ICI Pakistan Limited
Unconsolidated Balance Sheet
As at June 30, 2013

Amounts in Rs '000

	Note	June 30, 2013	December 31, 2012 Restated	As at January 01, 2012 Restated
ASSETS				
Non-Current Assets				
Property, plant and equipment	3.	**10,550,038**	10,121,710	8,262,888
Intangible assets	4	**45,123**	40,992	69,118
		10,595,161	10,162,702	8,332,006
Long-term investments	5	**502,976**	502,976	502,976
Long-term loans	6	**199,063**	191,508	287,084
Long-term deposits and prepayments	7	**33,338**	40,891	32,372
		735,377	735,375	822,432
		11,330,538	10,898,077	9,154,438
Current Assets				
Stores, spares and consumables	8	**558,736**	542,117	482,710
Stock-in-trade	9	**4,573,275**	5,381,340	3,838,856
Trade debts	10	**865,690**	570,251	357,699
Loans and advances	11	**158,716**	188,482	455,149
Trade deposits and short-term prepayments	12	**156,512**	101,792	56,533
Other receivables	13	**1,096,823**	1,007,619	711,788
Taxation - net		**1,474,066**	1,157,952	821,729
Cash and bank balances	14	**730,349**	866,465	4,633,322
		9,614,167	9,816,018	11,357,786
Total Assets		**20,944,705**	20,714,095	20,512,224
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Authorised capital				
1,500,000,000 (2012:1,500,000,000) ordinary shares of Rs 10 each		**15,000,000**	15,000,000	15,000,000
Issued, subscribed and paid-up capital	15	**923,591**	923,591	923,591
Capital reserves	16	**309,643**	309,643	309,643
Revenue reserves - Unappropriated profit		**8,555,755**	7,791,656	7,833,489
Total Equity		9,788,989	9,024,890	9,066,723
Surplus on Revaluation of Property, plant and equipment	17	**698,536**	740,656	824,207
Non-Current Liabilities				
Provision for non-management staff gratuity and eligible retired employees' medical scheme	18	**119,392**	422,647	402,411
Long-term loans	19	**1,887,026**	290,270	-
Deferred tax liability - net	20	**1,101,111**	880,350	937,895
		3,107,529	1,593,267	1,340,306
Current Liabilities				
Trade and other payables	21	**4,695,102**	7,023,225	9,280,988
Short-term borrowings and running finance	22	**2,654,549**	2,332,057	-
		7,349,651	9,355,282	9,280,988
Contingencies and Commitments	23			
Total Equity and Liabilities		**20,944,705**	20,714,095	20,512,224

The annexed notes 1 to 47 form an integral part of these financial statements.

Muhammad Ali Tabba	Asif Jooma	Muhammad Abid Ganatra
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Unconsolidated Profit and Loss Account
For the six months period ended June 30, 2013

Amounts in Rs '000

	Note	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Turnover	25	**20,133,977**	37,809,433
Sales tax, commission and discounts	24	**(1,818,299)**	(3,127,870)
Net sales, commission and toll income		**18,315,678**	34,681,563
Cost of sales	25	**(16,258,497)**	(30,688,097)
Gross profit		**2,057,181**	3,993,466
Selling and distribution expenses	27	**(523,391)**	(1,068,519)
Administrative and general expenses	28	**(361,134)**	(1,300,313)
Operating result		**1,172,656**	1,624,634
Other operating charges	29	**(85,124)**	(132,632)
Finance costs	30	**(187,062)**	(294,160)
		(272,186)	(426,792)
Other income	31	**125,618**	298,381
Profit before taxation		**1,026,088**	1,496,223
Taxation	32	**(338,321)**	(522,562)
Profit after taxation		**687,767**	973,661
Profit for the period / year		**687,767**	973,661
Basic and diluted earnings per share (Rupees)	33	**7.45**	10.54
		June 30, 2013	June 30, 2012 Restated
Basic and diluted earnings per share (Rupees)		**7.45**	5.44

The annexed notes 1 to 47 form an integral part of these financial statements.

Muhammad Ali Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Unconsolidated Statement of Comprehensive Income
For the six months period ended June 30, 2013

Amounts in Rs '000

	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Profit for the period / year	**687,767**	973,661
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains on defined benefit plans	**336,815**	105,563
Tax effect	**(117,885)**	(36,946)
	218,930	68,617
Recognised actuarial losses	-	(124,602)
Tax effect	-	43,610
	-	(80,992)
Total comprehensive income for the period / year	**906,697**	961,286

The annexed notes 1 to 47 form an integral part of these financial statements.

Muhammad Ali Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Unconsolidated Cash Flow Statement
For the six months period ended June 30, 2013

Amounts in Rs '000

	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Cash Flows from Operating Activities		
Profit before taxation	1,026,088	1,496,223
Adjustments for:		
Depreciation and amortisation	557,691	1,077,952
Gain on disposal of property, plant and equipment	(363)	(16,640)
Provision for staff retirement benefit plan	48,676	160,643
(Reversal) / Provision for non-management staff gratuity and eligible retired employees' medical scheme	(275,275)	55,459
Mark-up on bank deposits and loan to subsidiary	(1,292)	(167,662)
Interest / mark-up expense	162,537	200,966
	1,518,062	2,806,941
Movement in:		
Working capital	(1,682,332)	(4,724,353)
Long-term loans	(7,555)	(37,758)
Long-term deposits and prepayments	7,553	(8,519)
Cash used in operations	(164,272)	(1,963,689)
Payments for :		
Staff retirement benefit plan	(94,556)	(216,444)
Non-management staff gratuity and eligible retired employees' medical scheme	(12,174)	(20,274)
Taxation	(551,563)	(909,666)
Interest / mark-up	(148,799)	(186,236)
Profit / mark-up received on bank deposits	-	119,595
Net cash used in operating activities	(971,364)	(3,176,714)
Cash Flows from Investing Activities		
Payments for capital expenditure	(958,617)	(2,258,851)
Proceeds from disposal of property, plant and equipment	5,358	25,369
Profit / mark-up received on loan to subsidiary	12,532	63,245
Loan / standby finance facility to subsidiary company - net	-	44,444
Net cash used in investing activities	(940,727)	(2,125,793)

ICI Pakistan Limited
Unconsolidated Cash Flow Statement
For the six months period ended June 30, 2013

Amounts in Rs '000

	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Cash Flows from Financing Activities		
Long-term loans	**1,596,756**	290,270
Dividend paid	**(143,273)**	(1,086,677)
Net cash used in financing activities	**1,453,483**	(796,407)
Net increase / (decrease) in cash and cash equivalents	**(458,608)**	(6,098,914)
Cash and cash equivalents at January 1	**(1,465,592)**	4,633,322
Cash and cash equivalents at June 30 / December 31 - note 14 & note 22	**(1,924,200)**	(1,465,592)
Movement in Working Capital		
(Increase) / Decrease in current assets		
Stores and spares	**(16,619)**	(59,407)
Stock-in-trade	**808,065**	(1,542,484)
Trade debts	**(295,439)**	(212,552)
Loans and advances	**29,766**	(60,777)
Trade deposits and short-term prepayments	**(19,055)**	(45,259)
Other receivables	**(100,444)**	(311,009)
	406,274	(2,231,488)
Increase / (Decrease) in current liabilities		
Trade and other payables	**(2,088,606)**	1,116,910
Paid / Payable to Akzo Nobel Pakistan Limited	**-**	(3,609,775)
	(1,682,332)	(4,724,353)
Cash and cash equivalents at June 30 / December 31 comprise of:		
Cash and bank balances - note 14	**730,349**	866,465
Short-term borrowings and running finance - note 22	**(2,654,549)**	(2,332,057)
	(1,924,200)	(1,465,592)

The annexed notes 1 to 47 form an integral part of these financial statements.

Muhammad Ali Tabba	Asif Jooma	Muhammad Abid Ganatra
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Unconsolidated Statement of Changes in Equity
For the six months period ended June 30, 2013

Amounts in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
Balance as on December 31, 2011 - as previously reported	**923,591**	**309,643**	**8,294,690**	**9,527,924**
Effect of retrospective change in accounting policy with respect to accounting for retirement benefit referred in note 2.13	-	-	(461,201)	(461,201)
Balance as on December 31, 2011 - restated	**923,591**	**309,643**	**7,833,489**	**9,066,723**
Final dividend for the year ended December 31, 2011 @ Rs 5.50 per share *	-	-	(763,413)	(763,413)
Interim dividend for the year 2012 @ Rs 3.50 per share **	-	-	(323,257)	(323,257)
Transactions with owners, recorded directly in equity	-	-	**(1,086,670)**	**(1,086,670)**
Profit for the year ended December 31, 2012	-	-	973,661	973,661
Other comprehensive income for the period - net of taxation			(12,375)	(12,375)
			961,286	961,286
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the year - net of deferred tax - note 17	-	-	83,551	83,551
	-	-	83,551	83,551
Balance as on December 31, 2012 - restated	**923,591**	**309,643**	**7,791,656**	**9,024,890**
Final dividend for the year ended December 31, 2012 @ Rs 2.00 per share	-	-	(184,718)	(184,718)
Transactions with owners, recorded directly in equity	-	-	**(184,718)**	**(184,718)**
Profit for the period ended June 30, 2013	-	-	687,767	687,767
Other comprehensive income for the period ended June 30, 2013	-	-	218,930	218,930
	-	-	906,697	906,697
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax - note 17	-	-	42,120	42,120
	-	-	42,120	42,120
Balance as on June 30, 2013	**923,591**	**309,643**	**8,555,755**	**9,788,989**

The annexed notes 1 to 47 form an integral part of these financial statements.

* Dividend was declared before the approval of demerger by the High Court of Sindh on 138,802,300 shares.

** Interim dividend was declared post approval of demerger by High Court of Sindh on 92,359,050 shares.

Muhammad Ali Tabba
Vice Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

1. Status and Nature of Business

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. The Company's registered office is situated at 5 West Wharf, Karachi.

These are the separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment losses, if any.

During the period ended June 30, 2013 the Company has changed its financial year end from December 31 to June 30, as approved by the Board of Directors and shareholders in the meetings dated February 21, 2013 and April 22, 2013 respectively. All legal formalities in respect of this change has been complied with. This change has been made to bring the financial year of the Company in line with financial year followed by the new ultimate holding company.

2. Summary of Significant Accounting Policies

Following are the details of significant accounting policies:

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) 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 preparation

These financial statements have been prepared under the historical cost convention, except:

a) Certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold and leasehold land and plant and machinery) have been included at revalued amounts; and

b) Provision for management staff gratuity, non-management staff gratuity, and eligible retired employees' medical scheme is stated at present value as disclosed in note 18 to these financial statements.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are discussed in note 43.

2.3 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold and leasehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria is met.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to profit and loss account over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

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

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognised.

Gains and losses on disposal of assets are taken to the profit and loss account, and the related surplus / deficit on revaluation of property, plant and equipment is transferred directly to unappropriated profits.

2.4 Intangible assets and amortisation

Intangible assets with a finite useful life, such as certain softwares, licenses (including extraction rights, software licenses, etc.) and property rights, are capitalised initially at cost and subsequently stated at cost less accumulated amortisation and impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss account as incurred.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted, if appropriate.

2.5 Investments

Investments in subsidiaries are stated at cost less provision for impairment, if any.

2.6 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less net estimated costs to sell, which is generally equivalent to replacement cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.7 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.8 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost. A provision for impairment of trade and other receivables 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 (Refer note 40.6.1).

2.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit and loss account is recognised outside profit and loss account. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Further, the Company recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

2.11 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been 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 amortisation, if no impairment loss had been recognised.

2.12 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets account" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profits / losses through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.13 Staff retirement benefits

The Company's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Company operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Company recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations benefits.

Defined contribution plans

The Company operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who has either opted for this fund by July 31, 2004 or have joined the Company after April 30, 2004. In addition to this the Company also provides group insurance to all its employees.

Compensated absences

The Company recognises the liability for compensated absences in respect of employees in which these are earned up to the balance sheet date. The provision has been recognised on the basis of actuarial valuation.

Change in accounting policy

During the period the Company has changed its accounting policy in respect of recognition of actuarial gains and losses, past service costs and expected return on plan assets, whereby with effect from current period, the Company has recognised:

Actuarial gains and losses as they occur in other comprehensive income, instead of past policy, where actuarial gains and losses were recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of previous reporting period exceeded 10% of the higher of present value of the defined benefit obligation and the fair value of plan assets at that date, and such gains or losses were recognised over the expected average remaining working lives of the employees;

All past service costs at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations benefits, instead of past policy, where the past service costs were recognised as an expense on a straight line basis over the average period until the benefits became vested, and if the benefits were already vested, following the introduction of or changes to a scheme, past service costs were recognised immediately in profit and loss account; and

Interest on net defined benefit obligation (net of plan assets) in profit and loss account, which is calculated using the discount rate used to measure the defined benefit obligation or asset, and expected returns on plan assets will no longer be recognised in profit and loss account.

The above change has been accounted for in accordance with the requirements of IAS 19 - Employee Benefits (Revised), as required under IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) such a change to be applied retrospectively. Due to the above change in accounting policy, the Company has presented balance sheet as at the beginning of the earliest comparative period i.e., January 01, 2012, and related notes in accordance with requirement of IAS 1 - Presentation of Financial Statements (Revised) (IAS 1).

Had there been no change in accounting policy due to recognition of actuarial losses on defined benefit plans in accordance with IAS 19 (Revised), the following would have been the impacts as of July 01, 2011, June 30, 2012 and June 30, 2013 and for the period / year then ended:

	Funded			Unfunded	
	Pension	Gratuity	Total		Total
	Amount in Rs '000				
As of July 01, 2011:					
Employee benefit liability would have been lower by:	396,166	166,057	562,223	147,317	709,540
Deferred taxation would have been higher by:	138,658	58,120	196,778	51,561	248,339
Opening retained earnings would have been higher by:	**257,508**	**107,937**	**365,445**	**95,756**	**461,201**
As of and for the year ended June 30, 2012:					
Employee benefit liability and unrecognised actuarial loss on defined benefit plan would have been lower by:	187,070	293,026	480,096	123,881	603,977
Deferred taxation would have been higher by:	65,475	102,559	168,034	43,358	211,392
Retained earnings would have been higher by:	**121,595**	**190,467**	**312,062**	**80,523**	**392,585**
Charge for defined benefit cost would have been higher by:	104,254	11,861	116,115	8,487	124,602
Taxation would have been lower by:	36,489	4,151	40,640	2,970	43,610
Profit after taxation would have been lower by:	67,765	7,710	75,475	5,517	80,992
Basic and diluted earnings per share would have been lower by (Rs):					0.87

	Funded			Unfunded	
	Pension	Gratuity	Total		Total
	Amount in Rs '000				
As of and for the period ended June 30, 2013:					
Employee benefit liability and unrecognised actuarial loss on defined benefit plan would have been lower by:	32,735	146,637	179,372	97,588	276,960
Deferred taxation would have been higher by:	11,457	51,323	62,780	34,156	96,936
Retained earnings would have been higher by:	21,278	95,314	116,592	63,432	180,024
Charge for defined benefit cost would have been higher by:	28,344	16,841	45,185	10,487	55,272
Taxation expense have been lower by:	9,920	5,894	15,814	3,670	19,484
Profit after taxation would have been lower by:	18,424	10,947	29,371	6,817	36,188
Basic and diluted earnings per share would have been lower by (Rs):					0.39

2.14 Operating leases / Ijarah contracts

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

Payments made under operating leases and Ijarah contracts are recognised in the profit and loss account on a straight-line basis over the term of the lease.

2.15 Trade and other payables

Trade and other payables are recognised initially at fair value net of directly attributable cost, if any

2.16 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset as detailed in note 3.7.1 to these financial statements.

2.17 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.18 Financial liabilities

All financial liabilities are initially recognised at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

2.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.20 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

2.21 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer. For those products which are often sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Commission income is recognised on the date of shipment from suppliers.

Profit on short-term deposits and mark-up on loan to subsidiary is accounted for on a time-apportioned basis using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

2.23 Financial expense and financial income

Financial expenses are recognised using the effective interest rate method and comprise foreign currency losses and markup / interest expense on borrowings.

Financial income comprises interest income on funds invested. Markup / interest income is recognised as it accrues in profit and loss account, using the effective interest rate method.

2.24 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved.

2.25 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (the CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Polyester, Soda Ash, Life Sciences and Chemicals, which also reflects the management structure of the Company.

2.26 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognised in the profit and loss account.

2.27 Off-setting

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

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
3.	**Property, Plant and Equipment**		
3.1	The following is a statement of property, plant and equipment:		
	Operating property, plant and equipment - note 3.2	8,000,684	8,137,489
	Capital work-in-progress - note 3.7	2,549,354	1,984,221
		10,550,038	10,121,710

3.2 The following is a statement of operating property, plant and equipment:

	Land - Freehold	Land - Leasehold	Lime beds on freehold land	Buildings - On freehold land	Buildings - On leasehold land	Plant and machinery	Railway sidings	Rolling stock and vehicles	Furniture and equipment	Total
	Note 3.3			Note 3.3		Note 3.3				
	As at June 30, 2013									
Net carrying value basis At June 30, 2013										
Opening net book value (NBV)	341,885	-	127,434	325,586	683,958	6,438,018	-	21,010	199,598	8,137,489
Addition/transfer (at cost)	-	-	12,534	8,993	14,383	354,349	-	400	14,311	404,970
Disposal/transfer (at NBV)	-	-	-	-	(804)	(3,654)	-	(508)	(29)	(4,995)
Depreciation charge - note 3.5	-	-	(5,443)	(24,114)	(42,527)	(427,135)	-	(7,938)	(29,623)	(536,780)
Closing net book value (NBV)	341,885	-	134,525	310,465	655,010	6,361,578	-	12,964	184,257	8,000,684
Gross carrying value basis At June 30, 2013										
Cost/Revaluation	341,885	567,799	239,657	2,429,974	1,470,646	19,238,452	297	90,333	591,211	24,970,254
Accumulated depreciation	-	(567,799)	(105,132)	(2,119,509)	(815,635)	(12,876,874)	(297)	(77,369)	(406,955)	(16,969,570)
Net book value (NBV)	341,885	-	134,525	310,465	655,011	6,361,578	-	12,964	184,256	8,000,684
Depreciation rate % per annum	-	2 to 4	3.33 to 7.5	5 to 10	2.5 to 10	3.33 to 50	3.33	10 to 25	10 to 33.33	
	As at December 31, 2012									
Net carrying value basis At December 31, 2012										
Opening net book value (NBV)	341,885	-	114,497	339,690	722,701	6,415,262	-	18,487	204,207	8,156,729
Addition/transfer (at cost)	-	-	25,551	32,522	42,997	858,624	-	11,220	66,548	1,037,462
Disposal/transfer (at NBV)	-	-	-	-	(637)	(2,681)	-	(952)	(4,459)	(8,729)
Depreciation charge - note 3.5	-	-	(12,614)	(46,626)	(81,103)	(833,187)	-	(7,745)	(66,698)	(1,047,973)
Closing net book value (NBV)	341,885	-	127,434	325,586	683,958	6,438,018	-	21,010	199,598	8,137,489
Gross carrying value basis At December 31, 2012										
Cost/Revaluation	341,885	567,799	227,123	2,420,981	1,463,173	19,010,525	297	92,637	577,215	24,701,635
Accumulated depreciation	-	(567,799)	(99,689)	(2,095,395)	(779,215)	(12,572,507)	(297)	(71,627)	(377,617)	(16,564,146)
Net book value (NBV)	341,885	-	127,434	325,586	683,958	6,438,018	-	21,010	199,598	8,137,489
Depreciation rate % per annum	-	2 to 4	3.33 to 7.5	5 to 10	2.5 to 10	3.33 to 50	3.33	10 to 25	10 to 33.33	

		As at June 30, 2013	As at December 31, 2012
3.2.1	Cost and net book value of major spare parts and stand by equipment included in Plant and machinery are as follows:		
	Cost	345,981	345,310
	Net book value	205,170	219,074

3.3 Subsequent to revaluation on October 1, 1959, September 30, 2000 and December 15, 2006 which had resulted in a surplus of Rs 14.207 million, Rs 1,569.869 million and Rs 667.967 million respectively, the land, buildings on freehold and leasehold land and plant and machinery were revalued again on December 31, 2011 resulting in a net surplus of Rs 712.431 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value.

3.4 Plant and machinery including equipments held with Searle Pakistan Limited and Maple Pharmaceutical (Private) Limited (toll manufacturers), having cost and net book values is as follows:

	As at June 30, 2013	As at December 31, 2012
Cost	2,272	2,272
Net book value	1,099	1,192

Amounts in Rs '000

3.5 The depreciation charge for the period / year has been allocated as follows:

	Six months period ended June 30, 2013	Year ended December 31, 2012
Cost of sales - note 26	507,147	983,031
Selling and distribution expenses - note 27	2,837	12,440
Administrative and general expenses - note 28	26,796	52,502
	536,780	1,047,973

3.5.1 Depreciation charge is inclusive of the incremental depreciation due to revaluation.

3.6 Had there been no revaluation, the net book value of specific classes of operating property, plant and equipment would have amounted to:

Net Book Value	As at June 30, 2013	As at December 31, 2012
Freehold land	42,604	42,604
Buildings	806,312	829,661
Plant and machinery	5,868,447	5,895,803
	6,717,363	6,768,068

3.7 The following is a statement of capital work-in-progress: (note 3.7.1)

Civil works and buildings	290,318	160,508
Plant and machinery	1,940,263	1,628,511
Miscellaneous equipments	235,219	140,379
Advances to suppliers / contractors	14,189	15,630
Designing, consultancy and engineering fee	69,365	39,193
	2,549,354	1,984,221

3.7.1 This includes interest charge on long term loan obtained for Coal Fired Boiler project amounting to Rs 136 million (December 31, 2012: Rs 66 million).

3.8 Details of operating property, plant and equipment disposed off during the period / year having net book value in excess of Rs 50,000 are as follows:

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
As at June 30, 2013						
Plant and machinery						
Diesel Generator Set and various other items	Scrap	16,594	13,333	3,261	1,037	Shahbaz and Company, Malakwal Disrict Mandi Bahauddin
Rolling stock and vehicles						
Toyota Corolla, Toyota Altis and Fork Lift trucks	Tender	2,600	2,092	508	2,470	S Muhammad Shakeel, Zahid Qadri and Asif Mahmood, Karachi
Building						
Scrap items	Scrap	2,930	2,274	656	10	Anjum Wood Craft, Khewra District Jhelum
As at December 31, 2012						
Plant and machinery						
Boiler Coil	Scrap	1,584	1,515	69	70	Shahid Hanif Ghouri, House # 7, Mandi Bahauddin
Rolling stock and vehicles						
Kia Sportage, Toyota Corolla and others	Tender	1,478	592	886	3,467	Muhammad Farooq Ahmed, House No.28, Jamal Street, Lahore and Shafiqur Rehman, Sultan Ali, Shah Jehan etc.
Furniture and equipment						
Central heating and hot water system and others	Tender	2,975	1,795	1,180	1,024	Owner Of Miranjani House - Samad A Khan, Alpine Hotel, Manshera Road, Abbottabad, and Anjum Wood Craft, Khewra District Jhelum etc.
Diesel generator and others	BOD approval	3,563	714	2,849	2,818	Waqar A Malik, Ex- Chief Executive Officer

Amounts in Rs '000

4 Intangible Assets

	As at June 30, 2013		
Net carrying value basis	Softwares	Licenses	Total
Six month period ended June 30, 2013			
Opening net book value (NBV)	**19,115**	**21,877**	**40,992**
Additions at cost	**-**	**25,042**	**25,042**
Amortisation charge - note 4.1	**(7,361)**	**(13,550)**	**(20,911)**
Closing net book value (NBV)	**11,754**	**33,369**	**45,123**
Gross carrying amount			
At June 30, 2013			
Cost	**230,213**	**128,459**	**358,672**
Accumulated amortisation	**(218,459)**	**(95,090)**	**(313,549)**
Net book value (NBV)	**11,754**	**33,369**	**45,123**
Amortisation rate % per annum	**20**	**20 to 50**	

	As at December 31, 2012		
Net carrying value basis			
Year ended December 31, 2012			
Opening net book value (NBV)	27,791	41,327	69,118
Additions at cost	-	1,853	1,853
Amortisation charge - note 4.1	(8,676)	(21,303)	(29,979)
Closing net book value (NBV)	19,115	21,877	40,992
Gross carrying amount			
At December 31, 2012			
Cost	230,213	103,417	333,630
Accumulated amortisation	(211,098)	(81,540)	(292,638)
Net book value (NBV)	19,115	21,877	40,992
Amortisation rate % per annum	20	20 to 50	

	Six months period ended June 30, 2013	Year ended December 31, 2012
4.1 The amortisation charge for the period / year has been allocated as follows:		
Cost of sales - note 26	**4,460**	10,828
Selling and distribution expenses - note 27	**4,485**	2,303
Administrative and general expenses - note 28	**11,966**	16,848
	20,911	29,979

	As at June 30, 2013	As at December 31, 2012
5. Long-Term Investments		
Unquoted		
Subsidiary		
- ICI Pakistan PowerGen Limited (wholly owned)		
7,100,000 ordinary shares (Dec 31, 2012: 7,100,000) of Rs 100 each - note 5.1	**710,000**	710,000
Less: Provision for impairment loss - note 5.2	**209,524**	209,524
	500,476	500,476
Others		
Equity security available-for-sale		
- Arabian Sea Country Club Limited		
250,000 ordinary shares (December 31, 2012: 250,000) of Rs 10 each	**2,500**	2,500
	502,976	502,976

Amounts in Rs '000

5.1 The value of the Company's investment on the basis of net assets of the Subsidiary as disclosed in its audited financial statements for the six month period ended June 30, 2013 amounted to Rs. 640.265 million (December 31, 2012: Rs 569.148 million).

5.2 In 2011 the Company reviewed the future economic benefits of the Subsidiary based on its estimated future cash flows. The recoverable amount of investment was estimated based on its discounted value in use. Based on the assessment, the carrying amount of investment was determined to be Rs 209.524 million higher than the recoverable amount. However, based on current assesment no provision or reversal is required in the current period.

	As at June 30, 2013	As at December 31, 2012
6. Long-Term Loans - Considered good		
Due from directors, executives and employees - note 6.1	**199,063**	191,508
	199,063	191,508

6.1 Due from Directors, Executives and Employees

	Motor car	House building	Total	Total
Due from directors and executives - note 6.3	120,192	64,302	**184,494**	179,498
Less: Receivable within one year - note 11	21,172	25,157	**46,329**	43,507
	99,020	39,145	**138,165**	135,991
Due from employees - note 6.3			**84,410**	78,845
Less: Receivable within one year - note 11			**23,512**	23,328
			60,898	55,517
			199,063	191,508
Outstanding for period:				
- less than three years but over one year			**111,691**	113,785
- more than three years			**87,372**	77,723
			199,063	191,508

6.2 Reconciliation of the carrying amount of loans to Directors and Executives:

Opening balance at January 1	**179,498**	151,262
Disbursements during the period / year	**46,528**	113,349
Repayments during the period / year	**(41,532)**	(85,113)
Balance at June 30 / December 31	**184,494**	179,498

6.3 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees including executives of the Company in accordance with their terms of employment.

6.4 The maximum aggregate amount of loans due from the Executives at the end of any month during the period was Rs 184.494 million (December 31, 2012: Rs 179.498 million).

	As at June 30, 2013	As at December 31, 2012
7. Long-Term Deposits and Prepayments		
Deposits	**24,632**	26,799
Prepayments	**8,706**	14,092
	33,338	40,891

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
8.	**Stores, Spares and Consumables**		
	Stores - note 8.1	**47,826**	43,069
	Spares	**594,216**	594,789
	Consumables	**101,377**	88,942
		743,419	726,800
	Less: Provision for slow moving and obsolete items - note 8.2	**184,683**	184,683
		558,736	542,117

8.1 The above amounts include stores and spares in transit of Rs 19.355 million (December 31, 2012: Rs 14.026 million)

		As at June 30, 2013	As at December 31, 2012
8.2	Movement of provision in stores, spares and consumables is as follows:		
	Provision as at January 1	**184,683**	182,099
	Charge for the period / year - note 28	**-**	2,625
	Write-off during the period / year	**-**	(41)
	Provision as at June 30 / December 31	**184,683**	184,683
9.	**Stock-in-Trade**		
	Raw and packing material (include in-transit Rs 740.76 million; 2012: Rs 822.110 million) - note 9.3	**2,084,788**	2,471,023
	Work-in-process	**232,841**	147,963
	Finished goods (include in-transit Rs Nil; 2012: Rs 195.149)	**2,348,788**	2,850,782
		4,666,417	5,469,768
	Less: Provision for slow moving and obsolete stocks - note 9.1		
	- Raw material	**15,461**	12,730
	- Finished goods	**77,681**	75,698
		93,142	88,428
		4,573,275	5,381,340
9.1	Movement of provision in stock-in-trade is as follows:		
	Provision as at January 1	**88,428**	64,042
	Charge for the period / year - note 28	**8,231**	29,435
	Write-off during the period / year	**(3,517)**	(4,572)
	Payment	**-**	(477)
	Provision as at June 30 / December 31	**93,142**	88,428

9.2 Stock-in-trade amounting to Rs 364.413 million (2012: Rs 280.249 million) is measured at net realisable value and has been written down by Rs 17.354 million (2012: Rs 16.461 million) to arrive at its net realisable value.

Amounts in Rs '000

9.3 Raw and packing materials include Rs 414.694 million (December 31, 2012: Rs. 243.227 million) which are held with the following toll manufacturers:

	As at June 30, 2013	As at December 31, 2012
Searle Pakistan Limited	305,766	202,533
Maple Pharmaceutical (Private) Limited	1,934	1,934
EPLA Laboratories (Private) Limited	46,258	18,412
Breeze Pharma (Private) Limited	33,831	16,756
Nova Med Pharmaceuticals	25,308	314
Others	1,597	3,280
	414,694	243,227

10. Trade Debts

Considered good		
- Secured	**262,319**	317,764
- Unsecured	**744,260**	453,818
	1,006,579	771,582
Considered doubtful	**94,802**	95,384
	1,101,381	866,966
Less: Provision for:		
- Doubtful debts - note 40.4	**94,802**	95,384
- Discounts payable on sales	**140,889**	201,331
	235,691	296,715
	865,690	570,251

10.1 The above balances include amounts due from the following associated undertakings:

Yunus Textile Mills Limited	**17,496**	11,795
Lucky Textile Mills Limited	**10,657**	6,975
Lucky Knits (Private) Limited	**730**	-
ICI Pakistan PowerGen Limited	**627**	-
	29,510	18,770

11. Loans and Advances

Considered good		
Loans due from:		
Directors and executives - note 6.1	**46,329**	43,507
Employees - note 6.1	**23,512**	23,328
	69,841	66,835
Advances to:		
Directors and Executives - note 11.1	**7,270**	6,314
Employees	**263**	1,559
Contractors and suppliers	**75,815**	110,024
Others	**5,527**	3,750
	88,875	121,647
	158,716	188,482
Considered doubtful	**7,292**	7,292
	166,008	195,774
Less: Provision for doubtful loans and advances - note 40.4	**7,292**	7,292
	158,716	188,482

11.1 The maximum aggregate amount of advances due from the directors and executives at the end of any month during the period was Rs 2.585 million and Rs 10.619 million (December 31, 2012: Rs 9.646 million and Rs 14.137 million) respectively.

Amounts in Rs '000

			As at June 30, 2013	As at December 31, 2012
12.	**Trade Deposits and Short-Term Prepayments**			
	Trade deposits		16,960	15,074
	Short-term prepayments		139,552	86,718
			156,512	101,792
13.	**Other Receivables**			
	Considered good			
	Duties, sales tax and octroi refunds due		351,163	227,469
	Commission and discounts receivable		21,784	51,696
	Interest income receivable from subsidiary		-	11,240
	Interest income receivable		10,231	5,099
	Receivable from principal		710,600	705,100
	Others		3,045	7,015
		Note 13.1	1,096,823	1,007,619
	Considered doubtful		57,312	57,312
			1,154,135	1,064,931
	Less: Provision for doubtful receivables - note 13.2		57,312	57,312
			1,096,823	1,007,619

13.1 This amount includes Rs 23.36 million (2012: Rs 10.8 million) on account of exchange gain / loss on forward exchange contracts.

		As at June 30, 2013	As at December 31, 2012
13.2	**Movement of provision for doubtful receivables**		
	Provision as at January 1	57,312	18,185
	Charge for the period / year - note 28	-	40,796
	Write-off during the period / year	-	(1,669)
	Provision as at June 30 / December 31	57,312	57,312
14.	**Cash and Bank Balances**		
	Cash at banks :		
	- Short - term deposits - note 14.1	102,000	102,000
	- Current accounts	360,120	483,081
	In hand:		
	- Cheques	261,159	275,066
	- Cash	7,070	6,318
		730,349	866,465

14.1 These are placed with various banks with terms ranging from one week to one year. The mark-up on these deposits ranges between 11.20% to 11.50% (2012: 9.50% to 11.50%) and these term deposits are readily encashable without any penalty. The current period short term deposits pertain to security deposits from customers.

Amounts in Rs '000

15 Issued, Subscribed and Paid-up Capital

As at June 30, 2013	As at December 31, 2012		As at June 30, 2013	As at December 31, 2012
(Numbers)				
83,734,062	83,734,062	Ordinary shares of Rs 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of Rs 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 15.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of Rs 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous Scheme as fully paid for consideration of investment in associate (note 15.2)	**83,963**	83,963
92,359,050	92,359,050		**923,591**	923,591

15.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 1, 1987.

15.2 With effect from October 1, 2000 the Pure Terephthalic Acid (PTA) Business of the Company was demerged under a Scheme of Arrangement ("the previous Scheme") dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

15.3 On December 28, 2012, Lucky Holdings Limited acquired from ICI Omicron B.V. its entire shareholding of 70,019,459 shares in ICI Pakistan Limited, besides acquiring 111,698 additional shares by way of public offer made by it to all the shareholders of the Company in pursuance of the provisions of the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs), Ordinance, 2002 and the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs) Regulations, 2008. Thus, Lucky Holdings Limited became the holding company, and Lucky Cement Limited became the ultimate holding company of ICI Pakistan Limited with effect from December 28, 2012. Along with Lucky Holdings Limited, two other companies of the Yunus Brothers Group namely, Gadoon Textile Mills Limited and Lucky Textile Mills Limited also participated in the public offer thereby acquiring 5,980,917 shares and 5,077,180 shares respectively. As at the balance sheet date, Lucky Cement Limited held 87.79% shareholding through Lucky Holdings Limited and associated undertakings.

16 Capital Reserves

Share premium - note 16.1	**309,057**	309,057
Capital receipts - note 16.2	**586**	586
	309,643	309,643

16.1 Share premium includes the premium amounting to Rs 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of Rs 464.357 million representing the difference between nominal value of Rs 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of Rs 590.541 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous Scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange over the ten trading days between October 22, 2001 to November 2, 2001.

With effect from July 1, 2011, the capital reserves were split between the Company and Akzo Nobel Pakistan Limited based on 66.54:33.46 ratio which was disclosed in the audited special purpose financial statements for the six months period ended June 30, 2011.

16.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

17. Surplus on Revaluation of Property, Plant and Equipment

Balance as on January 1	**740,656**	824,207
Transferred to unappropriated profit in respect of incremental depreciation during the period / year - net of deferred tax	**(42,120)**	(83,551)
Balance as on June 30 / December 31	**698,536**	740,656

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
18	Provisions for non-management staff gratuity and eligible retired employees' medical scheme - note 18.1	119,392	Restated 422,647

18.1 Staff Retirement Benefits

The amount recognized in the profit and loss account against Defined Benefit Scheme for the period / year is as follows:

	2013				2012 Restated			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:								
Current service cost	11,998	20,760	32,758	3,969	40,178	34,511	74,689	10,765
Interest cost	63,871	34,764	98,635	23,319	187,825	74,093	261,918	44,694
Expected return on plan assets	(64,311)	(18,406)	(82,717)	-	(183,705)	(52,069)	(235,774)	-
Termination cost	-	-	-	-	59,810	-	59,810	-
Recognition of actuarial loss	-	-	-	-	-	-	-	-
Past service cost	-	-	-	(302,563)	-	-	-	-
Net (reversal) / charge for the period / year	11,558	37,118	48,676	(275,275)	104,108	56,535	160,643	55,459
Other Comprehensive Income:								
Loss on obligation	(95,577)	(98,995)	(194,572)	(15,806)	(32,407)	(177,205)	(209,612)	14,949
(Gain) / Loss on plan assets	(95,884)	(30,553)	(126,437)	-	137,249	38,375	175,624	-
Net (gain) / loss	(191,461)	(129,548)	(321,009)	(15,806)	104,842	(138,830)	(33,988)	14,949
18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:								
Opening balance	(29,126)	(302,098)	(331,224)	(422,886)	(202,912)	(150,125)	(353,037)	(402,650)
Net (reversal) / charge - note 18.1.1	(11,558)	(37,118)	(48,676)	275,275	(104,108)	(56,535)	(160,643)	(55,459)
Other Comprehensive Income	191,461	129,548	321,009	15,806	104,842	(138,830)	(33,988)	14,949
Contributions / payments during the period / year	75,000	19,556	94,556	12,174	173,052	43,392	216,444	20,274
Closing Balance	225,777	(190,112)	35,665	(119,631) *	(29,126)	(302,098)	(331,224)	(422,886) *
18.1.3 The amounts recognised in the balance sheet are as follows:								
Fair value of plan assets - note 18.1.5	1,293,746	362,228	1,655,974	-	1,165,492	344,408	1,509,900	-
Present value of defined benefit obligation - note 18.1.4	(1,067,969)	(552,340)	(1,620,309)	(119,631)	(1,194,618)	(646,506)	(1,841,124)	(422,886)
Surplus / (Deficit)	225,777	(190,112)	35,665	(119,631) *	(29,126)	(302,098)	(331,224)	(422,886) *

The recognized asset/liability of funded gratuity is netted off against recognized asset/liability of funded pension and recorded accordingly.

	2013 Pension	2013 Gratuity	2013 Total	2013 Unfunded	2012 Pension	2012 Gratuity	2012 Total	2012 Unfunded
18.1.4 Movement in the present value of defined benefit obligation:								
Opening balance	1,194,618	646,506	1,841,124	422,886	1,426,539	508,072	1,934,611	402,650
Current service cost	11,998	20,760	32,758	3,969	40,178	34,511	74,689	10,765
Interest cost	63,871	34,764	98,635	23,319	187,825	74,093	261,918	44,694
Benefits paid	(106,941)	(50,695)	(157,636)	(12,174)	(552,141)	(147,375)	(699,516)	(20,274)
Termination cost	-	-	-	-	59,810	-	59,810	-
Actuarial loss (gain)	(95,577)	(98,995)	(194,572)	(15,806)	32,407	177,205	209,612	(14,949)
Past service cost				(302,563)				
Closing balance	1,067,969	552,340	1,620,309	119,631	1,194,618	646,506	1,841,124	422,886
18.1.5 Movement in the fair value of plan assets:								
Opening balance	1,165,492	344,408	1,509,900	-	1,223,627	357,947	1,581,574	-
Expected return	64,311	18,406	82,717	-	183,705	52,069	235,774	-
Contributions	75,000	19,556	94,556	-	173,052	43,392	216,444	-
Benefits paid	(106,941)	(50,695)	(157,636)	-	(552,141)	(147,375)	(699,516)	-
Actuarial (loss) / gain	95,884	30,553	126,437	-	137,249	38,375	175,624	-
Closing balance	1,293,746	362,228	1,655,974	-	1,165,492	344,408	1,509,900	-

* The unfunded liability included in the above table includes Rs 0.239 million (December 31, 2012: Rs 0.239 million) pertaining to ICI Pakistan PowerGen Limited.

18.1.6 Historical Information **

	June 30	December 31			
	2013	2012	2011	2010	2009
Present value of defined benefit obligation	1,739,940	2,264,010	2,337,261	2,483,046	2,088,882
Fair value of plan assets	1,655,974	1,509,900	1,581,574	1,771,477	1,354,469
Deficit	83,966	754,110	755,687	711,569	734,413

** Prior year figures are inclusive of staff retirement benefits of Paints business (from 2009 to 2010).

18.1.7 Major categories / composition of plan assets are as follows:

	2013	2012
Debt instruments	69%	73%
Equity at market value	28%	27%
Cash	3%	0%

Fair Value of Plan Asset

	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2013		As at December 31, 2012	
Investment				
National Savings deposits	526,012	82,250	360,361	81,979
Government bonds	339,014	172,385	477,669	164,172
Corporate bonds	9,431	8,137	8,238	8,144
Shares	392,450	70,317	318,577	87,968
Cash	26,839	29,139	647	2,145
Total	1,293,746	362,228	1,165,492	344,408

Mortality of active employees and pensioners is represented by the LIC (96-98) Table. The table has been rated down three years for mortality of female pensioners and widows.

The return on plan assets was assumed to be equal to the discount rate. Actual (loss) / return on plan assets during 2013 was Rs 209.154 million (2012: Rs 411.398 million).

Amounts in Rs '000

18.1.8 The principal actuarial assumptions at the reporting date were as follows:

	2013	2012
Discount rate	**10.75%**	11.50%
Expected return on plan assets	**10.75%**	11.50%
Future salary increases - Management	**8.75%**	13.00%
Future salary increases - Non-management	**6.00%**	6.00%
Future pension increases	**6.00%**	7.00%

18.1.9 Impact on obligation of changes in assumptions:

Assumption	1% Increase	1 % Decrease
Discount rate	(87,524)	98,243
Salary increase	62,691	(57,213)
Pension increase	37,684	(33,641)

18.1.10 The Company contributed Rs 31.347 million (December 31, 2012: Rs 57.829 million) and Rs 21.246 million (December 31, 2012: Rs 34.929 million) to the provident fund and the defined contribution superannuation fund respectively during the period.

18.2 Provident fund

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Size of the fund (Net Assets)	**1,234,564**	1,198,619
Cost of investments made (actual investment made)	**1,062,906**	983,940
Percentage of investments made (Cost of investment / Size of the	**86%**	82.1%
Fair value of investments	**1,196,650**	1,138,518

18.2.1 Break-up of investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

On Fair Value	June 30, 2013 (Unaudited)		Dec 31, 2012 (Audited)	
	Investments	% of investment as size of the fund	Investments	% of investment as size of the fund
Pakistan Investment Bonds	**518,722**	44%	504,942	44%
Treasury Bills	**170,814**	14%	54,091	5%
Short Term Deposit Account	**222,300**	19%	222,300	20%
Mutual Funds	**76,867**	6%	75,653	7%
Shares	**195,654**	16%	255,844	22%
Term Finance Certificates	**12,293**	1%	25,688	2%
	1,196,650	100%	1,138,518	100%

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose

	As at June 30, 2013	As at December 31, 2012
19 Long-Term Loans	**1,887,026**	290,270
From banking companies / financial institutions:		
- Faysal Bank Limited	**343,591**	290,270
- Habib Bank Limited	**543,435**	-
	887,026	290,270

The Company has obtained Long-Term Finance Facility (LTFF) for imported and locally manufactured plant and machinery from Faysal Bank Limited of Rs 343.591 million (limit: Rs 500 million) and Habib Bank Limited of Rs 543.435 million (limit: Rs 1,000 million) for a period of 7 years (including 2 year grace period), with the principal payable on semi annual basis. The mark-up is chargeable at fixed rate ranging from 9.65% to 9.85% payable on quarterly basis. These facilities are secured against first pari passu hypothecation charge on the Property, Plant and Equipment (PPE) of the Company's Soda Ash Business. The loans have been refinanced by the State Bank of Pakistan under LTFF for Export Oriented Projects.

Islamic Term Finance

From banking companies / financial institutions:		
- Standard Chartered Bank (Pakistan) Limited	**1,000,000**	-

The Company has obtained long-term loan for Rs 1,000 million from Standard Chartered Bank (Pakistan) Limited under Islamic Diminishing Musharaka upto a limit of Rs 1,000 million for a period of 3 years (including 6 month grace period). The rental payment is charged at relevant KIBOR plus 0.25% per annum payable on quarterly basis. This facility is initally secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the PPE of the Company's Polyester Business located at Sheikhupura.

20	Deferred Tax (Liability) / Asset - net	As at June 30, 2013 Opening	As at June 30, 2013 Reversal / (Charge) (note - 32)	As at June 30, 2013 Closing	As at December 31, 2012 Opening	As at December 31, 2012 Reversal (note - 32)	As at December 31, 2012 Closing
	Deductible temporary differences						
	Provisions for retirement benefits, doubtful debts and others	330,076	(28,410)	301,666	286,493	43,583	330,076
	Retirement fund provision routed through other comprehensive income	211,393	(117,885)	93,508	248,339	(36,946)	211,393
	Taxable temporary differences						
	Property, plant and equipment	(1,421,819)	(74,466)	(1,496,285)	(1,472,727)	50,908	(1,421,819)
		(880,350)	(220,761)	(1,101,111)	(937,895)	57,545	(880,350)

21	Trade and Other Payables	As at June 30, 2013	As at December 31, 2012
	Trade creditors - note 21.1 & 21.1.1	741,283	1,407,341
	Bills payable	2,113,695	3,187,853
	Sales tax, excise and custom duties	42,393	35,627
	Mark-up accrued on short term borrowings	28,465	14,731
	Accrued interest on expansion project - note 21.2	38,733	36,110
	Accrued expenses	791,074	770,626
	Technical service fee / royalty	680	665
	Workers' profit participation fund - note 21.3	61,635	75,192
	Workers' welfare fund	49,081	28,141
	Distributors' security deposits - payable on termination of distributorship - note 21.4	118,888	111,497
	Contractors' earnest / retention money	9,550	9,589
	Advances from customers - note 21.5	118,086	469,015
	Unclaimed dividends	45,982	4,537
	Payable for capital expenditure	252,931	216,402
	Provision for compensated absences - note 21.6	31,249	31,249
	Payable to ICI Pakistan PowerGen Limited (the subsidiary)	102,057	102,057
	Provision for staff retirement benefit plans - note 18	-	331,224
	Others	149,320	191,369
		4,695,102	7,023,225

21.1 This includes an amount of Rs 101.84 million (2012: Rs 115.8 million) payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity.

21.1.1 This amount includes Rs 1.17 million (2012: Rs 52.5 million) on account of exchange gain / loss on forward exchange contracts.

21.2 This liability pertains to financing obtained for Coal Fired Boiler project. Interest charge on the finance facilities is part of capital work in progress.

21.3	Workers' profit participation fund	As at June 30, 2013	As at December 31, 2012
	Balance as on January 1	75,192	148,183
	Allocation for the period / year - note 29	54,195	72,336
		129,387	220,519
	Interest on funds utilised in the Company's businesses at 41.25 % (2012: 67.5 %) per annum - note 30	2,248	2,755
	Less:		
	- Paid to the Fund	70,000	148,082
	Balance as on June 30 / December 31	61,635	75,192

21.4 Interest on security deposits from certain distributors is payable at 11.2 % (2012: 11.9 %) per annum as specified in the respective agreements.

21.5 The above balances include amounts due to the following associated undertakings (related party):

Gadoon Textile Mills Limited	2,891	3,179
Fazal Textile Mills Limited	249	6,374
	3,140	9,553

21.6 This figure is based on actuarial valuation and estimation.

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
22	**Short-Term Borrowings and Running Finance - note 22.1, 22.2 & 22.3**	2,654,549	2,332,057

Short-term borrowings and running finance facilities from various banks aggregated to Rs 4,715 million (2012: Rs 4,075 million) and carry mark-up during the period ranging from relevant KIBOR + 0.40% to 0.75% per annum with an average markup rate of relevant KIBOR + 0.43% as at June 30, 2013 on utilised limits (2012: relevant KIBOR + 0.50% to 0.75% per annum with an average markup rate of relevant KIBOR + 0.61% on utilised limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company.

22.1	**Short - term borrowings - secured**	Tenure From	Tenure To	As at June 30, 2013	As at December 31, 2012
	Samba Bank Limited	15-Apr-13	15-Jul-13	494,000	494,000
	United Bank Limited	7-Jun-13	08-Jul-13	300,000	300,000
	Standard Chartered Bank (Pakistan) Limited	14-Jun-13	15-Jul-13	100,000	200,000
	MCB Bank Limited	7-Jun-13	05-Jul-13	125,000	-
	Bank Alfalah Limited	12-Apr-13	11-Jul-13	435,000	-
	MCB Bank Limited	28-Jun-13	26-Jul-13	600,000	-
	United Bank Limited	25-Jun-13	25-Jul-13	72,000	-
				2,126,000	994,000

The above short-term borrowings are secured by first pari passu hypothecation charge as mentioned above and carry mark-up during the period ranging from relevant KIBOR + 0.20% to 0.40% (December 31, 2012: Rs. 994 million, relevent KIBOR + 0.50%)

		As at June 30, 2013	As at December 31, 2012
22.2	**Export Refinance**	130,000	-

The Company has export refinance facility upto Rs 200 million (2012: Nil) available from Faysal Bank Limited as at June 30, 2013 out of which Rs 130 million was utilised (2012: Nil). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan rate (currently 8.40%) + 0.25% per annum.

		As at June 30, 2013	As at December 31, 2012
22.3	**Short - Term Running Finance - Secured**	398,549	1,338,057

The above short - term running finance is secured by first pari passu hypothecation charge as mentioned above.

		As at June 30, 2013	As at December 31, 2012
23	**Contingencies and Commitments**		
23.1	Claims against the Company not acknowledged as debts are as follows:		
	Local bodies - note 23.1.1	12,735	12,735
	Others	28,288	30,389
		41,023	43,124

23.1.1 The Company was served notice by Punjab Employees Social Security Institution's Local office Shahdara, dated November 24, 1997 on Polyester Plant for alleged non payment Rs 11.96 million on account of Social Security Contribution on the basis of assessment made by the PESSI for the period 1996 and 1997, on behalf of contractors' workers (M/s Descon Engineering Limited) engaged for Expansion Project. The Company challenged the notice and filed an appeal with Vice Commissioner Social Security Institution and also filled petition in High Court Lahore on July 20, along with stay application, the court granted stay order on July 25, 2012. The outcome of the case cannot be determined yet.

23.2 Also refer note 43 to these financial statements for income tax contingencies.

23.3 Guarantee issued by the Company of Rs 133 million (2012: Rs 133 million) to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.

23.4 Commitments in respect of capital expenditure (including Coal Fired Boiler Project of the Soda Ash business) amounted to Rs 541.987 million (2012: Rs 492.036 million).

23.5 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles amounting to Rs 132.995 million (2012: Rs 125.919 million) are as follows:

Year	As at June 30, 2013	As at December 31, 2012
2013	-	52,287
2014	54,462	38,060
2015	43,304	24,937
2016	26,216	10,635
2017	9,013	-
	132,995	125,919
Payable not later than one year	54,462	52,287
Payable later than one year but not later than five years	78,533	73,632
	132,995	125,919

23.6

Outstanding foreign exchange contracts as at June 30, 2013 entered into by the Company amounted Rs 1,166.117 million (2012: Rs 2,635.860 million).

24 Operating Segment Results

Amounts in Rs '000

	Note	Polyester		Soda Ash		Life Sciences		Chemicals		Company	Company
		Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Sales											
Afghanistan		-	-	4,664	3,614	699	-	1,928	2,917	7,291	6,531
India		-	-	181,003	305,719	-	-	-	-	181,003	305,719
United Arab Emirates		-	-	-	-	-	-	7,861	-	7,861	-
Others		8,233	-	-	-	-	-	-	1,562	8,233	1,562
		8,233	-	185,667	309,333	699	-	9,789	4,479	204,388	313,812
Inter-segment		-	-	-	-	-	-	9,785	40,969	9,785	40,969
Local		9,701,479	18,354,064	4,683,715	8,909,826	3,383,635	6,251,234	2,125,869	3,918,729	19,894,698	37,433,853
		9,709,712	18,354,064	4,869,382	9,219,159	3,384,334	6,251,234	2,145,443	3,964,177	20,108,871	37,788,634
Commission / Toll income		-	-	-	-	-	-	34,891	61,768	34,891	61,768
Turnover		9,709,712	18,354,064	4,869,382	9,219,159	3,384,334	6,251,234	2,180,334	4,025,945	20,143,762	37,850,402
Sales tax		126,708	-	645,513	1,363,618	9,189	15,281	215,631	374,555	997,041	1,753,454
Commission and discounts to distributors and customers		126,914	150,037	137,643	251,283	424,271	743,712	132,430	229,384	821,258	1,374,416
		253,622	150,037	783,156	1,614,901	433,460	758,993	348,061	603,939	1,818,299	3,127,870
Net sales, commission & toll income		9,456,090	18,204,027	4,086,226	7,604,258	2,950,874	5,492,241	1,832,273	3,422,006	18,325,463	34,722,532
Cost of sales	26	9,442,026	17,754,556	3,204,255	6,251,945	2,146,431	3,977,598	1,475,570	2,744,967	16,268,282	30,729,066
Gross profit		14,064	449,471	881,971	1,352,313	804,443	1,514,643	356,703	677,039	2,057,181	3,993,466
Selling and distribution expenses	27	46,019	76,400	51,357	91,835	329,996	701,702	96,019	198,582	523,391	1,068,519
Administrative and general expenses	28	124,976	474,711	102,886	405,031	76,632	247,949	56,638	172,622	361,134	1,300,313
Operating result		(156,931)	(101,640)	727,726	855,447	397,815	564,992	204,046	305,835	1,172,656	1,624,634
24.1 **Segment assets- note 24.5**		7,215,283	7,470,348	12,608,937	12,361,310	4,853,688	5,342,272	2,398,548	2,018,814	18,865,663	18,951,167
24.2 **Unallocated assets**										2,079,042	1,762,928
										20,944,705	20,714,095
24.3 **Segment liabilities - note 24.5**		8,772,215	9,481,215	3,177,567	4,668,000	1,680,842	2,891,067	809,607	824,925	6,229,439	9,623,632
24.4 **Unallocated liabilities**										4,227,741	1,324,917
										10,457,180	10,948,549

24.5 Inter unit current account balances of respective businesses have been eliminated from the total.

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	Company
24.6 **Depreciation and amortisation** - note 3.5 and 4.1	230,363	430,004	294,575	589,142	11,100	19,366	21,653	39,440	557,691	1,077,952
									557,691	1,077,952
24.7 **Capital expenditure**	407,574	956,464	550,903	1,911,095	16,997	14,805	19,671	35,014	995,145	2,917,378
									995,145	2,917,378

24.8 **Inter-segment pricing**
Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

24.9 There were no major customer of the Company which formed part of 10% or more of the Company's revenue.

25. Reconciliations of reportable segment turnover, cost of sales, assets and liabilities

		Six months period ended June 30, 2013	Year ended December 31, 2012
25.1	**Turnover**		
	Total turnover for reportable segments - note 24	20,143,762	37,850,402
	Elimination of inter-segment turnover note 24	(9,785)	(40,969)
	Total turnover	20,133,977	37,809,433
25.2	**Cost of sales**		
	Total cost of sales for reportable segments - note 26	16,268,282	30,729,066
	Elimination of inter-segment purchases - note 26	(9,785)	(40,969)
	Total cost of sales	16,258,497	30,688,097
25.3	**Assets**		
	Total assets for reportable segments	18,865,663	18,951,167
	Taxation - net	1,474,066	1,157,952
	Bank deposits - note 14	102,000	102,000
	Long term Investments - note 5	502,976	502,976
	Total Assets	20,944,705	20,714,095
25.4	**Liabilities**		
	Total liabilities for reportable segments	6,229,439	9,623,632
	Short-term loan	2,256,000	994,000
	Long-term loan	1,887,026	290,270
	Accrued interest expansion project - note 21	38,733	36,110
	Unclaimed dividends - note 21	45,982	4,537
	Total liabilities	10,457,180	10,948,549

26. Cost of Sales

Amounts in Rs '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	Company
	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Raw and packing materials consumed										
Opening stock	1,394,859	860.001	359,582	177,745	588,355	457,248	115,497	89.435	2,458,293	1.604,429
Purchases										
Inter-segment	9,785	8,127	-	32.842	-	-	-	-	9,785	40,969
Others	7,501,920	15.484.417	1,028,100	2.073.403	456,369	1,389,353	1,009,243	1.428.892	9,995,632	20.376.065
	7,511,705	15.492.544	1,028,100	2.106.245	456,369	1,389.353	1,009,243	1.428.892	10,005,417	20.417.034
	8,906,564	16.372.545	1,387,682	2.283,990	1,044,724	1,846.601	1,124,740	1.518.327	12,463,710	22.021.463
Closing stock - note 9	(897,238)	(1.394.859)	(510,102)	(359.582)	(453,994)	(588.355)	(207,993)	(115.497)	(2,069,327)	(2.458.293)
Raw material consumed	8,009,326	14,977.686	877,580	1,924.408	590,730	1.258.246	916,747	1,402.830	10,394,383	19.563.170
Salaries, wages and benefits - note 26.1	133,692	382.330	220,162	631.846	900	3,810	17,326	50,709	372,100	1.068.695
Stores and spares consumed	69,819	140.603	47,339	94.919	-	-	2,293	5.878	119,451	241,400
Conversion fee paid to contract manufacturers	-	-	-	-	136,435	287.189	4,871	9.261	141,306	296.450
Oil, gas and electricity	1,002,818	1.834.515	1,210,796	2,848.687	-	-	4,690	8.428	2,218,304	4.691.630
Rent, rates and taxes	490	1.035	864	929	-	-	6,948	12.156	8,302	14.120
Insurance	12,923	22,911	16,970	21.612	-	-	563	1.100	30,456	45.623
Repairs and maintenance	1,657	1,155	5	85	-	-	2,174	4.245	3,836	5.485
Depreciation and amortisation charge - note 3.5 and 4.1	217,025	405.568	282,967	565.851	207	443	11,408	21.997	511,607	993.859
Technical fees	-	-	-	-	-	703	1,354	2.597	1,354	3,300
Royalty	-	-	-	-	-	1.592	-	-	-	1.592
General expenses	68,347	130,350	67,482	147.642	1,167	1.007	6,940	14.547	143,936	293.546
Opening stock of work-in-process	74,987	188.491	-	-	71,700	28.376	1,276	3,379	147,963	220.246
Closing stock of work-in-process - note 9	(170,516)	(74.987)	-	-	(59,475)	(71.700)	(2,850)	(1.276)	(232,841)	(147,963)
Cost of goods manufactured	9,420,568	18.009.657	2,724,185	6.235.979	741,664	1.509.666	973,740	1.535.851	13,860,157	27.291,153
Opening stock of finished goods	1,009,796	669.745	383,510	47.148	1,102,849	896.220	278,929	401.068	2,775,084	2.014.181
Finished goods purchased	6,979	84.950	175,327	352.328	1,098,109	2.697.903	631,964	1.093.070	1,912,379	4.228.251
	10,437,343	18.764.352	3,283,022	6.635.455	2,942,622	5.103.769	1,884,633	3.029.989	18,547,620	33.533.585
Closing stock of finished goods - note 9	(994,304)	(1.009.796)	(78,767)	(383.510)	(793,560)	(1.102.849)	(404,476)	(278.929)	(2,271,107)	(2.775.084)
Provision for obsolete stocks - note 28	(1,013)	-	-	-	(2,631)	(23.342)	(4,587)	(6.093)	(8,231)	(29.435)
	9,442,026	17.754.556	3,204,255	6.251.945	2,146,431	3.977.598	1,475,570	2.744.967	16,268,282	30.729.066

26.1 Staff retirement benefits

Salaries, wages and benefits include Rs 23.196 million (December 31, 2012: Rs 111.022 million) in respect of staff retirement benefits. Decrease in salaries, wages and benefits during the period is on account of net reversal of retirement benefit provision of Rs 130.31 million, mainly in respect of past service cost (refer note 18).

27. Selling and Distribution Expenses

Amounts in Rs '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	Company
	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Salaries and benefits - note 27.1	16,373	56.499	7,690	20,842	104,418	276.569	23,610	77,863	152,091	431,773
Repairs and maintenance	101	20	1,092	1,893	1,378	3,118	856	1,775	3,427	6.806
Advertising and publicity expenses	193	141	42	6,847	62,127	130,639	3,926	6,420	66,288	144.047
Rent, rates and taxes	192	46	1,529	2.098	4,179	7,872	613	1.110	6,513	11.126
Insurance	-	-	597	669	5,069	7.340	1,594	4.635	7,260	12,644
Lighting, heating and cooling	59	8	680	1.162	1,357	3,018	1,453	2,978	3,549	7,166
Depreciation and amortisation charge - note 3.5 and 4.1	-	-	65	146	4,506	9.735	2,751	4.662	7,322	14,743
Outward freight and handling	5,014	2.945	30,530	43.307	30,299	45.467	28,307	48,734	94,150	140,473
Travelling expenses	3,350	6.774	1,336	3.247	43,833	99.282	7,761	13,016	56,280	122,319
Postage, telegram, telephone and telex	779	782	343	1,351	8,856	16.083	2,477	4,431	12,455	22.647
General expenses	19,958	9.185	7,453	10.273	63,974	102,559	22,671	32,758	114,056	154,775
	46,019	76.400	51,357	91.835	329,996	701,702	96,019	198.582	523,391	1,068,519

27.1 Staff retirement benefits

Salaries and benefits include Rs 14.038 million (December 31, 2012: Rs 35.728 million) in respect of staff retirement benefits. Decrease in salaries, wages and benefits during the period is on account of net reversal of retirement benefit provision of Rs 38.152 million, mainly in respect of past service cost (refer note 18).

28. Administrative and General Expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	Company
	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Salaries and benefits - note 28.1	61,181	305,816	54,173	291,013	38,779	159,958	28,249	122,250	182,382	879,037
Repairs and maintenance	2,797	5,424	1,582	3,455	1,686	2,777	481	795	6,546	12,451
Advertising and publicity expenses	1,018	1,752	1,159	2,016	388	652	251	495	2,816	4,915
Rent, rates and taxes	2,838	5,868	1,441	5,954	466	1,422	312	948	5,057	14,192
Insurance	493	2,236	589	2,675	2,390	2,704	160	577	3,632	8,192
Lighting, heating and cooling	2,987	5,678	2,874	5,159	2,909	4,295	621	1,112	9,391	16,244
Depreciation and amortisation charge - note 3.5 and 4.1	13,338	24,436	11,543	23,145	6,387	9,188	7,494	12,581	38,762	69,350
Provision for doubtful debts										
- trade - note 40.6	-	672	-	-	-	123	774	2,250	774	3,045
- others - note 13.1	-	37,000	-	2,348	-	1,448	-	-	-	40,796
Provision for obsolete stocks - note 9.1	1,013	-	-	-	2,631	23,342	4,587	6,093	8,231	29,435
Provision for obsolete spares - note 8.1	-	-	-	2,625	-	-	-	-	-	2,625
Travelling expenses	3,203	8,259	1,941	4,686	2,402	4,875	2,292	4,807	9,838	22,627
Postage, telegram, telephone and telex	1,633	3,351	1,420	3,089	1,167	2,669	827	1,446	5,047	10,555
General expenses	34,475	74,219	26,166	58,666	17,427	34,496	10,590	19,268	88,658	186,849
	124,976	474,711	102,888	405,031	76,632	247,949	56,638	172,622	361,134	1,300,313

28.1 Staff retirement benefits

Salaries and benefits include Rs 15.360 million (December 31, 2012: Rs 162.108 million) in respect of staff retirement benefits. Decrease in salaries, wages and benefits during the period is on account of net reversal of retirement benefit provision of Rs 58.137 million, mainly in respect of past service cost (refer note 18).

Amounts in Rs '000

		Six months period ended June 30, 2013	Year ended December 31, 2012
29.	**Other Operating Charges**		
	Auditors' remuneration - note 29.1	**2,539**	10,234
	Donations - note 29.2	**7,450**	22,070
	Workers' profit participation fund - note 21.3	**54,195**	72,336
	Workers' welfare fund	**20,940**	27,992
		85,124	132,632
29.1	**Auditors' remuneration**		
	Audit and group reporting fee - note 29.1.1	**2,050**	3,400
	Half yearly review and other certifications	**-**	1,231
	Demerger related charges	**-**	5,500
	Out of pocket expenses	**489**	103
		2,539	10,234

29.1.1 For the current period, it represents only statutory audit fee.

29.2 Donations include Rs Nil (December 31, 2012: Rs 6 million) paid to ICI Pakistan Foundation (Head office, Karachi) Mr. Ali Asrar Aga, Director of the Group, Mr. Suhail Aslam Khan, Mr. Asif Malik and Ms. Seemi Saad, Executives of the Company are amongst the Trustees of the Foundation.

		Six months period ended June 30, 2013	Year ended December 31, 2012
30.	**Finance Costs**		
	Mark-up on short-term financing	**137,370**	55,773
	Interest on workers' profit participation fund - note 21.3	**2,248**	2,755
	Discounting charges on receivables	**20,917**	55,841
	Exchange losses	**24,529**	81,758
	Guarantee fee and others	**1,998**	1,670
	Interest on loan due to Akzo Nobel Pakistan Limited	**-**	96,363
		187,062	294,160
31.	**Other Income**		
	Income from financial assets		
	Income from related party		
	Return on loan due from the Subsidiary	**1,292**	58,408
	Service fees from related parties - note 31.1	**990**	1,980
	Income from other financial assets		
	Profit on short-term and call deposits	**-**	109,254
		2,282	169,642
	Income from non-financial assets		
	Scrap sales	**22,212**	58,556
	Gain on disposal of property, plant and equipment	**363**	16,640
	Provisions and accruals no longer required written back	**90,300**	7,786
	Exchange gain	**-**	18,338
	Sundries	**10,461**	27,419
		125,618	298,381

Amounts in Rs '000

31.1 This represents amount charged by the Company for certain management and other services rendered to its wholly owned subsidiary, ICI Pakistan PowerGen Limited, in accordance with the Service Agreement based on commercial terms between the companies.

	Six months period ended June 30, 2013	Year ended December 31, 2012
		Restated
32. Taxation		
Current	**271,336**	625,657
Deferred	**102,872**	(103,095)
Prior year charge	**(35,887)**	-
Net tax charged - note 32.1	**338,321**	522,562
32.1 Tax reconciliation		
Profit before taxation	**1,026,088**	1,496,223
Tax @ 35%	**359,131**	523,678
Effect of prior year charge	**(35,887)**	
Tax impact due to change of FTR ratio	**8,230**	(2,806)
Permanent difference (donations)	**2,608**	-
Others	**4,239**	1,690
Net tax charged	**338,321**	522,562
Average effective tax rate	**33%**	35%
33. Earnings per share - Basic and diluted		
Profit after taxation for the period / year	**687,767**	973,661
	Number of shares	
Weighted average number of ordinary shares (allocated) in issue during the period / year	**92,359,050**	92,359,050
		Restated
Earnings per share for the period / year (Rupees)	**7.45**	10.54

Amounts in Rs '000

34. Remuneration of Chairman, Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements for the remuneration, including all benefits, to the Chairman, Chief Executive, Directors and Executives of the Company were as follows:

	Chairman		Chief Executive		Directors		Executives		Total	
	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012
Managerial remuneration	365	3,687	15,633	134,484	16,125	50,516	172,879	521,731	205,002	710,418
Retirement benefits	-	-	2,558	68,564	3,137	9,909	44,887	134,244	50,582	212,717
Group insurance	-	-	9	64	19	128	548	7,000	576	7,192
Rent and house maintenance	-	-	1,862	2,927	-	-	53,054	149,643	54,916	152,570
Utilities	-	-	256	983	-	-	13,015	37,115	13,271	38,098
Medical expenses	-	-	42	359	66	165	14,741	26,179	14,849	26,703
	365	3,687	20,360	207,381	19,347	60,718	299,124	875,912	339,196	1,147,698
Number of person(s)	1	1	1	1	2	2	368	370	376	376

34.1 In addition to above, an amount of Rs 98.6 million (December 31, 2012: Rs 257.7 million) on account of variable pay, to employees, has been recognised in the current period. This amount is payable in 2014 after verification of achievements against targets.

Variable and special bonus paid during the period / year includes the following:

	Paid in 2013 relating to 2012	Paid in 2012 relating to 2011
Chief Executive	-	103,366
Directors	3,855	78,026
Executives	48,007	416,422
Other employees	39,319	79,092
	91,181	676,906

34.2 The Directors and certain Executives are provided with free use of Company cars in accordance with their entitlement. The Chief Executive is provided with free use of Company car, certain household equipments and maintenance when needed.

34.3 Aggregate amount charged in the financial statements for remuneration to six Non-executive Directors was Rs 1.975 million (December 31, 2012: Rs 9.813 million). This includes fees paid to directors amounting to Rs 0.525 million (December 31, 2012: Rs 0.400 million) for attending board and other meetings which is not included above.

34.3.1 The remuneration and fees paid to directors during the current period includes Rs 0.442 million and Rs 0.08 million respectively for two non-executive directors who were appointed as executive directors during the period.

34.4 The above balances include an amount of Rs 75.35 million (December 31, 2012: Rs 595.114 million) on account of remuneration of key management personnel out of which Rs 11.881 million (December 31, 2012: Rs 30.648 million) relates to post employment benefits.

		Six months period ended June 30, 2013	Year ended December 31, 2012
34.5	Total number of employees as of the balance sheet date	1053	1082
	Average number of employees during the period / year	1055	1085

35. Transactions with Related Parties

The related parties comprise ultimate holding company (Lucky Cement Limited), intermediary holding company (Lucky Holdings Limited), related group companies, local associated company, subsidiary company, directors of the Company, companies where directors also hold directorship, key employees (note 34) and staff retirement funds (note 18). Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Subsidiary Company		
Purchase of goods, materials and services	543,181	922,878
Provision of services and other receipts	990	1,980
Return on loan to the Subsidiary - note 31	1,292	58,408
Associated companies		
Purchase of goods, materials and services	62	13,526
Provision of services and other receipts	-	3,639
Sale of goods and materials	718,460	641,967
Dividends	162,379	823,804
Donations	-	6,000

Amounts in Rs '000

36. Plant Capacity and Annual Production

- in metric tonnes :

	Six months period ended June 30, 2013		Year ended December 31, 2012	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester - note 36.1	**122,000**	**54,428**	122,000	111,727
Soda Ash - note 36.1	**350,000**	**118,864**	350,000	255,610
Chemicals - note 36.2	**-**	**9,291**	-	11,065
Sodium Bicarbonate	**20,000**	**13,070**	20,000	25,700

36.1 Production was below name plate capacity due to gas curtailment.

36.2 The capacity of Chemicals is indeterminable because these are multi-product plants.

37. Fair Value of Financial Assets and Liabilities

The carrying amounts of the financial assets and financial liabilities approximate their fair values and is determined largely on the basis of non-observable market data.

38. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

38.1 Risk Management Framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

39. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

Amount in Rs '000

39.1 **Interest Rate Risk**

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of Company's interest-bearing financial instruments were:

	Carrying Amount	
	Six months period ended June 30, 2013	Year ended December 31, 2012
Fixed rate instruments		
Financial assets - Note 14	102,000	102,000
Financial liabilities - Note 19 & 21	(1,005,914)	(401,767)
	(903,914)	(299,767)
Variable rate instruments		
Financial liabilities - Note 19 & 22	(3,654,549)	(2,332,057)
	(3,654,549)	(2,332,057)

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the period would have been Rs 26.54 million (December 31, 2012: Rs 23.32 million).

39.2 **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases, which, are entered in a currency other than Pak Rupees. To hedge this risk the Company has entered into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Company's Treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross balance sheet exposure classified into seperate foreign currencies:

	EURO	USD	GBP	JPY
	Six month period ended June 30, 2013			
Trade debts	-	7,861	-	-
Other receivables	1,156	722,914	-	-
Cash and bank balances	-	53,265	-	-
	1,156	784,040	-	-
Trade and other payables	143,565	1,416,383	545,421	1,208
Gross balance sheet exposure	(142,409)	(632,343)	(545,421)	(1,208)
	Year ended December 31, 2012			
Trade debts	-	8,743	-	-
Cash and bank balances - Foreign	-	138,226	-	-
	-	146,969	-	-
Trade and other payables	195,508	2,090,032	976,469	-
Gross balance sheet exposure	(195,508)	(1,943,063)	(976,469)	-

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	Six months period ended June 30, 2013	Year ended December 31, 2012	As at June 30, 2013	As at December 31, 2012
Rupees per	Rupees		Rupees	
EURO	128.92	120.09	130.18	128.18
USD	98.22	93.40	99.66	97.15
GBP	151.53	148.03	151.80	157.07
JPY	1.03	1.17	1.01	1.13
SGD	78.77	74.78	79.00	79.55

Amount in Rs '000

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the period / year by Rs 13.21 million ((December 31, 2012: Rs 31.2 million). The following table demostrates the sensitivity to the change in exchange rates. As at June 30, 2013, if Pakistani Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group's profit before tax at June 30, 2013 and December 31, 2012 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2013					
Pak Rupee	+1%	1,424	6,323	5,454	12
Pak Rupee	-1%	(1,424)	(6,323)	(5,454)	(12)
2012					
Pak Rupee	+1%	1,955	19,431	9,765	-
Pak RUpee	-1%	(1,955)	(19,431)	(9,765)	-

40. Credit Risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

		As at June 30, 2013	As at December 31, 2012
40.1	**Financial Assets**		
	Long-term investments - note 5	**2,500**	2,500
	Long-term loans - note 6	**199,063**	191,508
	Long-term deposits - note 7	**24,632**	26,799
	Trade debts - note 10	**865,690**	570,251
	Loans and advances - note 11	**158,716**	188,482
	Trade deposits - note 12	**16,960**	15,074
	Other receivables - note 13	**745,660**	780,150
	Bank balances - note 14	**723,279**	860,147
		2,736,500	2,634,911

40.2 The Company has placed its funds with banks which are rated A-1 by Standard & Poor's and P-1 by Moody's.

40.3	**Financial Assets**		
	- Secured	**538,756**	583,980
	- Unsecured	**2,197,744**	2,050,931
		2,736,500	2,634,911

40.4 The ageing of bank balances, trade debts and loans and advances at the reporting date is as follows:

Not past due	**1,705,747**	1,578,947
Past due but not Impaired:		
Not more than three months	**63,946**	46,098
Past due and Impaired:		
More than three months and not more than six months	**2,000**	3,628
More than six months and not more than nine months	-	-
More than nine months and not more than one year	-	-
More than one year	**78,086**	92,883
	144,032	142,609
Less: Provision for:		
- Doubtful debts - note 10	**94,802**	95,384
- Doubtful loans and advances - note 11	**7,292**	7,292
	102,094	102,676
	1,747,685	1,618,880

40.4.1 There were no past due or impaired receivables from related parties.

Amount in Rs '000

40.5 The maximum exposure to credit risk for past due and impaired at the reporting date by type of counterparty was:

Wholesale customers	**1,181**	12,405
Retail customers	**16,650**	10,136
End-user customers	**126,201**	120,068
	144,032	142,609
Less: Provision for:		
- Doubtful debts - note 10	**94,802**	95,384
- Doubtful loans and advances - note 11	**7,292**	7,292
	102,094	102,676
	41,938	39,933

40.6 Movement of provision for trade debts and loans and advances

	Trade Debts	Loans and Advances	Total	Total
Opening balance	**95,384**	**7,292**	**102,676**	99,631
Additional provision - note 28	**774**	**-**	**774**	3,045
(Write off) / Provision utilised against write-offs	**(302)**	**-**	**(302)**	-
Provision no longer required	**(1,054)**	**-**	**(1,054)**	-
	94,802	**7,292**	**102,094**	102,676

40.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a company-standard for dynamic provisioning:
• Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
• Provide an impairment loss for 100% when overdue more than 120 days

40.7 **Concentration Risk**
The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

	Six months period ended June 30, 2013	Year ended December 31, 2012
Textile and Chemicals	**430,224**	364,229
Glass	**64,651**	33,081
Paper and Board	**2,015**	15,233
Pharmaceuticals	**150,600**	21,327
Paints	**10,369**	35,772
Bank	**723,279**	860,147
Others	**468,641**	391,767
	1,849,779	1,721,556
Less: Provision for:		
- Doubtful debts - note 10	**94,802**	95,384
- Doubtful loans and advances - note 11	**7,292**	7,292
	102,094	102,676
	1,747,685	1,618,880

40.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Company is not materially exposed to othe price risk.

41. **Liquidity Risk**
Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Amount in Rs '000

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
	Six months period ended June 30, 2013		
Financial liabilities			
Trade creditors - note 21	741,283	(741,283)	(741,283)
Bills payable - note 21	2,113,695	(2,113,695)	(2,113,695)
Mark-up accrued on short term financing - note 21	28,465	(28,465)	(28,465)
Accrued interest on secured/unsecured loans - note 21	38,733	(38,733)	(38,733)
Accrued expenses - note 21	791,074	(791,074)	(791,074)
Technical service fee / Royalty - note 21	680	(680)	(680)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.4	118,888	(132,203)	(132,203)
Contractors' earnest / retention money - note 21	9,550	(9,550)	(9,550)
Unclaimed dividends - note 21	45,982	(45,982)	(45,982)
Payable for capital expenditure - note 21	252,931	(252,931)	(252,931)
Payable to ICI Pakistan PowerGen Limited - note 21	102,057	(102,057)	(102,057)
Others - note 21	149,320	(149,320)	(149,320)
Long-term loan - note 19	1,887,026	(2,446,543)	(377,836)
Short-term borrowings- note 22.1 & 22.2	2,256,000	(2,290,387)	(2,290,387)
Short-term running finance - note 22.3	398,549	(398,549)	(398,549)
	8,934,233	(9,541,452)	(7,472,745)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

	Year ended December 31, 2012		
Financial liabilities			
Trade creditors - note 21	1,407,341	(1,407,341)	(1,407,341)
Bills payable - note 21	3,187,853	(3,187,853)	(3,187,853)
Mark-up accrued on short term financing - note 21	14,731	(14,731)	(14,731)
Accrued interest on secured/unsecured loans - note 21	36,110	(36,110)	(36,110)
Accrued expenses - note 21	770,626	(770,626)	(770,626)
Technical service fee / Royalty - note 21	665	(665)	(665)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.4	111,497	(124,765)	(124,765)
Contractors' earnest / retention money - note 21	9,589	(9,589)	(9,589)
Unclaimed dividends - note 21	4,537	(4,537)	(4,537)
Payable for capital expenditure - note 21	216,402	(216,402)	(216,402)
Payable to ICI Pakistan PowerGen Limited - note 21	102,057	(102,057)	(102,057)
Others - note 21	191,369	(191,369)	(191,369)
Long-term loan - note 19	290,270	(400,281)	(23,176)
Short-term borrowings- note 22.1 & 22.2	994,000	(1,002,408)	(1,002,408)
Short-term running finance - note 22.3	1,338,057	(1,338,057)	(1,338,057)
	8,675,104	(8,806,791)	(8,429,686)

42. Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2013 and December 31, 2012 is as follows:

	Amounts in Rs' 000	
	As at June 30, 2013	As at December 31, 2012
Long-term loans	1,887,026	290,270
Trade and other payables	4,695,102	7,023,225
Short-term borrowings and running finance	2,654,549	2,332,057
Total debt	9,236,677	9,645,552
Cash and bank balances	(730,349)	(866,465)
Net Debt	8,506,328	8,779,087
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Unappropriated profit	8,555,755	7,791,656
Equity	9,788,989	9,024,890
Capital	18,295,317	17,803,977
Gearing ratio	46.49%	49.31%

43. Accounting Estimates and Judgements

Income Taxes

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

The Appellate Tribunal Inland Revenue had earlier set aside the assessment for the assessment year 1998-99 on the issues of date of commissioning of PTA plant & depreciation thereon, restriction of cost of capitalisation of PTA plant and addition to income in respect of trial production stocks. The re-assessment was finalised by the department on June 29, 2010 giving rise to an additional tax demand. The Company had filed an appeal against the said order before the CIR(Appeals), the hearing of appeal of which has been completed and the order is awaited.

The tax department reopened the income tax assessment for the assessment year 2001-2002 on the ground that demerger of PTA business from ICI Pakistan Ltd. was effective from the completion date i.e. August 6, 2001. This was challenged by the Company in the High Court which upheld the Company's contention that the department did not have the right to reopen this finalised assessment. The department filed an appeal in the Supreme Court against the High Court's order. The appeal was dismissed by the Supreme Court under the principle of well known case of Eli Lilly. After the Supreme Court's decision on retrospectivity as mentioned above, a notice has been issued u/s 66A of the repealed Ordinance by Tax department on June 20, 2011, which was challenged by the Company in the High Court on the basis of Supreme Court's decision as above. However, despite the stay granted by High Court, the Tax Department issued an order on May 7, 2012 and raised the demand of the additional tax liability of Rs 19 million. The Company filed an appeal before the Appellate Tribunal Inland Revenue which decided the case in Company's favour on the basis that order issued on May 7, 2012 was time barred. The tax department has also issued an order through which Tribunal's order has been given effect and Company's position has been accepted.

For the assessment year 2002-2003 on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Company had filed a writ petition in the Supreme Court 'after it being dismissed by the Sindh High Court on maintainability', challenging the tax department's notice that the effective date of PTA's demerger was August 6, 2001 rather than the effective date given in the Scheme of Arrangement as October 1, 2000. That notice had raised certain issues relating to vesting of PTA assets by the company. It is the Company's contention that such an action is unwarranted and which has illegally changed the settled position.

Whilst amending the assessment for the Tax Year 2003, 2004, 2005, 2007, 2008 and 2010 tax department has taken certain action in the order, considered by the department as " protective assessment" on the matter of unabsorbed depreciation carried forward. It is the Company's contention that such an action is unwarranted. An appeal before the CIR (Appeals) , on the matter has been filed, which is pending. The very basis of such an action has also been challenged before the High Court of Sindh which are pending for hearing.

In April 2012, a notice had been issued by the Tax Department for recovery of tax demand of Rs 271 million for Tax year 2003 and Rs 310 million for Tax year 2004 on account of unabsorbed tax depreciation relating to the demerger of PPTA business. This notice has been issued by the Tax Department on the basis that revenue cases cannot be stayed by the High Court of Sindh for a period of more than six months as mentioned in Article 199(4A) of the Constitution of Pakistan. The Company through its counsel has filed a reply to Tax Department stating that since our assessments are protective assessments and as stated in the order the demand can only arise after the matter is finally decided by the Supreme Court for assessment year 2002-03. No action has been taken by the Tax Department after the reply of the Company.

Notice under section 221 of the Income Tax Ordinance 2001 for rectification of deemed assessment order for the Tax Year 2005 has been issued to disallow unabsorbed depreciation carried forward. A writ petition against the said notice has been filed with the High Court of Sindh which is pending for hearing.

For Tax Year 2006, the case had been selected for audit/scrutiny and whilst framing the order tax department has taken certain action in the orders, considered by the department as "protective assessments" on the matter of unabsorbed depreciation carried forward. A tax demand of Rs 616 million was raised in the order. It is the Company's contention that such an action is unwarranted. An appeal before the CIR (Appeals) on the matter has been filed which is pending to date.

In June 2012, whilst amending the assessment for the Tax Year 2009, the tax department had disallowed the unabsorbed depreciation on the ground that there was no brought forward depreciation from Tax Year 2008 and a demand of Rs 972 million was created. It was the Company's contention that such an action was unwarranted. This position was totally different from the position taken earlier by the tax department. The Company had filed an appeal before the High Court of Sindh challenging the said order which had decided the case with the direction that the matter will be finalised by the CIR(Appeals) within six weeks from the date of High Court's Order. On August 15, 2012 CIR(Appeals) issued its order and upheld the order passed by the tax department earlier. The Company then filed an appeal before the Appellate Tribunal Inland Revenue against the said order of CIR(Appeals) as well as for the stay of demand. On November 15, 2012, the Tribunal decided the case in Company's favour on the basis that the original assessment order for assessment year 2001-02 passed on May 29, 2002 is now crystallized and therefore unabsorbed depreciation is available to the company. The Tax Department has also issued an order giving effect to the Tribunal's decision through which the unabsorbed depreciation has been allowed to be carried forward for adjustment in Tax Year 2009. Subsequently in July the Tax Department has also an order for Tax Year 2010 giving us the benefit of carried forward depreciation from Tax Year 2009. Subsequently, in July 2013 the Tax Department has also passed an order for Tax Year 2010, whereby allowed the benefit of carried forward depreciation from Tax Year 2009.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

44. Standards or Interpretations not yet effective

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

44.1 New, Amended and Revised Standards and Interpretations of IFRSs

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 16 – Property, Plant and Equipment – (Amendments)

IAS 19 – Employee Benefits – (Revised)

IAS 27 – Seperate Financial Statements (2011)

IAS 28 – Investments in Associates and Joint Ventures (2011)

IAS 34 – Interim Financial Reporting – (Amendments)

IFRS 7 – Financial Instruments : Disclosures – (Amendment)
-Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Annual improvements 2009-11

The adoption of the above revision, amendments interpretation of the standards did not have any effect on the financial statements except for IAS 19 as discussed in note 2.13 to these financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 July 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards, Interpretations and Amendments to Approved Accounting Standards that are Not Yet Effective

The following are the standards and interpretations, which have been issued but are not yet effective for the current financial year:

Description	Effective for periods beginning on or after
<u>Revision / improvements / amendments to IFRSs and interpretations</u>	
IAS 32 - Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
<u>Standards issued by IASB but not yet notified by SECP</u>	
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2015

The Company expects that the adoption of the above standards and interpretations will not have material effect on the Company's unconsolidated financial statements in the period of initial application except for IFRS 9 - Financial Instruments: Classification and Measurement, which may affect certain disclosures.

45. Post Balance Sheet Events

45.1 Dividend

The Directors in their meeting held on ---------------- have recommended a final dividend of Rs ------ per share (December 31, 2012: Rs 2.00 per share) in respect of period ended June 30, 2013. The financial statements for the period ended June 30, 2013 do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

46. Date of Authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on ____________.

47. General

47.1 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.

47.2 As disclosed in note 1, during the six months period ended June 30, 2013 the Company has changed its financial year from December 31 to June 30. Accordingly, these financial statements cover the period from January 1, 2013 to June 30, 2013. Corresponding figures in the profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity pertain to full year ended December 31, 2012 and, hence, are not comparable.

47.3 Due to change in accounting policy in respect of staff retirement benefits as fully explained in note 2.13 to the financial statements, corresponding figures have been reported after restatement.

47.4 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation and disclosure and this has been disclosed in relevant notes. However, there have been no material reclassifications to report.

Muhammad Ali Tabba	Asif Jooma	Muhammad Abid Ganatra
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Consolidated Balance Sheet
As at June 30, 2013

Amounts in Rs '000

	Note	June 30, 2013	December 31, 2012 Restated	As at January 01, 2012 Restated
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	**10,727,467**	10,310,313	8,979,355
Intangible assets	4	**45,123**	40,992	69,118
		10,772,590	10,351,305	9,048,473
Long-term investments	5	**2,500**	2,500	2,500
Long-term loans	6	**202,071**	194,432	158,663
Long-term deposits and prepayments	7	**33,338**	40,891	32,372
		237,909	237,823	193,535
		11,010,499	10,589,128	9,242,008
Current Assets				
Stores, spares and consumables	8	**615,782**	597,360	552,848
Stock-in-trade	9	**4,594,877**	5,411,611	3,868,551
Trade debts	10	**891,186**	595,693	383,169
Loans and advances	11	**160,640**	193,848	128,970
Trade deposits and short-term prepayments	12	**161,888**	105,931	62,059
Other receivables	13	**1,188,212**	1,065,523	754,603
Taxation - net		**1,474,066**	1,157,952	821,730
Cash and bank balances	14	**836,143**	904,117	4,738,205
		9,922,794	10,032,035	11,310,135
Total Assets		**20,933,293**	20,621,163	20,552,143
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Authorised capital				
1,500,000,000 (2012:1,500,000,000) ordinary shares of Rs 10 each		**15,000,000**	15,000,000	15,000,000
Issued, subscribed and paid-up capital	15	**923,591**	923,591	923,591
Capital reserves	16	**309,643**	309,643	309,643
Revenue reserves - Unappropriated profit		**8,544,999**	7,710,090	7,655,675
Total Equity		**9,778,233**	8,943,324	8,888,909
Surplus on revaluation of property, plant and equipment	17	**843,037**	884,867	967,863
Non-Current Liabilities				
Provision for non-management staff gratuity and eligible retired employees' medical scheme	18	**119,631**	422,886	402,650
Long-term loans	19	**1,887,026**	290,270	-
Deferred tax liability - net	20	**1,101,111**	880,350	937,895
		3,107,768	1,593,506	1,340,545
Current Liabilities				
Trade and other payables	21	**4,549,706**	6,867,409	9,354,826
Short-term borrowings and running finance	22	**2,654,549**	2,332,057	-
		7,204,255	9,199,466	9,354,826
Contingencies and Commitments	23			
Total Equity and Liabilities		**20,933,293**	20,621,163	20,552,143

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Ali Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Consolidated Profit and Loss Account
For the six months period ended June 30, 2013

Amounts in Rs '000

	Note	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Turnover	25	**20,133,977**	37,809,433
Sales tax, commission and discounts	24	**(1,893,940)**	(3,251,671)
Net sales, commission and toll income		**18,240,037**	34,557,762
Cost of sales	25	**(16,105,080)**	(30,400,433)
Gross profit		**2,134,957**	4,157,329
Selling and distribution expenses	27	**(523,391)**	(1,068,519)
Administrative and general expenses	28	**(361,635)**	(1,301,715)
Operating result		**1,249,931**	1,787,095
Other charges	29	**(90,550)**	(140,107)
Finance costs	30	**(187,793)**	(294,527)
		(278,343)	(434,634)
Other income	31	**125,600**	240,566
Profit before taxation		**1,097,188**	1,593,027
Taxation	32	**(338,321)**	(522,563)
Profit after taxation		**758,867**	1,070,464
Profit for the period / year		**758,867**	1,070,464
Basic and diluted earnings per share (Rupees)	33	**8.22**	11.59
		June 30, 2013	June 30, 2012 Restated
Basic and diluted earnings per share (Rupees)		**8.22**	4.45

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Ali Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Consolidated Statement of Comprehensive Income
For the six months period ended June 30, 2013

Amounts in Rs '000

	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Profit for the period / year	**758,867**	1,070,464
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains on defined benefit plans	**336,815**	105,563
Tax effect	**(117,885)**	(36,946)
	218,930	68,617
Recognised actuarial losses	-	(124,602)
Tax effect	-	43,610
	-	(80,992)
Total comprehensive income for the period / year	**977,797**	1,058,089

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Ali Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited

Consolidated Cash Flow Statement

For the six months period ended June 30, 2013

Amounts in Rs '000

	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Cash flows from Operating Activities		
Profit before taxation	**1,097,188**	1,593,027
Adjustments for:		
Depreciation and amortisation	**580,439**	1,119,171
Gain on disposal of property, plant and equipment	**(363)**	(16,640)
Provision for staff retirement benefit plan	**48,676**	160,643
(Reversal) / Provision for non-management staff gratuity and eligible retired employees' medical scheme	**(275,275)**	55,459
Mark-up on bank deposits and loan to subsidiary	**-**	(109,254)
Interest / mark-up expense	**162,884**	201,327
	1,613,549	3,003,733
Movement in:		
Working capital	**(1,683,437)**	(4,849,202)
Long-term loans	**(7,639)**	(35,769)
Long-term deposits and prepayments	**7,553**	(8,519)
Cash used in operations	**(69,974)**	(1,889,757)
Payments for :		
Staff retirement benefit plan	**(94,556)**	(216,444)
Non-management staff gratuity and eligible retired employees' medical scheme	**(12,174)**	(20,274)
Taxation	**(551,563)**	(909,665)
Interest / mark-up	**(151,059)**	(184,690)
Profit / mark-up received on bank deposits	**-**	119,595
Net cash used in operating activities	**(879,326)**	(3,101,235)
Cash flows from Investing Activities		
Payments for capital expenditure	**(969,981)**	(2,298,465)
Proceeds from disposal of property, plant and equipment	**5,358**	29,954
Net cash used in investing activities	**(964,623)**	(2,268,511)

ICI Pakistan Limited
Consolidated Cash Flow Statement
For the six months period ended June 30, 2013

Amounts in Rs '000

	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Cash flows from Financing Activities		
Long-term loans	1,596,756	290,270
Dividend paid	(143,273)	(1,086,669)
Net cash flows used in financing activities	1,453,483	(796,399)
Net decrease in cash and cash equivalents	(390,466)	(6,166,145)
Cash and cash equivalents at January 1	(1,427,940)	4,738,205
Cash and cash equivalents at June 30 / December 31 - note 14 & note 22	(1,818,406)	(1,427,940)
Movement in Working Capital		
Decrease / (Increase) in current assets		
Stores, spares and consumables	(18,422)	(44,512)
Stock-in-trade	816,734	(1,543,060)
Trade debts	(295,493)	(212,524)
Loans and advances	33,208	(64,878)
Trade deposits and short-term prepayments	(20,292)	(43,872)
Other receivables	(122,689)	(321,261)
	393,046	(2,230,107)
Decrease in current liabilities		
Trade and other payables	(2,076,483)	990,680
Paid / Payable to Akzo Nobel Pakistan Limited	-	(3,609,775)
	(1,683,437)	(4,849,202)
Cash and cash equivalents at June 30 / December 31 comprise of:		
Cash and bank balances - note 14	836,143	904,117
Short-term borrowings and running finance - note 22	(2,654,549)	(2,332,057)
	(1,818,406)	(1,427,940)

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Ali Tabba	Asif Jooma	Muhammad Abid Ganatra
Vice Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited

Consolidated Statement of Changes in Equity

For the six months period ended June 30, 2013

Amounts in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
Balance as on December 31, 2011 - as previously reported	**923,591**	**309,643**	**8,116,876**	**9,350,110**
Effect of retrospective change in accounting policy with respect to accounting for retirement benefit referred in note 2.13	-	-	(461,201)	(461,201)
Balance as on December 31, 2011 - restated	**923,591**	**309,643**	**7,655,675**	**8,888,909**
Final dividend for the year ended December 31, 2011 @ Rs 5.50 per share *	-	-	(763,413)	(763,413)
Interim dividend for the year 2012 @ Rs 3.50 per share **	-	-	(323,257)	(323,257)
Transactions with owners, recorded directly in equity	**-**	**-**	**(1,086,670)**	**(1,086,670)**
Profit for the year ended December 31, 2012	-	-	1,070,464	1,070,464
Other comprehensive income for the period - net of taxation			(12,375)	(12,375)
			1,058,089	1,058,089
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the year - net of deferred tax - note 17	-	-	82,996	82,996
	-	-	82,996	82,996
Balance as on December 31, 2012 - restated	**923,591**	**309,643**	**7,710,090**	**8,943,324**
Final dividend for the year ended December 31, 2012 @ Rs 2.00 per share	-	-	(184,718)	(184,718)
Transactions with owners, recorded directly in equity	**-**	**-**	**(184,718)**	**(184,718)**
Profit for the period ended June 30, 2013	-	-	758,867	758,867
Other comprehensive income for the period ended June 30, 2013	-	-	218,930	218,930
	-	-	977,797	977,797
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax - note 17	-	-	41,830	41,830
	-	-	41,830	41,830
Balance as on June 30, 2013	**923,591**	**309,643**	**8,544,999**	**9,778,233**

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

* Dividend was declared before the approval of demerger by the High Court of Sindh on 138,802,300 shares.

** Interim dividend was declared post approval of demerger by High Court of Sindh on 92,359,050 shares.

Muhammad Ali Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Vice Chairman / Director	Chief Executive	Chief Financial Officer

1. Status and Nature of Business

The Group consists of:

- ICI Pakistan Limited; and
- ICI Pakistan PowerGen Limited.

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

ICI Pakistan PowerGen Limited ("the Subsidiary") is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited.

The Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer.

The Subsidiary is engaged in generating, selling and supplying electricity to the Company.

The Group's registered office is situated at 5 West Wharf, Karachi.

During the period ended June 30, 2013 the Group has changed its financial year end from 31 December to 30 June, as approved by the Board of Directors and shareholders in the meetings dated February 21, 2013 and April 22, 2013 respectively. All legal formalities in respect of this change have been complied with. This change has been made to bring the financial year of the Group in line with financial year followed by the new ultimate holding company.

2. Summary of Significant Accounting Policies

Following are the details of significant accounting policies.

2.1 Statement of compliance

These consolidated 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 preparation

These consolidated financial statements have been prepared under the historical cost convention, except:

a) certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold and leasehold land and plant and machinery) have been included at revalued amounts; and

b) Provision for management staff gratuity, non-management staff gratuity, and eligible retired employees' medical scheme is stated at present value as disclosed in note 18 to the consolidated financial statements.

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in subsequent years are discussed in note 43.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

2.4 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold & leasehold land and plant & machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold land and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria are met.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to profit and loss account over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

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

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably. Assets replaced, if any, are derecognised.

Gains and losses on disposal of assets are taken to the profit and loss account, and the related surplus / deficit on revaluation of property, plant and equipment is transferred directly to unappropriated profits

2.5 Intangible assets and amortisation

Intangible assets with a finite useful life, such as certain softwares, licenses (including extraction rights, software licenses, etc.) and property rights, are capitalised initially at cost and subsequently stated at cost less accumulated amortisation and impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit and loss account as incurred.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognized in profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted, if appropriate.

2.6 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less net estimated cost to sell, which is generally equivalent to replacement cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.7 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.8 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables (Refer note 40.6.1).

2.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit and loss account is recognised outside profit and loss account. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Further, the Group recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks. Running finance facilities availed by the Group, which are payable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

2.11 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been 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 amortisation, if no impairment loss had been recognised.

2.12 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets account" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Group has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profits / losses through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.13 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Group operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Group recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Group has recognized related restructuring or terminations benefits.

Defined contribution plans

The Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who have either opted for this fund by July 31, 2004 or have joined the Group after April 30, 2004. In addition to this, the Group also provides group insurance to all its employees.

Compensated absences

The Group recognizes the liability for compensated absences in respect of employees in which these are earned up to the balance sheet date. The provision has been recognized on the basis of actuarial valuation.

Changes in accounting policy

During the current period, the Group has changed its accounting policy in respect of recognition of actuarial gains and losses, past service costs and expected return on plan assets, whereby with effect from current year, the Group has recognised:

Actuarial gains and losses as they occur in other comprehensive income, instead of past policy, where actuarial gains and losses were recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of previous reporting period exceeded 10% of the higher of present value of the defined benefit obligation and the fair value of plan assets at that date, and such gains or losses were recognised over the expected average remaining working lives of the employees;

All past service costs at the earlier of when the amendment or curtailment occurs and when the Group has recognised related restructuring or terminations benefits, instead of past policy, where the past service costs were recognised as an expense on a straight line basis over the average period until the benefits became vested, and if the benefits were already vested, following the introduction of or changes to a scheme, past service costs were recognised immediately in profit and loss account; and

Interest on net defined benefit obligation (net of plan assets) in profit and loss account, which is calculated using the discount rate used to measure the defined benefit obligation or asset, and expected returns on plan assets will no longer be recognised in profit and loss account.

The above change has been accounted for in accordance with the requirements of IAS 19 - Employee Benefits (Revised), as required under IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) such a change to be applied retrospectively. Due to the above change in accounting policy, the Group has presented balance sheet as at the beginning of the earliest comparative period i.e., January 01, 2012, and related notes in accordance with requirement of IAS 1 - Presentation of Financial Statements (Revised) (IAS 1).

Had there been no change in accounting policy due to recognition of actuarial losses on defined benefit plans in accordance with IAS 19 (Revised), the following would have been the impacts as of July 01, 2011, June 30, 2012 and June 30, 2013 and for the period / year then ended:

	Funded			Unfunded	
	Pension	Gratuity	Total		Total
	Amount in Rs '000				
As of July 01, 2011:					
Employee benefit liability would have been lower by:	396,166	166,057	562,223	147,317	709,540
Deferred taxation would have been higher by:	138,658	58,120	196,778	51,561	248,339
Opening retained earnings would have been higher by:	**257,508**	**107,937**	**365,445**	**95,756**	**461,201**
As of and for the year ended June 30, 2012:					
Employee benefit liability and unrecognised actuarial loss on defined benefit plan would have been lower by:	187,070	293,026	480,096	123,881	603,977
Deferred taxation would have been higher by:	65,475	102,559	168,034	43,358	211,392
Retained earnings would have been higher by:	**121,595**	**190,467**	**312,062**	**80,523**	**392,585**
Charge for defined benefit cost would have been higher by:	104,254	11,861	116,115	8,487	124,602
Taxation would have been lower by:	36,489	4,151	40,640	2,970	43,610
Profit after taxation would have been lower by:	**67,765**	**7,710**	**75,475**	**5,517**	**80,992**
Basic and diluted earnings per share would have been lower by (Rs):					**0.87**

	Funded			Unfunded	Total
	Pension	Gratuity	Total		
	Amount in Rs '000				
As of and for the period ended June 30, 2013:					
Employee benefit liability and unrecognised actuarial loss on defined benefit plan would have been lower by:	32,735	146,637	179,372	97,588	276,960
Deferred taxation would have been higher by:	11,457	51,323	62,780	34,156	96,936
Retained earnings would have been higher by:	**21,278**	**95,314**	**116,592**	**63,432**	**180,024**
Charge for defined benefit cost would have been higher by:	28,344	16,841	45,185	10,487	55,272
Taxation have been lower by:	9,920	5,894	15,814	3,670	19,484
Profit after taxation would have been lower by:	**18,424**	**10,947**	**29,371**	**6,817**	**36,188**
Basic and diluted earnings per share would have been lower by (Rs):					**0.39**

2.14 Operating leases / Ijarah contracts

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

Payments made under operating leases and Ijarah contracts are recognised in the profit and loss account on a straight-line basis over the term of the lease.

2.15 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any.

2.16 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset as detailed in note 3.7.1 to the consolidated financial statements.

2.17 Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.18 Financial liabilities

All financial liabilities are initially recognised at fair value net of directly attributable cost, if any, and subsequently measured at amortised cost.

2.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

2.20 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

2.21 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

2.22 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer. For those products which are often sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Commission income is recognised on date of shipment from suppliers.

Profit on short-term deposits is accounted for on a time-apportioned basis using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established. Toll manufacturing income is recognised when services are rendered.

2.23 Financial expense and financial income

Financial expenses are recognised using the effective interest rate method and comprise foreign currency losses and markup / interest expense on borrowings.

Financial income comprises interest income on funds invested. Markup / interest income is recognised as it accrues in profit and loss account, using the effective interest rate method.

2.24 Dividend

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved.

2.25 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (the CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Polyester, Soda Ash, Life Sciences, Chemicals and others (PowerGen), which also reflects the management structure of the Group.

2.26 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognized in the profit and loss account.

2.27 Off-setting

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

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
3.	**Property, Plant and Equipment**		
3.1	The following is a statement of property, plant and equipment:		
	Operating property, plant and equipment - note 3.2	8,147,259	8,303,581
	Capital work-in-progress - note 3.7	2,580,208	2,006,732
		10,727,467	10,310,313

3.2 The following is a statement of operating property, plant and equipment:

	Land			Buildings						
	Freehold	Leasehold	Lime beds on freehold land	On freehold land	On leasehold land	Plant and machinery	Railway sidings	Rolling stock and vehicles	Furniture and equipment	Total
	Note 3.3			Note 3.3		Note 3.3				
	As at June 30, 2013									
Net carrying value basis At June 30, 2013										
Opening net book value (NBV)	341,885	-	127,434	337,375	683,958	6,592,326	-	21,010	199,593	8,303,581
Addition/transfer (at cost)	-	-	12,534	8,993	14,383	357,579	-	400	14,311	408,200
Disposal/transfer (at NBV)	-	-	-	-	(803)	(3,654)	-	(508)	(29)	(4,994)
Depreciation charge - note 3.5	-	-	(5,443)	(25,046)	(42,527)	(448,951)	-	(7,937)	(29,624)	(559,528)
Closing net book value (NBV)	341,885	-	134,525	321,322	655,011	6,497,300	-	12,965	184,251	8,147,259
Gross carrying value basis At June 30, 2013										
Cost/Revaluation	341,885	567,799	239,657	1,256,083	1,470,646	19,991,178	297	94,690	665,599	24,627,834
Accumulated depreciation	-	(567,799)	(105,132)	(934,760)	(815,635)	(13,493,878)	(297)	(81,725)	(481,349)	(16,480,575)
Net book value (NBV)	341,885	-	134,525	321,323	655,011	6,497,300	-	12,965	184,250	8,147,259
Depreciation rate % per annum	-	2 to 4	3.33 to 7.5	5 to 10	2.5 to 10	3.33 to 50	3.33	10 to 25	10 to 33.33	
	As at December 31, 2012									
Net carrying value basis At December 31, 2012										
Opening net book value (NBV)	341,885	-	114,497	370,068	722,701	7,065,990	-	18,487	204,203	8,837,831
Addition/transfer (at cost)	-	-	25,551	17,499	42,997	404,441	-	11,220	66,548	568,256
Disposal/transfer (at NBV)	-	-	-	-	(637)	(7,266)	-	(952)	(4,459)	(13,314)
Depreciation charge - note 3.5	-	-	(12,614)	(50,192)	(81,103)	(870,839)	-	(7,745)	(66,699)	(1,089,192)
Closing net book value (NBV)	341,885	-	127,434	337,375	683,958	6,592,326	-	21,010	199,593	8,303,581
Gross carrying value basis At December 31, 2012										
Cost/Revaluation	341,885	567,799	227,123	1,247,089	1,463,173	19,760,021	297	96,994	651,603	24,355,984
Accumulated depreciation	-	(567,799)	(99,689)	(909,714)	(779,215)	(13,167,695)	(297)	(75,984)	(452,010)	(16,052,403)
Net book value (NBV)	341,885	-	127,434	337,375	683,958	6,592,326	-	21,010	199,593	8,303,581
Depreciation rate % per annum	-	2 to 4	3.33 to 7.5	5 to 10	2.5 to 10	3.33 to 50	3.33	10 to 25	10 to 33.33	

		As at June 30, 2013	As at December 31, 2012
3.2.1	Cost and net book value of major spare parts and stand by equipment included in Plant and machinery are as follows:		
	Cost	345,981	345,310
	Net book value	205,170	219,074

3.3 Subsequent to revaluation on October 1, 1959, September 30, 2000 and December 15, 2006 which had resulted in a surplus of Rs 14.207 million, Rs 1,569.869 million and Rs 704.752 million respectively, the land, buildings on freehold and leasehold land and plant and machinery were revalued again on December 31, 2011 resulting in a net surplus of Rs 848.191 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value.

3.4 Plant and machinery including equipments held with Searle Pakistan Limited and Maple Pharmaceutical (Private) Limited (toll manufacturers), having cost and net book values is as follows:

	As at June 30, 2013	As at December 31, 2012
Cost	2,272	2,272
Net book value	1,099	1,192

Amounts in Rs '000

3.5 The depreciation charge for the period / year has been allocated as follows:

	Six months period ended June 30, 2013	Year ended December 31, 2012
Cost of sales - note 26	529,895	1,024,250
Selling and distribution expenses - note 27	2,837	12,440
Administrative and general expenses - note 28	26,796	52,502
	559,528	1,089,192

3.5.1 Depreciation charge is inclusive of the incremental depreciation due to revaluation.

3.6 Had there been no revaluation, the net book value of specific classes of operating property, plant and equipment would have amounted to:

Net Book Value	As at June 30, 2013	As at December 31, 2012
Freehold land	42,605	42,605
Buildings	806,318	829,863
Plant and machinery	6,017,549	6,064,516
	6,866,472	6,936,984

3.7 The following is a statement of capital work-in-progress: (note 3.7.1)

Civil works and buildings	290,758	160,948
Plant and machinery	1,970,677	1,650,582
Miscellaneous equipments	235,219	140,379
Advances to suppliers / contractors	14,189	15,630
Designing, consultancy and engineering fee	69,365	39,193
	2,580,208	2,006,732

3.7.1 This includes interest charge on long term loan obtained for Coal Fired Boiler project amounting to Rs 136 million (2012: Rs 66 million).

3.8 Details of operating property, plant and equipment disposed off during the period / year having net book value in excess of Rs 50,000 are as follows:

As at June 30, 2013

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
Diesel Generator Set and various other items	Scrap	16,594	13,333	3,261	1,037	Shahbaz and Company, Malakwal Disrict Mandi Bahauddin
Rolling stock and vehicles						
Toyota Corolla, Toyota Altis and Fork Lift trucks	Tender	2,600	2,092	508	2,470	S Muhammad Shakeel, Zahid Qadri and Asif Mahmood, Karachi
Building						
Scrap items	Scrap	2,930	2,274	656	10	Anjum Wood Craft, Khewra District Jhelum

As at December 31, 2012

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
Boiler Coil	Scrap	1,584	1,515	69	70	Shahid Hanif Ghouri, House # 7, Mandi Bahauddin
Rolling stock and vehicles						
Kia Sportage, Toyota Corolla and others	Tender	1,478	592	886	3,467	Muhammad Farooq Ahmed, House No.28, Jamal Street, Lahore and Shafiqur Rehman, Sultan Ali, Shah Jehan etc.
Furniture and equipment						
Central heating and hot water system and others	Tender	2,975	1,795	1,180	1,024	Owner Of Miranjani House - Samad A Khan, Alpine Hotel, Manshera Road, Abbottabad, and Anjum Wood Craft, Khewra District Jhelum etc.
Diesel generator and others	BOD approval	3,563	714	2,849	2,818	Waqar A Malik, Ex- Chief Executive Officer

Amounts in Rs '000

4 Intangible Assets

	As at June 30, 2013		
Net carrying value basis	**Softwares**	**Licenses**	**Total**
Six month period ended June 30, 2013			
Opening net book value (NBV)	**19,115**	**21,877**	**40,992**
Additions at cost	**-**	**25,042**	**25,042**
Amortisation charge - note 4.1	**(7,361)**	**(13,550)**	**(20,911)**
Closing net book value (NBV)	**11,754**	**33,369**	**45,123**
Gross carrying amount			
At June 30, 2013			
Cost	**230,212**	**128,459**	**358,671**
Accumulated amortisation	**(218,458)**	**(95,090)**	**(313,548)**
Net book value (NBV)	**11,754**	**33,369**	**45,123**
Amortisation rate % per annum	**20**	**20 to 50**	

	As at December 31, 2012		
Net carrying value basis			
Year ended December 31, 2012			
Opening net book value (NBV)	27,791	41,327	69,118
Additions at cost	-	1,853	1,853
Amortisation charge - note 4.1	(8,676)	(21,303)	(29,979)
Closing net book value (NBV)	19,115	21,877	40,992
Gross carrying amount			
At December 31, 2012			
Cost	230,212	103,417	333,629
Accumulated amortisation	(211,097)	(81,540)	(292,637)
Net book value (NBV)	19,115	21,877	40,992
Amortisation rate % per annum	20	20 to 50	

4.1 The amortisation charge for the period / year has been allocated as follows:

	Six months period ended June 30, 2013	Year ended December 31, 2012
Cost of sales - note 26	**4,460**	10,828
Selling and distribution expenses - note 27	**4,485**	2,303
Administrative and general expenses - note 28	**11,966**	16,848
	20,911	29,979

5. Long-Term Investments

	As at June 30, 2013	As at December 31, 2012
Unquoted		
Equity security available-for-sale		
- Arabian Sea Country Club Limited		
250,000 ordinary shares (2012: 250,000) of Rs 10 each	**2,500**	2,500

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
6.	**Long-Term Loans - Considered good**		
	Due from directors, executives and employees - note 6.1	**202,071**	194,432

6.1 Due from Directors, Executives and Employees

	Motor car	House building	Total	Total
Due from directors and executives - note 6.3	120,504	66,426	**186,930**	182,008
Less: Receivable within one year - note 11	21,219	25,929	**47,148**	44,279
	99,285	40,497	**139,782**	137,729
Due from employees - note 6.3			**86,023**	80,492
Less: Receivable within one year - note 11			**23,734**	23,789
			62,289	56,703
			202,071	194,432
Outstanding for period:				
- less than three years but over one year			**113,643**	115,755
- more than three years			**88,428**	78,677
			202,071	194,432

6.2 Reconciliation of the carrying amount of loans to Directors and Executives:

Opening balance at January 1	**182,008**	154,598
Disbursements during the period / year	**46,528**	113,348
Repayments during the period / year	**(41,606)**	(85,938)
Balance at June 30 / December 31	**186,930**	182,008

6.3 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees including executives of the Company in accordance with their terms of employment.

6.4 The maximum aggregate amount of loans due from the Executives at the end of any month during the period was Rs 186.930 million (2012: Rs 182.008 million).

		As at June 30, 2013	As at December 31, 2012
7.	**Long-Term Deposits and Prepayments**		
	Deposits	**24,632**	26,799
	Prepayments	**8,706**	14,092
		33,338	40,891

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
8.	**Stores, Spares and Consumables**		
	Stores - note 8.1	**48,301**	43,344
	Spares - note 8.1	**665,949**	664,822
	Consumables	**106,915**	94,577
		821,165	802,743
	Less: Provision for slow moving and obsolete items - note 8.2	**205,383**	205,383
		615,782	597,360

8.1 The above amounts include stores and spares in transit of Rs 19.821 million (2012: Rs 14.291 million).

		As at June 30, 2013	As at December 31, 2012
8.2	Movement of provision in stores, spares and consumables is as follows:		
	Provision as at January 1	**205,383**	202,799
	Charge for the period / year - note 28	**-**	2,625
	Write-off during the period / year	**-**	(41)
	Provision as at June 30 / December 31	**205,383**	205,383
9.	**Stock-in-Trade**		
	Raw and packing material (include in-transit Rs 741.313 million 2012: Rs 824.331 million) - note 9.3	**2,106,390**	2,501,294
	Work-in-process	**232,841**	147,963
	Finished goods (include in-transit Rs Nil 2012: Rs 195.149 million)	**2,348,788**	2,850,782
		4,688,019	5,500,039
	Less: Provision for slow moving and obsolete stocks - note 9.1		
	- Raw material	**15,461**	12,730
	- Finished goods	**77,681**	75,698
		93,142	88,428
		4,594,877	5,411,611
9.1	Movement of provision in stock-in-trade is as follows:		
	Provision as at January 1	**88,428**	64,042
	Charge for the period / year - note 28	**8,231**	29,435
	Write-off during the period / year	**(3,517)**	(4,572)
	Payment	**-**	(477)
	Provision as at June 30 / December 31	**93,142**	88,428

9.2 Stock-in-trade amounting to Rs 364.413 million (2012: Rs 280.249 million) is measured at net realisable value and has been written down by Rs 17.354 million (2012: Rs 16.461 million) to arrive at its net realisable value.

Amounts in Rs '000

9.3 Raw and packing materials include Rs 414.694 million (2012: Rs. 243.227 million) which are held with the following toll manufacturers:

	As at June 30, 2013	As at December 31, 2012
Searle Pakistan Limited	**305,766**	202,533
Maple Pharmaceutical (Private) Limited	**1,934**	1,934
EPLA Laboratories (Private) Limited	**46,258**	18,412
Breeze Pharma (Private) Limited	**33,831**	16,756
Nova Med Pharmaceuticals	**25,308**	314
Others	**1,597**	3,280
	414,694	243,229

10. Trade Debts

Considered good		
- Secured	**288,092**	343,536
- Unsecured	**743,984**	453,489
	1,032,076	797,025
Considered doubtful	**94,802**	95,384
	1,126,878	892,409
Less: Provision for:		
- Doubtful debts - note 40.4	**94,802**	95,384
- Discounts payable on sales	**140,890**	201,332
	235,692	296,716
	891,186	595,693

10.1 The above balances include amounts due from the following associated undertakings:

Yunus Textile Mills Limited	**17,496**	11,795
Lucky Textile Mills Limited	**10,657**	6,975
Lucky Knits (Private) Limited	**730**	-
	28,883	18,770

11. Loans and Advances

Considered good		
Loans due from:		
Directors and executives - note 6.1	**47,148**	44,279
Employees - note 6.1	**23,734**	23,789
	70,882	68,068
Advances to:		
Directors and Executives - note 11.1	**7,573**	6,624
Employees	**199**	1,501
Contractors and suppliers	**76,572**	113,989
Others	**5,414**	3,666
	89,758	125,780
	160,640	193,848
Considered doubtful	**7,292**	7,292
	167,932	201,140
Less: Provision for doubtful loans and advances - note 40.4	**7,292**	7,292
	160,640	193,848

11.1 The maximum aggregate amount of advances due from the directors and executives at the end of any month during the period was Rs 2.585 million and Rs 10.922 million (2012: Rs 9.646 million and Rs 14.459 million) respectively.

Amounts in Rs '000

			As at June 30, 2013	As at December 31, 2012
12.	**Trade Deposits and Short-Term Prepayments**			
	Trade deposits		**17,165**	15,279
	Short-term prepayments		**144,723**	90,652
			161,888	105,931
13.	**Other Receivables**			
	Considered good			
	Duties, sales tax and octroi refunds due		**392,101**	274,287
	Commission and discounts receivable		**21,784**	51,696
	Interest income receivable		**10,231**	5,099
	Receivable from principal		**710,600**	705,100
	Others		**53,496**	29,341
		Note 13.1	**1,188,212**	1,065,523
	Considered doubtful		**57,312**	57,312
			1,245,524	1,122,835
	Less: Provision for doubtful receivables - note 13.2		**57,312**	57,312
			1,188,212	1,065,523

13.1 This amount includes Rs 23.36 million (2012: Rs 10.8 million) on account of exchange gain / loss on forward exchange contracts.

		As at June 30, 2013	As at December 31, 2012
13.2	**Movement of provision for doubtful receivables**		
	Provision as at January 1	**57,312**	18,185
	Charge for the period / year - note 28	**-**	40,796
	Write-off during the period / year	**-**	(1,669)
	Provision as at June 30 / December 31	**57,312**	57,312
14.	**Cash and Bank Balances**		
	Cash at banks :		
	- Short-term deposits - note 14.1	**102,000**	102,000
	- Current accounts	**465,308**	520,288
	In hand:		
	- Cheques	**261,159**	275,066
	- Cash	**7,676**	6,763
		836,143	904,117

14.1 These are placed with various banks with terms ranging from one week to one year. The mark-up on these deposits ranges between 11.20% to 11.50% (2012: 9.50% to 11.50%) and these term deposits are readily encashable without any penalty. The current period short term deposits pertain to security deposits from customers.

Amounts in Rs '000

15 Issued, Subscribed and Paid-up Capital

As at June 30, 2013	As at December 31, 2012		As at June 30, 2013	As at December 31, 2012
(Numbers)				
83,734,062	83,734,062	Ordinary shares of Rs 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of Rs 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 15.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of Rs 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous Scheme as fully paid for consideration of investment in associate (note 15.2)	**83,963**	83,963
92,359,050	92,359,050		**923,591**	923,591

15.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 1, 1987.

15.2 With effect from October 1, 2000 the Pure Terephthalic Acid (PTA) Business of the Company was demerged under a Scheme of Arrangement ("the previous Scheme") dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

15.3 On December 28, 2012, Lucky Holdings Limited acquired from ICI Omicron B.V. its entire shareholding of 70,019,459 shares in ICI Pakistan Limited, besides acquiring 111,698 additional shares by way of public offer made by it to all the shareholders of the Company in pursuance of the provisions of the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs), Ordinance, 2002 and the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs) Regulations, 2008. Thus, Lucky Holdings Limited became the holding company, and Lucky Cement Limited became the ultimate holding company of ICI Pakistan Limited with effect from December 28, 2012. Along with Lucky Holdings Limited, two other companies of the Yunus Brothers Group namely, Gadoon Textile Mills Limited and Lucky Textile Mills Limited also participated in the public offer thereby acquiring 5,980,917 shares and 5,077,180 shares respectively. As at the balance sheet date, Lucky Cement Limited held 87.79% shareholding through Lucky Holdings Limited and associated undertakings.

16 Capital Reserves

Share premium - note 16.1	**309,057**	309,057
Capital receipts - note 16.2	**586**	586
	309,643	309,643

16.1 Share premium includes the premium amounting to Rs 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of Rs 464.357 million representing the difference between nominal value of Rs 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of Rs 590.541 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous Scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange over the ten trading days between October 22, 2001 to November 2, 2001.

With effect from July 1, 2011, the capital reserves were split between the Company and Akzo Nobel Pakistan Limited based on 66.54:33.46 ratio which was disclosed in the audited special purpose financial statements for the six months period ended June 30, 2011.

16.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

17. Surplus on Revaluation of Property, Plant and Equipment

Balance as on January 1	**884,867**	967,863
Transferred to unappropriated profit in respect of incremental depreciation during the period / year - net of deferred tax	**(41,830)**	(82,996)
Balance as on June 30 / December 31	**843,037**	884,867

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
			Restated
18	**Provisions for non-management staff gratuity and eligible retired employees' medical scheme - note 18.1**	119,631	422,886

18.1 Staff Retirement Benefits

The amount recognized in the profit and loss account against Defined Benefit Scheme for the period / year is as follows:

	2013				2012 Restated			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:								
Current service cost	11,998	20,760	32,758	3,969	40,178	34,511	74,689	10,765
Interest cost	63,871	34,764	98,635	23,319	187,825	74,093	261,918	44,694
Expected return on plan assets	(64,311)	(18,406)	(82,717)	-	(183,705)	(52,069)	(235,774)	-
Termination cost	-	-	-	-	59,810	-	59,810	-
Recognition of actuarial loss	-	-	-	-	-	-	-	-
Past service cost	-	-	-	(302,563)	-	-	-	-
Net (reversal) / charge for the period / year	11,558	37,118	48,676	(275,275)	104,108	56,535	160,643	55,459
Other Comprehensive Income:								
Loss on obligation	(95,577)	(98,995)	(194,572)	(15,806)	(32,407)	(177,205)	(209,612)	14,949
(Gain) / Loss on plan assets	(95,884)	(30,553)	(126,437)	-	137,249	38,375	175,624	-
Net (gain) / loss	(191,461)	(129,548)	(321,009)	(15,806)	104,842	(138,830)	(33,988)	14,949
18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:								
Opening balance	(29,126)	(302,098)	(331,224)	(422,886)	(202,912)	(150,125)	(353,037)	(402,650)
Net (reversal) / charge - note 18.1.1	(11,558)	(37,118)	(48,676)	275,275	(104,108)	(56,535)	(160,643)	(55,459)
Other Comprehensive Income	191,461	129,548	321,009	15,806	104,842	(138,830)	(33,988)	14,949
Contributions / payments during the period / year	75,000	19,556	94,556	12,174	173,052	43,392	216,444	20,274
Closing Balance	225,777	(190,112)	35,665	(119,631) *	(29,126)	(302,098)	(331,224)	(422,886) *
18.1.3 The amounts recognised in the balance sheet are as follows:								
Fair value of plan assets - note 18.1.5	1,293,746	362,228	1,655,974	-	1,165,492	344,408	1,509,900	-
Present value of defined benefit obligation - note 18.1.4	(1,067,969)	(552,340)	(1,620,309)	(119,631)	(1,194,618)	(646,506)	(1,841,124)	(422,886)
Surplus / (Deficit)	225,777	(190,112)	35,665	(119,631) *	(29,126)	(302,098)	(331,224)	(422,886) *

The recognized asset/liability of funded gratuity is netted off against recognized asset/liability of funded pension and recorded accordingly.

	2013 Pension	2013 Gratuity	2013 Total	2013 Unfunded	2012 Pension	2012 Gratuity	2012 Total	2012 Unfunded
18.1.4 Movement in the present value of defined benefit obligation:								
Opening balance	1,194,618	646,506	1,841,124	422,886	1,426,539	508,072	1,934,611	402,650
Current service cost	11,998	20,760	32,758	3,969	40,178	34,511	74,689	10,765
Interest cost	63,871	34,764	98,635	23,319	187,825	74,093	261,918	44,694
Benefits paid	(106,941)	(50,695)	(157,636)	(12,174)	(552,141)	(147,375)	(699,516)	(20,274)
Termination cost	-	-	-	-	59,810	-	59,810	-
Actuarial loss (gain)	(95,577)	(98,995)	(194,572)	(15,806)	32,407	177,205	209,612	(14,949)
Past service cost	-	-	-	(302,563)	-	-	-	-
Closing balance	1,067,969	552,340	1,620,309	119,631	1,194,618	646,506	1,841,124	422,886
18.1.5 Movement in the fair value of plan assets:								
Opening balance	1,165,492	344,408	1,509,900	-	1,223,627	357,947	1,581,574	-
Expected return	64,311	18,406	82,717	-	183,705	52,069	235,774	-
Contributions	75,000	19,556	94,556	-	173,052	43,392	216,444	-
Benefits paid	(106,941)	(50,695)	(157,636)	-	(552,141)	(147,375)	(699,516)	-
Actuarial (loss) / gain	95,884	30,553	126,437	-	137,249	38,375	175,624	-
Closing balance	1,293,746	362,228	1,655,974	-	1,165,492	344,408	1,509,900	-

* The unfunded liability included in the above table includes Rs 0.239 million (December 31, 2012: Rs 0.239 million) pertaining to the Subsidiary.

18.1.6 Historical Information **

	June 30	December 31			
	2013	2012	2011	2010	2009
Present value of defined benefit obligation	1,739,940	2,264,010	2,337,261	2,483,046	2,088,882
Fair value of plan assets	1,655,974	1,509,900	1,581,574	1,771,477	1,354,469
Deficit	83,966	754,110	755,687	711,569	734,413

** Prior year figures are inclusive of staff retirement benefits of Paints business (from 2009 to 2010).

18.1.7 Major categories / composition of plan assets are as follows:

	2013	2012
Debt instruments	69%	73%
Equity at market value	28%	27%
Cash	3%	0%

Fair Value of Plan Assets

	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2013		As at December 31, 2012	
Investment				
National Savings deposits	526,012	82,250	360,361	81,979
Government bonds	339,014	172,385	477,669	164,172
Corporate bonds	9,431	8,137	8,238	8,144
Shares	392,450	70,317	318,577	87,968
Cash	26,839	29,139	647	2,145
Total	1,293,746	362,228	1,165,492	344,408

Mortality of active employees and pensioners is represented by the LIC (96-98) Table. The table has been rated down three years for mortality of female pensioners and widows.

The return on plan assets was assumed to be equal to the discount rate. Actual (loss) / return on plan assets during 2013 was Rs 209.154 million (2012: Rs 411.398 million).

Amounts in Rs '000

18.1.8 The principal actuarial assumptions at the reporting date were as follows:

	2013	2012
Discount rate	10.75%	11.50%
Expected return on plan assets	10.75%	11.50%
Future salary increases - Management	8.75%	13.00%
Future salary increases - Non-management	6.00%	6.00%
Future pension increases	6.00%	7.00%

18.1.9 Impact on obligation of changes in assumptions:

Assumption	1% Increase	1 % Decrease
Discount rate	(87,524)	98,243
Salary increase	62,691	(57,213)
Pension increase	37,684	(33,641)

18.1.10 The Group contributed Rs 31.631 million (2012: Rs 58.328 million) and Rs 21.452 million (December 31, 2012: Rs 35.286 million) to the provident fund and the defined contribution superannuation fund respectively during the year.

18.2 Provident fund

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Size of the fund	1,234,564	1,198,619
Cost of investments made	1,062,906	983,940
Percentage of investments made	86%	82%
Fair value of investments	1,196,650	1,138,518

18.2.1 Break-up of investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	June 30, 2013 (Unaudited)		Dec 31, 2012 (Audited)	
On Fair Value	Investments	% of investment as size of the fund	Investments	% of investment as size of the fund
Pakistan Investment Bonds	518,722	44%	504,942	44%
Treasury Bills	170,814	14%	54,091	5%
Short Term Deposit Account	222,300	19%	222,300	20%
Mutual Funds	76,867	6%	75,653	7%
Shares	195,654	16%	255,844	22%
Term Finance Certificates	12,293	1%	25,688	2%
	1,196,650	100%	1,138,518	100%

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

		As at June 30, 2013	As at December 31, 2012
19	**Long-term loans**	1,887,026	290,270
	From banking companies / financial institutions:		
	- Faysal Bank Limited	343,591	290,270
	- Habib Bank Limited	543,435	-
		887,026	290,270

The Group has obtained Long-Term Finance Facility (LTFF) for imported and locally manufactured plant and machinery from Faysal Bank Limited of Rs 343.591 million (limit: Rs 500 million) and Habib Bank Limited of Rs 543.435 million (limit: Rs 1,000 million) for a period of 7 years (including 2 year grace period), with the principal payable on semi annual basis. The mark-up is chargeable at fixed rate ranging from 9.65% to 9.85% payable on quarterly basis. These facilities are secured against first pari passu hypothecation charge on the Property, Plant and Equipment (PPE) of the Groups's Soda Ash Business. The loans have been refinanced by the State Bank of Pakistan under LTFF for Export Oriented Projects.

Islamic Term Finance

From banking companies / financial institutions:		
- Standard Chartered Bank (Pakistan) Limited	1,000,000	-

The Group has obtained long-term loan for Rs 1000 million from Standard Chartered Bank (Pakistan) Limited under Islamic Diminishing Musharaka upto a limit of Rs.1000 million for a period of 3 years (including 6 month grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on quarterly basis. This facility is initally secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the PPE of the Group's Polyester Business located at Sheikhupura.

Amounts in Rs '000

		As at June 30, 2013			As at December 31, 2012		
20	**Deferred Tax (Liability) / Asset - net**	**Opening**	**Reversal / (Charge) (note - 32)**	**Closing**	Opening	Reversal / (Charge) (note - 32)	Closing
	Deductible temporary differences						
	Provisions for retirement benefits, doubtful debts and others	**330,076**	**(28,410)**	**301,666**	286,493	43,583	330,076
	Retirement fund provision routed through other comprehensive income	**211,393**	**(117,885)**	**93,508**	248,339	(36,946)	211,393
	Taxable temporary differences						
	Property, plant and equipment	**(1,421,819)**	**(74,466)**	**(1,496,285)**	(1,472,727)	50,908	(1,421,819)
		(880,350)	**(220,761)**	**(1,101,111)**	(937,895)	57,545	(880,350)

		As at June 30, 2013	As at December 31, 2012
21	**Trade and Other Payables**		Restated
	Trade creditors - note 21.1	**651,021**	1,315,497
	Bills payable	**2,113,808**	3,190,094
	Sales tax, excise and custom duties	**43,240**	35,640
	Mark-up accrued on short term borrowings	**28,465**	16,645
	Accrued interest on expansion project - note 21.2	**38,733**	36,110
	Accrued expenses	**796,474**	774,026
	Technical service fee / royalty	**680**	665
	Workers' profit participation fund - note 21.3	**72,447**	81,887
	Workers' welfare fund	**54,110**	31,716
	Distributors' security deposits - payable on termination of distributorship - note 21.4	**118,888**	111,497
	Contractors' earnest / retention money	**9,550**	9,589
	Advances from customers - note 21.5	**118,086**	469,015
	Unclaimed dividends	**45,982**	4,537
	Payable for capital expenditure	**253,710**	216,972
	Provision for compensated absences - note 21.6	**31,249**	31,249
	Provision for staff retirement benefit plans - note 18	**-**	331,224
	Others	**173,263**	211,046
		4,549,706	6,867,409

21.1 This amount includes Rs 1.17 million (2012: Rs 52.5 million) on account of exchange gain / loss on forward exchange contracts.

21.2 This liability pertains to financing obtained for Coal Fired Boiler project. Interest charge on the finance facilities is part of capital work in progress.

		As at June 30, 2013	As at December 31, 2012
21.3	**Workers' profit participation fund**		
	Balance as on January 1	**81,887**	150,223
	Allocation for the period / year - note 29	**57,966**	77,673
		139,853	227,896
	Interest on funds utilised in the Group's businesses at 41.25 % (2012: 67.5 %) per annum - note 30	**2,594**	2,843
	Less:		
	- Paid to the Fund	**70,000**	148,852
	Balance as on June 30 / December 31	**72,447**	81,887

21.4 Interest on security deposits from certain distributors is payable at 11.2 % (2012: 11.9 %) per annum as specified in the respective agreements.

21.5 It includes amounts due to the following associated undertakings (related party):

Gadoon Textile Mills Limited	**2,891**	3,179
Fazal Textile Mills Limited	**249**	6,374
	3,140	9,553

21.6 This figure is based on actuarial valuation and estimation.

Amounts in Rs '000

		As at June 30, 2013	As at December 31, 2012
22	**Short-Term Borrowings and Running Finance - note 22.1, 22.2 & 22.3**	2,654,549	2,332,057

Short-term borrowings and running finance facilities from various banks aggregated to Rs 4,740 million (2012: Rs 4,100 million) and carry mark-up during the period ranging from relevant KIBOR + 0.40% to 0.75% per annum with an average markup rate of relevant KIBOR + 0.43% as at June 30, 2013 on utilised limits (2012: relevant KIBOR + 0.50% to 0.75% per annum with an average markup rate of relevant KIBOR + 0.61% on utilised limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group.

		Tenure		As at June 30, 2013	As at December 31, 2012
22.1	**Short - term borrowings - secured**	From	To		
	Samba Bank Limited	15-Apr-13	15-Jul-13	494,000	494,000
	United Bank Limited	7-Jun-13	08-Jul-13	300,000	300,000
	Standard Chartered Bank (Pakistan) Limited	14-Jun-13	15-Jul-13	100,000	200,000
	MCB Bank Limited	7-Jun-13	05-Jul-13	125,000	-
	Bank Alfalah Limited	12-Apr-13	11-Jul-13	435,000	-
	MCB Bank Limited	28-Jun-13	26-Jul-13	600,000	-
	United Bank Limited	25-Jun-13	25-Jul-13	72,000	-
				2,126,000	994,000

The above short-term borrowings are secured by first pari passu hypothecation charge as mentioned above and carry mark-up during the period ranging from relevant KIBOR + 0.20% to 0.40% (2012: Rs. 994 million, relevent KIBOR + 0.50%).

		As at June 30, 2013	As at December 31, 2012
22.2	**Export Refinance**	130,000	-

The Group has export refinance facility upto Rs 200 million (2012: Nil) available from Faysal Bank Limited as at June 30, 2013 out of which Rs 130 million was utilised (2012: Nil). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan rate (currently 8.40%) + 0.25% per annum.

		As at June 30, 2013	As at December 31, 2012
22.3	**Short - Term Running Finance - Secured**	398,549	1,338,057

The above short - term running finance is secured by first pari passu hypothecation charge as mentioned above.

23 Contingencies and Commitments

23.1 Claims against the Group not acknowledged as debts are as follows:

Local bodies - note 23.1.1	30,446	30,446
Others	28,288	30,389
	58,734	60,835

23.1.1 The Group was served notice by Punjab Employees Social Security Institution's Local office Shahdara, dated November 24, 1997 on Polyester Plant for alleged non payment Rs 11.96 million on account of Social Security Contribution on the basis of assessment made by the PESSI for the period 1996 and 1997, on behalf of contractors' workers (M/s Descon Engineering Limited) engaged for Expansion Project. The Group challenged the notice and filed an appeal with Vice Commissioner Social Security Institution and also filled petition in High Court Lahore on July 20, along with stay application, the court granted stay order on July 25, 2012. The outcome of the case cannot be determined yet.

23.1.2 A demand for additional electricity duty amounting to Rs. 17.711 million (December 31, 2012: Rs. 17.711 million) has been raised by the electric inspector to the Subsidiary for the period from March 2004 to June 2007. The matter along with other legal options are currently being explored by the Group. No provision has been made for the demand as the Group considers that this additional duty is not payable.

23.2 Also refer note 43 to these consolidated financial statements for income tax contingencies.

23.3 Guarantee issued by the Group of Rs 133 million (2012: Rs 133 million) to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.

23.4 Commitments in respect of capital expenditure (including Coal Fired Boiler Project of the Soda Ash business) amounted to Rs 567.309 million (2012: Rs 492.036 million).

Amounts in Rs '000

23.5 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles amounting to Rs 135.266 million (2012: Rs 126.028 million) are as follows:

	As at June 30, 2013	As at December 31, 2012
Year		
2013	**-**	52,396
2014	**55,030**	38,060
2015	**43,872**	24,937
2016	**26,783**	10,635
2017	**9,581**	-
	135,266	126,028
Payable not later than one year	**55,030**	52,396
Payable later than one year but not later than five years	**80,236**	73,632
	135,266	126,028

23.6 Outstanding foreign exchange contracts as at June 30, 2013 entered into by the Group amounted Rs 1,166.117 million (2012: Rs. 2,635.860 million).

24 **Operating Segment Results**

Amounts in Rs '000

	Note	Polyester: Six months period ended June 30, 2013	Polyester: Year ended December 31, 2012 Restated	Soda Ash: Six months period ended June 30, 2013	Soda Ash: Year ended December 31, 2012 Restated	Life Sciences: Six months period ended June 30, 2013	Life Sciences: Year ended December 31, 2012 Restated	Chemicals: Six months period ended June 30, 2013	Chemicals: Year ended December 31, 2012 Restated	Others - PowerGen: Six months period ended June 30, 2013	Others - PowerGen: Year ended December 31, 2012	Company: Six months period ended June 30, 2013	Company: Year ended December 31, 2012 Restated
Sales													
Afghanistan		-	-	4,864	3,614	699	-	1,928	2,917	-	-	7,291	6,531
India		-	-	181,003	305,719	-	-	-	-	-	-	181,003	305,719
United Arab Emirates		-	-	-	-	-	-	7,861	-	-	-	7,861	-
Others		8,233	-	-	-	-	-	-	1,562	-	-	8,233	1,562
		8,233	-	185,667	309,333	699	-	9,789	4,479	-	-	204,388	313,812
Inter-segment		-	-	-	-	-	-	9,785	40,969	543,181	897,558	552,966	938,527
Local		9,701,479	18,354,064	4,683,715	8,909,826	3,383,635	6,251,234	2,125,869	3,918,729	-	-	19,894,698	37,433,853
		9,709,712	18,354,064	4,869,382	9,219,159	3,384,334	6,251,234	2,145,443	3,964,177	543,181	897,558	20,652,052	38,686,192
Commission / Toll income		-	-	-	-	-	-	34,891	61,768	-		34,891	61,768
Turnover		9,709,712	18,354,064	4,869,382	9,219,159	3,384,334	6,251,234	2,180,334	4,025,945	543,181	897,558	20,686,943	38,747,960
Sales tax		126,708	-	645,513	1,363,618	9,189	15,281	215,631	374,555	75,641	123,801	1,072,682	1,877,255
Commission and discounts to distributors and customers		126,914	150,037	137,643	251,283	424,271	743,712	132,430	229,384	-	-	821,258	1,374,416
		253,622	150,037	783,156	1,614,901	433,460	758,993	348,061	603,939	75,641	123,801	1,893,940	3,251,671
Net sales, commission & toll income		9,456,090	18,204,027	4,086,226	7,604,258	2,950,874	5,492,241	1,832,273	3,422,006	467,540	773,757	18,793,003	35,496,289
Cost of sales	26	9,442,026	17,754,556	3,204,255	6,251,945	2,146,431	3,977,598	1,475,570	2,744,967	390,634	611,634	16,658,046	31,338,960
Gross profit		14,064	449,471	881,971	1,352,313	804,443	1,514,643	356,703	677,039	76,906	162,123	2,134,957	4,157,329
Selling and distribution expenses	27	48,019	76,400	51,357	91,835	329,996	701,702	96,019	198,582	-	-	523,391	1,068,519
Administrative and general expenses	28	124,976	474,711	102,888	405,031	76,632	247,949	56,638	172,622	621	1,642	361,635	1,301,715
Operating result		(158,931)	(101,640)	727,726	855,447	397,815	564,992	204,046	305,835	76,285	160,481	1,249,931	1,787,095
24.1 Segment assets - note 24.5		7,215,283	7,470,348	12,606,937	12,301,310	4,853,686	5,342,272	2,398,548	2,016,614	489,064	407,544	19,354,727	19,358,711
24.2 Unallocated assets												1,578,566	1,262,452
												20,933,293	20,621,163
24.3 Segment liabilities - note 24.5		5,569,049	9,252,833	3,177,567	4,668,000	1,680,842	2,601,067	809,807	824,026	58,010	72,893	6,084,283	9,468,055
24.4 Unallocated liabilities												4,227,741	1,324,917
												10,312,024	10,792,972

24.5 Inter unit current account balances of respective businesses have been eliminated from the total.

	Polyester: Six months period ended June 30, 2013	Polyester: Year ended December 31, 2012	Soda Ash: Six months period ended June 30, 2013	Soda Ash: Year ended December 31, 2012	Life Sciences: Six months period ended June 30, 2013	Life Sciences: Year ended December 31, 2012	Chemicals: Six months period ended June 30, 2013	Chemicals: Year ended December 31, 2012	Others - PowerGen: Six months period ended June 30, 2013	Others - PowerGen: Year ended December 31, 2012	Company: Six months period ended June 30, 2013	Company: Year ended December 31, 2012
24.6 Depreciation and amortisation - note 3.5 and 4.1	230,363	430,004	294,575	589,142	11,100	19,356	21,653	39,440	22,748	41,219	580,439	1,119,171
											580,439	1,119,171
24.7 Capital expenditure	407,574	958,464	550,903	1,911,095	16,997	14,805	19,671	35,014	11,573	26,017	1,006,718	2,943,395
											1,006,718	2,943,395

24.8 **Inter-segment pricing**
Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

24.9 There were no major customer of the Group which formed part of 10% or more of the Group's revenue.

25. **Reconciliations of reportable segment turnover, cost of sales, assets and liabilities**

		Six months period ended June 30, 2013	Year ended December 31, 2012
25.1	**Turnover**		
	Total turnover for reportable segments - note 24	20,686,943	38,747,960
	Elimination of inter-segment turnover note 24	(9,785)	(40,969)
	Elimination of inter-segment turnover from subsidiary	(543,181)	(897,558)
	Total turnover	20,133,977	37,809,433
25.2	**Cost of sales**		
	Total cost of sales for reportable segments - note 26	16,658,046	31,338,960
	Elimination of inter-segment purchases - note 26	(9,785)	(40,969)
	Elimination of inter-segment turnover from subsidiary	(543,181)	(897,558)
	Total cost of sales	16,105,080	30,400,433
25.3	**Assets**		
	Total assets for reportable segments	19,354,727	19,358,711
	Taxation - net	1,474,066	1,157,952
	Bank deposits - note 14	102,000	102,000
	Long term investments - note 5	2,500	2,500
	Total Assets	20,933,293	20,621,163
25.4	**Liabilities**		
	Total liabilities for reportable segments	6,084,283	9,468,055
	Short-term loan - note 22.1	2,258,000	994,000
	Long-term loan - note 19	1,887,026	290,270
	Accrued interest expansion project - note 21	38,733	36,110
	Unclaimed dividends - note 21	45,982	4,537
	Total liabilities	10,312,024	10,792,972

26. **Cost of Sales**

Amounts in Rs '000

	Polyester Six months period ended June 30, 2013	Polyester Year ended December 31, 2012 Restated	Soda Ash Six months period ended June 30, 2013	Soda Ash Year ended December 31, 2012 Restated	Life Sciences Six months period ended June 30, 2013	Life Sciences Year ended December 31, 2012 Restated	Chemicals Six months period ended June 30, 2013	Chemicals Year ended December 31, 2012 Restated	Others - PowerGen Six months period ended June 30, 2013	Others - PowerGen Year ended December 31, 2012	Company Six months period ended June 30, 2013	Company Year ended December 31, 2012 Restated
Raw and packing materials consumed												
Opening stock	1,394,859	880,001	359,582	177,745	588,355	457,248	115,497	89,435	30,271	29,695	2,488,564	1,634,124
Purchases												
Inter-segment	9,785	8,127	-	32,842	-	-	-	-	-	-	9,785	40,969
Others	7,501,920	15,484,417	1,028,100	2,073,403	456,369	1,389,353	1,009,243	1,428,892	320,926	468,167	10,316,558	20,844,232
	7,511,705	15,492,544	1,028,100	2,106,245	456,369	1,389,353	1,009,243	1,428,892	320,926	468,167	10,326,343	20,885,201
	8,906,564	16,372,545	1,387,682	2,283,990	1,044,724	1,846,601	1,124,740	1,518,327	351,197	497,862	12,814,907	22,519,325
Closing stock - note 9	(897,238)	(1,394,859)	(510,102)	(359,582)	(453,994)	(588,355)	(207,993)	(115,497)	(21,602)	(30,271)	(2,090,929)	(2,488,564)
Raw material consumed	8,009,326	14,977,686	877,580	1,924,408	590,730	1,258,246	916,747	1,402,830	329,595	467,591	10,723,978	20,030,761
Salaries, wages and benefits - note 26.1	133,692	382,330	220,162	631,846	900	3,810	17,326	50,709	9,911	10,222	382,011	1,078,917
Stores and spares consumed	69,819	140,603	47,339	94,919	-	-	2,293	5,878	7,621	12,984	127,072	254,384
Conversion fee paid to contract manufacturers	-	-	-	-	136,435	287,189	4,871	9,261	-	-	141,306	296,450
Oil, gas and electricity	1,002,818	1,834,515	1,210,766	2,848,687	-	-	4,690	8,426	13,950	67,583	2,232,254	4,759,213
Rent, rates and taxes	490	1,035	864	929	-	-	6,948	12,156	210	550	8,512	14,670
Insurance	12,923	22,911	16,976	21,612	-	-	563	1,100	875	1,675	31,331	47,298
Repairs and maintenance	1,657	1,155	5	85	-	-	2,174	4,245	61	122	3,897	5,607
Depreciation and amortisation charge - note 3.5 and 4.1	217,025	405,568	282,987	565,651	207	443	11,408	21,997	22,748	41,219	534,355	1,035,078
Excise duty	-	-	-	-	-	-	-	-	4,736	7,852	4,736	7,852
Technical fees	-	-	-	-	-	703	1,354	2,597	-	-	1,354	3,300
Royalty	-	-	-	-	-	1,502	-	-	-	-	-	1,502
General expenses - note 26.2	68,347	130,350	67,482	147,642	1,167	1,007	6,940	14,547	484	1,836	143,530	293,642
Opening stock of work-in-process	74,987	168,491	-	-	71,700	28,376	1,276	3,379	-	-	147,963	220,246
Closing stock of work-in-process - note 9	(170,516)	(74,987)	-	-	(59,475)	(71,700)	(2,850)	(1,276)	-	-	(232,841)	(147,963)
Cost of goods manufactured	9,420,568	18,009,657	2,724,185	6,235,979	741,664	1,509,666	973,740	1,535,851	390,171	611,634	14,249,458	27,901,047
Opening stock of finished goods	1,009,796	669,745	383,510	47,146	1,102,849	896,220	278,929	401,098	-	-	2,775,084	2,014,181
Finished goods purchased	6,979	84,950	175,327	352,326	1,098,109	2,697,903	631,964	1,093,070	463	-	1,912,842	4,228,251
	10,437,343	18,764,352	3,283,022	6,635,455	2,942,622	5,103,789	1,884,633	3,029,989	390,634	611,634	18,937,384	34,143,479
Closing stock of finished goods - note 9	(994,304)	(1,009,796)	(78,767)	(383,510)	(793,560)	(1,102,849)	(404,476)	(278,929)	-	-	(2,271,107)	(2,775,084)
Provision for obsolete stocks - note 26	(1,013)	-	-	-	(2,631)	(23,342)	(4,587)	(6,093)	-	-	(8,231)	(29,435)
	9,442,026	17,754,556	3,204,255	6,251,945	2,146,431	3,977,598	1,475,570	2,744,967	390,634	611,634	16,658,046	31,338,960

26.1 **Staff retirement benefits**

Salaries, wages and benefits include Rs 23.865 million (December 31, 2012: Rs 112.007 million) in respect of staff retirement benefits. Decrease in salaries, wages and benefits during the period is on account of net reversal of retirement benefit provision of Rs 130.31 million, mainly in respect of past service cost (refer note 18).

26.2 **Service charges from subsidiary**

This includes amount Rs 0.870 million (December 31, 2012: Rs 1.740 million) charged by the Company for certain administrative service charges in accordance with the service level agreement which has been eliminated from the total.

27. **Selling and Distribution Expenses**

Amounts in Rs '000

	Polyester Six months period ended June 30, 2013	Polyester Year ended December 31, 2012 Restated	Soda Ash Six months period ended June 30, 2013	Soda Ash Year ended December 31, 2012 Restated	Life Sciences Six months period ended June 30, 2013	Life Sciences Year ended December 31, 2012 Restated	Chemicals Six months period ended June 30, 2013	Chemicals Year ended December 31, 2012 Restated	Others - PowerGen Six months period ended June 30, 2013	Others - PowerGen Year ended December 31, 2012	Company Six months period ended June 30, 2013	Company Year ended December 31, 2012 Restated
Salaries and benefits - note 27.1	16,373	56,499	7,690	20,842	104,418	276,569	23,610	77,863	-	-	152,091	431,773
Repairs and maintenance	101	20	1,092	1,893	1,378	3,116	856	1,775	-	-	3,427	6,806
Advertising and publicity expenses	193	141	42	6,847	62,127	130,639	3,926	6,420	-	-	66,288	144,047
Rent, rates and taxes	192	46	1,529	2,008	4,179	7,872	613	1,110	-	-	6,513	11,126
Insurance	-	-	597	669	5,069	7,340	1,594	4,635	-	-	7,260	12,644
Lighting, heating and cooling	59	8	680	1,162	1,357	3,916	1,453	2,078	-	-	3,549	7,166
Depreciation and amortisation charge - note 3.5 and 4.1	-	-	65	146	4,506	9,735	2,751	4,862	-	-	7,322	14,743
Outward freight and handling	5,014	2,945	30,530	43,307	30,299	45,487	28,307	48,734	-	-	94,150	140,473
Travelling expenses	3,350	6,774	1,336	3,247	43,833	99,282	7,781	13,016	-	-	56,280	122,319
Postage, telegram, telephone and telex	779	782	343	1,351	8,856	16,083	2,477	4,431	-	-	12,455	22,647
General expenses	19,958	9,165	7,453	10,273	63,974	102,559	22,671	32,758	-	-	114,056	154,775
	46,019	76,400	51,357	91,835	329,898	701,702	96,019	198,582	-	-	523,391	1,068,519

Amounts in Rs '000

27.1 **Staff retirement benefits**

Salaries and benefits include Rs 14.038 million (December 31, 2012: Rs 35.728 million) in respect of staff retirement benefits. Decrease in salaries, wages and benefits during the period is on account of net reversal of retirement benefit provision of Rs 38.152 million, mainly in respect of past service cost (refer note 16).

28. **Administrative and General Expenses**

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Company	Company
	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012 Restated
Salaries and benefits - note 28.1	61,181	305,816	54,173	291,013	38,779	159,958	28,249	122,250	-	-	182,382	879,037
Repairs and maintenance	2,797	5,424	1,582	3,455	1,686	2,777	481	795	-	-	6,546	12,451
Advertising and publicity expenses	1,018	1,752	1,159	2,016	388	652	251	495	-	-	2,816	4,915
Rent, rates and taxes	2,838	5,868	1,441	5,954	466	1,422	312	948	-	-	5,057	14,192
Insurance	493	2,236	589	2,675	2,390	2,704	160	577	-	-	3,632	8,192
Lighting, heating and cooling	2,987	5,678	2,874	5,159	2,909	4,295	621	1,112	-	-	9,391	16,244
Depreciation and amortisation charge - note 3.5 and 4.1	13,338	24,436	11,543	23,145	6,387	9,188	7,494	12,581	-	-	38,762	69,350
Provision for doubtful debts										-		
- trade - note 40.6	-	672	-	-	-	123	774	2,250	-		774	3,045
- others - note 13.1	-	37,000	-	2,348	-	1,448	-	-	-	-	-	40,796
Provision for obsolete stocks - note 9.1	1,013	-	-	-	2,631	23,342	4,587	6,093	-	-	8,231	29,435
Provision for obsolete spares - note 8.1	-	-	-	2,025	-	-	-	-	-	-	-	2,025
Travelling expenses	3,203	6,259	1,941	4,686	2,402	4,875	2,292	4,807	-	-	9,838	22,627
Postage, telegram, telephone and telex	1,633	3,351	1,420	3,089	1,167	2,669	827	1,446	-	-	5,047	10,555
General expenses - note 28.2	34,475	74,219	26,166	58,668	17,427	34,496	10,590	19,268	621	1,642	89,159	188,251
	124,976	474,711	102,888	405,031	76,632	247,949	56,638	172,622	621	1,642	361,635	1,301,715

28.1 **Staff retirement benefits**

Salaries and benefits include Rs 15.360 million (December 31, 2012: Rs 162.108 million) in respect of staff retirement benefits. Decrease in salaries, wages and benefits during the period is on account of net reversal of retirement benefit provision of Rs 58.137 million, mainly in respect of past service cost (refer note 16).

28.2 **Service charges from subsidiary**

This includes amount Rs 0.120 million (December 31, 2012: Rs 0.240 million) charged by the Company for certain administrative service charges in accordance with the service level agreement which has been eliminated from the total.

Amounts in Rs '000

		Six months period ended June 30, 2013	Year ended December 31, 2012
29.	**Other charges**		
	Auditors' remuneration - note 29.1	**2,739**	10,301
	Donations - note 29.2	**7,450**	22,070
	Workers' profit participation fund - note 21.3	**57,966**	77,673
	Workers' welfare fund	**22,395**	30,063
		90,550	140,107
29.1	**Auditors' remuneration**		
	Audit and group reporting fee - note 29.1.1	**2,250**	3,467
	Half yearly review and other certifications	**-**	1,231
	Demerger related charges	**-**	5,500
	Out of pocket expenses	**489**	103
		2,739	10,301

29.1.1 For the current period, it represents only statutory audit fee.

29.2 Donations include Rs Nil (December 31, 2012: Rs 6 million) to ICI Pakistan Foundation (Head office, Karachi) Mr. Ali Asrar Aga, Director of the Group, Mr. Suhail Aslam Khan, Mr. Asif Malik and Ms. Seemi Saad, Executives of the Group are amongst the Trustees of the Foundation.

		Six months period ended June 30, 2013	Year ended December 31, 2012
30.	**Finance Costs**		
	Mark-up on short-term financing	**137,370**	56,052
	Interest on workers' profit participation fund - note 21.3	**2,594**	2,843
	Discounting charges on receivables	**20,917**	55,841
	Exchange losses	**24,914**	81,758
	Guarantee fee and others	**1,998**	1,670
	Interest on loan due to Akzo Nobel Pakistan Limited	**-**	96,363
		187,793	294,527
31.	**Other Income**		
	Income from financial assets		
	Profit on short-term and call deposits	**-**	109,254
		-	109,254
	Income from non-financial assets		
	Scrap sales	**22,563**	58,949
	Gain on disposal of property, plant and equipment	**363**	16,640
	Provisions and accruals no longer required written back	**92,214**	7,786
	Exchange gain	**-**	20,519
	Sundries	**10,460**	27,418
		125,600	240,566

Amounts in Rs '000

		Six months period ended June 30, 2013	Year ended December 31, 2012
			Restated
32.	**Taxation**		
	Current	**271,336**	625,658
	Deferred	**102,872**	(103,095)
	Prior year charge	**(35,887)**	-
	Net tax charged - note 32.1	**338,321**	522,563
32.1	**Tax reconciliation**		
	Profit before taxation	**1,097,188**	1,593,027
	Tax @ 35%	**384,016**	557,560
	Tax impact on profit of subsidiary - note 32.2	**(24,885)**	(33,881)
	Effect of prior year charge	**(35,887)**	-
	Tax impact due to change of FTR ratio	**8,230**	(2,806)
	Permanent difference (donations)	**2,608**	-
	Others	**4,239**	1,690
	Net tax charged	**338,321**	522,563
	Average effective tax rate	**31%**	33%

32.2 The minimum turnover tax on subsidiary has been waived under second schedule of the Income Tax Ordinance 2001 and accordingly, the income of the Subsidiary is exempt under the provision of Income Tax Ordinance 2001.

		Six months period ended June 30, 2013	Year ended December 31, 2012
			Restated
33.	**Earnings per share - Basic and diluted**		
	Profit after tax for the period / year	**758,867**	1,070,464
		Number of shares	
	Weighted average number of ordinary shares (allocated) in issue during the period / year	**92,359,050**	92,359,050
			Restated
	Earnings per share for the period / year (Rupees)	**8.22**	11.59

Amounts in Rs '000

34. Remuneration of Chairman, Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements for the remuneration, including all benefits, to the Chairman, Chief Executive, Directors and Executives of the Group were as follows:

	Chairman		Chief Executive		Directors		Executives		Total	
	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012	Six months period ended June 30, 2013	Year ended December 31, 2012
Managerial remuneration	365	3,687	15,633	134,484	16,125	50,516	174,047	524,559	206,170	713,246
Retirement benefits	-	-	2,558	68,564	3,137	9,909	45,188	134,803	50,883	213,276
Group insurance	-	-	9	64	19	128	552	7,025	580	7,217
Rent and house maintenance	-	-	1,862	2,927	-	-	53,514	150,497	55,376	153,424
Utilities	-	-	256	983	-	-	13,118	37,305	13,374	38,288
Medical expenses	-	-	42	359	66	165	15,098	26,342	15,206	26,866
	365	3,687	20,360	207,381	19,347	60,718	301,517	880,531	341,589	1,152,317
Number of person(s)	1	1	1	1	2	2	370	371	378	377

34.1 In addition to above, an amount of Rs 99.5 million (December 31, 2012: Rs 257.7 million) on account of variable pay, to employees, has been recognised in the current period. This amount is payable in 2014 after verification of achievements against targets.

Variable and special bonus paid during the period / year includes the following:

	Paid in 2013 relating to 2012	Paid in 2012 relating to 2011
Chief Executive	-	103,366
Directors	3,855	78,026
Executives	48,007	416,827
Other employees	39,376	79,522
	91,238	677,741

34.2 The Directors and certain Executives are provided with free use of Company cars in accordance with their entitlement. The Chief Executive is provided with free use of Company car, certein household equipments and maintenance when needed.

34.3 Aggregate amount charged in the financial statements for remuneration to six Non-executive Directors was Rs 1.975 million (December 31, 2012: Rs 9.813 million). This includes fees paid to directors amounting to Rs 0.525 million (December 31, 2012: Rs 0.400 million) for attending board and other meetings which is not included above.

34.3.1 The remuneration and fees paid to directors during the current period includes Rs 0.442 million and Rs 0.08 million respectively for two non-executive directors who were appointed as executive directors during the period.

34.4 The above balances include an amount of Rs 75.35 million (2012: Rs 595.114 million) on account of remuneration of key management personnel out of which Rs 11.881 million (2012: Rs 30.648 million) relates to post employment benefits.

		Six months period ended June 30, 2013	Year ended December 31, 2012
34.5	Total number of employees as of the balance sheet date	1066	1096
	Average number of employees during the period / year	1069	1100

35. Transactions with Related Parties

The related parties comprise ultimate holding company (Lucky Cement Limited), related group companies, local associated company, directors of the Group, companies where directors also hold directorship, key employees (note 34) and staff retirement funds (note 18). Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Associated companies	Six months period ended June 30, 2013	Year ended December 31, 2012
Purchase of goods, materials and services	62	13,526
Provision of services and other receipts	-	3,639
Sale of goods and materials	716,830	641,967
Dividends	162,379	823,804
Donations	-	6,000

Amounts in Rs '000

36. Plant Capacity and Annual Production

- in metric tonnes except PowerGen which is thousand of Megawatt hours:

	Six months period ended June 30, 2013		Year ended December 31, 2012	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester - note 36.1	**122,000**	**54,428**	122,000	111,727
Soda Ash - note 36.1	**350,000**	**118,864**	350,000	255,610
Chemicals - note 36.2	**-**	**9,291**	-	11,065
Sodium Bicarbonate	**20,000**	**13,070**	20,000	25,700
PowerGen - note 36.3	**122,640**	**22,567**	122,640	36,029

36.1 Production was below name plate capacity due to gas curtailment.

36.2 The capacity of Chemicals is indeterminable because these are multi-product plants.

36.3 Electricity by PowerGen is produced as per demand

37. Fair Value of Financial Assets and Liabilities

The carrying amounts of the financial assets and financial liabilities approximate their fair values and is determined largely on the basis of non-observable market data.

38. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

38.1 Risk Management Framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

39. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

Amounts in Rs '000

39.1 Interest Rate Risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of Group's interest-bearing financial instruments were:

	Carrying Amount	
	Six months period ended June 30, 2013	Year ended December 31, 2012
Fixed rate instruments		
Financial assets - Note 14	**102,000**	102,000
Financial liabilities - Note 19 & 21	**(1,005,914)**	(401,767)
	(903,914)	(299,767)
Variable rate instruments		
Financial liabilities - Note 19 & 22	**(3,654,549)**	(2,332,057)
	(3,654,549)	(2,332,057)

Sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments
If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the period would have been Rs 26.54 million (2012: Rs 23.32 million).

39.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Group is exposed to foreign currency risk on sales and purchases, which, are entered in a currency other than Pak Rupees. To hedge this risk the Group has entered into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Group's Treasury policy. The policy allows the Group to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross consolidated balance sheet exposure classified into seperate foreign currencies:

	EURO	USD	GBP	JPY
	Six month period ended June 30, 2013			
Trade debts	**-**	**7,861**	**-**	**-**
Other receivables	**1,156**	**722,914**	**-**	**-**
Cash and bank balances	**-**	**53,265**	**-**	**-**
	1,156	**784,040**	**-**	**-**
Trade and other payables	**143,565**	**1,416,383**	**545,421**	**1,321**
Gross consolidated balance sheet exposure	**(142,409)**	**(632,343)**	**(545,421)**	**(1,321)**
	Year ended December 31, 2012			
Trade debts	-	8,743	-	-
Cash and bank balances	-	138,226	-	-
	-	146,969	-	-
Trade and other payables	195,508	2,090,032	976,469	2,241
Gross consolidated balance sheet exposure	(195,508)	(1,943,063)	(976,469)	(2,241)

Significant exchange rates applied during the period were as follows:

	Average rate		Spot rate	
	Six months period ended June 30, 2013	Year ended December 31, 2012	**As at June 30, 2013**	**As at December 31, 2012**
Rupees per	**Rupees**		**Rupees**	
EURO	128.92	120.09	130.18	128.18
USD	98.22	93.40	99.66	97.15
GBP	151.53	148.03	151.80	157.07
JPY	1.03	1.17	1.01	1.13
SGD	78.77	74.78	79.00	79.55

Amounts in Rs '000

Sensitivity analysis

The following table demostrates the sensitivity to the change in exchange rates. As at June 30, 2013, if Pakistani Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group's profit before tax at June 30, 2013 and December 31, 2012 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2013					
Pak Rupee	+1%	1,424	6,323	5,454	13
Pak Rupee	-1%	(1,424)	(6,323)	(5,454)	(13)
2012					
Pak Rupee	+1%	1,955	19,431	9,765	22
Pak RUpee	-1%	(1,955)	(19,431)	(9,765)	(22)

40. Credit Risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Group's gross maximum exposure to credit risk at the reporting date is as follows:

		As at June 30, 2013	As at December 31, 2012
40.1	**Financial Assets**		
	Long-term investments - note 5	**2,500**	2,500
	Long-term loans - note 6	**202,071**	194,432
	Long-term deposits - note 7	**24,632**	26,799
	Trade debts - note 10	**891,186**	595,693
	Loans and advances - note 11	**70,882**	68,068
	Trade deposits - note 12	**17,165**	15,279
	Other receivables - note 13	**796,111**	791,236
	Bank balances - note 14	**828,467**	897,354
		2,833,014	2,591,361

40.2 The Group has placed its funds with banks which are rated A-1 by Standard & Poor's and P-1 by Moody's.

40.3	**Financial Assets**		
	- Secured	**453,287**	462,609
	- Unsecured	**2,379,727**	2,128,752
		2,833,014	2,591,361

40.4 The ageing of bank balances, trade debts and loans and advances at the reporting date is as follows:

Not past due	**1,812,583**	1,646,962
Past due but not Impaired:		
Not more than three months	**63,946**	46,098
Past due and Impaired:		
More than three months and not more than six months	**2,000**	3,628
More than six months and not more than nine months	**-**	-
More than nine months and not more than one year	**-**	-
More than one year	**103,858**	92,883
	169,804	142,609
Less: Provision for:		
- Doubtful debts - note 10	**94,802**	95,384
- Doubtful loans and advances - note 11	**7,292**	7,292
	102,094	102,676
	1,880,293	1,686,895

40.4.1 There were no past due or impaired receivables from related parties.

Amounts in Rs '000

40.5 The maximum exposure to credit risk for past due and impaired at the reporting date by type of counterparty was:

Wholesale customers	1,181	12,405
Retail customers	16,650	10,136
End-user customers	151,974	120,068
	169,805	142,609
Less: Provision for:		
- Doubtful debts - note 10	94,802	95,384
- Doubtful loans and advances - note 11	7,292	7,292
	102,094	102,676
	67,711	39,933

40.6 Movement of provision for trade debts and loans and advances

	Trade Debts	Loans and Advances	Total	Total
Opening balance	95,384	7,292	102,676	99,631
Additional provision - note 28	774	-	774	3,045
(Write off) / Provision utilised against write-offs	(302)	-	(302)	-
Provision no longer required	(1,054)	-	(1,054)	-
	94,802	7,292	102,094	102,676

40.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a company-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days; and
- Provide an impairment loss for 100% when overdue more than 120 days

40.7 **Concentration Risk**

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

	Six months period ended June 30, 2013	Year ended December 31, 2012
Textile and Chemicals	557,561	389,673
Glass	64,651	33,081
Paper and Board	2,015	15,233
Pharmaceuticals	150,600	21,327
Paints	10,369	35,772
Bank	828,467	897,354
Others	368,724	397,131
	1,982,387	1,789,571
Less: Provision for:		
- Doubtful debts - note 10	94,802	95,384
- Doubtful loans and advances - note 11	7,292	7,292
	102,094	102,676
	1,880,293	1,686,895

40.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Group is not materially exposed to other price risk.

41. **Liquidity Risk**

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Amount in Rs '000

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
	Six months period ended June 30, 2013		
Financial liabilities			
Trade creditors - note 21	651,021	(651,021)	(651,021)
Bills payable - note 21	2,113,808	(2,113,808)	(2,113,808)
Mark-up accrued on short term financing - note 21	28,465	(28,465)	(28,465)
Accrued interest on secured/unsecured loans - note 21	38,733	(38,733)	(38,733)
Accrued expenses - note 21	796,474	(796,474)	(796,474)
Technical service fee / Royalty - note 21	680	(680)	(680)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.4	118,888	(133,036)	(133,036)
Contractors' earnest / retention money - note 21	9,550	(9,550)	(9,550)
Unclaimed dividends - note 21	45,982	(45,982)	(45,982)
Payable for capital expenditure - note 21	253,710	(253,710)	(253,710)
Others - note 21	173,263	(173,263)	(173,263)
Long-term loans - note 19	1,887,026	(2,446,543)	(377,836)
Short-term borrowings - note 22.1 & 22.2	2,256,000	(2,290,387)	(2,290,387)
Short-term running finance - note 22.3	398,549	(398,549)	(398,549)
	8,772,149	(9,380,201)	(7,311,494)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

	Year ended December 31, 2012		
Financial liabilities			
Trade creditors - note 21	1,315,497	(1,315,497)	(1,315,497)
Bills payable - note 21	3,190,094	(3,190,094)	(3,190,094)
Mark-up accrued on short term financing - note 21	16,645	(16,645)	(16,645)
Accrued interest on secured/unsecured loans - note 21	36,110	(36,110)	(36,110)
Accrued expenses - note 21	774,026	(774,026)	(774,026)
Technical service fee / Royalty - note 21	665	(665)	(665)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.4	111,497	(124,765)	(124,765)
Contractors' earnest / retention money - note 21	9,589	(9,589)	(9,589)
Unclaimed dividends - note 21	4,537	(4,537)	(4,537)
Payable for capital expenditure - note 21	216,972	(216,972)	(216,972)
Others - note 21	211,046	(211,046)	(211,046)
Long-term loans - note 19	290,270	(400,281)	(23,176)
Short-term borrowings - note 22.1 & 22.2	994,000	(1,002,408)	(1,002,408)
Short-term running finance - note 22.3	1,338,057	(1,338,057)	(1,338,057)
	8,509,005	(8,640,692)	(8,263,587)

42. Capital Risk Management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2013 and December 31, 2012 is as follows:

	Amounts in Rs' 000	
	As at June 30, 2013	As at December 31, 2012
Long-term loans	**1,887,026**	290,270
Trade and other payables	**4,549,706**	6,867,409
Short-term borrowings and running finance	**2,654,549**	2,332,057
Total debt	**9,091,281**	9,489,736
Cash and bank balances	**(836,143)**	(904,117)
Net Debt	**8,255,138**	8,585,619
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Unappropriated profit	**8,544,999**	7,710,090
Equity	**9,778,233**	8,943,324
Capital	**18,033,371**	17,528,943
Gearing ratio	**45.78%**	48.98%

43. Accounting Estimates and Judgements

Income Taxes

The Group takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

The Appellate Tribunal Inland Revenue had earlier set aside the assessment for the assessment year 1998-99 on the issues of date of commissioning of PTA plant & depreciation thereon, restriction of cost of capitalisation of PTA plant and addition to income in respect of trial production stocks. The re-assessment was finalised by the department on June 29, 2010 giving rise to an additional tax demand. The Group had filed an appeal against the said order before the CIR(Appeals), the hearing of appeal of which has been completed and the order is awaited.

The tax department reopened the income tax assessment for the assessment year 2001-2002 on the ground that demerger of PTA business from ICI Pakistan Limited. was effective from the completion date i.e. August 6, 2001. This was challenged by the Group in the High Court which upheld the Group's contention that the department did not have the right to reopen this finalised assessment. The department filed an appeal in the Supreme Court against the High Court's order. The appeal was dismissed by the Supreme Court under the principle of well known case of Eli Lilly. After the Supreme Court's decision on retrospectivity as mentioned above, a notice has been issued u/s 66A of the repealed Ordinance by Tax department on June 20, 2011, which was challenged by the Group in the High Court on the basis of Supreme Court's decision as above. However, despite the stay granted by High Court, the Tax Department issued an order on May 7, 2012 and raised the demand of the additional tax liability of Rs 19 million. The Group filed an appeal before the Appellate Tribunal Inland Revenue which decided the case in Group's favour on the basis that order issued on May 7, 2012 was time barred. The tax department has also issued an order through which Tribunal's order has been given effect and Group's position has been accepted.

For the assessment year 2002-2003 on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Group had filed a writ petition in the Supreme Court 'after it being dismissed by the Sindh High Court on maintainability', challenging the tax department's notice that the effective date of PTA's demerger was August 6, 2001 rather than the effective date given in the Scheme of Arrangement as October 1, 2000. That notice had raised certain issues relating to vesting of PTA assets by the Group. It is the Group's contention that such an action is unwarranted and which has illegally changed the settled position.

Whilst amending the assessment for the Tax Year 2003, 2004, 2005, 2007, 2008 and 2010 tax department has taken certain action in the order, considered by the department as " protective assessment" on the matter of unabsorbed depreciation carried forward. It is the Group's contention that such an action is unwarranted. An appeal before the CIR (Appeals) , on the matter has been filed, which is pending. The very basis of such an action has also been challenged before the High Court of Sindh which are pending for hearing.

In April 2012, a notice had been issued by the Tax Department for recovery of tax demand of Rs 271 million for Tax year 2003 and Rs 310 million for Tax year 2004 on account of unabsorbed tax depreciation relating to the demerger of PPTA business. This notice has been issued by the Tax Department on the basis that revenue cases cannot be stayed by the High Court of Sindh for a period of more than six months as mentioned in Article 199(4A) of the Constitution of Pakistan. The Group through its counsel has filed a reply to Tax Department stating that since our assessments are protective assessments and as stated in the order the demand can only arise after the matter is finally decided by the Supreme Court for assessment year 2002-03. No action has been taken by the Tax Department after the reply of the Group.

Notice under section 221 of the Income Tax Ordinance 2001 for rectification of deemed assessment order for the Tax Year 2005 has been issued to disallow unabsorbed depreciation carried forward. A writ petition against the said notice has been filed with the High Court of Sindh which is pending for hearing.

For Tax Year 2006, the case had been selected for audit/scrutiny and whilst framing the order tax department has taken certain action in the orders, considered by the department as "protective assessments" on the matter of unabsorbed depreciation carried forward. A tax demand of Rs 616 million was raised in the order. It is the Group's contention that such an action is unwarranted. An appeal before the CIR (Appeals) on the matter has been filed which is pending to date.

In June 2012, whilst amending the assessment for the Tax Year 2009, the tax department had disallowed the unabsorbed depreciation on the ground that there was no brought forward depreciation from Tax Year 2008 and a demand of Rs 972 million was created. It was the Group's contention that such an action was unwarranted. This position was totally different from the position taken earlier by the tax department. The Group had filed an appeal before the High Court of Sindh challenging the said order which had decided the case with the direction that the matter will be finalised by the CIR(Appeals) within six weeks from the date of High Court's Order. On August 15, 2012 CIR(Appeals) issued its order and upheld the order passed by the tax department earlier. The Group then filed an appeal before the Appellate Tribunal Inland Revenue against the said order of CIR(Appeals) as well as for the stay of demand. On November 15, 2012, the Tribunal decided the case in Company's favour on the basis that the original assessment order for assessment year 2001-02 passed on May 29, 2002 is now crystallized and therefore unabsorbed depreciation is available to the Group. The Tax Department has also issued an order giving effect to the Tribunal's decision through which the unabsorbed depreciation has been allowed to be carried forward for adjustment in Tax Year 2009. Subsequently in July the Tax Department has also an order for Tax Year 2010 giving us the benefit of carried forward depreciation from Tax Year 2009. Subsequently, in July 2013 the Tax Department has also passed an order for Tax Year 2010, whereby allowed the benefit of carried forward depreciation from Tax Year 2009.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

44. Standards or Interpretations not yet effective

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

44.1 New, Amended and Revised Standards and Interpretations of IFRSs

The Group has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 16 – Property, Plant and Equipment – (Amendments)

IAS 19 – Employee Benefits – (Revised)

IAS 27 – Seperate Financial Statements (2011)

IAS 28 – Investments in Associates and Joint Ventures (2011)

IAS 34 – Interim Financial Reporting – (Amendments)

IFRS 7 – Financial Instruments : Disclosures – (Amendment)
-Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Annual improvements 2009-11

The adoption of the above revision, amendments interpretation of the standards did not have any effect on the consolidated financial statements except for IAS 19 as discussed in note 2.13 to these consolidated financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 July 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards, Interpretations and Amendments to Approved Accounting Standards that are Not Yet Effective

The following are the standards and interpretations, which have been issued but are not yet effective for the current financial year:

Description	Effective for periods beginning on or after
Revision / improvements / amendments to IFRSs and interpretations	
IAS 32 - Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
Standards issued by IASB but not yet notified by SECP	
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2015

The Group expects that the adoption of the above standards and interpretations will not have material effect on the Group's consolidated financial statements in the period of initial application except for IFRS 9 - Financial Instruments: Classification and Measurement, which may affect certain disclosures.

45. Post Balance Sheet Events

45.1 Dividend

The Directors in their meeting held on ---------------- have recommended a final dividend of Rs ------ per share (December 31, 2012: Rs 2.00 per share) in respect of period ended June 30, 2013. The consolidated financial statements for the period ended June 30, 2013 do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

46. Date of Authorisation

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on ____________.

47. General

47.1 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.

47.2 As disclosed in note 1, during the six months period ended June 30, 2013 the Group has changed its financial year from December 31 to June 30. Accordingly, these consolidated financial statements cover the period from January 1, 2013 to June 30, 2013. Corresponding figures in the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity pertain to full year ended December 31, 2012 and, hence, are not comparable.

47.3 Due to change in accounting policy in respect of staff retirement benefits as fully explained in note 2.13 to the consolidated financial statements, corresponding figures have been reported after restatement.

47.4 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation and disclosure and this has been disclosed in relevant notes. However, there have been no material reclassifications to report.

Muhammad Ali Tabba	Asif Jooma	Muhammad Abid Ganatra
Vice Chairman / Director	Chief Executive	Chief Financial Officer