

Report for the period ended
December 31, 2012



Beautifying
Naturally





About Us

In the last two years ZIL Ltd has grown to establish itself among the leading beauty companies within Pakistan. With our culture fostering continuous innovation and our team's long-sighted vision, ZIL is being organized as a Company that stands for change. It is committed to bringing solutions that will enable the women of Pakistan to look beautiful and feel cared for.

ZIL stands for beauty, beauty for change. Through our brands and innovative efforts we intend to bring to the market ideas that make beauty real for every woman. With this approach the company aspires to be the first choice in beauty care for women nationwide. Capri is the flagship brand of ZIL; it's a representation of the company's origins and base.



CAPRI
DEEP CLEANSING
face wash







Contents

Vision & Mission	05
Core Values	06
Code of Conduct	08
Corporate Social Responsibility	12
Board of Directors	14
Board of Directors and Management Committees	19
ZIL at a Glance	22
ZIL Brands	27
Company Information	33
Directors' Report	34
Financial Analysis (with graphical presentation)	40
Shareholders Information	49
Statement of Compliance with the Code of Corporate Governance	56
Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance	58
Auditor's Report to the Members	59
Balance Sheet	62
Profit and Loss Account	63
Statement of Comprehensive Income	64
Statement of Cash Flows	65
Statement of Changes in Equity	66
Notes to the Financial Statements	67
Pattern of Shareholding	97
Notice of Annual General Meeting	100
Form of Proxy	



Vision

To create a feeling of well-being among people and make their lives a little easier and more beautiful.

Mission

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

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

Hence the key drivers will be:

Train & motivate ZIL people to build a high performance culture

Implement effective MIS to integrate business processes and speed-up decision making

Assure Quality by Design

Optimize resources to ensure business competitiveness.

Core Values

Integrity

We do what we say

Teamwork

Collaboration makes us stronger

Respect

For all individuals & diversities

Passion

Commitment with hearts and minds

Leadership

Inspiring towards a better future

Responsibility

Towards business as well as society

Excellence

Deliver the best

Learning

For continuous improvement





Code of Conduct

It is the fundamental policy of ZIL Limited to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards. The Company has adopted comprehensive Code of Conduct (herein after called 'Code') to provide guidance to foster a culture of uprightness, accountability and 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 measures if and when required.

Persons to whom this Code applies

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

Persons responsible for Implementation

Board Responsibilities

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

Management Responsibilities

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

General Principles

- Relationships amongst employees, at all levels, must be truthful, trustworthy and honest.
- Compliance with the law, regulations, statutory provisions and company's policies & procedures

is a constant commitment and duty of all ZIL employees.

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

Business Ethics

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

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

Compliance with Laws

General

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

Corporate and Taxation Laws

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

Employment laws

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

Environmental Laws

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

Fair Competition and Antitrust Laws

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

Conflicts of Interest

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

There is a likely conflict of interest if employees:

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

ability to devote the necessary time and attention to the duties.

Gifts, Bribes and Kickbacks

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

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

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

Financial Integrity

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

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

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

Protection and Proper Use of the Company Property

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

Confidentiality of Information

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

Record Retention

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

Securities Trading

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

Political Affiliations

ZIL Limited is an independent organization free from any political affiliation. No funds or assets of the Company may be contributed to any political party or

organization or any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

Reporting Ethical Violations

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

Workplace Safety

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

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





Corporate Social Responsibility

Energy Conservation

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

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



Environment Protection Measures

- Sewerage and drain is ensured free of any acids or alkali and other chemicals used in soap making process as per EPA standard.
- Exhaust from boiler Chimney is maintained within standard limit of COX, SOX and temperature.

Consumer Protection Measures

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

- Our products are manufactured using mainly 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 and 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 of Research, Development, Quality, Assurance, Health and Safety is established. Safety committee and shift wise rescue teams are also established.

The program ensures that:

1. Dedicated people are resourced for safety program and organization.
2. People are aware of Emergency preparation and 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 and 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 the existing ethical system. The Code of Conduct is scrupulously followed throughout the organization.

Corporate Philanthropy

In response to the worst national calamity Pakistan has ever seen, each of the company's employees contributed a day's salary for the flood victims, in addition to a general donation. A substantial amount of rations and medicines were donated via Pakistan Medical Association Karachi by means of the raised funds. The amount of the local employee contributions was matched by the company. These funds were shared among ZIL employees who were affected by the calamity.





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