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OUR **MISSION**

We are one of the established traditional producers and marketers of high quality Edible Oils in the health conscious categories, catering to the ever-changing consumer demand, their convenience and satisfaction.

OUR **VISION**

We envision becoming leaders in the edible oil and food category in 5 years.



COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Syed Yawar Ali

Mr. Perwaiz Hasan Khan

DIRECTORS

Mr. Mohammad Bashir Janmohammed

Mr. Abdul Rasheed Janmohammed

Mr. Abdus Samad

Mr. Mohammad Rabbani

Mr. Perwaiz Masud Ansari

Mr. Ahmed Sattar

BOARD AUDIT COMMITTEE

CHAIRMAN

MEMBERS

Mr. Mohammed Bashir Janmohammed

Mr. Abdul Rasheed Janmohammed

Mr. Abdus Samad

Mr. Mohammad Rabbani

COMPANY SECRETARY

Mr. Muhammad Imran

AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants

LEGAL ADVISORS

Hussain & Haider

Advocates & Solicitors

BANKERS

Faysal Bank Limited

National Bank of Pakistan

Bank Islami Pakistan Limited

Habib Bank Limited

MCB Bank Limited

United Bank Limited

REGISTRARS & SHARE

TRANSFER OFFICE

THK Associates (Pvt.) Limited

2nd Floor, State Life Building-3

Dr. Ziauddin Ahmed Road, Karachi.

Telephone: +92. 21 . 111 – 000 – 322

Fax: +92.21 . 3565595

REGISTERD OFFICE

F-33, Hub River Road, SITE, Karachi.

Telephone: +92. 21 . 32579683-7

Fax: +92.21 . 35348831

WEBSITE:

www.wazirali.com.pk



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 63rd Annual General Meeting of Wazir Ali Industries Limited will be held on 29th October 2015 at 9:30 hours at Pakistan Society for Training and Development (PSTD), Plot No. TC-3, Off. Khayaban-e-Sehar, 34th Street, Phase V (Extension) DHA, Karachi, Pakistan to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on 23rd October 2014.
2. To Receive, Consider and Approve the Audited Financial Statements of the Company for the year ended 30th June 2015 together with the Directors' and Auditors' Report thereon.
3. To elect 8 Directors as fixed by the Board of Directors in their meeting held on 7th October, 2015 in pursuant to Section 178 (1) of the Companies Ordinance 1984 for term of next three years. The retiring Directors namely:
 - Syed Yawar Ali
 - Mr. Mohammad Bashir Janmohammed
 - Mr. Perwaiz Hasan Khan
 - Mr. Abdus Samad
 - Mr. Abdul Rasheed Janmohammed
 - Mr. Mohammad Rabbani
 - Mr. Perwaiz Masud Ansari
 - Mr. Ahmed Sattar

The above mentioned Directors being eligible have notified their intention to offer themselves for re-election except Mr. Ahmed Sattar and Mr. Perwaiz Masud Ansari.

Mr. Jahangir Abdullah Rasheed and Mr. Usama Khan Ghouri have notified their intention for appointment as Directors of the Company in place of Mr. Ahmed Sattar and Mr. Perwaiz Masud Ansari.

4. To appoint Auditors for the ensuing year, and to fix their remuneration. Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

By order of the Board

MUHAMMAD IMRAN
Company Secretary

Dated: October 07, 2015



NOTES:

1. The Share Transfer Books of the Company will remain closed from 23 October 2015 to 29 October 2015 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as his proxy to attend and vote in his place except that a corporation being a member may appoint as proxy a person who is not a member.
3. The instrument appointing a proxy must be received at the registered office of the Company not less than forty-eight hours before the time of the meeting.
4. Members are requested to notify the change in their addresses, if any, immediately to the Share Registrar of the company, M/s. THK Associates (Pvt) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi.
5. CDC Accounts Holders will further have to follow the guidelines as laid down by the Securities & Exchange Commission of Pakistan.



DIRECTORS' REPORT

The Directors of the Company would like to present the audited financial statements of the Company for the year ended 30 June 2015.

1. Overview

A deteriorating operating environment characterized by political instability, regulatory pressures and rising energy shortages posed grave challenges. However, despite these obstacles, our business recorded sales growth of 35%.

Gross Profit for the year was Rs. 433.21 million as compared to Rs. 224.44 million in the same period of last year. Profit After Tax was Rs. 69.98 million as compared to Rs. 167.31 million in the corresponding period of last year which included an additional exceptions net gain of Rs. 14.4 million due to deferred taxation and one time exceptional gain of Rs. 110.6 million on completion of major part of sale transactions of Company Assets.

The re-launch of Tullo brand aided by an aggressive marketing campaign resulted in a healthy sales volume with growth of almost 35%.

2. Operating Results

Profit and loss for the year under review is as follows:

	(Rs. '000)	
	2015	2014
Gross Profit	433,219	224,440
Other income	45,771	163,737
Profit before taxation	111,305	152,889
Provision for taxation	(41,321)	(14,420)
Profit after taxation	69,984	167,309
Earnings per share	8.76	20.95

3. Risks

The indigenous oil and ghee industry in the organized sector would be at risk if the Government does not take appropriate measures to reduce high import duty and sales tax on this basic food item.



4. Uncertainties

The business of the company would be subject to the following uncertainties:

- (a) Prices of raw materials in the international market.
- (b) Duty and sales tax evasion by un-organized local manufacturers.
- (c) Pakistan Rupee devaluation.
- (d) Current political uncertainty in the Country.
- (e) Energy Crisis.

If the Government does not redress the grievances being faced by the organized local manufacturers, the existence of local industries would be at stake and their survival difficult.

5. Summary of key Operating and Financial data of last ten years

A summary of key operating and financial results for the last ten years is included in the financial results for the year under review.

6. Gratuity Fund

The company is operating a Gratuity Fund. The fund has been appropriately invested by the Trustees. The value of investments of the Gratuity Fund according to the un-audited accounts for the year ended 30 June 2015 is Rs. 5.81 million.

7. Meetings of the Board of Directors

Three meetings of the Board of Directors of the Company were held on 24 September 2014, 23 October 2014 and 25 February 2015. Following was the attendance of the Directors:

<u>Names of Directors</u>	<u>No. of Meetings Attended</u>	<u>Leave of Absence Granted</u>
1. Syed Yawar Ali	3	-
2. Mr. M. Bashir Janmohammed	2	1
3. Mr. Perwaiz Hasan Khan	3	-
4. Mr. A. Rasheed Janmohammed	2	1
5. Mr. Abdus Samad	3	-
6. Mr. Mohammed Rabbani	3	-
7. Mr. Perwaiz Masud Ansari	2	1
8. Mr. Ahmed Sattar	2	1



8. Capital Expenditure and Commitments

There are no plans for any major capital expenditure hence no future commitments have been made.

9. Marketing Review

Focused efforts were made to increase the coverage and penetration of company's brands in the premium as well as mass market segments.

To further strengthen the brand equity more media activities and on ground activations are required however these have to be balanced with the available resources.

10. Future Outlook

The Company continues its efforts to increase the coverage and penetration of its brands in various market segments.

11. Audit Committee

The Board of Directors, as a good corporate practice, has established an Audit Committee and the following directors are its members:

Mr. M. Bashir Janmohammed	Chairman
Mr. Abdus Samad	Member
Mr. A. Rasheed Janmohammed	Member
Mr. Mohammad Rabbani	Member

12. Outstanding Statutory Payments

There are no outstanding statutory payments on account of taxes, duties, levies and charges except of normal and routine nature.

13. Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants are due to retire and being eligible, offer themselves for reappointment for the year 2015-16.



Acknowledgements

We are grateful to our customers for adhering to the quality brands of Tullo and would continue to provide them with our best quality products.

We wish to thank our distributors for promoting the Tullo quality image and our bankers and development financial institutions for their corporate support.

Perwaiz Hasan Khan
Chief Executive Officer

Karachi: 7th October 2015



Key Operating and Financial Results for the last-10 years
(Rupees in '000)

	JUNE 2015	JUNE 2014	JUNE 2013	JUNE 2012	JUNE 2011	JUNE 2010	JUNE 2009	JUNE 2008	JUNE 2007	JUNE 2006
Self-net	3,316,921	2,454,287	1,646,670	1,370,602	1,930,438	1,848,347	897,774	919,345	826,356	1,035,555
Cost of goods sold	2,683,702	2,229,847	1,502,710	1,245,556	1,705,865	1,718,465	841,249	815,552	737,383	861,135
Gross profit	433,219	224,440	143,960	125,046	224,573	129,882	56,525	103,793	88,973	174,420
Administrative	23,914	25,625	24,582	29,696	76,055	20,792	26,029	27,722	27,867	28,621
Selling and distribution	333,668	179,971	88,851	52,580	95,116	106,166	68,629	56,369	92,016	147,937
Financial charges	2,453	3,349	1,419	47,093	66,089	59,334	44,668	56,397	24,733	24,899
Amortization of deferred cost/other operating expenses	7,630	26,343	9,820	11,858	22,808	14,876	15,329	3,815	16,931	-
Operating Expenses	367,685	235,288	124,872	141,227	260,068	201,188	154,655	144,323	163,547	201,257
	65,534	(10,848)	19,288	(16,181)	(35,495)	(71,306)	(98,130)	(40,530)	(74,574)	(26,837)
Other income	45,771	163,737	10,170	15,015	5,939	4,140	41,109	2,920	2,418	1,810
Profit (Loss) before taxation	111,305	152,899	29,458	(1,166)	(29,556)	(67,166)	(57,021)	(37,610)	(72,156)	(25,027)
Provision for Taxation	34,384	25,305	8,483	14,116	19,356	9,260	-	(3,493)	(4,504)	(10,396)
	6,937	(39,725)	5,769	2,646	(1,028)	(1,117)	(1,117)	-	-	-
Profit/(Loss) after taxation	41,321	(14,420)	14,252	16,762	18,328	8,143	(1,117)	(3,493)	(4,504)	(10,396)
	69,984	167,309	15,206	(17,928)	(47,884)	(75,309)	(55,904)	(41,103)	(76,660)	(35,423)
Paid Up Capital	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	76,057
Current Assets	1,220,508	914,018	419,089	422,551	687,147	359,349	256,141	249,034	181,720	162,166
Current Liabilities	1,263,1385	1,030,992	638,991	658,212	715,387	335,743	190,314	316,503	336,266	229,902

Auditors' report to the members

We have audited the annexed unconsolidated balance sheet of **Wazir Ali Industries Limited** (“the **Company**”) as at 30 June 2015 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;



- c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Date: 7th October 2015

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Pirani



Unconsolidated Balance Sheet

As at 30 June 2015

	Note	2015 (Rupees in '000)	2014 (Rupees in '000)		Note	2015 (Rupees in '000)	2014 (Rupees in '000)
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Non-current assets			
Authorized capital 8,000,000 ordinary shares of Rs. 10 each (2014: 8,000,000 shares of Rs. 10 each)		80,000	80,000	Property, plant and equipment	10	1,139	1,823
Issued, subscribed and paid-up capital	4	79,860	79,860	Investment in subsidiary	11	50,000	50,000
Capital reserve		10,646	10,646	Deferred tax asset	25.2	36,049	39,725
General reserve		66,067	66,067	Total non-current assets		87,188	91,548
Accumulated losses		(146,246)	(216,230)	Current assets			
Total equity		10,327	(59,657)	Stock-in-trade	12	292,786	480,556
Surplus on revaluation of land and building (non-current assets classified as held for sale) - net of deferred tax	5	34,231	34,231	Trade debts - unsecured	13	149,182	136,552
Current liabilities				Advances - net	14	5,968	-
Trade payables, accrued expenses and other liabilities	6	1,102,792	844,176	Deposits, prepayments and other receivables	15	42,076	42,961
Short term borrowings-secured	7	-	26,350	Taxation - net	25	15,759	29,688
Mark-up payable on borrowings	8	160,346	160,466	Receivable from the gratuity fund	27	1,408	1,028
Total current liabilities		1,263,138	1,030,992	Cash at bank	16	678,539	188,443
Contingencies and commitments	9			Non-current assets classified as held for sale	17	34,790	34,790
Total equity and liabilities		1,307,696	1,005,566	Total current assets		1,220,508	914,018
				Total assets		1,307,696	1,005,566

The annexed notes 1 to 33 form an integral part of these unconsolidated financial statements.


Chief Executive


Director



Unconsolidated Profit and Loss Account

For the year ended 30 June 2015

	Note	2015 (Rupees in '000)	2014
Revenue - net	18	3,316,921	2,454,287
Cost of goods sold	19	(2,883,702)	(2,229,847)
Gross profit		433,219	224,440
Administrative expenses	20	(23,914)	(25,625)
Selling and distribution expenses	21	(333,688)	(179,971)
Other expenses - net	22	(7,630)	(26,343)
		(365,232)	(231,939)
Other income	23	45,771	163,737
		113,758	156,238
Finance costs	24	(2,453)	(3,349)
Profit before taxation		111,305	152,889
Taxation - net	25	(41,321)	14,420
Profit for the year		69,984	167,309

The annexed notes 1 to 33 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Unconsolidated Statement of Comprehensive Income

For the year ended 30 June 2015

	2015	2014
	(Rupees in '000)	
Profit for the year	69,984	167,309
Other comprehensive income	-	-
Total comprehensive income for the year	69,984	167,309

The annexed notes 1 to 33 form an integral part of these unconsolidated financial statements.

Chief Executive

Director



Unconsolidated Cash Flow Statement

For the year ended 30 June 2015

	2015	2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	111,305	152,889
Adjustments for:		
Depreciation	684	684
(Gain) on disposal of property, plant and equipment	-	(110,616)
Finance costs	2,453	3,349
Advances written back	(802)	(1,480)
Provision against finished goods	-	7,114
Provision against raw material and packing material	-	746
Provision against receivable from related party	-	263
Provision against other receivables	-	411
Provision for doubtful debts	4,150	10,291
Provision against sales tax refundable	-	2,882
Provision for Workers' Welfare Fund	3,230	3,056
Exchange loss / (gain)	(326)	412
Income from reversal of provision	-	(1,025)
Reversal of provision for impairment against the subsidiary company	-	(26,340)
Other provision	-	1,168
	120,694	43,804
(Increase) / decrease in current assets:		
Long term security deposits	-	1,000
Stock in trade	187,770	(316,092)
Trade debts	(16,780)	(106,100)
Advances	(5,968)	-
Receivable from gratuity fund	(380)	(292)
Deposits, prepayments and other receivables	1,211	(7,283)
	165,853	(428,767)
Increase / (decrease) in current liabilities:		
Trade payables, accrued expenses and other liabilities	228,188	371,767
Short term borrowing	(26,350)	26,350
Cash generated from operations	488,385	13,154
Finance costs paid	(2,573)	(13,689)
Income taxes paid	(23,716)	(45,456)
Net cash flows from operating activities	462,096	(45,991)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	28,000	203,720
Net cash flows from investing activities	28,000	203,720
Net (decrease) / increase in cash and cash equivalents during the year	490,096	157,729
Cash and cash equivalents at beginning of the year	188,443	30,714
Cash and cash equivalents at end of the year	678,539	188,443

Note

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The annexed notes 1 to 33 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

**Unconsolidated Statement of Changes in Equity***For the year ended 30 June 2015*

	Note	Issued subscribed and paid-up capital	Capital reserve (Share premium reserves)	Revenue reserves		Total
				General reserve	Accumulated losses	
----- (Rupees in '000) -----						
Balance as at 1 July 2013		79,860	10,646	66,067	(472,881)	(316,308)
Total comprehensive income - profit for the year		-	-	-	167,309	167,309
Transferred from surplus on revaluation of property, plant and equipment	5	-	-	-	89,342	89,342
Balance as at 30 June 2014		79,860	10,646	66,067	(216,230)	(59,657)
Total comprehensive income - profit for the year		-	-	-	69,984	69,984
Balance as at 30 June 2015		79,860	10,646	66,067	(146,246)	10,327

The annexed notes 1 to 33 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Notes to the unconsolidated Financial Statements

For the year ended 30 June 2015

1. STATUS AND NATURE OF BUSINESS

1.1 Wazir Ali Industries Limited ("the Company") was incorporated as a public limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares were listed on the Karachi and Lahore Stock Exchanges. On 28 October 2011, the Board of Directors decided to voluntarily delist the Company from Karachi and Lahore Stock Exchanges. The said decision was also approved by the shareholders in the Extra Ordinary General Meeting held on 20 January 2012. The voluntary delisting was successfully completed and the Company was delisted with effect from 7 May 2012. The registered office of the Company is located at F-33, Hub River Road, S.I.T.E. Area Karachi, Pakistan. The Company is a subsidiary company of Dalda Foods (Private) Limited (the Holding Company with 86.66%), which company is a subsidiary of DFL Corporation (Private) Limited.

1.2 On 27 October 2010, the Board of Directors decided to close the production facility from 31 December 2010. From 1 January 2011, the demand for the Company's product is being met through a toll manufacturing agreement executed with the Holding Company. As per the agreement, the Holding Company has agreed to provide toll manufacturing services for the production of Vanaspati Ghee and Cooking Oils under the brand name of "TULLO", at a specified toll manufacturing fees. The agreement may be terminated by either party through a notice of one month.

On 1 January 2007, an agreement was entered with the Holding Company, whereby the Holding Company agreed to provide various services such as sales and marketing (including selling of the Company's products through the Holding Company's sales and distribution network), accounting, procurement and human resource to the Company at an agreed fees.

On 28 October 2011, the Board of Directors approved the disposal of all the property, plant and equipment of the Company other than motor vehicles. In this respect, the Chief Executive Officer and / or any other Directors were authorized to take the necessary steps. The said decision was also approved by shareholders in an Extra Ordinary General Meeting held on 20 January 2012. The same has been now disposed off, except for a certain portion of land which has been classified as held for sale and advance against such has been received (refer note 17 for more details).

1.3 Wazir Ali Ventures (Private) Limited (the Subsidiary Company) is a wholly owned subsidiary of the Company, incorporated in Pakistan on 9 May 2005. These financial statements represent the unconsolidated financial statements of Wazir Ali Industries Limited and have been prepared in view of the legal requirements. The Company also produces consolidated financial statements, which are provided separately. The Board of Director of the Company has resolved for the merger of the Company with its subsidiary Company. However, necessary legal formalities are under way.



1.4 Although as of 30 June 2015, Company's accumulated losses amounted to Rs. 146.246 million (2014: Rs. 216.230 million) and current liabilities exceeded current assets by Rs. 42.63 million (2014: Rs. 116.974 million), the company's total equity was positive at Rs. 6.412 million (2014: negative Rs. 59.657 million). However, these unconsolidated financial statements have been prepared on a going concern basis, due to the following reasons:

- Future expected cash flows, under which the Company expects a significant improvement in the equity. In the current year also the Company earned net income of Rs. 111.305 million before taxes. In the previous year too, the Company earned pre tax income of Rs. 152.889 million.
- Availability of financial support from the Holding Company.
- The Company has entered in an arrangement for the sale of land and building as described in note 17, which is expected to further improve its equity.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the land and building classified as non-current assets held for sale, which are stated at revalued amounts.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is also the Company's functional currency. All figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



2.4 Use of estimates and judgements

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

Estimates and underlying 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 effects and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the future years as follows

- Residual values and useful lives of property, plant and equipment (note 3.1);
- Valuation of stores, spares and loose tools and stock in trade (notes 3.2 & 3.3);
- Provision for impairment of trade debts and other receivables (note 3.4.1.1);
- Provision for impairment of financial and non-financial assets (note 3.5);
- Valuation of investments in subsidiary (notes 3.8);
- Taxation (note 3.9); and
- Non-current assets held for sale (notes 3.15 & 17).

2.5 Standards, interpretations and amendments not yet effective

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

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.



- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The amendments are not likely to have an impact on Company's financial statements.
- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Company's financial statements.
- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on Company's financial statements.
- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on Company's financial statements.





- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on Company's financial statements.
- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on Company's financial statements.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on Company's financial statements.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is

also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.
- The above improvements are not likely to have an impact on the financial statements of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as set below have been applied consistently to periods presented in these unconsolidated financial statements.

3.1 Property, plant and equipment

Initial recognition

These are recognized as an asset if it is probable that future economic benefits will flow to the entity and cost can be measured reliably.

Measurement

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets.

Subsequent costs (including normal repairs and maintenance)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are recognized in profit and loss account during the period in which they are incurred.



Depreciation

Depreciation is based on cost less its residual value of the asset. Depreciation is calculated on a straight line basis over the estimated useful life of the assets. Depreciation on additions is charged from the month the asset is available for use. Depreciation on disposal is charged up to the month the asset is sold or retired.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the profit and loss account.

3.2 Stock-in-trade

Stock in trade is stated at the lower of cost and net realizable value. Cost is determined using weighted average cost formula and includes expenditure incurred in acquiring / bringing the inventories to their present location and condition. In the case of finished goods cost consists, cost of raw materials, packing materials, toll manufacturing fees and appropriate share of overheads. Work-in-process items which have not gone through the production phase (soft and hard oil) includes raw material costs only. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Stock in transit is stated at cost, which is invoice value, plus other charges incurred thereon till balance sheet date.

3.3 Stores and spares

Stores and spares are valued at lower of cost and net realizable value, less impairment losses, if any. Cost is determined using FIFO basis. Provision is made for obsolete / slow moving items where necessary and is recognized in the profit and loss account.

3.4 Financial instruments

3.4.1 Non-derivative financial assets

All non-derivative financial assets are initially recognized on the trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets with fixed or determinable payments that are not quoted in active markets comprise of



advances, deposits, trade debts, other receivables and cash and cash equivalents. These are derecognised when the company ceases to be a party to the contractual provisions of the instrument. Any gain or loss on derecognition is taken to income currently.

3.4.1.1 Loans, trade debts and other receivables

Loans, trade debts and other receivables / deposits are recognized initially at fair value and subsequently measured at amortized cost using effective interest rate method, if applicable, less provision for impairment losses, if any. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Loans, trade debts and other receivables / deposits considered irrecoverable are provided / written off.

3.4.1.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term borrowings that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

3.4.2 Financial liabilities

Financial liabilities represent mark-up bearing borrowings, liability for trade and other payables. Financial liabilities are initially recognized on trade date i.e. the date on which the Company becomes party to the respective contractual provisions of the instruments. These are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition is taken to income currently.

3.4.2.1 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value which is usually the cost, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the profit and loss account over the period of the borrowings.

3.4.2.2 Trade creditors and other liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.





3.5 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence which indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

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

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 such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

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

3.6 Employee benefits

Compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences. Compensated absences are based on actual utilized absences at the end of year. Salary used to calculate absences includes basic salary, house rent, utility, conveyance and medical allowances.



Post retirement benefits

The Company is also operating an approved funded gratuity scheme for its permanent employees.

Full provision has been made in the unconsolidated financial statements for qualifying employees on the basis of last drawn basic salary and number of years of service with the Company, as reduced by the fair value of plan assets. Assets, if any, resulting from the above is restricted to the balance which can be realized by the Company.

3.7 Provisions

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

Provision for leakages and damages and claims against trade offers is recognized in the profit and loss account when the underlying products are sold. The provision is made on the basis of claims lodged with the Company and estimate based on the historical data, etc.

3.8 Investment in subsidiary

Investment in subsidiary is carried at cost less impairment losses, if any.

3.9 Taxation

Provision for taxation expense comprise of current and deferred tax. Current and deferred tax is recognized in profit and loss account except to the extent that it relates to items recognized in equity, other comprehensive income and surplus on the revalued non-current assets held for sale / property, plant and equipment. In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current

Provision for current taxation is the expected tax payable on taxable income for the year and is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after considering the effects of minimum taxation, available tax credits and rebates.



Deferred

Deferred taxation is recognized, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities in the unconsolidated financial statements and their tax base. The amount of deferred tax recognized is based on expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. Deferred tax liability on the surplus on the revalued non - current assets held for sale / property, plant and equipment is recorded in that account.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Foreign currency translation

Foreign currency transactions are translated into functional currency i.e., Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Exchange differences, if any, are taken to the profit and loss account.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the balance sheet when and only when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.12 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

3.13 Revenue recognition

- Sales are measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred i.e. dispatch of goods to the customers.
- Interest income is recognized using effective interest rate method.

**3.14 Dividend and appropriation of reserves**

Dividend and appropriation to reserves are recognized in the period in which these are approved.

3.15 Non-current asset held for sale

If the carrying value of assets are expected to be recovered primarily through sale rather than through continuing use, then these are classified as non-current assets held for sale. Immediately before classification as held for sale, these assets comprising of land were measured in accordance with the applicable IFRSs, (which in the company's case was at revalued amount). Thereafter, the assets are measured at the lower of their carrying amount and fair value less cost of sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurements are recognized in profit and loss account.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Note	2015	2014
		(Rupees in '000)	
6,808,175 (2014: 6,808,175) ordinary shares of Rs. 10 each fully paid in cash		68,082	68,082
1,177,784 (2014: 1,177,784) ordinary shares of Rs. 10 each fully paid bonus shares		11,778	11,778
		79,860	79,860
4.1 At 30 June 2015, Dalda Foods (Private) Limited, the Holding Company held 86.66% (2014: 86.66%) shares of the company			
5. SURPLUS ON REVALUATION OF LAND AND BUILDING (NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE) - net of deferred tax	Note	2015	2014
Balance as on 1 July	5.1	34,231	123,573
Surplus transferred to accumulated losses in respect of land and building disposed off during the year	17	-	(89,342)
		34,231	34,231
Related deferred tax liability as on 1 July		-	(3,205)
Reversal on sale for deferred tax liability		-	3,205
Related deferred tax liability as on 30 June		-	-
		34,231	34,231



5.1 This represents surplus arising on revaluation of freehold land of the Company originally held as property, plant and equipment. The revaluations were carried out under market value basis by independent valuers; M/s Iqbal A Nanjee & Co. on 30 September 2003, M/s Imran Associates on 31 January 2005, M/s Iqbal A Nanjee & Co. on 18 September 2006, M/s Akbani and Javed Associates on 26 June 2010 and on 20 August 2011. The assets on which surplus on revaluation was recognized, were classified as non-current assets held for sale during the year ended 30 June 2012 (refer note 17 for details).

6. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2015 (Rupees in '000)	2014
Trade payables against goods and services	6.1	202,302	106,924
Accrued expenses	6.2	102,205	81,523
Withholding tax payable		2,607	23
Advances from customers		22,115	29,312
Advance against non current assets classified as held for sale	17	46,280	46,280
Payable to the subsidiary company against the sale of land	17	127,000	99,000
Payable to the Holding Company	6.3	582,514	466,761
Unclaimed dividend		557	557
Payable to Workers' Welfare Fund		8,623	5,393
Provision for compensated absences	6.4	599	599
Other liabilities	6.5	7,990	7,804
		<u>1,102,792</u>	<u>844,176</u>

6.1 Trade payable against goods and services includes amount of Rs. 162.9 million (2014: Nil) due to an associated company.

6.2 This includes Rs. 8.439 million (2014: Rs. 7.239 million) payable to the Chief Executive Officer and an ex-Chief Executive Officer of the Company as their remuneration up to the year-end.

6.3 This represents amount payable to the Holding Company in respect of toll manufacturing, related services provided, oil purchased and borrowed. Details are as follows:



	Note	2015 (Rupees in '000)	2014
Toll manufacturing	1.2	137,330	129,622
Services provided	6.3.1	256,422	145,198
Raw materials borrowed		1,953	72,924
Trade payable for the purchase of oil		186,809	119,017
		<u>582,514</u>	<u>466,761</u>

6.3.1 This represents the amount payable for sales and marketing, accounting, procurement and human resources services provided by the holding company (refer note 1.2).

6.4 Provision for compensated absences

Balance at 1 July	599	600
Provision made during the year	-	138
	<u>599</u>	<u>738</u>
Payments during the year	-	(139)
Balance at 30 June	<u>599</u>	<u>599</u>

Compensated absences are calculated on the basis of unavailed leaves balances of each employee at the end of the year based on the gross salary.

6.5 This includes provision of Rs. 5.191 million (2014 : Rs. 4.99 million) relating to a legal case filed against the Company.

6.6 All the above balances are unsecured and interest free.

7. SHORT TERM BORROWING - secured

Running finance under FE-25 import scheme	7.1	-	26,350
		-	26,350
		<u>-</u>	<u>26,350</u>

7.1 Borrowing of Rs. 26.35 million outstanding as at 30 June 2014 and the related markup was repaid during the year. Currently the Company do not have any borrowing from a financial institution.



8. MARK-UP PAYABLE ON BORROWINGS	<i>Note</i>	2015	2014
		(Rupees in '000)	
On:			
- Subordinated loans from the Holding Company	<i>8.1</i>	160,346	160,346
- Running finance under FE-25 import scheme	<i>7.1</i>	<u>-</u>	<u>120</u>
		<u>160,346</u>	<u>160,466</u>

8.1 This represents the mark-up payable by the Company on the total borrowings of Rs. 350 million from the holding company during the period from 31 December 2007 to 08 August 2012 (net of subsequent payments). Entire borrowing of principal amount has been repaid by the Company to the Holding Company. The above balance is unsecured.

9. CONTINGENCIES AND COMMITMENTS	<i>Note</i>	2015	2014
Contingencies	<i>9.1</i>	<u>20,977</u>	<u>344,472</u>
Commitments		<u>-</u>	<u>100,365</u>
9.1 Contingencies			
Claims against the Company not acknowledged as debt	<i>9.1.1</i>	<u>20,977</u>	<u>220,325</u>
Bank guarantees		<u>-</u>	<u>4,020</u>
Post dated cheques deposited with the Collector of Customs		<u>-</u>	<u>120,127</u>

9.1.1 The Company had filed a suit before the Honourable High Court for the recovery of palm oil brought to Karachi on a vessel on the ground that the same was imported by it. Oil was purchased through Swiss Bank Corporation (the Bank) which impleaded to be included as defendant in the case subsequently. The High Court provided interim measure and allowed the delivery of palm oil to the Company against bank guarantee of US\$ 206,110 (Rs. 20,977,608 as at 30 June 2015). However the Bank filed a suit before the High Court claiming right to said palm oil. Subsequently, the Company withdrew its case and bank guarantee was released. Thereafter, the Honourable High Court on an application by the Bank restored the earlier order and required the bank guarantee of US\$ 206,110 from the Company, which had been furnished accordingly. This guarantee was replaced by fixed deposits receipts on its expiry. A payorder of US\$ 206,110 (Rs. 20.977 million as at 30 June 2015) was prepared and furnished to the High Court (refer note 15.1). As per the advice from the Company's legal advisor, they have a very good case on merit and the suit filed by Swiss Bank Corporation is likely to be dismissed.

10. PROPERTY, PLANT AND EQUIPMENT

	2015										
	Cost				Depreciation				Written down	Rate	
	As at 01 July 2014	(Disposals)	Write-off	As at 30 June 2015	As at 01 July 2014	For the year	(Disposals)	Write-off	As at 30 June 2015	value as at 30 June 2015	%
(Rupees in '000)											
Vehicles	3,419	-	-	3,419	1,596	684	-	-	2,280	1,139	20
	3,419	-	-	3,419	1,596	684	-	-	2,280	1,139	

	2014										
	Cost				Depreciation				Written down	Rate	
	As at 01 July 2013	(Disposals)	Write-off	As at 30 June 2014	As at 01 July 2013	For the year	(Disposals)	Write-off	As at 30 June 2014	value as at 30 June 2014	%
(Rupees in '000)											
Vehicles	3,419	-	-	3,419	912	684	-	-	1,596	1,823	20
	3,419	-	-	3,419	912	684	-	-	1,596	1,823	

10.1 Depreciation charge for the year has been allocated to administrative expenses.

11. INVESTMENT IN SUBSIDIARY

	Note	2015	2014
(Rupees in '000)			
Cost of investment	11.1	50,000	50,000
Impairment	11.2	-	-
		50,000	50,000

11.1 Wazir Ali Ventures (Private) Limited is a wholly owned subsidiary of the Company, incorporated in Pakistan on 9 May 2005. Mr. Inam Bari (Director Human Resource of the Holding Company) is the Chief Executive Officer of the Subsidiary Company. Above investment represents investment in 5 million ordinary shares of Rs. 10 each.



11.2 Provision for impairment	<i>Note</i>	2015	2014
		(Rupees in '000)	
Opening balance		-	26,340
Reversal of provision		-	(26,340)
Closing balance		<u>-</u>	<u>-</u>
12. STOCK-IN-TRADE			
Raw materials		93,117	4,361
Raw materials in transit		<u>-</u>	<u>186,097</u>
		93,117	190,458
Provision against obsolete raw material	12.1	<u>-</u>	<u>(174)</u>
		93,117	190,284
Packing materials		8,813	10,579
Provision against obsolete packing material	12.2	(955)	(2,669)
		7,858	7,910
Work-in-progress		<u>36</u>	<u>66</u>
		101,011	198,260
Finished goods - Ghee and cooking oil		200,198	290,719
Write down of finished goods to net realizable value	12.3	(8,423)	(8,423)
		191,775	282,296
		<u>292,786</u>	<u>480,556</u>
12.1 Movement of provision against obsolete raw material			
Balance at 1 July		174	114
Provision made during the year		-	60
Write offs during the year		(174)	-
Balance at 30 June		<u>-</u>	<u>174</u>



12.2 Movement of provision against obsolete packing material	<i>Note</i>	2015	2014
		(Rupees in '000)	
Balance at 1 July		2,669	1,983
Provision made during the year		-	686
Write offs during the year		(1,714)	-
Balance at 30 June		<u>955</u>	<u>2,669</u>

12.3 Movement of provision against finished goods (to write down to net realisable value)

Balance at 1 July	8,423	1,309
Provision made during the year	-	7,114
Balance at 30 June	<u>8,423</u>	<u>8,423</u>

Finished goods having cost of Rs. 134.896 million (2014: Rs. 99.721 million) have been written down by Rs. 8.423 million (2014: Rs. 8.423 million) to its net realizable value.

12.4 Stock held by the Holding Company

Raw material	93,117	4,187
Packing material	7,858	7,910
Work in progress	36	66
Finished goods	<u>191,775</u>	<u>282,296</u>
	<u>292,786</u>	<u>294,459</u>

These stocks are held by the Holding Company on account of toll manufacturing of the Company's products as more fully explained in note 1.2 to these unconsolidated financial statements.

13. TRADE DEBTS - unsecured

Considered good	149,182	136,552
Considered doubtful	16,631	13,459
	<u>165,813</u>	<u>150,011</u>
Provision for doubtful debts	<i>13.1</i> (16,631)	(13,459)
	<u>149,182</u>	<u>136,552</u>



	<i>Note</i>	2015	2014
		(Rupees in '000)	
13.1 Movement in provision for doubtful debts			
Balance at 1 July		13,459	3,951
Provision made during the year	22	4,150	10,291
Written off during the year		(978)	(783)
Balance at 30 June		<u>16,631</u>	<u>13,459</u>
14. ADVANCES - NET			
Considered good			
Advance payments to suppliers - unsecured		5,968	-
Considered doubtful			
Advance payments to contractors and suppliers - unsecured		500	500
Provision there against		(500)	(500)
		-	-
		<u>5,968</u>	<u>-</u>
15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposit and prepayments	15.1	21,356	24,628
Provision against prepayments		(379)	(379)
Deposit - considered good		<u>20,977</u>	<u>24,249</u>
Margin against bank guarantees	15.2	5,136	5,136
Provision there against		(1,116)	(1,116)
		4,020	4,020
Accrued profit on profit and loss sharing bank accounts		3,293	974
Sales tax refundable		2,882	2,882
Provision made		(2,882)	(2,882)
		-	-
Due from the Subsidiary Company - considered good	15.3	9,992	9,924
Accrued mark-up on balance due from the subsidiary company - considered good	15.3	3,794	3,794
		<u>13,786</u>	<u>13,718</u>



	<i>Note</i>	2015	2014
		(Rupees in '000)	
Other receivables - unsecured:			
Due from ZIL Limited - a related party		263	263
Less: Provision there against		(263)	(263)
		-	-
Others		1,408	1,408
Provision there against		(1,408)	(1,408)
		-	-
		42,076	42,961

15.1 This includes deposit of US\$ 206,110 (Rs. 20.977 million) {2014: US\$ 206,110 (Rs. 20.325 million)} to the High Court of Sindh in the form of a pay order (refer note 9.1.1).

15.2 This balance is in respect of a guarantee which has expired.

15.3 This interest is due on a balance of Rs. 9.992 million receivable from Wazir Ali Ventures (Private) Limited (Subsidiary Company) on account of common expenses shared with it (net of recoveries) and payment made by the Company on behalf of its subsidiary. The Company intends to adjust this receivable balance due from the subsidiary company from the advance received on behalf of subsidiary company against sale of land (refer note 17) when the sale is concluded.

15.4 Above balances are unsecured, interest free and considered good, except to the extent provided for.

16. CASH AT BANK

In:

- Current accounts		16,953	27,439
- Profit and loss sharing account	<i>16.1</i>	661,586	161,004
		678,539	188,443

16.1 These profit and loss sharing accounts carry profit at 5.5% and 8.5% (2014: 8%) per annum.



17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 28 October 2011, the Board of Directors decided to dispose off all the fixed assets of the Company. In this respect Chief Executive Officer and / or any other Director of the Company were jointly authorized by the Board to take all necessary steps. This was also approved by the shareholders in an Extra Ordinary General Meeting held on 20 January 2012. Consequently, an agreement was executed during the year ended 30 June 2012 between the Company, the Subsidiary Company and the buyer and certain property, plant and equipments were classified as held for sale in accordance with the requirements of IFRS. Subsequently, plant and equipments, buildings and certain portion of the land were disposed off by the Company. Sale of the land is recognised in proportion to the execution of the sale deed with the buyer / transfer of title of the area of land in the name of the buyer.

Upto 30 June 2015 title to 83.95 Ghuntas had not been transferred to the buyer pending the collection of Rs. 43 million due from the buyer in respect of the Subsidiary Company. However the entire sales proceeds in respect of the Company has been collected from the buyer. Carrying value of the free hold land at 30 June 2015 not so transferred to the buyer amounts to Rs. 34.79 million.

However, subsequent to the year, title to 1 acre of land (40 Ghuntas) was transferred to the buyer, while 38.9 Ghuntas are in the process of transfer (around 97.1% of the total area so far has been transferred / in process of the transfer to the buyer).

In addition, the Company has also received Rs. 127 million (2014: Rs. 99 million) from the buyer as proceeds under the agreement for the sale of the land of the Subsidiary Company, out of the total agreed amount of Rs. 170 million. Total amount received by the Company as at 30 June 2015 in respect of its own case amounted to Rs. 250 million, out of which Rs. 46.28 million is shown as a liability pending the transfer of title to the buyer.

Finalization of the sale has extended for period beyond one year for reasons beyond the Company's control including due to the pending receipt of the remaining amount of Rs. 43 million in respect of the Subsidiary Company due from the buyer.

In view of the reasons given above the management is of the view that the sale agreement for the remaining area of land for both the companies is expected to be finalised in the next financial year.



	<i>Note</i>	2015	2014
18. REVENUE - net		(Rupees in '000)	
Sales		3,438,438	2,530,513
Trade discounts		(121,517)	(76,226)
		<u>3,316,921</u>	<u>2,454,287</u>
19. COST OF GOODS SOLD			
Finished goods as on 1 July		290,719	143,583
Cost of goods manufactured	<i>19.1</i>	<u>2,793,181</u>	<u>2,376,983</u>
Available for sale		3,083,900	2,520,566
Finished goods as on 30 June		(200,198)	(290,719)
		<u>2,883,702</u>	<u>2,229,847</u>
19.1 Cost of goods manufactured			
Work in progress as on 1 July		66	5,628
Raw materials consumed	<i>19.2</i>	<u>2,447,583</u>	<u>2,113,584</u>
Packing materials consumed	<i>19.3</i>	218,990	167,671
Manufacturing charges under toll manufacturing agreement with the Holding Company	<i>1.2</i>	125,188	88,964
Marking fee payable to Pakistan Standards and Quality Control Authority		1,390	1,202
		<u>2,793,217</u>	<u>2,377,049</u>
Work in progress as on 30 June		(36)	(66)
		<u>2,793,181</u>	<u>2,376,983</u>
19.2 Raw materials consumed			
Balance as on 1 July		190,458	19,592
Purchases		<u>2,350,242</u>	<u>2,284,450</u>
		2,540,700	2,304,042
Balance as on 30 June		(93,117)	(190,458)
		<u>2,447,583</u>	<u>2,113,584</u>



	<i>Note</i>	2015	2014
		(Rupees in '000)	
19.3 Packing materials consumed			
Balance as on 1 July		10,579	6,927
Purchases		217,224	171,323
		<u>227,803</u>	<u>178,250</u>
Balance as on 30 June		<u>(8,813)</u>	<u>(10,579)</u>
		<u>218,990</u>	<u>167,671</u>
20. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		5,025	5,992
Repair and maintenance		1,003	499
Travelling and conveyance		252	133
Legal and professional charges		2,355	5,654
Depreciation	<i>10</i>	684	684
Rent, rates and taxes		200	535
Postage, telegrams and telephone		136	64
Printing and stationery		-	-
Insurance		1,287	1,001
Security		-	280
Subscription		166	103
Auditors' remuneration	<i>20.1</i>	806	480
Fee under service level agreement with the Holding Company	<i>1.2</i>	12,000	10,200
		<u>23,914</u>	<u>25,625</u>
20.1 Auditors' remuneration			
Statutory audit fee		425	400
Fee on consolidated financial statements		*252	-
Other services (agreed upon procedures reports)		65	16
Out of pocket expenses		64	64
		<u>806</u>	<u>480</u>

* Includes Rs. 70,000 for the current year, while the remaining balance is for the earlier years.



	<i>Note</i>	2015	2014
		(Rupees in '000)	
21. SELLING AND DISTRIBUTION EXPENSES			
Marketing and advertisement	<i>21.1</i>	216,398	103,377
Freight	<i>21.1</i>	116,592	75,983
Insurance		698	611
		<u>333,688</u>	<u>179,971</u>
21.1 This includes expenses under the agreement (referred in note 1.2) with the Holding Company, which are as follows:			
Marketing and advertisement		46,358	31,312
Freight		56,292	37,865
		<u>102,650</u>	<u>69,177</u>
22. OTHER EXPENSES			
Expenses against financial instruments			
Provision for doubtful debts	<i>13.1</i>	4,150	10,291
Provision against sales tax refundable		-	2,882
Provision against a balance due from a related party		-	263
Provision against other receivables		-	411
Exchange loss		-	412
Others		250	1,168
		<u>4,400</u>	<u>15,427</u>
Expenses against non financial asset			
Provision for Workers' Welfare Fund		3,230	3,056
Provision against finished goods		-	7,114
Provision against raw materials and packing materials		-	746
		<u>7,630</u>	<u>26,343</u>
23. OTHER INCOME			
Income from financial instruments			
Profit on profit and loss sharing bank accounts		36,575	21,215
Profit on term deposit receipts with Banks		8,068	-
Advances written back		802	1,480
Income from reversal of provision		-	1,025
Interest on balance receivable from subsidiary		-	2,769
Exchange gain		326	-
Other income		-	292
		<u>45,771</u>	<u>26,781</u>



	<i>Note</i>	2015	2014
		(Rupees in '000)	
Income from non-financial assets			
Gain on disposal of land and building	17	-	110,616
Reversal of provision for impairment against the subsidiary company		-	26,340
		<u>45,771</u>	<u>163,737</u>
24. FINANCE COSTS			
Mark-up on:			
- Short term borrowings		59	202
- Liability against a legal case		-	1,453
Bank charges		2,394	1,694
		<u>2,453</u>	<u>3,349</u>
25. TAXATION			
Current - minimum tax		34,384	25,305
Deferred tax income expense / (income)	25.2	3,676	(39,725)
Prior years		3,261	-
		<u>41,321</u>	<u>(14,420)</u>
25.1 Reconciliation of the accounting profit and taxable profit has not been given as the Company is liable to pay minimum tax arising under the Income Tax Ordinance, 2001 due to available previous years accumulated tax losses.			
25.2 Deferred tax has been recognised in the profit and loss account on the following:			
Deductible temporary differences in respect of:			
Provision against doubtful debts		4,989	4,711
Provision against slow moving / obsolete stock in trade		2,527	3,943
Accrued expenses / other liabilities		28,533	31,071
Amount recognised as deferred tax asset		<u>36,049</u>	<u>39,725</u>
Net charge / (credit) recognised in the profit and loss account		<u>3,676</u>	<u>(39,725)</u>

In addition to the above, deferred tax of Rs. 19.516 million (2014: Rs. 6.031 million) has not been recognised in view of the uncertainty of its realisation. Above balance of deferred tax asset has been recognised at 30% of the deductible temporary differences as the management is of the view that these will be recovered in the years in which the applicable tax rate would be 30%.



25.3 Income tax returns up to the tax year 2014 (financial year ending 30 June 2014) have been filed by the Company and are deemed to be assessment orders under section 120 of the Income Tax Ordinance, 2001 and the Company is not expecting any unfavourable outcome regarding audit proceedings.

25.4 Income tax assessment orders of the Company have been issued by the taxation authorities up to and including the tax year 2011. In the assessment orders for the tax year 2011, the taxation authorities have disallowed certain expenses etc. and have charged tax and certain portion of the Company's receipts under clause 13(c) of Part II of the Income Tax Ordinance, 2001 resulting in a cumulative additional tax demand of Rs. 12.35 million. However, the Company do not expect any unfavourable out come of appeals filed with the taxation authorities in this regards (and in certain cases, the matter has been decided in the Company's favour, although the appeal effect is still awaited). Accordingly, no provision for the above amount has been made in these unconsolidated financial statements. In respect of the tax years 2007, 2008 and 2010, the tax authorities have filed appeals with the learned Appellate Tribunal Inland Revenue. However, favourable outcome is expected in this respect.

	<i>Note</i>	2015	2014
		(Rupees in '000)	
26. CASH AND CASH EQUIVALENTS			
Bank balances		<u>678,539</u>	<u>188,443</u>
		<u>678,539</u>	<u>188,443</u>

27. STAFF RETIREMENT BENEFIT

27.1 Details of the gratuity fund balance are as follows:

Gratuity payable at 30 June		<u>4,401</u>	<u>4,253</u>
Fair value of plan assets at 30 June	27.3	<u>(5,809)</u>	<u>(5,281)</u>
Receivable at 30 June		<u>1,408</u>	<u>1,028</u>

27.2 Number of eligible employee in the above fund at 30 June 2015 is 1 (2014: 1).

27.3 Plan assets represents the units in the open ended mutual funds and bank balances, details of which are as follows:



2015 (Number of units)	2014		%	2015 (Rupees in '000)	2014
66,911	61,711	Open end mutual fund: - Pakistan Income Fund	62%	3,574	3,211
38,126	38,126	- Meezan Islamic Income Fund	35%	2,068	1,913
		MCB Bank Limited - profit and loss sharing account	3%	167	157
			100%	5,809	5,281

28. RELATED PARTY TRANSACTIONS

Related parties comprise of group companies, directors and their close family members (including the group companies), staff retirement funds, key management personnel and major shareholders of the Company, Holding Company, Subsidiary Company and associated companies including DFL Corporation (Private) Limited (ultimate holding company), Dalda Foods (Private) Limited (Holding Company), Wazir Ali Ventures (Private) Limited (subsidiary company), Mapak Edible Oils (Private) Limited, Mapak Qasim Bulkers (Private) Limited, ZIL Limited, Shakoo (Private) Limited and IGI Insurance Limited. These associated companies are associated companies either based on holding in equity or they are either under the same management and / or with common directors. All transactions with related parties are at agreed rates. However, contributions to and accruals in respect of staff retirement and other benefit plans are made as per the service rules and remuneration to key management personnel are determined in accordance with the terms of employment (note 29). The aggregate value of transactions and outstanding balances as at 30 June 2015 with related parties other than those which have been disclosed else where are as follows:



	Note	2015				
		Balance as at 1 July 2014 receivable / (payable)	Transactions during the year (note 28.1)	Payments		Balance as at 30 June 2015 receivable / (payable)
				made by the company	received the company	
(Rupees in '000)						
Holding Company	6.3 & 8.1	(627,107)	(453,365)	337,612	-	(742,860)
Subsidiary Company						
Wazir Ali Ventures (Private) Limited - - Amount due from the subsidiary company (including mark-up receivable)	15.2	13,718	68	-	-	13,786
- Advance received against sale of land	17	(99,000)	-	-	(28,000)	(127,000)
Associated Companies						
Mapak Edible Oils (Private) Limited	6.1	-	(719,319)	556,423	-	(162,896)
Shakoo (Private) Limited		-	(142,708)	142,708	-	-
Mapak Qasim Bulkers (Private) Limited		-	(133)	133	-	-
IGI Insurance Limited - insurance Premium		(166)	(1,486)	1,486	-	(166)
Key management personnel (liability)	29 & 6.2	(7,239)	(5,382)	4,182	-	(8,439)

	Note	2014				
		Balance as at 1 July 2013 receivable / (payable)	Transactions during the year (note 28.1)	Payments		Balance as at 30 June 2014 receivable / (payable)
				made by the company	received the company	
(Rupees in '000)						
Holding Company	6.3 & 8.1	(247,497)	(501,821)	122,211	-	(627,107)
Subsidiary Company						
Wazir Ali Ventures (Private) Limited - Amount due from the subsidiary company	15.2	9,924	3,794	-	-	13,718
- Advance received against sale of land	17	(34,000)	-	-	(65,000)	(99,000)
Associated Companies						
Mapak Edible Oils (Private) Limited		(58,122)	(714,710)	772,832	-	-
Shakoo (Private) Limited		-	(33,427)	33,427	-	-
Mapak Qasim Bulkers (Private) Limited		-	(425)	425	-	-
IGI Insurance Limited - insurance Premium		(166)	(1,686)	1,686	-	(166)
ZIL Limited		263	(263)	-	-	-
Key management personnel (liability)	29 & 6.2	(6,039)	(5,377)	4,177	-	(7,239)

**28.1 Transactions with related parties**

Transactions and the nature of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

Name of related party and relationship with the Company	Nature of transactions	Note	2015	2014
			(Rupees in '000)	
Holding Company				
- Dalda Foods (Private) Limited	Charge against service agreement	1.2 & 20	12,000	10,200
	Toll manufacturing fee	1.2 & 19.1	125,188	88,964
	Marketing and advertisement	1.2 & 21.1	46,358	31,312
	Freight	1.2 & 21.1	56,292	37,865
	Toll process loss under agreement	1.2	54,520	40,658
	Purchases / oil borrowed		159,007	292,645
	Expenses paid on behalf of Company		-	177
			<u>453,365</u>	<u>501,821</u>
Subsidiary Company				
- Wazir Ali Ventures (Private) Limited	Reversal of provision		-	1,025
	Interest income recorded	15.2	-	2,769
	Expense incurred (Audit fee paid)	15.2	68	-
			<u>68</u>	<u>3,794</u>
Associated Companies				
- Mapak Edible Oils (Private) Limited	Purchases (oil)		719,319	714,710
- Shakoo (Private) Limited	Purchases (oil)		142,708	33,427
- Mapak Qasim Bulkens (Private) Services Limited			133	425
- IGI Insurance Limited	Services (insurance)		1,486	1,686

**28.2 Others**

	<u>Transaction value</u>		<u>Balance receivable</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Rupees in '000)			
- Payments made to retiring employees on behalf of the Gratuity Fund (note 27)	-	664	1,408	1,028

Details of the remuneration of the key management personnel are given in note 29.

29. EXECUTIVES' REMUNERATION

The aggregate amount charged in the unconsolidated financial statements for the year for remuneration and benefits to the chief executive and other executives of the Company are as follows:

	<u>2015</u>			<u>2014</u>		
	<u>Chairman</u>	<u>Chief Executive</u>	<u>Other Executive</u>	<u>Chairman</u>	<u>Chief Executive</u>	<u>Other Executive</u>
	(Rupees in '000)					
Remuneration	611	1,200	1,546	611	1,200	1,546
Rent and utilities	-	-	851	-	-	851
Medical expenses	-	-	186	-	-	186
Other perquisites (including retirement benefit)	-	-	988	-	-	983
	<u>611</u>	<u>1,200</u>	<u>3,571</u>	<u>611</u>	<u>1,200</u>	<u>3,566</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The Chairman and Factory Manager were also provided with free use of the Company maintained vehicles during the year.

30. FINANCIAL RISK MANAGEMENT

The objective of the Company's overall financial risk management is to minimize earnings volatility and provide maximum return to shareholders. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.



The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations. Concentration of credit arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by the changes in economics, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance for developments affecting a particular industry.

30.1.1 Exposure to credit risk

The Company's credit risk principally arising from trade debts, deposits, other receivables, non-current assets held for sale and bank balances.

To reduce the exposure toward the credit risk, credit limits have been established, which are continuously monitored by the Company. Bank balances are maintained with sound credit rating entities and banks. Deposits and other receivables include margin against guarantees held with banks and balances with related parties. The Company attempts to control credit risk in respect of other receivables by monitoring credit exposures of counter parties.

The maximum credit exposure as at the reporting dates consists of following financial assets:

	<i>Note</i>	2015	2014
		(Rupees in '000)	
Trade debts	<i>13</i>	149,182	136,552
Deposits and other receivables	<i>15</i>	38,783	41,987
Bank balances (including profit due)	<i>15 & 16</i>	681,832	189,417
Non-current assets held for sale	<i>17</i>	34,790	34,790
		<u>904,587</u>	<u>402,746</u>

30.1.2 Credit Quality

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and where available external credit ratings. The carrying values of trade debts are given in the note 30.1.3.



The credit quality of the Company's major banks is assessed with reference to external credit ratings which are as follows:

Bank	Rating Agency	Rating	
		Short term	Long term
National Bank of Pakistan	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AA+
Habib Bank Limited	JCR-VIS	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	A+

30.1.3 Past due and impaired financial assets

Trade debts

Trade debts majorly comprise of wholesalers / distributors of edible oils, spread through out the country. The Company has not made export sales during the year ended 30 June 2015. The ageing of trade debts as at reporting date was as follows:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
<i>Not yet due</i>	111,936	-	110,682	-
<i>Past due but not impaired</i>				
<i>Past due up to 90 days</i>	37,246	-	25,870	-
	149,182	-	136,552	-
<i>Past due and impaired</i>				
<i>Past due 91-120 days</i>	258	258	863	863
<i>Past due 121-150 days</i>	192	192	3,211	3,211
<i>More than 150 days</i>	16,181	16,181	9,385	9,385
<i>Total</i>	165,813	16,631	150,011	13,459



The Company creates a provision for doubtful trade debts based on past experience, consideration of financial position and past track record of recoveries. Accordingly based on past experience and known financial position of the above debtors, provision in addition to the impaired amount is not required.

Other financial assets

The Company creates provision based on past experience, consideration of financial position and past record of recoveries. Provision in addition to the amount already recorded is not considered necessary.

30.1.4 Securities

All the financial assets of the Company are unsecured.

30.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

Exposure to liquidity risk

The Company is exposed to liquidity risk in respect of its financial liabilities. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Note	2015		
		Carrying amount	Contractual cash flows	On demand
Non-derivative financial liabilities				
----- (Rupees in '000) -----				
Mark-up payable on subordinated loan from the Holding Company	8.1	160,346	(160,346)	(160,346)
Trade payables, accrued expenses and other liabilities		1,023,167	(1,023,167)	(1,023,167)
		<u>1,183,513</u>	<u>(1,183,513)</u>	<u>(1,183,513)</u>
Non-derivative financial liabilities				
----- (Rupees in '000) -----				
Short term borrowings-secured		26,350	(26,350)	(26,350)
Mark-up payable on the:				
- subordinated loan from the Holding Company		160,346	(160,346)	(160,346)
- running finance under FE-25 import scheme		120	(120)	(120)
Trade payables, accrued expenses and other liabilities		763,191	(763,191)	(763,191)
		<u>950,007</u>	<u>(950,007)</u>	<u>(950,007)</u>

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company meets these requirements by holding liquid assets, comprising cash and cash equivalents as disclosed in note 26 to these unconsolidated financial statements and financial assistance available from the holding company as and when the need arises.



30.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect 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 exposure within acceptable parameters, while optimizing the return. The Company does not hold equity instrument other than shares in a private limited subsidiary company, therefore, it is not subject to the other price risk. However, it is exposed to interest rate risk and currency risk.

30.3.1 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.

Exposure to interest rate risk

As at the reporting date, following is the interest rate profile of the Company's interest bearing financial instruments:

	<i>Note</i>	2015	2014
		(Rupees in '000)	
Variable rate instruments			
Financial assets			
Bank balance on profit and loss sharing account	16	661,586	161,004
Financial liabilities			
Short term borrowings-secured	7	-	(26,350)
		<u>661,586</u>	<u>134,654</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net increased / decreased the profit of the Company as at 30 June 2015 by Rs. 6.62 million (2014: Rs. 1.35 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

30.3.2 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial assets or liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on financial instruments that are denominated in a currency other than the functional currency of the Company.

	Note	2015		2014	
		Rupees (in '000)	US Dollars	Rupees (in '000)	US Dollars
Financial assets					
Security deposit	15.1	20,977	206	20,325	206
Liability					
Trade credit		-	-	(75,339)	(765)
Short term loans		-	-	(26,350)	(267)
Mark-up payable on short term borrowings		-	-	(120)	(1)
Payable against a legal case	6.5	(5,191)	(51)	(4,990)	(51)
Balance sheet exposure		15,786	155	(86,474)	(878)

The following significant exchange rates were applied during the year:

	Average rates		Balance sheet date rate	
	2015	2014	2015	2014
US Dollars	100.20	99.11	101.78	98.61

Sensitivity analysis

A ten percent strengthening / (weakening) of the Rupee against US Dollar at 30 June 2015 would have increased / (decreased) profit for the year and equity by Rs. 1.578 million (2014: Rs. 8.658 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

30.4 Fair value of financial assets and liabilities

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



31. CAPITAL RISK MANAGEMENT

The Company defines the capital that it manages as the Company's total equity. 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 business.

There were no changes in the Company's approach to capital management during the year. 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. The Company is not subject to any externally imposed capital requirements.

32. NUMBER OF EMPLOYEES

2015

2014

Number of employees at 30 June

3

3

33. DATE OF AUTHORISATION

These unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 07th October 2015.

Chief Executive

Director



FORM OF PROXY

I/We.....

of.....being a member **WAZIR ALI INDUSTRIES LIMITED** of 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/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on Thursday, 29th October, 2015 at 9:30 hours at Pakistan Society for Training and Development, Plot No. TC-3, Off Khayaban-e-Schar, 34th Street, Phase-V (Extension) DHA, Karachi, at any adjournment thereof.

Signed this day of2015

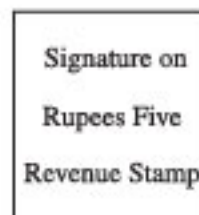
Witnesses:

1. Signature: _____
 Name: _____
 Address: _____

 NICor _____
 PassportNo. _____

2. Signature: _____
 Name: _____
 Address: _____

 NICor _____
 PassportNo. _____



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

Note:

Proxies in order to be effective, must be received at the company's Registered office not less than 48 hours before the meeting. No person shall be appointed a proxy who is not a member of the company qualified to vote except that a corporation being a member may appoint as proxy a person who is not a member.

CDC share holders and their proxies are each required to attach an attested photocopy of their National Identity Card or Passport with this proxy form before submission to the company.



