
    a) Audit Committee: Quarterly
    b) HR and Remuneration Committee: Twice in a year

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

16. 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 and registered with Audit Oversight Board of Pakistan, 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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. The Company is following the requirements and regulations laid down in section 208 of the Companies Act, 2017 except for the definition of "Related Party", compliance of which is dependent on the clarification from Securities and Exchange Commission of Pakistan. The Company has presented the details of all related party transaction as disclosed in the financial statement before the Audit Committee and upon their recommendation to the Board for review and approval.

19. We confirm that all other requirements of the Regulations have been complied with except that the Chief financial officer and the Company Secretary are the same person while the requirement of the code is that an individual shall not simultaneously hold the above two positions. The company is in the process of appointing separate person as Company Secretary.

MRS. FERIEL ALI MEHDI)
Chairman

Dated: March 27, 2019

Independent Auditor's Review Report

To the members of ZIL Limited

Review report to the Members on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 prepared by the Board of Directors of ZIL Limited ("the Company") for the year ended 31 December 2018 to comply with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Code. A review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of 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 Directors' 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 Regulations 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 of its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of the requirement to the extent of the approval of the 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 2018.

Further, we highlight below instance of non-compliance with the requirements of the Regulations are reflected in the paragraph reference where these are stated in the Statement of Compliance:

	Paragraph Reference	Description
i.	Para 12(b)	The HR and Remuneration Committee does not have an independent director while the requirement of the Regulations is that at least one member (heading the Committee) shall be an independent director.
ii.	Para 19	Offices of the Chief financial officer and of the Company Secretary are held by the same individual whereas requirement of the Regulations is that these shall be two different individuals.

Dated: March 27, 2019

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Financial Statements

INDEPENDENT AUDITORS' REPORT

To the members of ZIL Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of ZIL Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	**Revenue Recognition**	
	Refer note 23 to the financial statements and the accounting policy in note 3.10 to the financial statements regarding the sale of goods. The Company generates revenue from sale of goods to domestic customers. We identified recognition of revenue (against the sale of goods) as a key audit matter because	Our audit procedures to assess the timing of revenue recognized from the sale of products included the following: • obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue; and

S.No.	Key audit matters	How the matter was addressed in our audit
	revenue is one of the key performance indicators of the Company which gives rise to an inherent risk of the existence and the accuracy of the revenue.	• comparing a sample of revenue transactions recognized during the year with the sales invoices, delivery orders and other relevant underlying documentations to assess the accuracy of the revenue recorded and the appropriate accounting period.
2.	**Valuation of Stock-in-Trade**	
	Refer to note 11 to the financial statements and the accounting policy in note 3.7 to the financial statements. As at 31December 2018, the Company's stock in-trade amounted to Rs. 186.932 million. We identified the valuation of stock-in-trade as a key audit matter because determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost involved significant management judgement and estimation.	Our audit procedures to assess the valuation of stock-in-trade included the following: • obtaining an understanding of the management's basis for the determination of NRV and the key estimates adopted, including future selling prices and costs necessary to make the sales and the basis of the calculation and justification for the amount of the write downs and provisions; • assessing the NRV of stock-in-trade by comparing, on a sample basis, management's estimation of future selling prices for the products with the selling prices achieved subsequent to the end of the reporting period; and • comparing NRV to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.
3.	**Deferred tax Asset**	
	As disclosed in note 9, the Company has recognized deferred tax asset of Rs. 45.497 million on historical tax losses. This requires the management's judgment in estimating future taxable income in order to assess the realization of deferred tax asset on such losses and is accordingly a key audit matter.	Our audit procedures include involving our specialists to evaluate the recognition and measurement of the deferred tax assets and liabilities. This included: • Analyzing the current and deferred tax calculations for compliance with the relevant tax legislation. • Evaluating the management's assessment of the estimated manner in which the timing differences including the recoverability of the of deferred tax assets on historical tax losses, would be realized. • Challenging the assumptions made by the management for the deferred tax positions to assess whether appropriate balance of deferred tax asset on unutilized tax losses has been recognized in light of the requirement of Income tax ordinance, 2001.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance

The engagement partner on the audit resulting in this independent auditor's report is Mr. Amyn Pirani.

Date: March 27, 2019

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi

ZIL Limited

Statement of Financial Position

As at 31 December 2018

	Note	2018	2017 (Restated)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	713,945	484,275
Intangible assets	6	228	290
Long term deposits	7	5,442	5,306
Long term loans to employees	8	784	951
Deferred tax asset - net	9	-	9,025
Total non-current assets		720,399	499,847
CURRENT ASSETS			
Stores and spares	10	12,683	15,798
Stock-in-trade	11	186,932	173,431
Trade debts	12	46,188	33,543
Advances, prepayments and other receivables	13	98,736	115,488
Cash and bank balances	14	43,599	32,547
Total current assets		388,138	370,807
TOTAL ASSETS		1,108,537	870,654
EQUITY			
Authorised capital			
40,000,000 (2017: 10,000,000) ordinary shares of Rs. 10 each	15	400,000	100,000
Issued, subscribed and paid up capital	15	61,226	61,226
Capital reserves			
Surplus on revaluation of assets (land, building and plant and machinery) - net of tax	16	382,962	192,954
Revenue reserves			
General reserve		6,000	6,000
Un-appropriated profit		117,279	91,737
		567,467	351,917
NON-CURRENT LIABILITIES			
Deferred tax liability - net	9	980	
Deferred staff liabilities	17	98,580	103,013
Liability Against Asset subject to Finance lease	18	4,515	-
CURRENT LIABILITIES			
Current maturity of liability against assets subject to finance lease	18	941	-
Trade and other payables	19	231,482	191,272
Short term borrowings	20	190,000	210,000
Taxation	21	13,538	13,538
Unclaimed dividend		1,034	914
Total current liabilities		436,995	415,724
Contingencies and Commitments	22		
TOTAL EQUITY AND LIABILITIES		1,108,537	870,654

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

ZIL Limited

Statement of Profit and Loss Account

For the year ended 31 December 2018

	Note	2018	2017
		(Rupees in '000)	
Sales - net	23	1,894,705	1,599,376
Cost of sales	24	(1,357,923)	(1,148,227)
Gross profit		536,782	451,149
Selling and distribution expenses	25	(344,873)	(300,353)
Administrative expenses	26	(117,950)	(104,712)
		(462,823)	(405,065)
		73,959	46,084
Other income	27	15,003	20,382
Other charges	28	(11,680)	(7,146)
		77,282	59,320
Finance cost	29	(18,125)	(18,092)
Profit before taxation		59,157	41,228
Taxation	21	(31,224)	(24,352)
Profit for the year		27,933	16,876
		(Rupees)	
Earnings per share - basic and diluted	30	4.56	2.76

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	2018	2017
		(Rupees in '000)	
Profit after taxation		27,933	16,876
Other comprehensive income			
Items that will not be reclassified to profit and loss account:			
Actuarial losses on remeasurement of defined benefit obligations	17.8	(4,321)	(2,468)
Less: Tax effect	9	1,253	740
		(3,068)	(1,728)
Surplus on revaluation carried out during the year	16	217,951	-
Less: Tax effect	16	(26,433)	-
		191,518	-
Total comprehensive income for the year		216,383	15,148

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

ZIL Limited

Statement of Cash Flow

For the year ended 31 December 2018

	Note	2018	2017
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		59,157	41,228
Adjustments for:			
Depreciation and amortization	5 & 6	42,041	38,185
Reversal of provision against doubtful trade debts	12.3	-	(5,290)
Provision against staff gratuity	17.7	12,566	11,217
Provision against other staff retirement benefits	17.7	2,740	2,766
Provision against slow moving and obsolete stock	11.2	40	4,869
Provision for slow moving stores and spares	10.1	-	2,718
Finance costs	29	18,125	18,092
Impairment against operating fixed assets		-	2,310
Return on bank deposits	27	(43)	(34)
Gain on disposal of operating fixed assets	27	(6,843)	(3,573)
		68,626	71,260
		127,783	112,488
(Increase) / decrease in assets:			
Long term loans to employees		(364)	(619)
Long term deposit		(136)	(67)
Stores and spares		3,115	(1,516)
Stock-in-trade		(13,501)	(22,137)
Trade debts		(12,645)	(2,424)
Advances, prepayments and other receivables		10,887	(10,224)
		(12,644)	(36,987)
Increase in current liabilities:			
Trade and other payables		40,709	33,541
		155,848	109,042
Income tax paid		(33,051)	(26,682)
Staff gratuity paid	17.5	(13,215)	(2,627)
Staff retirement benefits paid	17.5	(10,845)	(2,063)
Return received on bank deposits		43	34
Finance costs paid		(18,478)	(18,698)
		(75,546)	(50,036)
Net cash flows from operating activities		80,302	59,006
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	5.2	(59,026)	(48,961)
Proceeds from disposal of operating fixed assets	5.3	18,307	7,505
Net cash flows from investing activities		(40,719)	(41,456)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(7,534)	(3,004)
Lease rentals paid		(997)	-
Short term borrowings		(20,000)	(20,000)
Net cash flows from financing activities		(28,531)	(23,004)
Net (decrease) / increase in cash and cash equivalents during the year		11,052	(5,454)
Cash and cash equivalents at beginning of the year		32,547	38,001
Cash and cash equivalents at end of the year		43,599	32,547
Cash and cash equivalents comprises of the following:			
Cash and bank balances	14	43,599	32,547
Short term borrowing - running finance	20	-	-
		43,599	32,547

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

ZIL Limited

Statement of Changes in Equity

As at 31 December 2018

	Note	Issued, subscribed and paid up capital	Capital Reserve: Surplus on Revaluation of assets - Net of tax	Revenue Reserves: General reserve	Revenue Reserves: Unappropriated profit	Total
		-----------------	-----------------	(Rupees in '000)	-----------------	-----------------
Balance as at 01 January 2017 - as previously reported		61,226	-	6,000	71,940	139,166
Impact of change in accounting policy - net of tax		-	203,371	-	-	203,371
Balance as at 01 January 2017 - as restated		61,226	203,371	6,000	71,940	342,537
Total comprehensive income for the year ended 31 December 2017						
Profit after taxation		-	-	-	16,876	16,876
Other comprehensive income						
Actuarial losses on remeasurement of defined benefit obligations	17.8	-	-	-	(2,468)	(2,468)
Less: Tax effect	9	-	-	-	740	740
		-	-	-	(1,728)	(1,728)
Total comprehensive income for the year		-	-	-	15,148	15,148
Cash dividend for the year ended 31 December 2016 (Rs. 0.5 per share) - approved in the annual general meeting held on 27 April 2017		-	-	-	(3,062)	(3,062)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	16	-	(7,711)	-	7,711	-
Reversal of surplus due to impairment of assets - net of tax	16	-	(2,706)	-	-	(2,706)
Balance as at 31 December 2017		61,226	192,954	6,000	91,737	351,917
Total comprehensive income for the year ended 31 December, 2018						
Profit after taxation		-	-	-	27,933	27,933
Other comprehensive income						
Actuarial losses on remeasurement of defined benefit obligations	17.8	-	-	-	(4,321)	(4,321)
Less: Tax effect	9	-	-	-	1,253	1,253
		-	-	-	(3,068)	(3,068)
Surplus on revaluation carried out during the year	16	-	217,951	-	-	217,951
Less: Tax effect	16	-	(26,433)	-	-	(26,433)
		-	191,518	-	-	191,518
Total comprehensive income for the year		-	191,518	-	24,865	216,383
Cash dividend for the year ended 31 December 2017 (Rs. 1.25 per share) - approved in the annual general meeting held on 26 April 2018		-	-	-	(7,654)	(7,654)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	16	-	(6,896)	-	6,896	-
Reversal of surplus due to disposal of assets	16	-	(1,435)	-	1,435	-
Reversal of deferred tax on revaluation surplus due to disposal of assets	16	-	416	-	-	416
Effect of change in future tax rate	16	-	6,405	-	-	6,405
Balance as at 31 December 2018		61,226	382,962	6,000	117,279	567,467

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

1. STATUS AND NATURE OF BUSINESS

ZIL Limited ("the Company") was incorporated as a private limited company in February 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a public limited company in November 1986. Its shares are listed on the Pakistan Stock Exchange. 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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act. 2017 have been followed.

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, buildings and plant and machineries) have been included at revalued amounts.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting 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 underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described as follows:

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 other staff retirement benefits

Certain actuarial assumptions have been adopted (as disclosed in note 17.3 to these financial statements) for the actuarial valuation of staff gratuity and other staff 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 (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made.The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

2.4.4 Trade debts and other receivables

The Company's management reviews its trade debts 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 values and value of assets for possible impairment on an 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 charge 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 charge and impairment.

2.5 Change In Accounting Standards, Interpretations And Amendments To Published Approved Accounting Standards

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual financial statements of the Company. These changes also include change in respect of recognition criteria of revaluation surplus on fixed assets as explained in detail in note 4, change in nomenclature of primary statements, etc. Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the elimination of duplicative disclosures with the IFRS disclosure requirements; and incorporation of significant additional disclosures which have been included in these financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 January 2018. However, these did not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning / ending on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'.Based on an initial assessment, the management is of the view that the impact on the adoption of the standard would not be significant.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods ending on or after 30 June 2019). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Based on an initial assessment of changes required in classification and measurement of financial instruments on the adoption of the standard, the management considers that the impact would not be significant.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. Based on an initial assessment, the management is of the view that the impact of this change is not likely to be material.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

  The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

2.6 Significant Transactions And Events Affecting The Company's Financial Position And Performance

a) During the year, authorized capital of the Company was increased from Rs. 100 million to Rs. 400 million.

b) The accounting policy relating to revaluation surplus on property, plant and equipment was changed during the year as detailed in note 4 to these financial statements.

c) During the year as of 31 December 2018, land and buildings and plant and machineries, were revalued again, details of which are mentioned in note 5 to these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set forth below and have been applied consistently to all years presented except for the change mentioned in note 4 to these financial statements.

3.1 Property, plant and equipment

Owned assets

Initial recognition

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Except for the leasehold and freehold lands, buildings on leasehold and freehold lands and plant and machinery, all others items of property, plant and equipment (refer note 5.1) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is measured at revalued amount. Leasehold land and buildings on leasehold land and free hold land and plant and machinery are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated amortisation / depreciation / accumulated impairment losses, if any, recognised subsequent to the date of revaluation. In case of revalued assets, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset. The surplus arising on revaluation is disclosed as surplus on revaluation of property, plant and equipment (as part of equity - refer note 4 also). The revaluation is carried out under the market value basis at regular intervals so as to ensure that the revalued amounts are not significantly different from the carrying amounts. For the purpose of revaluation, the Company also takes into consideration the highest and best use considering the alternate use if legally permissible, less costs to be incurred for the alternate use in which case the value is then allocated to land and building in proportion to the values determined on "as is" basis.

Cost in relation to items of property, plant and equipment stated at cost represents the historical costs. Capital stores and spares which form part of the machinery are also capitalized.

Expenditure incurred to replace a component of an item of operating assets is capitalised and the asset so replaced is retired. Other subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised.

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 their construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for intended use.

Depreciation & amortization

Depreciation is charged to profit and loss account applying the reducing balance method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates disclosed in note 5.1. Cost of the leasehold land is amortised over the period of the lease. Depreciation of the above assets / amortization of the cost of land on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss account in the year the asset is derecognized.

When revalued assets are sold, the relevant remaining surplus is transferred directly by the Company to its retained earnings.

Normal repairs and maintenance are charged to the profit and loss account during the financial year in which these are incurred.

3.1.2 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, an asset acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments, determined at the inception of the lease. Subsequent to initial recognition, the asset is stated at the amount determined at initial recognition less accumulated depreciation and impairment losses, if any.

Depreciation is charged on the same basis as used for owned assets.

3.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefit beyond one year are recognized as intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

Intangible assets with finite useful lives are amortised over the useful economic life as specified in note 5 and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.3 Staff Retirement benefits

a) Gratuity scheme - defined benefit plan

The Company operates an unfunded gratuity scheme for its eligible employees. Permanent employees who have completed four years of service with the company are eligible employees for this scheme and payment is made on the basis of employee's last drawn basic salary. Provision is made in the financial statements based on actuarial valuation (conducted at the balance sheet date - 31 December 2018) 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. Net interest expense and other expenses relating to defined benefit plan are recognised in the profit and loss account. Amount recognised in the balance sheet represents the present value of defined benefit obligation.

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 have completed ten years of services with the Company are eligible for benefits under this scheme and payment is made on the basis of employee's last drawn basic salary. Provision is made in these financial statements based on the actuarial valuation (conducted at the balance sheet date - 31 December 2018) 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. Net interest expense and other expense relating to defined benefit plan are recognised in the profit and loss account. Amount recognised in the balance sheet represents the present value of defined benefit obligation.

c) Provident fund - defined contribution plan

Provident fund is a defined contribution plan for regular staff. Monthly contributions are made both by the Company and the employees to the fund at the rate of 10% of the basic salary.

3.4 Compensated absences

The Company recognises the liability for compensated absences in respect of employees in the period in which they are earned up to the balance sheet date on the basis of un-availed earned leaves balance at the end of the year.

3.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognized directly in Equity.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any, and the minimum tax payable, in accordance with the provisions of Income Tax Ordinance, 2001. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. A deferred tax asset is recognised to the extent that it is probable that the future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax arising on surplus on revaluation of property, plant and equipment is recorded directly in the surplus account.

3.6 Stores and spares

These are stated at moving average cost less impairment loss, if any. The Company reviews the carrying amount of the stores and spares on a regular basis for slow moving items. Adequate provision is made for any excess carrying value over the estimated net realizable value and is recognized in the profit and loss account.

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 on weighted 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

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost, less provision for impairment, 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 receivables are written off when considered irrecoverable.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks.

3.10 Revenue recognition

Sales are stated net of sales tax, trade discount, rebate and sales return and are recognised when persuasive evidence of a sale exists. The key area of judgment in recognising revenue is the timing of recognition, which reflects the point or period when the Company has transferred significant risks and rewards of ownership to third parties. Revenue from sale of goods is measured at fair value of the consideration received or receivable and is recognised as revenue on dispatch of goods to customers.

Scrap sales are stated net of sales tax and are recognised in the year in which scrap sales are made.
Return on bank deposits is accounted for using effective interest method.

3.11 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost whch approximates to its fair value.

3.12 Liability against assets subject to finance lease

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.13 Provisions

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

3.14 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 the profit and loss account currently.

3.15 Financial instruments

The Company recognises financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognised initially at cost, which respectively is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost, as the case may be in accordance with its relevant accounting policy.

Financial assets are derecognised when the contractual right to cash flows from the asset expire, or when substantially all the risks and reward of ownership of the financial asset are transferred. Financial liability is derecognised when the Company's contractual obligations are discharged, cancelled or expired. Gain or loss on derecognisation is recognised in the profit and loss account.

A financial asset is assessed at each reporting date to determine if there is an objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of the asset.

3.16 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Company has the enforceable legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17 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 asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that the financial asset is impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on the terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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 and loss account.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is assessed 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 risks specific to the asset. 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 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 amortisation, if no impairment loss had been recognised.

3.18 Borrowings

All interest bearing borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortized cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the period in which these are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

3.19 Dividend and appropriations

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

3.20 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 year. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4. CHANGE IN AN ACCOUNTING POLICY

Effective 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the previous Companies Ordinance, 1984 (the repealed Ordinance). Section 235 of the repealed Ordinance related to treatment of surplus arising on revaluation of property, plant and equipment has not been carried forward in the Act. The said section of the repealed Ordinance specified the presentation and accounting treatment relating to the revaluation of property, plant and equipment which was not in accordance with the requirement of IAS 16 'Property, Plant and Equipment' as applicable in Pakistan. Consequently, the Company changed its accounting policy for the revaluation surplus on property, plant and equipment in accordance with the requirement of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provision of Section 235 of the repealed Ordinance. Earlier, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Ordinance. The accounting policy and presentation requirement relating to revaluation surplus on property, plant and equipment has been changed in the Companies Act,2017 to bring it in conformity with the requirement of IAS 16 "Property, Plant and Equipment". Due to the change, the revaluation surplus on property, plant and equipment is now presented in the statement of financial position and statement of changes in equity as a reserve i.e. part of equity.

The effect of the change is in the recognition and presentation of Rs. 192.954 million as of 31 December 2017 for revaluation surplus on property, plant and equipment as a capital reserve i.e. separate component of equity and derecognition of revaluation surplus of property, plant and equipment of Rs. 192.954 million, previously being presented below equity in the statement of financial position as of 31 December 2017. Due to this reason, surplus on revaluation of the land and buildings and plant and machinery amounting to Rs. 382.962 million as of 31 December 2018 has also been included in equity and as such there is no balance of surplus below equity (in any of the years).

There was no change in the reported amount of statement of financial position (except the retrospective effect of the total amount of equity as explained above), profit and loss account and other comprehensive income as at and for the year ended 31 December 2018 or the earlier years. There was no cash flow impact as a result of the retrospective application of change in accounting policy and no impact on basic and diluted earnings per share for the years ended 31 December 2017 and 31 December 2018.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
		(Rupees in '000)	
Operating fixed assets	5.1	702,474	458,029
Capital work-in-progress	5.2	11,471	26,246
		713,945	484,275

5.1 Operating fixed assets

2018

	Note	COST / REVALUED AMOUNT* As at 1 January 2018	Additions	Disposals	Adjustment due to revaluation	Surplus on Revaluation (note 5.5)	Impairment	As at 31 December 2018	Rate %	DEPRECIATION As at 1 January 2018	Charge for the year	Disposals	Impairment	Adjustment due to revaluation	As at 31 December 2018	Written down value as at 31 December 2018
		(Rupees in '000)								(Rupees in '000)						
Freehold land*		90,000	-	-	-	113,407	-	203,407	-	-	-	-	-	-	-	203,407
Leasehold land*	5.6	88,000	-	-	(4,982)	73,468	-	156,486	2.59 &10	2,506	2,476	-	-	(4,982)	-	156,486
Building on freehold land*		46,501	3,904	-	(9,161)	21,490	-	62,734	10	4,625	4,536	-	-	(9,161)	-	62,734
Building on leasehold land*	5.6	1,800	-	-	(342)	57	-	1,515	10	180	162	-	-	(342)	-	1,515
Plant, machinery and equipment*		192,946	19,329	(3,132)	(36,594)	9,529	-	182,078	10	18,168	18,753	(327)	-	(36,594)	-	182,078
Capital spares		17,084	4,930	-	-	-	-	22,014	10	8,476	1,107	-	-	-	9,583	12,431
Furniture and fixtures		19,297	1,213	-	-	-	-	20,510	10	8,464	1,116	-	-	-	9,580	10,930
Vehicles		67,963	34,838	(26,049)	-	-	-	76,752	20	28,807	9,688	(17,888)	-	-	20,607	56,145
Leasehold Vehicles		-	6,135	-	-	-	-	6,135	20	-	409	-	-	-	409	5,726
Computers		19,493	9,351	(1,936)	-	-	-	26,908	30	13,828	3,496	(1,438)	-	-	15,886	11,022
		543,084	79,700	(31,117)	(51,079)	217,951	-	758,539		85,054	41,743	(19,653)	-	(51,079)	56,065	702,474

2017

	Note	COST / REVALUED AMOUNT* As at 1 January 2017	Additions	Disposals	Adjustment due to revaluation	Surplus on Revaluation (note 5.5)	Impairment	As at 31 December 2017	Rate %	DEPRECIATION As at 1 January 2017	Charge for the year	Disposals	Impairment	Adjustment due to revaluation	As at 31 December 2017	Written down value as at 31 December 2017
		(Rupees in '000)								(Rupees in '000)						
Freehold land*		90,000	-	-	-	-	-	90,000	-	-	-	-	-	-	-	90,000
Leasehold land*	5.6	88,000	-	-	-	-	-	88,000	2.59 & 10	-	2,506	-	-	-	2,506	85,494
Building on freehold land*		45,988	513	-	-	-	-	46,501	10	-	4,625	-	-	-	4,625	41,876
Building on leasehold land*	5.6	1,800	-	-	-	-	-	1,800	10	-	180	-	-	-	180	1,620
Plant, machinery and equipment*		173,878	25,991	(62)	-	-	(6,861)	192,946	10		18,860	(6)	(686)	-	18,168	174,778
Capital spares		16,198	886	-	-	-	-	17,084	10	7,559	917	-	-	-	8,476	8,608
Furniture and fixtures		19,016	281	-	-	-	-	19,297	10	7,278	1,186	-	-	-	8,464	10,833
Vehicles		64,663	15,989	(12,689)	-	-	-	67,963	20	30,559	7,384	(9,136)	-	-	28,807	39,156
Computers		21,389	1,251	(3,147)	-	-	-	19,493	30	14,413	2,239	(2,824)	-	-	13,828	5,665
		520,932	44,911	(15,898)	-	-	(6,861)	543,084		59,809	37,897	(11,966)	(686)	-	85,054	458,030

5.1.1 Cost of above assets include cost of assets of Rs. 2.227 million (2017: Rs. 1.914 million) having net book value of Nil value at the reporting date which are still in use.

5.1.2 Factory of the Company is situated at 3.65 acres of land at link hali road Hyderabad and 11 acres of idle land is situated at plot no G1 chemical area eastern industrial zone Port Qasim Authority Karachi.

5.2 Capital work in progress

	As at 01 January 2018	Additions	(Transfers to operating assets)	As at 31 December 2018
	(Rupees in '000)			
Payments for:				
- Building on freehold land	3,411	493	(3,904)	-
- Plant, machinery and equipments	15,297	7,046	(19,329)	3,014
- Furniture and fixtures	-	1,598	(1,213)	385
- Vehicles (advance)	7,538	30,570	(34,838)	3,270
- Capital spares	-	4,930	(4,930)	-
- Leasehold Vehicles	-	6,135	(6,135)	-
- Computers	-	9,351	(9,351)	-
	26,246	60,123	(79,700)	6,669
- Intangibles	-	5,038	(236)	4,802
	26,246	65,161	(79,936)	11,471

5.3 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	Other Particulars
		(Rupees in '000)							
Items having net book value above Rs. 100,000 each									
Vehicles									
Suzuki Cultus	2014	1,039	533	506	506	-	As per policy	Mr. Sajid Pervaiz	Employee
Suzuki Cultus	2015	1,039	525	514	514	-	As per policy	Mr. Izhar ul Haq	Employee
Suzuki Mehran	2013	732	120	612	660	48	As per policy	Taj motors	Show room
Honda Civic VTI Prosmatic Oriel	2013	2,332	1615	717	717	-	As per policy	Mr. Mubashir hassan	Employee
Honda Civic Prosmatic	2017	2,391	1708	683	1,710	1,027	As per policy	Mr. Muhammed Amir	Employee
Suzuki Cultus	2012	995	726	269	269	-	As per policy	Mr. Mudassir Hussain	Employee
Suzuki Cultus	2011	896	695	201	201	-	As per policy	Mr. Abdul Rais	Employee
Suzuki Cultus	2011	896	699	197	197	-	As per policy	Mr. Arshad Ali	Employee
Suzuki Cultus	2012	950	675	275	275	-	As per policy	Mr. Unsar Sibtain	Employee
Suzuki Cultus	2011	896	699	197	197	-	As per policy	Mr. M.Anis	Employee
Suzuki Cultus	2013	1,010	663	347	347	-	As per policy	Mr. Ghufran Farooqi	Employee
Suzuki Alto	2012	742	534	208	208	-	As per policy	Mr. Adnan Farooqi	Employee
Toyota Corolla	2011	1,554	1170	384	384	-	As per policy	Mr. Ata ur Rehman	Employee
Toyota Corolla	2011	1,529	1186	343	343	-	As per policy	Ms. FarahNaz	Employee
Toyota Corolla	2012	1,673	1204	469	477	8	As per policy	Mr. Asad Ali Malik	Employee
Suzuki Cultus	2013	1,010	687	323	725	402	Negogiation	Taj Motors	Show room
Suzuki Cultus	2013	1,019	675	344	801	457	Negogiation	Taj Motors	Show room
Toyota Corolla GLI	2012	1,716	1243	473	1,226	753	Negogiation	Taj Motors	Show room
Toyota Corolla GLI	2011	1,462	1188	274	1,195	921	Negogiation	Taj Motors	Show room
Suzuki Cultus	2013	1,019	688	331	700	369	Negogiation	Suzuki South	Show room
Suzuki Cultus	2013	1,010	706	304	323	19	As per policy	Mr. Shahid	Employee
Honda City 1300CC	2008	995	895	100	850	750	Negogiation	Mr. Musa Raza Kazmi	Indivіual Buyer
Plant, machinery and equipment									
UPS Batteries 20KVA	2015	292	170	122	28	(94)	Negogiation	Power Dynamics	Indivіual Buyer
TreadMill Fitness System	2015	126	20	106	60	(46)	Negogiation	Get Smart Gym	Indivіual Buyer
Machineries	1981	2,893	289	2,604	5,000	2,396	Negogiation	Mr. Momin Khan	Indivіual Buyer
		30,216	19,313	10,903	17,913	7,010			
Net book value not exceeding Rs. 100,000 each (several and cummulative amount not material either)		901	340	561	394	(167)	Negogiation	Several	-
31 December 2018		31,117	19,653	11,464	18,307	6,843			
31 December 2017		15,898	11,966	3,932	7,505	3,573			

5.4 Depreciation on property, plant and equipment - operating fixed assets and amortization on intangibles asset for the year has been allocated as follows:

	Note	2018	2017
		(Rupees in '000)	
Depreciation on property, plant and equipment - operating fixed assets	5.1	41,743	37,897
Amortization on intangible assets	6	298	288
		42,041	38,185
Cost of sales	23	28,315	21,196
Selling and distribution expenses	24	7,174	7,659
Administrative expenses	25	6,552	9,330
		42,041	38,185

5.5 The land, buildings and machineries of the Company were revalued on 31 December 2018 by an independent valuer M/s. Arif Evaluators on a market value basis after making independent market inquires from local estate agents / realtors in the vicinity to establish the present market value (and considering alternate use also notwithstadning the fact that value as per the alternate use is on a higher side than the actual usage, essentially due to the economic factor). The Company has valued its Freehold Land and Building on freehold land on alternate use basis, being the highest and best use of the said property. The revaluations of the above assets were earlier carried out in 2016, 2013, 2010 and 2007. The resulting surplus has been credited to the revaluation surplus account, net of related tax effect. The impact of valuation was incorporated in the financial statements as at 31 December 2018 (and earlier years also) which resulted in surplus of Rs. 217.951 million for this year. The details of the revaluation surplus amounts (gross) for the year ended 31 December 2018 are as follows:

	(Rupees in '000)
Freehold land	113,407
Leasehold land	73,468
Building on freehold land	21,490
Building on leasehold land	57
Plant, machinery and equipment	9,529
	217,951

5.6 At 31 December 2018, the written down value of the temporarily idle property, plant and equipments comprising of leasehold land and building (and leasehod improvements on leasehold land) amounted to Rs. 156.486 million and Rs 1.5 million respectively.

5.7 Had there been no revaluation, the related figures of land, buildings and plant & machinery as at 31 December 2018 would have been as follows:

	Net book value (Rupees in '000)
Free hold land	29
Lease hold land	16,623
Building on freehold land	17,452
Building on leasehold land	932
Plant, machinery and equipment	127,323
	162,359

5.8 The total of forced sale values based on the revaluations explained in note 5.5 above are as follows:

	Forced sale value (Rupees in '000)
Free hold land	124,100
Lease hold land	130,900
Building on freehold land	38,275
Building on leasehold land	3,400
Plant, machinery and equipment	154,765
	451,440

6. INTANGIBLE ASSETS

2018

	COST			Rate	AMORTIZATION			Written down value as at 31 December 2018
	As at 1 January 2018	Additions	As at 31 December 2018	%	As at 1 January 2018	For the year	As at 31 December 2018	
	(Rupees in '000)				(Rupees in '000)			
Computer software and licenses	15,718	236	15,954	30	15,428	298	15,726	228

2017

	COST			Rate	AMORTIZATION			Written down value as at 31 December 2017
	As at 1 January 2017	Additions	As at 31 December 2017	%	As at 1 January 2017	For the year	As at 31 December 2017	
	(Rupees in '000)				(Rupees in '000)			
Computer software and licenses	15,718	-	15,718	30	15,140	288	15,428	290

7. LONG TERM DEPOSITS

	Note	2018	2017
		(Rupees in '000)	
Considered good	22.1.1	2,786	2,786
Sui Southern Gas Company Limited		1,593	1,452
Office and warehouse premises	22.1.1	650	650
Letter of guarantee		13	13
Central Depository Company of Pakistan Limited		400	405
Others		5,442	5,306
Considered doubtful		121	113
Others		(121)	(113)
Provision held against others		-	-
		5,442	5,306

8. LONG TERM LOANS TO EMPLOYEES - secured

	Note	2018	2017
		(Rupees in '000)	
Considered good			
Loans to employees	8.1	**1,790**	1,426
Less: current maturity		**(1,006)**	(475)
Long term portion		**784**	951

8.1 These mark-up free loans have been given to the employees. These are recoverable in 6 to 60 equal monthly instalments and are secured against employees' provident fund balances. These have not been discounted to their present value, as the financial impact is not material.

9. DEFERRED TAX ASSET - net

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

	Balance as at 1 January 2017	Recognized in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	Recognized in other comprehensive income	"Balance as at 31 December 2017"	Recognized in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	Recognized in other comprehensive income	"Balance as at 31 December 2018"
	(Rupees in '000)								
Taxable temporary differences on:									
- accelerated tax depreciation	(25,830)	1,150	-	-	(24,680)	4,858	-	-	(19,822)
- surplus on revaluation of property, plant and equipment	(48,569)	3,305	1,160	-	(44,104)	2,817	6,821	(26,433)	(60,899)
- Leased Vehicle	-	-	-	-	-	(67)	-	-	(67)
	(74,399)	4,455	1,160	-	(68,784)	7,608	6,821	(26,433)	(80,788)
Deductible temporary differences on:									
- provision for defined benefit plans	27,375	2,789	-	740	30,904	(6,497)	-	1,253	25,660
- provision against slow moving and obsolete stock and doubtful trade debts	10,267	700	-	-	10,967	(2,316)	-	-	8,651
- tax losses (note 9.1)	68,129	(32,191)	-	-	35,938	9,559	-	-	45,497
	105,771	(28,702)	-	740	77,809	746	-	1,253	79,808
Deferred tax asset - net	31,372	(24,247)	1,160	740	9,025	8,354	6,821	(25,180)	(980)

9.1 This includes deferred tax of Rs. 12.24 million (2017: Rs. 13.60 million) recorded on unabsorbed tax depreciation and amortisation.

9.2 Deferred tax balance has been recognised at the rates at which these are expected to be settled / realised.

9.3 The management has recorded deferred tax asset based on financial projections indicating the absorption of deferred tax asset over a number of future years against future expected taxable profits. The financial projections involve certain key assumptions such as sales price and composition, raw materials, labour prices and distribution channels, etc. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset. Nonetheless, the management is confident of the achievement of its targeted results.

10. STORES AND SPARES

	Note	2018	2017
		(Rupees in '000)	
Stores and spares		**21,768**	24,883
Provision against slow moving stores and spares	10.1	**(9,085)**	(9,085)
		12,683	15,798

10.1 Provision against slow moving stores and spares

	Note	2018	2017
Balance as at 01 January		**9,085**	6,367
Charge for the year	24	**-**	2,718
Balance as at 31 December		**9,085**	9,085

		Note	2018	2017
			(Rupees in '000)	
11.	**STOCK-IN-TRADE**			
	Raw material			
	- in hand	11.1	64,303	80,646
	- in transit		24,875	5,789
			89,178	86,435
	Packing material		20,874	20,969
	Work-in-process		7,814	6,379
	Finished goods		85,429	77,963
			203,295	191,746
	Provision against slow moving and obsolete stock	11.2	(16,363)	(18,315)
			186,932	173,431

11.1 This includes stocks aggregating Rs. Nil (31 December 2017: Rs. Nil million) stated at their net realizable values as against their cost of Rs. Nil (31 December 2017: Rs. Nil million).

11.2 Provision against slow moving and obsolete stock

	Note	2018	2017
Balance as at 01 January		18,315	13,446
Charge for the year	24	40	4,869
Write off during the year		(1,992)	-
Balance as at 31 December		16,363	18,315

12. TRADE DEBTS

	Note	2018	2017
Considered good	12.1	46,188	33,543
Considered doubtful		8,239	8,239
		54,427	41,782
Provision against doubtful trade debts	12.3	(8,239)	(8,239)
		46,188	33,543

12.1 Above balances are mark-up free and unsecured.

12.2 There are no balances due from the related parties.

12.3 Provision against doubtful trade debts

	Note	2018	2017
Balance as at 01 January		8,239	13,529
(Reversal) / charge for the year	25	-	(5,290)
Balance as at 31 December		8,239	8,239

13. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2018	2017
		(Rupees in '000)	
Considered good			
Advance			
- for taxation		90,740	97,267
- to sales staff		502	502
Advances to suppliers and contractors		3,489	1,545
Prepayments		2,859	2,491
Current maturity of loans to employees	8	1,006	475
Other receivables	13.1	140	13,208
		98,736	115,488
Considered doubtful			
Advances to suppliers and contractors		803	803
Less: Provision against doubtful advances		(803)	(803)
		-	-
		98,736	115,488

13.1 This includes margin on letter of credit amounting to Nil (2017: Rs. 13 million).

14. CASH AND BANK BALANCES

	Note	2018	2017
Cash in hand		165	62
Cash at banks			
- collection accounts (current accounts)		36,711	26,427
- current accounts		6,639	5,983
- profit and loss sharing account	14.1	84	75
		43,434	32,485
		43,599	32,547

14.1 This carries interest rate at 3.5% - 4.5% (31 December 2017: 4.5%) per annum.

15. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

15.1 Authorised share capital

During the year, authorised capital of the Company was increased from Rs. 100 million to Rs. 400 million.

15.2 Issued, Subscribed and Paid-Up Capital

2018	2017		2018	2017
(Numbers of shares)				
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	2,522,600	Fully paid ordinary shares of Rs. 10 each issued as bonus shares	25,226	25,226
6,122,600	6,122,600		61,226	61,226

16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax

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

	Note	2018	2017
Opening balance		237,058	251,940
Surplus on revaluation carried out during the year	5.5	217,951	-
Reversal of surplus due to disposal of assets		(1,435)	-
Reversal of surplus due to impairment of assets		-	(3,866)
Transferred to retained earnings in respect of:			
- incremental depreciation charged during the year		(6,896)	(7,711)
- related deferred tax liability	9	(2,817)	(3,305)
		443,861	237,058
Less: deferred tax liability			
- at beginning of the year		44,104	48,569
- Related to revaluation made during the year		26,433	-
- Effect of change in future tax rates		(6,405)	-
- Reversal due to disposal of assets		(416)	-
- Reversal due to impairment of assets		-	(1,160)
- on incremental depreciation charged during the year	9	(2,817)	(3,305)
		60,899	44,104
Closing balance		382,962	192,954

17. DEFERRED STAFF LIABILITIES - staff retirement benefits

17.1 Gratuity and other staff retirement benefit scheme (defined benefit obligations)

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

- Death
- Retirement
- Resignation

17.2 Number of Employees under the scheme

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

	2018	2017
	(Number)	
Gratuity Scheme	172	173
Other Retirement Benefit Scheme	33	45

17.3 Principal actuarial assumptions

The latest actuarial valuations of the above gratuity and retirement benefit schemes were carried out as at 31 December 2018 under the Project Unit Credit Method. Principal actuarial assumptions used in the valuation of the schemes are as follows:

	Gratuity Scheme		Other Staff retirement benefit scheme	
	2018 (%)	2017 (%)	2018 (%)	2017 (%)
Financial assumptions				
Valuation discount rate	10	8.25	10	8.25
Salary increase rate	10	8.25	10	8.25
Demographic assumptions				
Mortality rate	SLIC (2001- 2005)	SLIC (2001- 2005)	SLIC (2001- 2005)	SLIC (2001- 2005)
Employee turnover rate	age 20 = 220.32	age 20 = 220.32	age 20 = 110.16	age 20 = 110.16
	age 25 = 146.88	age 25 = 146.88	age 25 = 73.44	age 25 = 73.44
	age 30 = 102.82	age 30 = 102.82	age 30 = 51.41	age 30 = 51.41
	age 35 = 65.66	age 35 = 65.66	age 35 = 32.83	age 35 = 32.83
	age 40 = 32.83	age 40 = 32.83	age 40 = 16.42	age 40 = 16.42
	age 45 = 16.42	age 45 = 16.42	age 45 = 8.21	age 45 = 8.21
	age 50 = 9.5	age 50 = 9.5	age 50 = 4.75	age 50 = 4.75
	age 53 = 7.78	age 53 = Nil	age 53 = 3.89	age 53 = 3.89
	age 59 = 7.78	age 59 = Nil	age 59 = 3.89	age 59 = Nil

17.4 Payable to defined benefit schemes

	Note	Gratuity Scheme		Other staff retirement benefit scheme		Total	
		2018	2017	2018	2017	2018	2017
		(Rupees in '000)					
Payable to defined benefit schemes	17.5	77,276	74,625	21,304	28,388	98,580	103,013

17.5 Movement in liability recognized

	Note	Gratuity 2018	Gratuity 2017	Other 2018	Other 2017	Total 2018	Total 2017
Opening balance		74,625	65,506	28,388	25,746	103,013	91,252
Recognized in the profit and loss account	17.7	12,566	11,217	2,740	2,766	15,306	13,983
Remeasurement loss recognised in other comprehensive income	17.8	3,300	529	1,021	1,939	4,321	2,468
Benefits paid during the year		(13,215)	(2,627)	(10,845)	(2,063)	(24,060)	(4,690)
Closing balance		77,276	72,625	21,304	28,388	98,580	103,013

17.6 Reconciliation of the present value of the defined benefit obligations

	Gratuity Scheme		Other staff retirement benefit scheme		Total	
	2018	2017	2018	2017	2018	2017
	(Rupees in '000)					
Present value of obligation - opening balance	74,625	65,506	28,388	25,746	103,013	91,252
Current service cost	6,955	6,082	845	789	7,800	6,871
Interest cost	5,611	5,135	1,895	1,977	7,506	7,112
Benefits paid	(13,215)	(2,627)	(10,845)	(2,063)	(24,060)	(4,690)
Remeasurement of actuarial losses on obligation	3,300	529	1,021	1,939	4,321	2,468
Present value of obligation - closing balance	77,276	74,625	21,304	28,388	98,580	103,013

17.7 Recognised in profit and loss account

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

	Gratuity Scheme		Other staff retirement benefits scheme		Total	
	2018	2017	2018	2017	2018	2017
	(Rupees in '000)					
Current service cost	6,955	6,082	845	789	7,800	6,871
Interest cost	5,611	5,135	1,895	1,977	7,506	7,112
	12,566	11,217	2,740	2,766	15,306	13,983

17.8 Remeasurement recognised in other comprehensive income

Actuarial losses on obligation						
- Financial assumptions	-	-	-	-	-	-
- Experience adjustment	3,300	529	1,021	1,939	4,321	2,468
Total remeasurement recognised in other comprehensive income	3,300	529	1,021	1,939	4,321	2,468

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

	(Rupees in '000)
Gratuity scheme	14,307
Other staff retirement benefit scheme	2,256

17.10 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	Other staff retirement benefits scheme	Gratuity Scheme	Other staff retirement benefits scheme
	(Rupees in '000)			
Discount rate effect				
Original liability	**77,276**	**21,304**	**10.00%**	**10.00%**
1% increase	72,228	20,903	11.00%	11.00%
1% Decrease	83,032	21,726	9.00%	9.00%
Salary increase rate effect				
Original liability	**77,276**	**21,304**	**10.00%**	**10.00%**
1% increase	83,353	21,817	11.00%	11.00%
1% Decrease	71,856	20,807	9.00%	9.00%

If Life Expectancy increases by one year	Gratuity Scheme	Other staff retirement benefits scheme
	(Rupees in '000)	
Original liability	**77,276**	21,304
1% increase	**77,276**	21,304
Current duration (years)	**6.99**	1.93

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.

18. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

The Company has acquired a vehicle under finance lease arrangement from First Habib Modaraba. The lease is for a period of five years expiring on 27 September 2023, with an option to purchase the asset at nominal amount. Effective interest rate is 10.27%. At the end of the reporting period, the future minimum lease payments under finance lease arrangement were as follows:

	Present Value	Interest	Future Lease Payment
	(Rupees in '000)		
Less than one year	941	525	1,466
Between one and five years	4,515	982	5,497
	5,456	1,507	6,963

19. TRADE AND OTHER PAYABLES

	Note	2018	2017
		(Rupees in '000)	
Trade creditors		**58,348**	50,445
Accrued expenses		**89,472**	71,531
Advance from customers		**43,147**	32,586
Sales tax payable (subsequently paid)		**28,256**	23,921
Deductions on account of vehicles for the employees		**3,089**	4,621
Accrued mark-up on short term borrowings		**2,502**	3,001
Worker's Welfare Fund	19.1	**918**	2,198
Workers' Profit Participation Fund	19.2	**3,116**	2,241
Other liabilities		**2,634**	728
		231,482	191,272

19.1 Workers' Welfare Fund

	Note	2018	2017
Balance as at 1 January		**2,198**	851
Provision for the year	28	**93**	1,347
Payments during the year		**(1,373)**	-
Balance as at 31 December		**918**	2,198

19.2 Workers' Profit Participation Fund

	Note	2018	2017
Balance as at 1 January		**2,241**	325
Provision for the year	28	**3,116**	2,241
Payments during the year		**(2,241)**	(325)
Balance as at 31 December		**3,116**	2,241

20. SHORT TERM BORROWINGS

	Note	2018	2017
Salam and Istisna finances	20.1	**190,000**	210,000
Running finance	20.2	**-**	-
		190,000	210,000

20.1 These facilities, representing Salam, Istisna and Karobar financing facilities, are available from certain commercial banks up to Rs. 270 million (2017: Rs. 270 million) and carries mark-up of 6 Month KIBOR+0.5% - 1% (2017: 6 Month KIBOR+0.5%) per annum and are repayable between 18 February 2019 to 10 June 2019. The facilities are secured by way of first pari passu charge over present and future current assets of the Company. At 31 December 2018, unutilised facilities aggregated to Rs.80 million (2017: Rs. 60 million) and untilised portion of Salam and Istisna facilities amounted to Rs. 50 million from Soneri bank (2017: Rs. 60 million) and Istisna and Karobar financing of Rs. 30 million from Bank Islami (2017: Rs. NIL). These facilities, being sub limit of the above available facility of Rs. 270 million, include Salam, Istisna, Karobar finance of Rs. 150 million from Soneri bank and Rs. 120 million from Bank Islami.

20.2 The facility for running finance available from a commercial bank of Rs. 300 million (2017: Rs. 300 million) carries mark-up at 1 month KIBOR+0.75% (2017: 1 month KIBOR+0.75%) per annum valid until 31 December 2018 and is generally renewable (subsequently renewed upto 28 February 2019). The facility is secured by first pari passu charge by way of hypothecation over all present and future current assets of the Company with a margin of 25% and first pari passu charge of Rs. 113.33 million over all plant and machinery of the Company. At 31 December 2018, unutilised facility for running finance aggregated to Rs. 300 million (2017: Rs. 300 million). At 31 December 2018, LC sight and usance facility available amounted to Rs. 200 million (31 December 2017: Rs. 200 million).

20.3 At 31 December 2018, unutilised letter of credit facilities from certain banks amounted to Rs. 357.85 million (31 December 2017: Rs. 250.17 million). These are secured against the import bills of the Company. Total facilities sanctioned to the Company amounted to Rs. 420 million (31 December 2017: Rs. 300 million).

21. TAXATION

	Note	2018	2017
		(Rupees in '000)	
Current year	21.2	21,962	-
Prior year		17,616	105
Deferred	9	(8,354)	24,247
		31,224	24,352

21.1 Relationship between income tax expense and accounting profit

	Note	2018	2017
Profit before tax		59,157	41,228
Tax at the applicable tax rate of 29% (31 December 2017: 30%)		17,156	12,368
Tax credit		(1,931)	-
Increase in tax losses due to the allowance of previously disallowed expenses	21.6	(11,000)	-
Insurance commission income taxed at lower rate		47	74
Effect of prior year tax		17,616	105
Effect of change in future tax rate		1,644	-
Permanent differences		7,692	11,805
Tax expense		31,224	24,352

21.2 Sufficient provision for tax bas been made in these financial statements taking into account the profit or loss for the year and various admissible and inadmissible allowances and deduction under the Income Tax Ordinance, 2001. Position of provision and assessment including returns filed and deemed assessed for last three years are as follows:

	2017	2016	2015
	(Rupees in '000)		(note 21.3)
Tax provision including effects of prior years	17,616	-	-
Tax assessed / return filed	17,616	-	14,230

21.3 In view of loss for the financial year ended 31 December 2015, provision for tax for the then year ended 31 December 2015, including the minimum tax under the Income Tax Ordinance, 2001, was not made in the financial statements for the year ended 31 December 2015. The Company had obtained an opinion from a tax advisor based on which it believes that it is not required to pay tax under section 113 of the Income Tax Ordinance, 2001, in view of gross loss for the year ended 31 December 2015, before the set off of depreciation and other inadmissible expenses under the Income Tax Ordinance, 2001 (as under the above section minimum tax is not payable in case of gross loss before the set off of depreciation and other inadmissible expenses). However, Finance Act 2016 has deleted the said proviso of gross loss. The management, believes that the minimum tax for the year ended 31 December 2015 is not payable as the amendment to the said proviso is applicable for tax year 2017 and onwards and accordingly provision for minimum tax amounting to Rs. 14.23 million has not been made. However, CIR had levied minimum tax on the Company vide an amended assessment order, against which the Company has filed an appeal with the CIR Appeals. During the current year ended 31 December 2018, CIR(A) vide an order dated 5 October 2018 has confirmed the levy of minimum tax. Disagreeing with this, the Company has filed an appeal with the Appellate Tribunal Inland Revenue, since the management believes that the minimum tax for the year ended 31 December 2015 is not payable due to the reason given above.

21.4 Income Tax Assessments of the Company have been completed up to and including the financial year ended 31 December 2017 with the exception of accounting years 2007, 2011, 2012, 2014, and 2015. For financial year ended 2011, audit proceedings were initiated and completed vide order passed under section 122(1)(5) of the Income Tax Ordinance, 2001 in which certain disallowances were made amounting to Rs. 12.289 million against which appeal was filed by the Company. The appeal was heard and then subsequently the CIR Appeals passed a revised order in which certain expenses earlier disallowed were allowed amounting to Rs. 4.66 million while expenses amounting to Rs. 6.65 million were remanded back by CIR Appeals to Deputy Commissioner Inland Revenue (DCIR). In respect of the remaining amount, the Company has already filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending decision. Based on the Company's tax advisor's view, a favourable decision is expected and therefore the subject demand is expected to be quashed.

Furthermore, on 21 April 2015, an order under sub-section (5A) of section 122 of the Income Tax Ordinance, 2001 was passed by the Additional Commissioner Inland Revenue for the financial year 2012, in which tax demand of Rs. 0.75 million was raised against certain disallowances. The Company has filed an appeal against the alleged order before the Commissioner Inland Revenue Appeals who vide its order dated 8 September 2016 has allowed certain expenses of Rs. 1.82 million which were earlier disallowed (tax effect being Rs. 0.65 million). In respect of the remaining amount, the Company has already filed an appeal before the ATIR which is pending decision. Based on the Company's tax advisor's view, a favourable decision is expected and therefore the subject demand is expected to be quashed.

21.5 Return for the financial year 2007 was selected for audit under section 177 of Income Tax Ordinance 2001 and an amended assessment order dated 30 March 2009 was passed in which certain disallowances were made by the taxation authorities. Disagreeing to the above, the Company filed an appeal before the Commissioner Inland Revenue, Appeal (CIR-A) and also filed an appeal before the CIR-A against the refusal of the Taxation Officer to rectify certain mistakes. The CIR-A vide his order No. 15 and 16 dated 25 October 2011 deleted all the additions except for the alledged unreconciled production of manufactured goods amounting to Rs. 3.3 million. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) for not allowing relief in respect of disallowance of Rs. 3.3 million on account of alledged unreconciled production of manufactured goods. Further, the tax department has also filed an appeal before ATIR on certain reliefs of Rs. 4.8 million earlier decided in favour of the Company. In the Appellate Order (AO) dated 8 October 2013 passed by the ATIR, the issue of unreconciled production was deleted (decided in favour of the Company) and simultaneously setting aside the same for reverification. In response to it the department filed MA in response to which, ATIR passed AO dated 5 May 2015 by remanding back the issue for reverification of unreconciled difference, strictly in the light of history of the case and subsequent years. Following the judgement of ATIR, department has initiated set-aside proceedings. The Company has submitted the response and details regarding unreconciled production. No order has been passed by the department in relation to the set-aside proceedings. The Company expects a decision in its favour.

21.6 Returns for the financial years ended 31 December 2014 and 31 December 2015 were amended under section 122(9) of Income Tax Ordinance 2001 and amended assessment orders dated 22 September 2017 and 18 April 2017 respectively were passed in which certain disallowances were made by the taxation authorities. Disagreeing to the above, the Company had filed appeals before the CIR Appeals. During the current year, these appeals were partly decided in favour of the Company by the CIR(A), allowing the Company expenses amounting to Rs. 15.70 million (for year ended 31 December 2015) and Rs. 36.6 million (for year ended 31 December 2016). The tax authorities have filed appeals before the ATIR against the CIR(A)'s order to allow relief to the Company. The Company expects a decision in its favor. Due to the allowance of these losses, the Company during the year has recognised the related tax benefit for the losses.

21.7 As per the Income Tax Ordinance, 2001 every public company other than a scheduled bank or modaraba, is required to pay tax at five percent of the accounting profit before tax if that company derives profit for a tax year but does not distribute at least 20 percent of its after tax profit within six months of the end of the tax year through cash or bonus.

The Board of Directors in their meeting held on 27 March, 2019 has proposed to distribute Rs. 9.184 million dividend for the accounting year ended 31 December 2018 to comply with the above stated requirement. Accordingly, no provision for taxation has been recognised in these financial statements.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 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 2017: Rs. 7.02 million) in addition to which security deposit of Rs. 2.786 million has also been given to Sui Southern Gas Company Limited. Bank guarantee has also been issued in favour of Pakistan State Oil for issuance of PSO fleet cards aggregating to Rs. 1.3 million (31 December 2017: Rs. 1.3 million) against which security deposit of Rs. 0.65 million have been given. These guarantees are also secured in the manner explained in note 20.3 to these financial statements.

22.1.2 Refer note 21 for tax related pending matters.

22.2 Commitments

22.2.1 Commitments under letters of credit for the import of stock in trade items at 31 December 2018 amounted to Rs. 25.657 million (31 December 2017: Rs. 11.763 million) representing the LCs opened by the year end but no shipment made by that date.

22.2.2 Commitments relating to capital expenditure as at 31 December 2018 amounted to Rs.4.8 million (2017: Nil million).

23. SALES - net

	Note	2018	2017
		(Rupees in '000)	
Gross sales		2,569,323	2,141,947
Sales tax		(408,790)	(341,985)
Trade discount		(258,144)	(199,630)
Sales return and rebate		(7,684)	(956)
		(674,618)	(542,571)
		1,894,705	1,599,376

24. COST OF SALES

	Note	2018	2017
		(Rupees in '000)	
Raw material consumed	24.1	1,015,948	852,370
Packing material consumed	24.2	124,530	105,653
Salaries, wages and other benefits	24.3	121,768	130,256
Depreciation and amortisation	5.4	28,315	21,196
Fuel and power		21,084	15,276
Freight and handling charges		15,615	10,237
Provision for slow moving and obsolete stock	11.2	40	4,869
Stores and spares consumed		5,630	4,359
Rent, rates and taxes		6,300	2,839
Provision for slow moving stores and spares	10.1	-	2,718
Travelling and conveyance		3,363	2,423
Impairment against operating fixed assets		-	2,310
Insurance expense		2,479	2,197
Repair and maintenance		913	724
Postage, telegrams and telephones		597	631
Printing and stationery		330	193
Legal and professional charges		202	144
Product research and development		104	364
Subscription charges		43	39
Goods purchased for resale		18,267	-
Stores and spares written off		-	140
Water charges		36	-
Others		1,260	711
		1,366,824	1,159,649
Opening stock of work-in-process		6,379	8,785
Closing stock of work-in-process	11	(7,814)	(6,379)
Cost of good manufactured		1,365,389	1,162,055
Opening stock of finished goods		77,963	64,137
Closing stock of finished goods	11	(85,429)	(77,963)
		1,357,923	1,148,227

24.1 Raw material consumed

	Note	2018	2017
Opening stock		80,646	55,581
Purchases		999,605	877,435
		1,080,251	933,016
Closing stock	11	(64,303)	(80,646)
Raw material consumed		1,015,948	852,370

24.2 Packing material consumed

	Note	2018	2017
		(Rupees in '000)	
Opening stock		20,969	18,525
Purchases		124,435	108,097
		145,404	126,622
Closing stock	11	(20,874)	(20,969)
Packing material consumed		124,530	105,653

24.3 Salaries, wages and other benefits include Rs. 9.4 million (31 December 2017: Rs. 8.525 million) in respect of the accrual for defined benefit obligations of the Company and contribution of Rs. 2.120 million (2017: Rs. 2.120) to the provident fund.

25. SELLING AND DISTRIBUTION EXPENSES

	Note	2018	2017
Salaries, wages and other benefits	25.1	127,322	111,106
Advertisement expenses		94,965	87,448
Freight, distribution and handling charges		66,941	56,258
Travelling and conveyance		20,527	16,165
Depreciation and amortisation	5.4	7,174	7,659
Rent, rates and taxes		6,188	6,106
Product research and development		10,827	4,448
Meeting expenses		864	1,680
Postage, telegrams and telephones		2,079	2,161
Insurance expense		1,989	1,782
Legal and professional charges		1,418	1,492
Utility charges		707	669
Repair and maintenance		647	536
Printing and stationery		437	509
Others		2,788	2,334
		344,873	300,353

25.1 These include Rs. 2 million (31 December 2017: Rs. 2.106 million) in respect of the accrual for defined benefit obligations of the Company and contribution of Rs. 2.8 million (2017: Rs. 2.605 million) to the provident fund.

26. ADMINISTRATIVE EXPENSES

	Note	2018	2017
Salaries, wages and other benefits	26.1	77,981	69,320
Depreciation and amortisation	5.4	6,552	9,330
Rent, rates and taxes		9,201	8,200
Legal and professional charges		7,931	4,815
Travelling and conveyance		5,072	3,843
Postage, telegrams and telephones		2,570	2,088
Fuel and power		1,803	1,774
Printing and stationery		727	991
Auditors' remuneration	26.2	1,074	966
Provision against doubtful trade debts	12.2	-	-
Insurance expense		715	661
Repair and maintenance		781	632
Training expenses		967	550
Directors' meeting fee		660	500
Computer equipment charges		11	31
Charity and donation		30	-
Others		1,875	1,011
		117,950	104,712

26.1 These include Rs. 3.2 million (31 December 2017: Rs. 2.681 million) in respect of the accrual for defined benefit obligations of the Company and contribution of Rs. 2.2 million (2017: Rs. 1.924 million) to the provident fund.

26.2 Auditors' remuneration

	Note	2018	2017
		(Rupees in '000)	
Audit fee		660	600
Fee for half yearly review		160	150
Fee for review of Code of Corporate Governance		65	60
Other consultation charges		-	-
Out of pocket expenses		189	156
		1,074	966

27. OTHER INCOME

	Note	2018	2017
Income from financial instruments			
- Return on bank deposits		43	34
Income from non-financial instruments			
- Scrap sales	27.1	4,737	9,074
- Gain on disposal of operating fixed assets - net	5.3	6,843	3,573
- Reversal against provision for doubtful debt		-	5,290
- Liability no longer payable written back		-	1,172
- Insurance commission		275	413
- Insurance claim income		253	826
- Others		2,852	-
		15,003	20,382

27.1

	2018	2017
Gross Scrap Sales	5,542	10,617
Sales tax	(805)	(1,543)
Net scrap sales	4,737	9,074

28. OTHER CHARGES

	2018	2017
Workers' Welfare Fund	93	1,347
Workers' Profit Participation Fund	3,116	2,241
Exchange loss on revaluation of financial liabilities	8,471	3,558
	11,680	7,146

29. FINANCE COSTS

	2018	2017
Mark-up on short term borrowings	16,901	17,169
Financial charges on leased asset	146	-
Bank charges	1,078	923
	18,125	18,092

30. EARNINGS PER SHARE - basic and diluted

	2018	2017
Profit for the year after taxation	27,933	16,876
	(Number of shares)	
Weighted average number of ordinary shares	6,122,600	6,122,600
	(Rupees)	
Earnings per share - basic and diluted	4.56	2.76

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Key Management Personnel				Executives					
	Chief Executive (Key Management Person)		Director (Chair person) (Key Management Person)		Other Key Management Personnel		Others			
	For the year ended 31 December 2018	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017	Total for the year ended 31 December 2018	Total for the year ended 31 December 2017
	(Rupees in '000)									
Managerial remuneration	7,290	6,302	6,240	5,500	13,023	12,570	4,681	3,074	31,234	27,446
Provident fund	729	630	-	-	1,226	1,207	468	307	2,423	2,144
Special pay	4,900	4,236	-	-	8,754	8,450	3,147	2,067	16,801	14,753
Housing and utilities	4,109	3,531	-	-	7,404	7,114	2,631	1,746	14,144	12,391
Medical	192	240	-	-	490	473	69	45	751	758
Incentive	2,101	1,180	-	-	3,181	1,220	1,077	241	6,359	2,641
Gratuity	-	-	-	-	-	-	-	-	-	-
Other perquisites and benefits	60	60	-	-	-	-	-	-	60	60
	19,381	16,179	6,240	5,500	34,078	31,034	12,073	7,480	71,772	60,193
Number of persons	1	1	1	1	5	5	3	2	10	9

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

Executives are those employees, other than the Chief Executive and directors, whose basic salary exceeds twelve hundred thousand Rupees in a financial year (2017 figures have also been restated to address to the explanation given in Companies Act, 2017).

31.1 Remuneration of non-executive directors (key management personnel)

In addition to the above, aggregate amount charged in these financial statements for director's fee paid to non-executive directors was Rs. 0.66 million (31 December 2017: Rs. 0.50 million).

32. The investments out of provident fund have been made in accordance with the requirement of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

33. FINANCIAL INSTRUMENTS

33.1 Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

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

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible 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 maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures. The Company's 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.

33.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

33.2.1 Exposure to credit risk

Credit risk of the Company arises principally from long term deposits, loans to employees, trade debts, others receivables and bank balances.

In summary, the maximum exposure to credit risk as at 31 December was as follows:

	Note	2018		2017	
		Financial assets	Maximum Exposure	Financial assets	Maximum Exposure
		(Rupees in '000)			
Deposits		4,792	4,792	4,656	4,656
Loans to employees	8	1,790	1,790	1,426	1,426
Trade debts	12	46,188	46,188	33,543	33,543
Other receivables	13	140	140	13,208	13,208
Bank balances (including security deposit)		44,084	44,084	33,135	33,135
		96,994	96,994	85,968	85,968

33.2.2 Concentration of credit risk

As at 31 December, the concentration of the financial assets in terms of the economic sectors was as follows:

	2018	2017
	(Rupees in '000)	
Distributors and retailers	46,188	33,543
Commercial banks	44,084	46,135
Utilities	2,786	2,786
Employees	1,790	1,426
Others	2,146	2,078
	96,994	85,968

33.2.3 Bank balances

The bank balances (including security deposit) are held with banks and financial institutions counterparties, which are rated as follows:

	Short term	Long term	2018
			(Rupees in '000)
Habib Bank Limited	A-1+	AAA	30,217
MCB Bank Limited	A1+	AAA	7,433
Soneri Bank Limited	A1+	AA-	4,864
National Bank of Pakistan	A1+	AAA	1,480
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	84
Bank Islami Pakistan Limited	A1	A+	6
			44,084

The above ratings are assigned by PACRA and JCR-VIS.

33.2.4 Trade debts

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered and also obtains security / advance payments, wherever considered necessary. Sale limits are established for each customer and reviewed regularly.

Most of the customers have been transacting with the Company since many years. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts.

At 31 December 2018, the ageing of trade debts was as follows:

	2018		2017	
	Gross	**Impairment loss**	Gross	Impairment loss
	(Rupees in '000)		(Rupees in '000)	
Past due 1 - 60 days	**37,639**	**-**	33,466	-
Past due 61 days - 1 year	**310**	**-**	73	-
More than one year	**8,239**	**8,239**	8,239	8,239
Total	**46,188**	**8,239**	41,778	8,239

Management believes that the unimpaired amounts that are due by more than 60 days (including trade debts due between 61 days to 1 year) are good and collectible in full, based on historical payment behaviour of the customers. Movement of provision against doubtful trade debts is disclosed in note 12.3.

None of the financial assets of the Company are past due or impaired except as disclosed in notes 7, 12 and 13 to these financial statements.

33.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due,under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. In addition, the Company maintains lines of credit to meet its expected cash outflows (refer note 19).

33.3.1 Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2018			
	Carrying amount	Contractual cash flows	12 months or less	More than 12 months
Non-derivative financial liabilities	------------------ (Rupees in '000) ------------------			
Short term borrowings (including mark-up)	192,502	192,502	192,502	-
Trade and other payables	150,454	150,454	150,454	-
Liability Against Asset subject to Finance lease	5,456	6,963	1,466	5,497
	348,412	349,919	344,422	5,497

	2017			
	Carrying amount	Contractual cash flows	12 months or less	More than 12 months
Non-derivative financial liabilities	------------------ (Rupees in '000) ------------------			
Short term borrowings (including mark-up)	213,001	213,001	213,001	-
Trade and other payables	122,704	122,704	122,704	-
	335,705	355,705	335,705	-

33.4 Market risk

Market risk is the risk that changes in market prices - such foreign exchange rates, interest rates and equity prices - will effect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. market. The Company is exposed to currency risk and interest rate risk only.

33.4.1 Currency risk

Currency risk is the risk that the value of financial instrument 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:

	2018		2017	
	(Rupees in '000)	US Dollars	(Rupees in '000)	US Dollars
Bills payable	36,495	262,365	38,069	344,765
Gross balance sheet exposure	36,495	262,365	38,069	344,765
Estimated committed purchases as at the year end	25,657	184,450	11,763	106,530
Gross exposure	62,152	446,815	49,832	451,295

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

The following significant exchange rates applied during the year:

	Average rates		Balance sheet date rate	
	2018	2017	2018	2017
Rupees / US Dollars	121.43	105.43	139.10	110.42

Sensitivity risk

A five percent strengthening / (weakening) of the Rupee against US Dollar at the year ended 31 December 2018 would have increased / (decreased) equity and profit and loss account by Rs. 3.108 million (31 December 2017: Rs. 2.491 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis is performed on the same basis as of December 2017.

33.4.2 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:

	Note	Carrying amount 2018	Carrying amount 2017
		(Rupees in '000)	
Fixed rate instruments			
Financial liabilities - liability against asset subject to finance lease	18	5456	-
Variable rate instruments			
Financial assets - bank balance in profit and loss sharing accounts - withdrawable on demand	14	84	75
Financial liabilities - short term borrowings	20	*190,000	210,000

* These balance would be repriced within six months.

Fair value sensitivity analysis for variable rate instruments

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

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 2018 and 31 December 2017.

33.4.3 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.

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

33.4.3.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2018					
	Liabilities			Revenue reserve		
	Short term borrowings (including accrued markup)	Liability against asset subject to finance lease	Share capital	General reserve	Unappropri-ated profits	Total
	(Rupees in '000)					
Balance as at 1 January 2018	213,001	-	61,226	6,000	91,737	371,964
Changes from financing cash flows						
Proceeds from short term borrowings	600,000	-	-	-	-	600,000
Repayment of short term borrowings	(620,000)	-	-	-	-	(620,000)
Asset acquired on finance lease	-	6,307	-	-		6,307
Principal paid (including security deposit)	-	(851)	-	-	-	(851)
Dividend paid	-	-	-	-	(7,654)	(7,654)
Total changes from financing cash flows	(20,000)	5,456	-	-	(7,654)	(22,198)
Other changes - liability related						
Changes in running finance	-	-	-	-	-	-
Interest expense	17,979	146	-	-	-	18,125
Interest paid	(18,478)	(146)	-	-	-	(18,624)
Total liability - related other changes	(499)	-	-	-	-	(499)
Total equity - related other changes	-	-	-	-	33,196	33,196
Balance as at 31 December 2018	192,502	5,456	61,226	6,000	117,279	382,463

33.5 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.

33.6 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

2018	Note	Carrying Amount		Fair value
		Loans and receivables	Total	Total
On-balance sheet financial instruments		(Rupees in '000)		
Financial assets not measured at fair value	33.6.1			
Deposits		4,792	4,792	-
Loans to employees		1,790	1,790	-
Trade debts		46,188	46,188	-
Other receivables		140	140	-
Cash and bank balances (including security deposit and cash in hand)		44,249	44,249	-
		97,159	97,159	-

	Note	Carrying Amount		Fair value
		Other financial liabilities	Total	Total
		(Rupees in '000)		
Financial liabilities not measured at fair value	33.6.1			
Trade and other payables		150,454	150,454	-
Short term borrowings (including mark-up)		192,502	192,502	-
Liability Against Asset subject to Finance Lease		5,456	5,456	-
		348,412	348,412	-

2017	Note	Carrying Amount		Fair value
		Loans and receivables	Total	Total
On-balance sheet financial instruments		------------- (Rupees in '000) -------------		
Financial assets not measured at fair value	33.6.1			
Deposits		4,656	4,656	-
Loans to employees		1,426	1,426	-
Trade debts		33,543	33,543	-
Other receivables		13,208	13,208	-
Cash and bank balances (including security deposit and cash in hand)		33,197	33,197	-
		86,030	86,030	-

	Note	Carrying Amount		Fair value
		Other financial liabilities	Total	Total
		------------- (Rupees in '000) -------------		
Financial liabilities not measured at fair value	33.6.1			
Trade and other payables		122,704	122,704	-
Short term borrowings (including mark-up)		213,001	213,001	-
		335,705	335,705	-

33.6.1 The Company has not disclosed the fair values of the above financial assets and financial liabilities, as these are either short term in nature or repriced, periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

34. PLANT CAPACITY AND PRODUCTION

	2018	2017
	(Metric Tons)	
Soap		
Annual assessed / rated	**10,500**	10,500
Actual production	**7,496**	6,213

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

35. 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. Details of transactions with related parties and balances with them, unless disclosed elsewhere are as follows:

	Note	2018	2017
		(Rupees in '000)	
Transactions with related parties:			
Other related parties			
Contribution to the employees' provident fund	35.1	**7,216**	6,651
Key Management Personnel			
Total remuneration of the Chief Executive, Chair person and other key management personnel	31	**59,699**	52,713
Other Director's remuneration (meeting fee)		**660**	500

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

35.2 Details of remuneration of key management personnel in accordance with their terms of employment are given in note 31.

35.3 Other transactions with related parties are at agreed terms.

36. 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.

The Company does not have different reportable segments since all of the Company products are similar in nature and managed by the Company on a similar basis.

All non-current assets of the Company as at the year ended 31 December 2018 are located in Pakistan where the Company is domiciled. The Company does not have any customer having sales of 10% or more during the year ended 31 December 2018 (31 December 2017: 10%).

As at 31 December 2018 there was only one director (31 December 2017: 2) who held more than 10% of the Company's share capital. The holding was 38.81% (31 December 2017 12.45% and 11.30%).

37. NUMBER OF EMPLOYEES

The number of employees as on the year end were 173 (31 December 2017: 173) and average number of employees during the year were 173 (31 December 2017: 178).

The total number of factory employees as at year end were 33 (2017: 37) and average number of factory employees were 35 (2017: 44).

38. GENERAL

38.1 Corresponding Figures

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following major reclassifications have been made during the year other than disclosed elsewhere in these financial statements.

Description	Reclassified from	Reclassified to	2017 (Rupees in '000)
Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on the face of the statement of financial position)	914

38.2 Date Of Authorization For Issue

These financial statements were authorised for issue in the Board of Directors meeting held on 27th March, 2019.

38.3 Post balance sheet event

The Board of Directors in their meeting held on 27th March, 2019 have for the year ended 31 December 2018, proposed final cash dividend of Rs. 1.50 per share (2017: Rs. 1.25 per share) amounting to Rs. 9.184 million (2017: Rs. 7.653 million) for approval by the members of the Company in the Annual General Meeting to be held on 29th April, 2019. The financial statements for the year ended 31 December 2018 do not include the effect of the proposed cash dividend, which will be recognised in the financial statements for the year ending 31 December 2019.

Chief Financial Officer	Chief Executive Officer	Director

Shareholders' Information

NOTICE OF 59th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-nineth Annual General Meeting of ZIL Limited will be held on Monday, April 29, 2019 at 09:45 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 Thursday, April 26, 2018.

2. To receive, consider and approve the Audited Financial Statements of the Company together with the Directors' and Auditors' report thereon for the year ended December 31, 2018.

3. To approve as recommended by directors a final cash dividend @ 15% per share for the financial year 2018.

4. To appoint Auditors of the Company and fix their remuneration.

By the order of the board

Ata-ur-Rehman Shaikh
Company Secretary

Karachi: March 27, 2019

NOTES:

1. The Share Transfer Books of the Company will remain closed from April 23, 2019 to April 29, 2019 (both days inclusive) for the purpose of holding the Annual General meeting.

2. A member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote in his/her place. Proxies completed in all respect, in order to be effective, must be received at the Registered Office of the Company not less than forty eight (48) hours before the time of meeting.

3. 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. 1st Floor, 40 – C, Block-6, P.E.C.H.S., Karachi 75400 Pakistan.

4. The CDC/sub account holders are required to follow the guidelines as laid down by Securities & Exchange Commission of Pakistan contained in Circular No.1 of 2000.

NOTICE OF 59th ANNUAL GENERAL MEETING

The following Circulars/Notifications/ Regulations require special attention of the shareholders:

1. **Payment of Cash Dividend Electronically (e-Dividend Mandatory):**

   SECP through various Notifications has advised that the shareholders who have provided bank mandate, should be paid dividend by transferring directly to their respective bank accounts (e-dividend mechanism); therefore In compliance with above mentioned directions issued by the Securities and Exchange Commission of Pakistan ("SECP") vide its Circular No. 18 of 2017, dated August 01, 2017 read with the Section 242 of the Companies Act, 2017, the registered shareholders of the Company on the captioned subject requiring twenty four (24) digit International Bank Account Number ("IBAN") to receive any cash dividend announced by ZIL only through electronic mode directly into the designated bank account who have not yet provided us twenty four (24) digit ("IBAN") mandatory e-dividend mandate are requested to provide the details of their twenty four (24) digit ("IBAN") bank account number including title of account (should be same as appearing in member register), bank name, branch name & code and address, in order to credit their cash dividends, as and when declared, directly to their respective bank accounts. This information would require to be provided to: (i) in case of book-entry securities in Central Depository System ("CDS"), to CDS Participants; and (ii) in case of physical securities to Share Registrar and Transfer Agent of ZIL Limited at below mentioned address. It would facilitate the shareholders to take e-dividend for instant credit of dividends.

2. **Transmission of Annual Audited Financial Statements and Notice of AGM to Members through CD:**

   SECP through its SRO 470(1)/2016, dated May 31, 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, auditors' report and Directors' report etc ("annual audited accounts") along with notice of general meeting to its members through CD/DVD/USB at their registered addresses. In view of the above, the Company has sent its Annual Report 2018 to its members in the form of CD. The Company has placed on its website i.e. www.zil.com.pk a standard request form containing postal and e-mail address of Company Secretary/Share Registrar, so that shareholders may request a hard copy of the Annual Audited Accounts. The Company will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request.

3. **E-Voting**

   Members can exercise their right to poll subject to meeting of requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

4. **Consent for video conferencing facility:**

   Shareholders can also avail video conference facility in Lahore. In this regard please fill the following and submit to registered address of the Company at least 10 days prior to date of annual general meeting.

If the Company receives consent from Shareholders holding in aggregate 10% or more shareholding and residing at geographical location, to participate in the meeting through video conference, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The company will intimate Shareholders regarding venue of video conference at least 5 days before the date of annual general meeting along with complete information necessary to enable them to access such facility.

Consent Form for Video Conferencing Facility

I/We,____________________________________of_______________being a Shareholders of

ZIL Limited, holder of ________________________ordinary share(s) as per Registered Folio No./CDC

Account No.____________________________________ hereby opt for video conference facility at

_____________________________________.

____
Signature of Member

5. Deduction of Withholding Tax on the Amount of Dividend:

The Government of Pakistan through Finance Act, 2017, has made amendment in Section 150 of the Income Tax Ordinance, 2001, whereby, withholding tax on dividends has been enhanced as follows:

- For Filers of Income Tax Returns: 15%
- For Non-Filers of Income Tax Returns: 20%

In case of joint-shareholders, tax is to be deducted as per ratio of their shares in the ownership. Federal Board of Revenue ("FBR") has provided the Active Tax-Payer List ("ATL"), for identification on the basis of National Tax Number ("NTN")/Computerized National Identity Card ("CNIC") number; hence, in case of non-availability of valid NTN/CNIC number of the respective shareholder with the Company's Share Registrar and Transfer Agent, he/she will be treated as 'Non-Filer' and accordingly tax at the rate of 20% would be deducted. Therefore, the shareholders who have not yet provided such information are requested to ensure that their valid NTN/CNIC number should be available with the Share Registrar and Transfer Agent of ZIL Limited, whereas, shareholders having CDC Accounts would requires to provide their valid NTN/CNIC number to their respective CDC participants.

NOTICE OF 59th ANNUAL GENERAL MEETING

6. Requirement of Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance, 2001:

Please be advised that in wake of recent judgments of respective courts of law, the exemption certificate u/s 159 of the Income Tax Ordinance, 2001, is mandatory to claim tax exemption u/s 150. Accordingly, the Company may not be awarding exemption on the basis of Clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. However, if an entity has filed a petition against the FBR, in any relevant court, a certified true copy of the Stay Order of honorable court along with all latest court proceedings (if any) would be required in lieu of valid tax exemption certificate, for non-deduction of withholding tax. In case of non-availability of valid tax exemption, deduction of tax under relevant sections shall be made accordingly.

7. Deduction of Withholding Tax on Joint Account Holder(s):

The Joint Account Holders whose shareholding details as to Principal Shareholder have not yet been determined for deduction of withholding tax on the upcoming dividend of the Company, are requested to please furnish to the Company's Share Registrar and Transfer Agent at below mentioned address, the shareholding details of yourself as Principal Shareholder and your Joint Holder(s) in the following manner, enabling the Company to compute withholding tax of each shareholder accordingly:

CDC Account No./Folio No.	Name of Principal Shareholder/Joint Holders	Shareholding Proportion (%)	CNIC No. (copy attached)	Signature

Kindly note that in case of non-receipt of the information each Account Holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly.

8. Deposit of Physical Shares into CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form, this will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

NOTICE OF 59th ANNUAL GENERAL MEETING

9. Merger of Different Folios into One Folio:

As per record, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two different folios may be a hassle for the shareholders to reconcile and receive different benefits in the shape of dividends/ bonus. In order to provide better services and convenience, such shareholders are requested to send requests to the Company's Share Registrar and Transfer Agent at the below mentioned address to merge their folios into one folio.

- While sending the copy of NTN/CNIC number, the shareholders are requested to quote their respective folio numbers for identification purpose.

M/s THK Associates (Pvt) Ltd,
Share Registrar-ZIL Limited
First Floor, 40-C, Block-6,
P.E.C.H.S., Karachi-75530
UAN: +92 (21) 111-000-322
Direct: +92 (21) 34168266-68-70
Fax: +92 (21) 3 4168271
Email: secretariat@thk.com.pk

Important Information for Shareholder

Annual General Meeting

The annual shareholders' meeting will be held on Thursday, April 29, 2019 at 09:45 am at The Royal Rodale, Plot No. Tc-V, 34th Street, Khayaban-e-Sehar, Phase -V Ext., DHA, Karachi, Pakistan. Shareholders are encouraged to participate.

Book Closure Dates

The Share Transfer Books of the Company will remain closed from April 23, 2019 to April 29, 2019 (both days inclusive).

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) Ltd,
Share Registrar-ZIL Limited
First Floor, 40-C, Block-6,
P.E.C.H.S., Karachi-75530
UAN: +92 (21) 111-000-322
Direct: +92 (21) 34168266-68-70
Fax: +92 (21) 34168271
Email: secretariat@thk.com.pk

E- Dividend Mandate (Mandatory)

Under Section 242 of the Companies Act 2017, it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly into the bank account designate by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of valid CNIC to the Share Registrar of the Company, THK Associates (Pvt.) Limited, 1st Floor, 40 – C, Block 6, P.E.C.H.S. Karachi 75400, in case of physical shares.

In case shares are held in CDC, electronic dividend mandate form must be directly submitted to shareholder's brokers/participant/CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

Transmission of Annual Audited Financial Statements and Notice of AGM to Members through CD/DVD/USB and e-mail

The SECP through SRO 470 (1)/2016 dated May 31, 2016 has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report etc. ("annual audited accounts") along with notice of general meeting to its shareholders in electronic form through CD/DVD/USB at their registered addresses. This would result in timely delivery of Annual Audited Accounts to the shareholders. The Company has placed on its website i.e. www.zil.com.pk a standard request form containing postal and e-mail address of Company Secretary/Share Registrar, so that shareholders may request a hard copy of the Annual Audited Accounts. The Company will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request.

Consent for video conferencing facility

Members can also avail video conference facility in Lahore. In this regard please fill the annexed form and submit to registered address of the Company at least 10 days prior to date of annual general meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding and residing at geographical location, to participate in the meeting through video conference, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The company will intimate members regarding venue of video conference at least 5 days before the date of annual general meeting along with complete information necessary to enable them to access such facility.

Stock Code

The stock code for dealing in equity shares of ZIL Limited at Pakistan Stock Exchange 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, 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 the all relevant particulars as required under The repealed Companies Ordinance, 1984, newly enacted Companies Act 2017 and Securities Act, 2015 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 recommended final cash dividend Rs. 1.50 per share i.e 15% for the year ended December 31, 2018.

Earnings per Share

Earnings per share basic and diluted for the year Rs. 4.56 [(2017: Rs. 2.76)].

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 132 of the Companies Act, 2017, 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. 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 137 of the Companies Act, 2017 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

Update 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.

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

Annexures

ZIL
LIMITED

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 29, 2019, at 09:45 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 2019

Witness:

Signature: ______________________

Name: ______________________

Address: ______________________

____

CNIC or Passport No. [| | | | | - | | | | | | | - |]

____

Witness:

Signature: ______________________

Name: ______________________

Address: ______________________

____

CNIC or Passport No. [| | | | | - | | | | | | | - |]

____

Signature on
Rs. 5/-
Revenue Stamp

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

____
Signature of Member

____
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.

پراکسی فارم

سیکریٹری
زل لمیٹڈ
گراؤنڈ فلور، بحریہ کمپلیکس III، ایم۔ٹی۔خان روڈ، کراچی۔

میں/ہم ____________ ساکن ____________

بطور زل لمیٹڈ کے رکن وحامل ____________ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر ____________

اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر ____________ اور ذیلی کھاتہ نمبر ____________ ساکن ____________

یا بصورتِ دیگر ____________

کو اپنی جگہ بروز پیر مورخہ ۲۹ اپریل ۲۰۱۹ء بوقت ۹:۴۵ بجے صبح بمقام: رائل روڈال، پلاٹ نمبر Tc-V، ۱۳۴ اسٹریٹ، خیابان سحر، فیز-V، ایکسٹینشن، ڈی ایچ اے، کراچی، پاکستان میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں رائے دہندگی کیلئے نمائندہ مقرر کرتا/کرتی ہوں۔

دستخط بروز ____________ مورخہ ____________ ۲۰۱۹ء

دستخط: ____________
نام: ____________
پتہ: ____________
شناختی کارڈ
یا
پاسپورٹ نمبر: ____________

دستخط: ____________
نام: ____________
پتہ: ____________
شناختی کارڈ
یا
پاسپورٹ نمبر: ____________

پانچ روپے کے ریونیو ٹکٹ پر دستخط کریں۔

(دستخط کمپنی میں درج نمونہ کے دستخط کے مطابق ہونے چاہئے)

____
رکن کے دستخط

____
نمائندہ کے دستخط

نوٹ:

1. پراکسیز کے موثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے 48 گھنٹہ قبل کمپنی کے رجسٹرڈ آفس کو موصول ہوں۔
2. سی ڈی سی نمائندہ (Member) اور انکے مقرر کردہ نمائندہ سے گزارش ہے کہ وہ تصدیق شدہ شناختی کارڈ یا پاسپورٹ اس پراکسی فارم کے ہمراہ کمپنی کو جمع کرائیں۔

ZIL LIMITED

Form of Proxy for E-Voting

59th Annual General Meeting

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

I/we, ______________________________________ of ____________________, holder of ______________________________ Share(s) as per Registered Folio No./CDC A/c. No. ______________hereby opt for e-voting through Intermediary and hereby consent to the appointment of Execution Officer Mr./Mrs./Miss ____ as proxy and will exercise e-voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is ________________, please send login details, password and electronic signature through email.

Signed this ____________________________ day of ____________________________ 2019.

Witnesses:

1. Name : ____________________
   Address : ____________________
   NIC No. : ____________________
   Signature : ____________________

Signature on
Rs. 5/-
Revenue Stamp

2. Name : ____________________
   Address : ____________________
   NIC No. : ____________________
   Signature : ____________________

NOTICE:

1. A member entitled to attend and vote at the meeting may appoint another member and non- members as his / her proxy.
2. In order to be effective, the instructions/proxy forms must be received at the Company's registered office address at ZIL Limited Ground Floor, Bahria Complex III, M.T. Khan Road, Karachi, no later than 10 days before the meeting (i.e. by the close of business on April 19, 2019), duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.Further the same instructions/proxy scanned copy may also be sent to our official email id info@zil.com.pk
3. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

ZIL LIMITED

الیکٹرانک ووٹنگ کیلئے پراکسی کا فارم

۵۹ واں سالانہ اجلاس عام

سیکریٹری

زل لمیٹڈ

گراؤنڈ فلور، بحریہ کمپلیکس III، ایم۔ٹی۔خان روڈ، کراچی۔

میں / ہم ، -- کا تعلق ---

سے اور ہمارے پاس رجسٹرڈ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر ---------------------- کے تحت ---------------------- شیئرز کے مالک ہیں، اور ہم ثالث کے ذریعے الیکٹرانک ووٹنگ کا انتخاب کرتے ہیں اور جناب / محترمہ ---------------------------------- کو بطور ایگزیکوشن افسر برائے پراکسی مقرر کیے جانے کے حوالے سے اپنی رضامندی کا اظہار کرتے ہیں جو کمپنیز (الیکٹرانک ووٹنگ) ریگولیشنز 2016 کے تحت الیکٹرانک ووٹنگ پر عمل کریں گے اور قرارداد کیلئے پولنگ کا مطالبہ کرتے ہیں۔

میرا ای میل ایڈریس ---------------------- ہے، براہ کرم لاگ ان کی تفصیلات، پاسورڈ اور الیکٹرانک دستخط اسی ایڈریس پر بھیجیں۔

دستخط

مورخہ ----------------

پانچ روپے کے ریونیو ٹکٹ پر دستخط کریں۔

گواہان:

۱۔نام ----------------------

پتہ ----------------------

شناختی کارڈ نمبر ----------------------

دستخط

گواہان:

۲۔نام ----------------------

پتہ ----------------------

شناختی کارڈ نمبر ----------------------

دستخط

نوٹس:

۱۔ ووٹنگ کی تقریب میں شرکت اور ووٹ ڈالنے کا اہل ممبر کسی ایک اور رکن یا غیر رکن کو اپنا پراکسی مقرر کرسکتا ہے۔

۲۔ موثر انداز سے عمل کیلئے ضروری ہے کہ ہدایت نامہ / پراکسی فارم کمپنی کے رجسٹرڈ دفتر، زل لمیٹڈ گراؤنڈ فلور، بحریہ کمپلیکس III، ایم۔ٹی۔خان روڈ، کراچی، پر اجلاس سے 10 روز قبل پہنچ جانا چاہئے (یعنی 19 اپریل 2019 کو کاروباری سرگرمیوں کے اختتام تک)، جس پر دو گواہان کے نام، پتہ، شناختی کارڈ اور دستخط ہونا چاہئیں۔ مزید برآں، ہدایت نامہ / پراکسی کی اسکین کی ہوئی کاپی ہمارے ای میل ایڈریس info@zil.com.pk پر بھی ارسال کریں۔

۳۔ افراد کی صورت میں بینیفیشل اونرز کے تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی کاپی پراکسی فارم کے ساتھ جمع کرائی جائے۔

۴۔ کارپوریٹ ادارے کے پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی پراکسی فارم کے ساتھ جمع کرائیں۔

ELECTRONIC CREDIT MANDATE FORM (MANDATORY)

Dear Shareholder,

We wish to inform you that in accordance with the provision of section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly in to your Bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your Computerized National Identity Card (CNIC) to the Registrar of the Company **THK Associates (Pvt.) Limited, 1st Floor, 40 – C, Block 6, P.E.C.H.S. Karachi 75400.**

CDC shareholders are requested to submit their Dividend Mandate Form and CNIC directly to their broker (participant)/CDC.

Yours faithfully
For ZIL Limited

(Ata-ur-Rehman Shaikh)
Company Secretary

SHAREHOLDER'S SECTION,

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Name of shareholder: --

Folio Number/CDC Account No.: ---------------------------- Company: **ZIL LIMITED**

Title of Bank Account of sharholder: --

IBAN Number (**see below Note No. 1**): --

Name of Bank: --

Bank branch name & full mailing address: --

CNIC No. (copy attached): --

NTN (in case of corporate entity): --

Cell / Landline number: ----------------------------e-mail ID----------------------------

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future.

______________________ Date:__________________

Shareholder's Signature

Notes and Instructions:

1. **Please provide complete IBAN Number (24 digits), after checking with your concerned branch to enable electronic credit directly into your bank account.**

2. The payment of cash dividend will be processed based on the account number alone. The Company is entitled to rely on the account number as per your instructions. The Company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the Company.

ZIL LIMITED

Request For Video Conferencing Facility Form

The Company Secretary
ZIL Limited
Ground Floor, Bahria Complex III,
M. T. Khan Road,
Karachi, Pakistan.
Tel: +9221 35630251 – 60
Fax: +9221 35630266
e-mail: info@zil.com.pk

Consent Form for Video Conferencing Facility

I/We,____of____________being a

Shareholder of ZIL Limited, holder of ______________________Ordinary Share(s) as per

Registered Folio No./CDC Account No.____________________________ hereby opt for

video conference facility at ____

____

____
Signature of Shareholder

Note:

To avail video conference facility please fill the aforementioned and submit to registered address of the Company at least 10 days prior to date of annual general meeting.

If the Company receives consent from shareholders holding in aggregate 10% or more shareholding and residing at geographical location, to participate in the meeting through video conference, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The company will intimate shareholders regarding venue of video conference at least 5 days before the date of annual general meeting along with complete information necessary to enable them to access such facility.

INVESTOR'S AWARENESS
For the year ended December 31, 2018

With reference to SRO 924(1) / 2015 dated September 9th, 2015 issued by the Securities and Exhange Commission of Pakistan (SECP), the following informational message has been added for investor's awareness.

ZIL
LIMITED

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